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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, 2024

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: (610) 640-4202

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, 2024) was approximately $48.9 million.

The number of shares of Registrant's Common Stock outstanding as of March 18, 2025 was 65,814,512.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's Definitive Proxy Statement relating to the 2025 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, 2024, are incorporated by reference into Part III of this Report.

NEURONETICS, INC.
Annual Report on Form 10-K for the year ended December 31, 2024
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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 ability to successfully complete the announced restructuring plans; 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; physician and patient demand for treatments using the Company's products; developments in competing technologies and therapies for the indications that the Company's products treat; product defects; the Company's revenue has been concentrated among a small number of customers; the Company's ability to obtain and maintain intellectual property protection for its technology; 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; the Company's self-sustainability and existing cash balances; and the Company's ability to achieve cash flow break-even in the third quarter of 2025.

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/or 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/or 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

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 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 United States Food and Drug Administration (the "FDA") to treat adult patients with major depressive disorder ("MDD") who have failed to achieve satisfactory improvement from at least one 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 as an adjunct for adults with OCD, and 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 United States, offering NeuroStar Advanced Therapy ("Neurostar"). The Company acquired Greenbrook, a leading provider of mental healthcare services, pursuant to an Arrangement Agreement effective as of December 9, 2024. 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. Greenbrook 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 195,356 global patients treated with over 7.1 million of our treatment sessions through December 31, 2024. We generated revenues of $74.9 million for the year ended December 31, 2024.

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 psychiatrist 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 significant practice development resources, on-site clinical training and reimbursement and service support to help our psychiatrist customers develop a successful NeuroStar Advanced Therapy System practice. We also provide cloud-based practice management solutions that enhance convenience for both psychiatrists and patients. Based on our commercial data, we believe psychiatrists 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, 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 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 716 employees as of December 31, 2024.

We generate Neurostar revenues from initial capital sales of our systems, sales of our recurring treatment sessions, service and repair and extended warranty contracts and clinic revenue. We derive the majority of our revenues from recurring treatment sessions. For the year ended December 31, 2024, we generated revenues of $74.9 million and had a net loss of $43.7 million. Our revenues increased 5% during the year ended December 31, 2024 compared to the year ended December 31, 2023. For the year ended December 31, 2024, our U.S. revenues were $72.5 million, compared to $69.3 million for the year ended December 31, 2023, which represented an increase of 5% compared to the prior period. Revenues from treatment sessions represented 70% of our U.S. revenues for the year ended December 31, 2024 compared to 73% of our U.S. revenues for the prior year.

Recent Transaction

Effective as of December 9, 2024, Neuronetics and Greenbrook completed the planned acquisition whereby Neuronetics acquired all of the issued and outstanding common shares of Greenbrook (“Greenbrook Shares”) by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) (the “Arrangement”). 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 95 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 69 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. We believe that becoming a more comprehensive mental healthcare provider will allow it to provide greater access to those 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. We believe that the remaining 95 Treatment Centers provide a strong foundation to innovate and develop new product lines, further enhancing access and quality of care to those suffering from MDD and other mental health disorders.

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 95 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
-

As a leading mental health provider Greenbrook's expertise includes:

- Large Network of Clinics
- Offer New Paradigms 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 psychiatrist 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. We intend to continue to expand our team of business development managers that are responsible for driving new customer acquisitions. 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. We currently have 40 NeuroStar practice development managers in 2024 ("PDMs") as at December 31, 2024, to focus exclusively on helping increase patient utilization of NeuroStar Advanced Therapy System in a practice. We intend to add to this team to support our revenue growth. Our NeuroStar practice consultants focus their efforts on helping psychiatrist customers implement our Better Me Guarantee Provider pilot program and our 5 Stars Solution for Practice Success. We intend to make further investments in 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 invest further in our direct to consumer marketing programs, which is 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.

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 65 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, 2024, our sales and customer support team worked collaboratively across the following departments: sales, marketing, field service, customer support, and reimbursement. In 2025, we plan to continue to have a comprehensive direct sales and customer support team, including 40 PDMs, 21 regional account managers, 10 area sales managers, 2 clinical training managers, 18 field service and technical support specialists, 14 sales leaders, 7 customer service representatives, and 10 reimbursement specialists and managers.

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 small percentage of our customer base. We are dependent upon a small number of customers, as the market for neurohealth disorder equipment is highly concentrated.

We target approximately 53,000 psychiatrists across 26,000 psychiatric practices, We target these practices by the number of psychiatrists within their practices, the number of patients they treat and their acceptance of commercial insurance and Medicare. We believe that our psychiatrist 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 Psychiatrist Training—United States

Our PDMs play a pivotal 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 psychiatrist on how to track clinical outcomes, interpret data and effectively convey results to existing and potential patients and referring physicians. Our

PDMs also work with our customers to increase awareness with referring physicians 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. This group has assisted our customers to conduct over 83,815 benefit investigations.

Psychiatrists 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 bi-monthly *NeuroStar University* courses to educate existing customers on internal best practices that help them improve the patient experience and overall business operations. This group has trained 344 customers during the year 2024.

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 patient responsiveness standards to all 95 Treatment Centers, increasing the number of Treatment Centers that offer SPRAVATO and expanding our medication management offerings.

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. 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, 2024, our patent estate included 82 issued or allowed patents and 20 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, 2024, we owned or licensed 33 issued or

allowed patents and 10 pending patent applications that are directed to our TMS technology. Outside the United States, as of December 31, 2024, we owned or licensed 49 issued or allowed patents, 10 pending patent applications and zero pending Patent Cooperation Treaty application.

These U.S. issued patents are expected to remain in effect until between 2025 and 2035. Non-U.S. patents are expected to remain in effect until between 2025 and 2035. In 2025, we expect that 11 U.S. patents will expire and 14 non-U.S. patents will expire. 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, TMS design patents, including coil position, motor threshold level determination, contact sensing, and articulation arm designs, patient comfort, TMS support technologies and pulse monitoring, and potential next generation technologies.

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, 2024, 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 are continuing to transition our console manufacturing to Ascential Technologies (previously D&K Engineering), collaborating with them on optimizing the global supply chain.

Reimbursement, Payor Relations and Customer Support

Based on our estimates, over 65 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 and/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, 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 Anti-Kickback Statute 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 federal healthcare Anti-Kickback Statute constitutes a false or fraudulent claim for purposes of the federal civil False Claims Act ("FCA"). Although there are a number of statutory exceptions and regulatory safe harbors to the federal healthcare Anti-Kickback Statute 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. False Claims Act liability is potentially significant in the healthcare industry because the statute provides for treble damages and mandatory penalties of $13,946 to $27,894 (increasing in 2025) 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 federal Anti-Kickback Statute 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" (including "durable medical equipment and supplies" and "outpatient hospital 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. Additionally, 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. Further, the services (specifically TMS) furnished (outside of a hospital context) by physician groups with whom we maintain contractual arrangements do not constitute DHS. Notably, however, the Stark Law is a strict liability statute and compliance 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 federal healthcare Anti-Kickback Statute, 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;

- 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. Most recently, under President Biden, the Department of Justice dropped its support of two Supreme Court cases challenging PPACA in addition to a case before the U.S. Court of Appeals for the Fifth Circuit. On January 28, 2021, President Biden signed an executive order to expand access to PPACA coverage, stating that it is the "policy" of the Biden administration to protect and strengthen the PPACA and directing agencies to consider suspending, revising, or rescinding actions related to President Trump's executive orders that are inconsistent with this policy position. 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 under the former Biden administration will have on our business, and there is uncertainty as to what healthcare programs and regulations may be implemented or changed at the federal and/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 and/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. 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.

European Union Regulation

Neuronetics has received European Conformity ("CE") certification under the European Union ("EU" or "E.U.") Medical Device Regulation ("MDR") (2017/745). This CE mark provides market authorization within the EU and European Economic Area ("EEA"). In the EU, a single regulatory approval process exists, in which a Notified Body assesses the conformity of the medical device intended to be marketed with the legal requirements set forth in the EU MDR. To obtain a CE mark, medical devices and their accessories must meet minimum standards of performance, safety, and quality (i.e., the essential requirements), and then, according to their classification, comply with one or more of a selection of conformity assessment routes. After conformity is confirmed, the CE mark is affixed to the medical device itself or on its packaging, thus indicating its conformity status. The competent authorities of the EU countries separately regulate the clinical research for medical devices and the market surveillance of products once they are placed on the market.

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, 2024, we had 716 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 2024, the Company continued to offer a two-day work from home policy 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 required 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 innovation 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 intend to integrate the Neuronetics and Greenbrook benefit plans.

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 (610) 640-4202. 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 significantly declines, psychiatrists may be reluctant to use our products and our revenues, earnings and cash flows at our Treatment Centers would be substantially reduced.
- Our revenue has been concentrated among a small number of customers, and if we lose any of these customers and fail to replace them, or if any of these customers fail to perform their obligations to us, our revenue may decrease substantially.
- 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.

- 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 products 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 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 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.

- 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.

- 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.

- 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.

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

- The combination with Greenbrook may fail to realize the anticipated benefits of the Arrangement, 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. As a result of the Arrangement, the Company 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.
- Tariffs implemented by the new 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.
- 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.
- 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 $43.7 million and $30.2 million for the years ended December 31, 2024 and 2023, respectively. As a result of ongoing losses, as of December 31, 2024, we had an accumulated deficit of $419.8 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 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 psychiatrists may attribute such negative events to TMS therapy generally, which may adversely affect market adoption of our products. 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 psychiatrists. 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. The global impact of COVID-19, or other 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 customer's 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 significantly declines, psychiatrists may be reluctant to use our products and our revenues, earnings and cash flows at our Treatment Centers would be substantially reduced.

In the United States, sales of our products will depend, in part, on the extent to which the treatment sessions using our products 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 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 and/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 is made on a plan-by-plan basis. One payor's determination to provide coverage for a specific treatment does not assure 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.

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 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 psychiatrists and other treatment providers on the safe and appropriate use of our products, 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, 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 psychiatrists and to provide them with adequate, ongoing instruction and training in the use of our products. This training process generally requires psychiatrists 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 psychiatrists or their personnel are comfortable with and may therefore affect our ability to increase sales. Convincing psychiatrists to dedicate the time and energy necessary for adequate training is challenging, and we may not be successful in these efforts.

Our revenue has been concentrated among a small number of customers, and if we lose any of these customers and fail to replace them, our revenue may decrease substantially.

A significant amount of Neuronetics' revenue is derived from a limited number of customers, including current competitors of Greenbrook. Any material non-payment or non-performance by one of these customers, a significant downturn or deterioration in the business or financial condition of any of these customers, or any

other event significantly negatively impacting a contractual relationship with one of these customers could adversely affect the financial condition and results of operations of the Company.

Prior to the Arrangement, Greenbrook was Neuronetics' largest customer, and revenue derived from Greenbrook will now be eliminated in the Company's consolidated financial statements.

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 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 psychiatrist'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 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 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 are, and any future products 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 or other market activities of current or new industry participants. Our ability to compete successfully will depend on our ability to develop products that reach the market in a timely manner, to receive adequate coverage and reimbursement from third-party payors, and to successfully demonstrate to psychiatrists and patients the merits of our products compared to those of our competitors. If we are not successful in convincing others of the merits of our products, including in comparison to those of our competitors, or educating them on the use of our products, they may not use our products 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 or that require a less significant investment of resources from psychiatrists. 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 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 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 products 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 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, 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, most of the salespersons we recently hired 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.

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 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 2024 and do not expect to in the future. Our Chief Executive Officer's employment agreement does not guarantee our retention of our Chief Executive Officer for any period of time.

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 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. New pharmaceutical products, technologies, techniques or other products could emerge that might offer better combinations of price and performance than our products. It is important that we anticipate changes in technology and market demand, as well as psychiatrist 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 or our existing products for additional indications. Future products, even if cleared, might not be accepted by psychiatrists or the third-party payors who reimburse for the procedures performed with our products. 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 or our products when compared to the products and devices of our competitors;
- develop and introduce new products or product enhancements 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; and
- obtain the necessary regulatory clearances or approvals for new products or product enhancements.

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. During 2023, we transitioned to a new contract manufacturer for our console in a planned process.

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 commercial company and our growth rate may be volatile. For example for 2024, 2023 and 2022 our growth rate was 5%, 9% and 18% 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 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 require us to devote significant resources to training our customers on the use, and educating our customers on the benefits, of our products, 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.

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 plan to market and sell our products through our exclusive distribution agreement in Japan once we attain reimbursement approval. 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 in Japan, and plan to market and sell our products through our exclusive distribution agreement in Japan. Once we attain satisfactory reimbursement approval, we expect that sales of our NeuroStar Advanced Therapy System in Japan will increase.

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 are assessing the opportunity to expand into other international markets. However, our 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-dealing 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 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, ("CROs"), 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 psychiatrists are not sufficiently trained in the use of our products, they may misuse or ineffectively use our products, 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;
- 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 and/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 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 the newly enacted federal income tax law, 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, ("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 psychiatrists and patients. In addition, the fourth quarter has consistently been a strong revenue quarter on a sequential basis primarily due to U.S. psychiatrists' 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 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 combination with Greenbrook may be more difficult, costly or time-consuming than expected, and the combined company may fail to realize the anticipated benefits of the Arrangement.

The success of the Arrangement 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 Arrangement, we and Greenbrook 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 the Arrangement may not be realized fully or at all or may take longer to realize than

expected. In addition, the revenue and cost synergies of the Arrangement 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 were 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.

The Company may not realize the anticipated benefits of the Arrangement.

Achieving the benefits of the Arrangement depends in part on the ability of the Company to effectively capitalize on its scale, scope and leadership, to realize the anticipated operating synergies, and to maximize the potential of its growth opportunities. A variety of factors, including those risk factors set forth in this Annual Report on Form 10-K and the documents incorporated by reference herein, may adversely affect the ability to achieve the anticipated benefits of the Arrangement.

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

As a result of the pursuit and completion of the Arrangement, significant demands have been placed 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 of Neuronetics and Greenbrook will be adequate to support the expansion of operations and associated increased costs and complexity following and resulting from the consummation of the Arrangement. The future operating results of the Company will be affected by the ability of its officers and key employees to manage changing business conditions, integrate the acquisition of Greenbrook 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, or 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 $1.2 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 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 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 $1.2 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 and/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 only provide reimbursement for SPRAVATO 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 and/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 and/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.

Most 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 and/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 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 new 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.

If Greenbrook's actual financial results materially differ from its reported financial statements, our future profitability, cash flows and stock price could be adversely affected.

Greenbrook did not file a quarterly report on Form 10-Q for the quarter ended September 30, 2024, and Greenbrook deregistered with the SEC and is no longer required to file a reports under the Exchange Act. Accordingly, Greenbrook's financial statements for the quarter ended September 30, 2024 did not go through the typical independent auditor review procedures required for publicly reporting companies. As a result, actual results could materially differ from previous quarterly financial statements. If Greenbrook's actual financial results materially differ from its financial statements for such prior period, our future profitability, cash flows and stock price could be adversely affected.

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 will begin to expire in the United States in 2024, and our patents outside of the United States are expected to remain in effect until between 2024 and 2035. 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 five 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/or 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 try 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/or 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/or 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 may 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 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, false claims and physician transparency laws. Our business practices and relationships with providers, patients 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 psychiatrists, other healthcare providers, or other potential purchasers of our products. 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. 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.

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. 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:

- establishes 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;
- implements payment system reforms including a national pilot program on payment bundling to encourage hospitals, psychiatrists and other providers to improve the coordination, quality and efficiency of certain healthcare services through bundled payment models; and
- expands 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, which could result in reduced demand for our products or additional pricing pressure.

Our employees, distributors, and other third parties may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements.

We are exposed to the risk that our employees, distributors, and other third parties 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, regardless of intent, 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, promotion and labeling of medical devices or arrangements with healthcare providers, are subject to extensive laws and regulations intended to prevent fraud, misconduct, kickbacks, self-dealing, patient steering and other abusive practices, as described herein.

These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer or patient incentive programs, and other business, investment or compensation 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. Efforts to ensure that the activities of these parties will comply with applicable healthcare laws and regulations involve substantial costs. These risks may exceed those which we have identified, and the processes and policies we have implemented may not be sufficient to prevent misconduct. Noncompliance may result in the imposition of significant fines or other sanctions, including civil, criminal and administrative penalties, monetary damages, fines, individual imprisonment, disgorgement, possible exclusion from participation in government healthcare programs, 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, 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.

As a result of the Arrangement, the Company 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 and/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 and/or unlawful fee-splitting. In this event, failure to comply could lead to adverse judicial or administrative action against the Company and/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, and/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.

- The federal Anti-Kickback Statute (42 U.S.C. § 1320a-7b(b)), or the Anti-Kickback Statute, 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 Anti-Kickback Statute 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 Anti-Kickback Statute 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 Anti-Kickback Statute. 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 Anti-Kickback Statute. 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 Anti-Kickback Statute. However, conduct and business arrangements falling outside the safe harbors may lead to increased scrutiny by government enforcement authorities.

Where the Anti-Kickback Statute has been violated, the government may proceed criminally or civilly. If the government proceeds criminally, a violation of the Anti-Kickback Statute 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 Anti-Kickback Statute constitutes a false claim for purposes of the federal False Claims Act, or 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 Anti-Kickback Statute safe harbor. Where that is the case, compliance with the Anti-Kickback Statute is evaluated on a case-by-case basis. The Company cannot guarantee that applicable regulatory authorities will not assert and/or determine that these financial arrangements violate the Anti-Kickback Statute or other applicable laws, including state anti-kickback laws. The failure to comply with the Anti-Kickback Statute 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/or 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 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 Anti-Kickback Statute 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 by the Health Information Technology for Economic and Clinical Health Act, or 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 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 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 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 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 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 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, 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 premarket approval application (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, or (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 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 and/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 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 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.

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 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/or 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/or 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, or collectively, the ACA, and/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 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/or rulings could adversely impact our ability to execute our business strategy and generate revenues as planned.

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 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, particularly in Japan;
- 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 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.

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 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.
- 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 credit 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. 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, 2024, we had federal and state net operating loss carryforwards of $424.4 million and $355.2 million, respectively. The federal and state net operating loss carryforwards will begin to expire, if not utilized, beginning in 2025. These net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under the newly enacted federal income tax law, federal net operating losses incurred in 2018 and in future years may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited. It is uncertain how various states will respond to the newly enacted federal tax law. 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;
- the success of our competitors in developing or commercializing products;
- media exposure of our products or of those of others in our industry;
- our ability to commercialize or obtain regulatory approvals for our products, 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 the 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.

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 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.

Madryn and its affiliates own approximately 43.6% 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.

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 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 smaller reporting company status, the costs and demands placed upon our management are expected to increase.

The SEC's rules permit smaller reporting companies to take advantage of certain exemptions from various reporting requirements applicable to other public companies. As long as we qualify as a smaller reporting company, based on our public float, and report less than $100 million in annual revenues 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 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 smaller reporting company (“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 and/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.

We occupy an approximately 42,500 square foot facility in Malvern, Pennsylvania, under a lease that ends in February 2028, for our corporate headquarters, which includes office and warehouse space. We have an option to extend the lease for an additional five-year term. 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 at December 31, 2024, our Treatment Center network consisted of 95 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.

Holders of Record

As of March 18, 2025, there were approximately 56 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, 2024:

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	1,237	$ 3.75	4,775
Equity compensation plans not approved by security holders	—	—	(1) 445
Total	1,237	$ 3.75	5,220

(1) This number includes 444.8 thousand shares available for issuance under the 2020 Inducement Incentive Plan as of December 31, 2024.

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. 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 195,356 global patients treated with over 7.1 million of our treatment sessions through December 31, 2024. We generated revenues of $74.9 million and $71.3 million for the years ended December 31, 2024 and 2023, 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.

In connection with and prior to closing of the Arrangement, 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 Neuronetics Shares at the Exchange Ratio upon closing of the Arrangement.

The Company continues to operate as Neuronetics, Inc., and the Neuronetics Shares continues 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. We generate revenues from initial capital sales of our systems, sales of our recurring treatment sessions and

from service and repair and extended warranty contracts. Additionally, through our acquisition of Greenbrook we now derive revenue directly from our Treatment Centers, by providing TMS and SPRAVATO therapy for MDD and other mental health disorders. We derive the majority of our revenues from recurring treatment sessions. For the year ended December 31, 2024, revenues from sales of our treatment sessions and NeuroStar Advanced Therapy Systems represented 70% and 21% of our U.S. revenues, respectively. For the year ended December 31, 2023, revenues from sales of our treatment sessions and NeuroStar Advanced Therapy Systems represented 73% and 24% of our U.S. revenues, respectively.

We currently sell our NeuroStar Advanced Therapy System and recurring treatment sessions in the United States 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 psychiatrists and their MDD patients. Some of our customers have and may purchase more than one NeuroStar Advanced Therapy System. Based on our commercial data, we believe psychiatrists 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 $8,500 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 of psychiatrists in group psychiatric practices in the United States. For the years ended December 31, 2024, 2023 and 2022 one customer Greenbrook accounted for 12%,15% and 17% respectively, of the Company’s revenue. Following the acquisition, Greenbrook is no longer a customer. Patients are reimbursed by federal healthcare programs and the vast majority of commercial payors in the United States for treatment sessions utilizing our NeuroStar Advanced Therapy System.

We market our products in a few select markets outside the United States through independent distributors. International revenues represented 3% of our total revenues for the years ended December 31, 2024 and 2023, 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 the following: 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 $3.6 million, or 5%, from $71.3 million for the year ended December 31, 2023 to $74.9 million for the year ended December 31, 2023. For the year ended December 31, 2024, our U.S. revenues were $72.5 million, compared to $69.3 million for the year ended December 31, 2023, which represented an increase of 5% period over period. As of December 31, 2024, we had an accumulated deficit of $419.8 million.

Components of Our Results of Operations

Revenues

To date, we have generated revenues primarily from the capital portion of our business and related sales and rentals of the NeuroStar Advanced Therapy System and the recurring revenues from our sale of treatment sessions in the United States.

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 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 NeuroStar Treatment Sessions and SenStar treatment links. The NeuroStar Treatment Sessions are access codes that are delivered electronically in the United States. The SenStar treatment links are disposable units containing single-use access codes that are sold and used outside the United States. 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.

Clinic Revenue. 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 the Company's best estimate leveraging industry knowledge and expectations of third-party payors' fee schedules. We expect clinic revenue to increase in 2025.

Other Revenues. Other revenues are derived primarily from service and repair 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 97% of our total revenues for the years ending December 31, 2024 and 2023, respectively, 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 3% for the years ended December 31, 2024 and 2023, respectively. We expect that both our United States and international revenues 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, as well as grow our presence in Japan. 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 new Treatment Center costs include direct center and patient care costs, regional employee compensation, regional marketing expenses, and depreciation. We expect our cost of revenues to increase mainly for Treatment Centers, as our product mix changes. We expect to realize efficiencies with our new contract manufacturer.

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 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 increase in 2025 relative to 2024 as a result of the addition of the Greenbrook sales personnel to our company.

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 2025 from 2024 due to an increase in the overall size of the general and administrative function within the consolidated company.

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 decrease during 2025 compared to our 2024 expenses.

Interest Expense

Interest expense consists of cash interest payable under our credit facility and non-cash interest attributable to the accrual of final payment fees 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, 2024 and 2023

	Years ended December 31,		Increase / (Decrease)	
	2024	2023	Dollars	Percentage
	(in thousands, except percentages)			
Revenues	$ 74,890	$ 71,348	$ 3,542	5 %
Cost of revenues	20,729	19,643	1,086	6 %
Gross Profit	54,161	51,705	2,456	5 %
Gross Margin	*72.3 %*	*72.5 %*		
Operating expenses:				
Sales and marketing	45,631	47,318	(1,687)	(4)%
General and administrative	30,322	25,426	4,896	19 %
Research and development	12,771	9,515	3,256	34 %
Total operating expenses	88,724	82,259	6,465	8 %
Loss from Operations	(34,563)	(30,554)	(4,009)	(13)%
Other (income) expense:				
Interest expense	7,286	5,424	1,862	34 %
Loss on extinguishment of debt	4,427	—	4,427	— %
Other income, net	(2,549)	(5,789)	3,240	56 %
Net Loss	$ (43,727)	$ (30,189)	$ (13,538)	(45)%

	Revenues by Geography Years 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 Years 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 %

Revenues

Total revenues increased by $3.6 million, or 5%, from $71.3 million for the year ended December 31, 2023 to $74.9 million for the year ended December 31, 2024. For the period ended December 31, 2024, U.S. revenue increased by 5% and international revenue increased by 19% over the comparative prior year period. The U.S. revenue growth was primarily due to the addition of U.S. clinic revenue as a result of the acquisition of Greenbrook and the international revenue growth was primarily driven by an increase in NeuroStar Advanced Therapy System revenue.

Revenues in the United States increased by $3.2 million, or 5%, from $69.3 million for the year ended December 31, 2023 to $72.5 million for the year ended December 31, 2024. NeuroStar Advanced Therapy System revenue in the United States for the year ended December 31, 2024 decreased $1.2 million or 7% from $16.5 million for the year ended December 31, 2023 to $15.3 million for the year ended December 31, 2024. The $1.2 million decrease in revenue was directly attributable to a decrease in the number of units sold from 204 units for year ended December 31, 2023 to 185 units for the year ended December 31, 2024. 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 185 NeuroStar Advanced Therapy Systems for the year ended December 31, 2024.

Treatment sessions revenues represented 70% and 73% of total revenues in the United States for the years ended December 31, 2024 and 2023, respectively. Treatment session revenue in United States for year ended December 31, 2024 was $50.8 million which was materially consistent with revenue for the year ended December 31, 2023 of $50.9 million.

Cost of Revenues and Gross Margin

Cost of revenues increased by $1.1 million, or 6%, from $19.6 million for the year ended December 31, 2023 to $20.7 million for the year ended December 31, 2024. Gross margin was 72.3% for the year ended December 31, 2024 compared to 72.5% for the year ended December 31, 2023. 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 decreased by $1.7 million, or 4%, from $47.3 million for the year ended December 31, 2023 to $45.6 million for the year ended December 31, 2024. The decrease was primarily driven by the reduction in marketing program spend due to synergies obtained on account of the acquisition of Greenbrook.

General and Administrative Expenses

General and administrative expenses increased by $4.9 million, or 19% from $25.4 million for the year ended December 31, 2023 to $30.3 million for the year ended December 31, 2024. The increase was due to additional professional fees of $3.8 million relating to the acquisition of Greenbrook and $2.8 million related to Solar, which were partially offset by savings in personnel expense.

Research and Development Expenses

Research and development expenses increased by $3.3 million, or 34% from $9.5 million for the year ended December 31, 2023 to $12.8 million for the year ended December 31, 2024. The Company halted development on a certain product release resulting in a software impairment charge of $4.0 million. The impairment was a result of a refocus in the product development priorities and strategies of the Company post Greenbrook acquisition. This increase was partially offset by savings related to project spend and personnel.

Interest Expense

Interest expense increased by $1.9 million, or 34%, from $5.4 million for the year ended December 31, 2023 to $7.3 million for the year ended December 31, 2024 due to interest rates and debt balance increases.

Loss on extinguishment of debt

Loss on extinguishment of debt amounting to $4.4 million was recorded during the three months ended September 30, 2024, related to 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.

Other Income, Net

Other income, net decreased by $3.2 million from $5.8 million for the year ended December 31, 2023 to $2.5 million for the year ended December 31, 2024, primarily as a result of the Employee Retention Credit (the "ERC") of $2.9 million recorded during the year ended December 31, 2023. In addition, interest income earned on the Company's money market accounts decreased during December 31, 2024 due to lower investment balances during the year.

Comparison of the Years ended December 31, 2023 and 2022

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, 2023 and 2022" in "Management's Discussion and Analysis of our Financial Condition and Results of Operations" in our 2023 Annual Report on Form 10-K filed on March 8, 2024.

Liquidity and Capital Resources

Overview

As of December 31, 2024, we had cash and cash equivalents of $18.5 million and an accumulated deficit of $419.8 million, compared to cash and cash equivalents of $59.7 million and an accumulated deficit of $376.1 million as of December 31, 2023. We incurred negative cash flows from operating activities of $31.0 million and $32.0 million for the years ended December 31, 2024 and 2023, 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. Our primary sources of capital to date have been from our IPO, private placements of our convertible preferred securities, borrowings under our credit facility, sales of our products and a secondary public offering of our common stock. 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, 2024, the Company had $60.0 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.

If our cash and cash equivalents and anticipated revenues from sales or 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.

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, particularly in Japan;
- 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 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.

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.

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.

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.

As of December 31, 2024, the Company had $60.0 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 monthly SOFR rate plus 7%.

Leases

The Company has lease arrangements for equipment and certain facilities, including corporate headquarters and our warehouse in Malvern, Pennsylvania and a training facility in Charlotte, North Carolina. Additionally following the acquisition of Greenbrook, 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, 2024, the Company had fixed lease payment obligations of $39.2 million, including $7.7 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, 2024, 2023, and 2022:

	December 31,		
	2024	2023	2022
Net Cash used in Operating activities	$ (30,997)	$ (32,038)	$ (30,739)
Net Cash (used in) provided by Investing activities	(2,413)	(1,322)	6,731
Net Cash (used in) provided by Financing activities	(6,808)	22,697	207
Net (Decrease) in Cash and Cash Equivalents and Restricted cash	$ (40,218)	$ (10,663)	$ (23,801)

Net Cash Used in Operating Activities

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 operating activities for 2022 was $30.7 million, consisting primarily of a net loss of $37.2 million and an increase in net operating assets of $4.8 million, partially offset by non-cash charges of $11.2 million. The increase in net operating assets was primarily due to increases in accounts receivable, inventory and prepaid commission expense, which were offset by increases in accounts payable and accrued expenses

as a result of timing and accrued 2022 compensation and commissions as of December 31, 2022. 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) Provided by Investing Activities

Net cash (used in) provided by investing activities for the years ended December 31, 2024, 2023 and 2022 was $(2.4) million, $(1.3) million and $6.7 million, respectively. 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 investing activities for the year ended December 31, 2022 was attributable to repayment of a promissory note and purchases of property and equipment and capitalized software costs.

Net Cash (Used in) Provided by Financing Activities

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.

Net cash provided by financing activities for the year ended December 31, 2022 was $0.2 million attributable primarily to proceeds related to stock option exercises.

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
2025	$ —
2026	—
2027	—
2028	—
2029	60,000
Total principal payments	$ 60,000

Common Stock Offering

On February 10, 2025, the Company closed on 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. We received net proceeds of approximately $18.9 million after deducting underwriting discounts, commissions and estimated offering expenses.

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 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, 2024 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, 2024 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 smaller reporting company.

Management's assessment and conclusion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2024 excludes an assessment of the internal control over financial reporting of the Greenbrook acquisition, which was effective as of December 9, 2024. The Greenbrook acquisition represented approximately 53% of our consolidated total assets as of December 31, 2024 and 6% of our consolidated revenues for the fiscal year ended December 31, 2024.

Changes in Internal Control over Financial Reporting

Following the acquisition of Greenbrook as noted above, we are in the process of reviewing the internal control structure of Greenbrook and, if necessary, will make appropriate changes as we continue to integrate Greenbrook into our overall internal control over financial reporting process. During the fourth quarter ended December 31, 2024, there were no other changes in our internal control over financial reporting (as defined in Rule 13a 15(f) of the Exchange Act) which materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

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

Not applicable.

PART III

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 "Delinquent Section 16(a) Reports" in our 2025 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 2025 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 2025 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 2025 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
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)
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	Loan and Security Agreement by and between Solar Capital Ltd., the lenders identified therein and the Registrant, dated March 2, 2020 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on March 3, 2020)
10.3	Second Amendment to Loan and Security Agreement, by and among Solar Capital Ltd., as collateral agent, the lenders listed on the signature pages thereto, and the Registrant, dated December 2, 2020 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on December 8, 2020)
10.4	Third Amendment to Loan and Security Agreement, by and among SLR Investment Corp. (formerly known as Solar Capital Ltd.), as collateral agent, the lenders listed on the signature pages thereto, and the Registrant, dated February 15, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on February 22, 2022)
10.5	Fourth Amendment to Loan and Security Agreement, dated March 29, 2023, by and among SLR Investment Corp. (formerly known as Solar Capital Ltd.), as collateral agent, the lenders listed on the signature pages thereto, and Neuronetics, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on April 4, 2023).
10.6	Fifth Amendment to Loan and Security Agreement, dated September 29, 2023, by and among SLR Investment Corp. (formerly known as Solar Capital Ltd.), as collateral agent, the lenders listed on the signature pages thereto, and Neuronetics, Inc. (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed on October 3, 2023).
10.7◊	Sixth Amendment to Loan and Security Agreement, dated March 7, 2024, by and among SLR Investment Corp. (formerly known as Solar Capital Ltd.), as collateral agent, the lenders listed on the signature pages thereto, and Neuronetics, Inc. (incorporated by reference to Exhibit 10.9 to the Registrant's Annual Report on Form 10-K filed on March 8, 2024)
10.8	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)
10.9	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)
10.10+	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))
10.11+	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)
10.12+	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)
10.13	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)
10.14	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)
10.15	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)
10.16	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))
10.17*	First Amendment dated March 22, 2019 to Lease Agreement by and between Phoenixville Pike Owner LLC, and the Registrant

10.18+	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))
10.19+	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))
10.20+	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))
10.21+*	Forms of Restricted Stock Unit Grant Notice and Award Agreement under the 2018 Equity Incentive Plan
10.22+*	Form of Separation Agreement
10.23+*	Form of Restrictive Covenant and Invention Assignment Agreement
10.24*+	Form of Restrictive Covenant and Severance Agreement
10.25*	Non-Employee Director Compensation Policy
10.26+	Employment Offer Letter Agreement between the Registrant and Stephen Furlong dated July 1, 2019 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed July 2, 2019)
10.27+	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)
10.28+	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)
10.29+	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)
10.30+◊	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)
10.31+*	Form of Neuronetics, Inc. Performance Restricted Stock Unit Grant Notice and Award Agreement under 2020 Inducement Incentive Plan
10.32+*	Form of Neuronetics, Inc. Performance Restricted Stock Unit Grant Notice and Award Agreement under the 2018 Equity Incentive Plan
10.33+*	Form of Neuronetics, Inc. Restricted Stock Unit Grant Notice and Award Agreement under 2020 Inducement Incentive Plan
10.34+	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)
10.35+	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)
10.36+	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)
10.37+	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)
10.38+	Secured Promissory Note, by and between Check Five LLC d/b/a Success TMS and the Registrant, dated September 29, 2021 (incorporated by reference to Exhibit 10.1 to the Form 8-K filed October 5, 2021)
10.39	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)

10.40	Form of Voting and Support Agreement by and between Neuronetics and certain Greenbrook Locked-Up Shareholders dated August 11, 2024 (incorporated by reference to Exhibit 10.1 on the Registrant's Current Report on Form 8-K filed August 13, 2024)
10.41	Form of Voting and Support Agreement by and between Neuronetics and certain Greenbrook Locked-Up Shareholders dated August 11, 2024 (incorporated by reference to Exhibit 10.2 on the Registrant's Current Report on Form 8-K filed August 13, 2024)
10.42	Form of Voting and Support Agreement by and between Neuronetics and certain Greenbrook Locked-Up Shareholders dated August 11, 2024 (incorporated by reference to Exhibit 10.3 on the Registrant's Current Report on Form 8-K filed August 13, 2024)
10.43	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)
10.44	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)
10.45	Settlement Agreement and Release dated November 20, 2023, by and among Batya Klein and Benjamin Klein, as co-trustees of the Marital Trust created by Kenneth S. Klein Revocable Trust U/A/D 10/20/80 and Check Five LLC (incorporated by reference to Exhibit 10.10 on Greenbrook's Annual Report on Form 10-K filed April 26, 2024)
10.46	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)
10.47	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)
10.48*	Amendment to Research Collaboration Agreement dated August 8, 2024 by and between Compass Pathfinder Limited and TMS Neurohealth Centers, Inc.
10.49*	Second Amendment to Research Collaboration Agreement dated February 14, 2025 by and between Compass Pathfinder Limited and TMS Neurohealth Centers, Inc.
10.50	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)
10.51	Settlement Agreement and Release, dated August 9, 2024, by and among Success Behavioral Holdings, LLC, Theragroup LLC, Benjamin Klein, and Batya Klein and The Bereke Trust U/T/A dated 2/10/03; and TMS NeuroHealth Centers, Inc., Greenbrook TMS Inc., William Leonard and Erns Loubser (incorporated by reference to Exhibit 10.2 on Greenbrook's Quarterly Report on Form 10-Q filed August 14, 2024)
10.52*◊	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
19.1*	Insider Trading and Window Period Policy
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
101*	The following materials from the Company's Annual Report on Form 10-K for the year ended December 31, 2021, 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 27, 2025

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 27, 2025
/s/ Stephen Furlong **Stephen Furlong**	Executive VP, Chief Financial Officer and Treasurer (Principal Financial and Accounting Officer)	March 27, 2025
/s/ Robert Cascella Robert Cascella	Director	March 27, 2025
/s/ Sheryl Conley **Sheryl Conley**	Director	March 27, 2025
/s/ Megan Rosengarten **Megan Rosengarten**	Director	March 27, 2025
/s/ Sasha Cucuz **Sasha Cucuz**	Director	March 27, 2025
/s/ Glenn Muir **Glenn Muir**	Director	March 27, 2025
/s/ Avinash Amin, M.D. **Avinash Amin, M.D.**	Director	March 27, 2025

NEURONETICS, INC.
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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, 2024 and 2023, the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2024, 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, 2024 and 2023, and the results of its operations and its cash flows for each of the years in the three-year period ended December 31, 2024, 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 Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were 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 critical audit matters 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 matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Sufficiency of audit evidence obtained over revenue

As discussed in Note 3 to the consolidated financial statements, the Company recorded $74.9 million of revenue for the year ended December 31, 2024. The majority of the Company's revenue contracts are

comprised of the following performance obligations: (1) NeuroStar Advanced Therapy Systems (the System), (2) NeuroStar Treatment Sessions, (3) separately priced extended warranties and when-and-if-available upgrade rights, and (4) system clinical and reimbursement training. The Company also offers certain customers the option to lease the System. The Company has an exclusive distribution agreement with a foreign entity. Additionally, the Company earns clinic revenue for the treatment of major depressive disorder (MDD) and other mental health disorders.

We identified the evaluation of the sufficiency of audit evidence obtained 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 involved in the process. 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 process. For each revenue stream for which procedures were performed, we assessed the recorded revenue by selecting a sample of revenue transactions and comparing the amounts recognized for consistency with relevant underlying documentation, including payment received, delivery confirmation, and/or external confirmation. 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.

Fair value of acquired management services agreements intangible asset

As discussed in Note 5 to the consolidated financial statements, the Company completed the acquisition of Greenbrook TMS Inc. (Greenbrook) during the year ended December 31, 2024. 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 of December 31, 2024, $17.1 million was allocated to the management services agreements intangible asset which was valued using a multi-period excess earnings method.

We identified the assessment of the fair value of the management services agreements intangible asset acquired in the Greenbrook business combination as a critical audit matter. Subjective auditor judgment was required to evaluate the revenue projections in the Company's estimated future cash flows and the discount rate assumption used to determine the fair value of the management services agreements intangible asset, as changes to these key assumptions could have had a significant effect on the Company's estimate of fair value. In addition, valuation professionals with specialized skills and knowledge were required in the evaluation of the discount rate.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the Company's revenue projections by comparing them to (1) historical growth rates of Greenbrook and the Company, (2) forecasted growth rates from a third-party industry report, and (3) historical growth rates of comparable companies. We involved valuation professionals with specialized skill and knowledge, who assisted in evaluating the Company's discount rate by comparing the Company's inputs used to develop the discount rate to publicly available data for comparable entities and then assessing the resulting discount rate.

/s/ KPMG LLP

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

Philadelphia, Pennsylvania
March 27, 2025

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

	December 31, 2024	December 31, 2023
Assets		
Current assets:		
Cash and cash equivalents	$ 18,459	$ 59,677
Restricted cash	1,000	—
Accounts receivable, net of allowance of credit losses of $1,930 and $795 as of December 31, 2024 and 2023, respectively	23,355	15,782
Inventory	4,248	8,093
Current portion of net investments in sales-type leases	206	905
Current portion of prepaid commission expense	3,078	2,514
Current portion of notes receivable	930	2,056
Prepaid expenses and other current assets	6,846	4,766
Total current assets	58,122	93,793
Property and equipment, net	6,242	2,009
Goodwill	18,634	—
Intangible assets, net	19,606	—
Operating lease right-of-use assets	27,093	2,773
Net investments in sales-type leases	86	661
Prepaid commission expense	8,902	8,370
Long-term notes receivable	295	3,795
Other assets	1,923	4,430
Total assets	$ 140,903	$ 115,831
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 11,077	$ 4,752
Accrued expenses	12,818	12,595
Deferred revenue	974	1,620
Deferred and contingent consideration	1,000	—
Other payables	605	—
Current portion of operating lease liabilities	4,791	845
Total current liabilities	31,265	19,812
Long-term debt, net	55,151	59,283
Deferred revenue	2	200
Operating lease liabilities	22,686	2,346
Total liabilities	109,104	81,641
Commitments and contingencies (Note 20)		
Stockholders' equity:		
Preferred stock, $0.01 par value: 10,000 shares authorized; no shares issued or outstanding on December 31, 2024 and December 31, 2023	—	—
Common stock, $0.01 par value: 250,000 shares authorized; 55,679 and 29,092 shares issued and outstanding on December 31, 2024 and December 31, 2023, respectively	557	291
Additional paid-in capital	446,938	409,980
Accumulated deficit	(419,789)	(376,081)
Total Stockholders' equity	27,706	34,190
Non-controlling interest	4,093	—
Total equity	31,799	34,190
Total liabilities and Stockholders' equity	$ 140,903	$ 115,831

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,		
	2024	2023	2022
Revenues	$ 74,890	$ 71,348	$ 65,206
Cost of revenues	20,729	19,643	15,483
Gross profit	54,161	51,705	49,723
Operating expenses:			
Sales and marketing	45,631	47,318	49,982
General and administrative	30,322	25,426	25,516
Research and development	12,771	9,515	9,336
Total operating expenses	88,724	82,259	84,834
Loss from operations	(34,563)	(30,554)	(35,111)
Other (income) expense:			
Interest expense	7,286	5,424	4,251
Loss on extinguishment of debt	4,427	—	—
Other income, net	(2,549)	(5,789)	(2,203)
Net loss	$ (43,727)	$ (30,189)	$ (37,159)
Less: Non-controlling interest	19	—	—
Net loss attributable to Neuronetics stockholders'	$ (43,708)	$ (30,189)	$ (37,159)
Net loss per share of common stock outstanding, basic and diluted attributable to Neuronetics stockholders'	$ (1.38)	$ (1.05)	$ (1.38)
Weighted average common shares outstanding, basic and diluted	31,734	28,658	26,900

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

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

	Common Stock		Additional Paid-in	Accumulated	Noncontrolling	Total Stockholders'
	Shares	Amount	Capital	Deficit	Interest	Equity
Balance at December 31, 2021	26,395	$ 264	$ 393,644	$ (308,733)	$ —	$ 85,175
Share-based awards and options exercises	873	9	289	—	—	298
Share-based compensation expense	—	—	8,746	—	—	8,746
Net loss	—	—	—	(37,159)	—	(37,159)
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

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,		
	2024	2023	2022
Cash flows from Operating activities:			
Net loss	$ (43,727)	$ (30,189)	$ (37,159)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	2,073	2,006	1,648
Capitalized software impairment	3,956	—	—
Allowance for credit losses	2,055	390	341
Inventory impairment	626	1,905	—
Share-based compensation	5,602	7,319	8,746
Non-cash interest expense	771	634	709
Cost of rental units purchased by customers	—	—	92
Loss on extinguishment of debt	4,427	—	—
Loss on disposal of property and equipment	28	—	—
Changes in certain assets and liabilities:			
Accounts receivable, net	(3,727)	(8,831)	(6,658)
Inventory	3,150	(1,098)	(2,587)
Net investments in sales-type leases	997	1,193	1,114
Prepaid commission expense	(1,096)	(1,319)	(1,243)
Prepaid expenses and other assets	(1,155)	(2,845)	786
Accounts payable	(1,985)	2,029	(1,968)
Accrued expenses	(2,083)	(2,243)	6,604
Other liabilities	(66)	—	—
Deferred revenue	(843)	(989)	(1,164)
Net Cash used in Operating activities	(30,997)	(32,038)	(30,739)
Cash flows from Investing activities:			
Purchases of property and equipment and capitalized software	(1,466)	(2,369)	(3,269)
Cash paid for acquisition, net of cash and restricted cash acquired	(2,553)	—	—
Repayment of notes receivable	1,606	1,047	10,000
Net Cash (used in) provided by Investing activities	(2,413)	(1,322)	6,731
Cash flows from Financing activities:			
Payments of debt issuance costs	(2,624)	(1,104)	(91)
Proceeds from issuance of long-term debt	57,479	25,000	—
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 exercises of stock options	1	1	298
Net Cash (used in) provided by Financing activities	(6,808)	22,697	207
Net decrease in Cash, Cash equivalents and Restricted cash	(40,218)	(10,663)	(23,801)
Cash and Cash equivalents, Beginning of Period	59,677	70,340	94,141
Cash, Cash equivalents and restricted cash, End of Period	$ 19,459	$ 59,677	$ 70,340
Reconciliation of cash, cash equivalents and restricted cash to the consolidated balance sheet:			
Cash and cash equivalents	18,459	59,677	70,340
Restricted cash in deposits and other assets	1,000	—	—
Total cash, cash equivalents and restricted cash	$ 19,459	$ 59,677	$ 70,340
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 6,513	$ 4,790	$ 3,543
Transfer of inventory to property and equipment	$ 92	$ 210	$ 250
Supplemental disclosure of non-cash investing and financing activities:			
Purchases of property and equipment and capitalized software in accounts payable and accrued expenses	$ 13	$ 239	$ 103
Reduction of accounts receivable in current and long-term notes receivable	$ 606	$ 6,468	$ 432

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” 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, MRI-strength magnetic field that induces electrical currents designed to stimulate specific areas of the brain associated with mood. The system was cleared in 2008 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. The NeuroStar Advanced Therapy System is also available in other parts of the world, including Japan, where it is listed under Japan’s national health insurance. The Company intends to continue to pursue development of its NeuroStar Advanced Therapy System for additional indications.

Effective as of December 9, 2024, Neuronetics and Greenbrook TMS Inc. (“Greenbrook”) completed the planned acquisition whereby Neuronetics acquired all of the issued and outstanding common shares of Greenbrook by way of a court-approved plan of arrangement under the Business Corporations Act (Ontario) (the “Arrangement”). In connection with the acquisition, the Company issued 25,304,971 shares of common stock representing approximately 43% of the outstanding shares on the date of the close. Each Greenbrook share 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.

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

With the acquisition of Greenbrook, the Company now controls and operates a network of outpatient mental health services centers that specialize in the provision of TMS therapy, SPRAVATO (esketamine nasal spray) and other treatment modalities for the treatment of depression and related psychiatric services.

Liquidity

As of December 31, 2024, the Company had cash and cash equivalents of $18.5 million and an accumulated deficit of $419.8 million. The Company incurred negative cash flows from operating activities of $31.0 million, $32.0 million and $30.7 million for the years ended December 31, 2024, 2023 and 2022, 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”), private placements of its convertible preferred securities, borrowings under its credit facility, proceeds from its secondary public offering of common stock, and revenues from sales of its products. As of December 31, 2024, the Company had $60.0 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 approximately $18.9 million after deducting underwriting discounts, commissions and estimated offering expenses.

The Company's ability to meet its liquidity needs 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, 2024, anticipated revenues from sales of our products and services, and net proceeds received from the February 10, 2025 secondary public offering 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 includes the accounts of Neuronetics and Greenbrook. 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.

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, 2024 and 2023, cash equivalents consisted of money market funds.

Restricted Cash and Deferred and Contingent Consideration

The deferred and contingent consideration payable and restricted cash balances relate to Greenbrook's acquisition of Achieve TMS East, LLC and Achieve TMS Central, LLC prior to our acquisition of Greenbrook. At December 31, 2024, the Deferred and contingent consideration was $1.0 million and restricted cash that was held in an escrow account, subject to finalization of the escrow conditions, was $1.0 million.

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

The Company currently operates in one business segment as it is managed and operated as one business in the medical device market. The Company's chief executive is the chief operating decision maker ("CODM"). The CODM regularly reviews entity-wide net income and operating results compared to budget and forecast information to assess the Company's performance and to allocate resources. The measure of profit or loss is reported in the Consolidated Statement of Operations. The measure of segment assets is reported on the Company's Consolidated Balance Sheets. All long-lived assets are maintained in the United States and Canada.

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 periods presented.

Allowance for Credit Losses

The Company adopted ASC Topic 326, *Financial Instruments-Credit losses* on January 1, 2023. 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 lease is 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.

The lease asset for sales-type leases is subsequently measured throughout the lease term at the carrying amount of the net investment in the lease which is increased by interest income and reduced by lease payments collected. The lease payments are segregated into principal and interest components similar to a loan. Equipment leasing revenues are recognized on an effective interest method over the lease term. The principal component of the lease payment is reflected as a reduction to the net investment in the lease.

For operating leases where the Company is the lessee, the right-of-use ("ROU"), asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for lease payments made at or before the lease commencement date, plus any initial direct costs incurred less any lease incentives received. The ROU asset is subsequently measured throughout the lease term at the carrying amount of the lease liability, plus initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received. Lease expense for lease payments is recognized on a straight-line basis over the lease term.

Lease assets for sales-type leases where the Company is the lessor and 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, 2024, 2023, and 2022.

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 year ended December 31, 2024 and December 31, 2023, the Company recorded $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, 2023 and 2022.

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 the following performance obligations:

(1) The NeuroStar TMS Therapy System (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.

(2) NeuroStar Treatment Session (the "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.

(3) 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.

(4) 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 from treatment centers based in the United States, offering NeuroStar Therapy 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 IP 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, 2024 and 2023 were not materially impacted by any other factors.

As of December 31, 2024, the Company expects to recognize approximately the following percentages of deferred revenue by year:

Year:	Revenue Recognition
2025	90 %
2026	9 %
2027	1 %
Total	100 %

Revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the year was $1.6 million and $2.0 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, 2023 and 2022, one customer, Greenbrook accounted for 12%, 15% and 17%, respectively, of the Company's revenue. Following the acquisition Greenbrook is no longer a customer.

Accounts receivable outstanding related to the customer was $0 and $1.9 million as of December 31, 2024 and 2023, respectively.

Notes receivable outstanding related to the customer was $0 and $5.2 million as of December 31, 2024 and 2023, respectively.

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,			
	2024		2023	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
U.S.	$ 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 %

	Revenues by Geography Year ended December 31,			
	2023		2022	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
United States	$ 69,336	97 %	$ 63,406	97 %
International	2,012	3 %	1,800	3 %
Total revenues	$ 71,348	100 %	$ 65,206	100 %

	U.S. Revenues by Product Category Year ended December 31,			
	2023		2022	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 16,460	24 %	$ 16,575	26 %
Treatment sessions	50,896	73 %	45,077	71 %
Other	1,980	3 %	1,754	3 %
Total U.S. revenues	$ 69,336	100 %	$ 63,406	100 %

	International Revenues by Product Category Year ended December 31,			
	2023		2022	
	Amount	% of Revenues	Amount	% of Revenues
	(in thousands, except percentages)			
NeuroStar Advanced Therapy System	$ 629	31 %	$ 811	45 %
Treatment sessions	754	38 %	354	20 %
Other	629	31 %	635	35 %
Total International revenues	$ 2,012	100 %	$ 1,800	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. 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. For awards with a performance condition, compensation cost is recognized when the achievement of the performance condition is considered probable of achievement.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 modifies how particular convertible instruments and certain contracts that may be settled in cash or shares impact the diluted EPS 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 will be effective for our annual period ended December 31, 2025. The Company is currently evaluating the impacts of ASU 2023-09 on its disclosures.

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.

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 100% of the outstanding equity 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 is based on preliminary information and is subject to further adjustment 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		8,837
Prepaid Expenses and Other Assets		1,917
Property and Equipment		4,561
Intangible Assets		19,690
Operating Right of Use Asset		24,835
Accounts Payable and Accrued Expenses		(11,057)
Other Payables		(671)
Deferred and Contingent Consideration		(1,000)
Operating Lease Liabilities		(24,442)
Total identifiable net assets	$	24,292
Non-controlling interest		(4,112)
Fair value of net assets acquired less noncontrolling interests acquired	$	20,180
Goodwill		18,634
	$	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 (“MPEEM”) and the relief from royalty method (“RFR”), 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%.

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, 2024 (in thousands):

		As of December 31, 2024			
	Useful Life	Gross Value	Accumulated Amortization	Net Carrying Value	Weighted Average Remaining Useful Life
Management services agreements	17-21 years	$ 17,100	$ (30)	$ 17,070	19 years
Trade name	5 years	2,590	(54)	2,536	5 years
		$ 19,690	$ (84)	$ 19,606	

Amortization expense for intangible assets was $0.1 million during the year ended December 31, 2024.

Amortization expense over the remaining life of the intangible assets will be recognized as follows (in thousands):

Year Ending December 31,	Amortization expense
2025	$ 1,457
2026	1,457
2027	1,457
2028	1,457
2029	1,428
Thereafter	12,350
	$ 19,606

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, 2024 and 2023 due to their short-term nature. The carrying values of the Company's current credit facility approximated its fair value as of December 31, 2024 and 2023 due to its variable interest rate. The carrying value of the Company's notes receivable approximated its fair value as of December 31, 2024 and 2023 due to its variable interest rate.

The amendment to the agreement (the "Perceptive Facility") 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, 2024 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, 2024 and 2023 (in thousands):

	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	$ —	$ —

	December 31, 2023				
			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)	$ 27,507	$ 27,507	$ 27,507	$ —	$ —

8. ACCOUNTS RECEIVABLE

The following table presents the composition of accounts receivable, net as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Gross accounts receivable - trade	$ 25,285	$ 16,577
Less: Allowances for credit losses	(1,930)	(795)
Accounts receivable, net	$ 23,355	$ 15,782

The following table presents a rollforward 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, 2022	$ (1,462)	(341)	155	$ (1,648)
Year ended December 31, 2023	$ (1,648)	(390)	1,243	$ (795)
Year ended December 31, 2024	$ (795)	(2,055)	920	$ (1,930)

9. PROPERTY AND EQUIPMENT AND CAPITALIZED SOFTWARE

The following table presents the composition of property and equipment, net as of December 31, 2024 and 2023 (in thousands):

	December 31,	
	2024	2023
Laboratory equipment	$ 626	$ 702
Office equipment	495	495
Auto	23	23
Computer equipment and software	806	1,082
Manufacturing equipment	605	551
Clinical equipment	278	—
Leasehold improvements	1,608	1,436
TMS devices	4,447	—
Rental equipment	598	542
Property and equipment, gross	9,486	4,831
Less: Accumulated depreciation	(3,244)	(2,822)
Property and equipment, net	$ 6,242	$ 2,009

As of December 31, 2024 and 2023, the Company had capitalized software costs, net of $0.4 million and $4.2 million, respectively, which are included in other assets on the Consolidated Balance Sheets. 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, 2023 and 2022.

Depreciation and amortization expense related to property and equipment and capitalized software costs was $2.1 million, $2.0 million and $1.6 million for the years ended December 31, 2024, 2023 and 2022, 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.

Success TMS

On September 29, 2021, the Company entered into an exclusive, five-year master sales agreement with Check Five, LLC d/b/a Success TMS ("Success TMS"). In connection with the Commercial Agreement, the Company agreed to loan Success TMS the principal amount of $10.0 million for a period of five years pursuant to a secured promissory note (the "Note").

On July 14, 2022, Success TMS repaid in full the Note with a cash payment of $10.5 million, which included all outstanding principal, prepayment premium and accrued but unpaid interest. The repayment extinguished the Note in its entirety and terminated the Subordination Agreement entered into by the Company.

Interest income recognized by the Company related to notes receivable was $0.5 million, $0.6 million and $1.0 million for the years ended December 31, 2024, 2023 and 2022, 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, including copiers. The Company leases an approximately 32,000 square foot facility in Malvern, Pennsylvania for its corporate headquarters, which includes office and warehouse space. In the first quarter of 2019, the Company signed a lease modification for its Malvern facility that extended the lease through February 2028 and included approximately 10,000 square foot of additional premises. The Company has an option to extend the lease on its combined 42,000 square foot facility for an additional five-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 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.

Following the acquisition of Greenbrook, 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 $1.0 million, $0.8 million, and $0.8 million for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, the weighted-average remaining lease term of operating leases was 5.6 years and the weighted-average discount rate was 11.9%.

The following table presents the supplemental cash flow information as a lessee related to leases for the years ended December 31, 2024 and 2023 (in thousands):

	Year ended December 31, 2024	Year ended December 31, 2023	Year ended December 31, 2022
Cash paid for amounts included in the measurement of lease liabilities:			
Operating cash flows from operating leases	$ 1,111	$ 1,077	$ 892

The following table sets forth by year the required future payments of operating lease liabilities as of December 31, 2024 (in thousands):

	Year ended December 31, 2024
2025	$ 7,663
2026	7,569
2027	6,805
2028	4,949
2029	4,068
Thereafter	8,163
Total lease payments	39,217
Less imputed interest	(11,740)
Present value of operating lease liabilities	$ 27,477

Lessor sales-type leases:

Certain costumers have purchased NeuroStar Advanced Therapy Systems on a rent-to-own basis. The lease term is three or 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,		
	2024	2023	2022
Profit recognized at commencement, net	$ 45	$ 129	$ 478
Interest income	—	—	—
Total sales-type lease income	$ 45	$ 129	$ 478

The following table sets forth a maturity analysis of the undiscounted lease receivables related to sales-type leases as of December 31, 2024 (in thousands):

	December 31, 2024
2025	$ 137
2026	155
Total sales-type lease receivables	$ 292

As of December 31, 2024 and 2023, the carrying amount of the lease receivables is $0.3 million and $1.6 million, respectively. The Company does not have any unguaranteed residual assets.

Lessor operating leases:

NeuroStar Advanced Therapy Systems sold subsequent to January 1, 2019 for which collection is not probable are also accounted for as operating leases. For the years ended December 31, 2024, 2023 and 2022, the Company recognized operating lease income of $0.1 million, $0.2 million and $0.2 million, respectively.

The Company maintained rental equipment, net of $0.3 million, as of December 31, 2024 and 2023 which are included in Property and equipment, net on the Consolidated Balance Sheets. Rental equipment depreciation expense was $0.09 million, $0.09 million and $0.10 million for the years ended December 31, 2024, 2023 and 2022, 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 $2.9 million, $2.3 million and $1.8 million for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, 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, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Compensation and related benefits	$ 7,952	$ 8,003
Consulting and professional fees	1,579	488
Research and development expenses	421	260
Sales and marketing expenses	523	1,760
Warranty	232	213
Sales and other taxes payable	619	818
Other	1,492	1,053
Accrued expenses	$ 12,818	$ 12,595

14. DEBT

The following table presents the composition of debt as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Outstanding principal	$ 60,000	$ 60,000
Accrued final payment fees	—	1,856
Less debt discounts	(4,849)	(2,573)
Total debt, net	55,151	59,283
Less current portion	—	—
Long-term debt, net	$ 55,151	$ 59,283

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.

For the year ended December 31, 2022, the Company recognized interest expense of $4.3 million, of which $3.6 million was cash and $0.7 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 Holdings 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.).

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 portion of the Perceptive Facility. Under the Tranche 2 Loan portion of the Perceptive Facility, 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 portion of the Perceptive Facility must be borrowed on or before January 31, 2026. Under the Tranche 3 Loan portion of the Perceptive Facility, 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 portion of the Perceptive Facility is available until June 30, 2026. There are no scheduled repayments of the principal on the Tranche 1 Loan, 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 ERISA events; (ix) failure by the Company to be registered with the SEC in good standing; and (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.

On 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. As consideration for Tranche 3 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 warrants during the year ended December 31, 2024.

As of December 31, 2024, the Company had $60.0 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.

The Company was in compliance with the covenants under the Perceptive Facility at December 31, 2024.

The following table sets forth by year our required future principal payments under the term loan portion of the Perceptive Facility:

Year:	Principal Payments
2025	$ —
2026	—
2027	—
2028	—
2029	60,000
Total principal payments	$ 60,000

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.

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.

The Company's entry into the Perceptive Facility, on July 25, 2024, 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.

Loss on extinguishment of debt amounting to $4.4 million was recorded during the three months ended September 30, 2024, related to 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 55.7 million were issued and outstanding as of December 31, 2024.

The following table summarizes the total number of shares of the Company's common stock issued and reserved for issuance as of December 31, 2024 and 2023 (in thousands):

	December 31, 2024	December 31, 2023
Shares of common stock issued	55,679	29,092
Shares of common stock reserved for issuance for:		
Common stock warrants outstanding	1,725	41
Stock options outstanding	1,237	1,270
Restricted stock units outstanding	5,253	3,360
Shares available for grant under stock incentive plans	3,596	978
Shares available for sale under employee stock purchase plan	1,624	1,335
Total shares of common stock issued and reserved for issuance	69,114	36,076

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, 2024 and 2023:

December 31, 2024 Warrants Outstanding (in thousands)		Exercise Price	Expiration Date
1,125	$	0.94	July-2034
600	$	0.94	Dec-2034
1,725			

December 31, 2023 Warrants Outstanding (in thousands)		Exercise Price	Expiration Date
20	$	9.73	Mar-2024
21	$	9.73	Dec-2024
41			

Subsequent event 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.

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, 2024, 2023 and 2022 have been excluded from the denominator of the diluted loss per share of common stock outstanding calculation (in thousands):

	December 31,		
	2024	2023	2022
Stock options	1,237	1,270	1,301
Non-vested PRSUs	1,700	395	395
Non-vested restricted stock units	3,553	2,965	3,506
Common stock warrants	1,725	41	61

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, 2024, 2023 and 2022 is as follows (in thousands):

	Years ended December 31,		
	2024	2023	2022
Cost of revenues	$ 140	$ 140	$ 130
Sales and marketing	1,411	2,330	4,286
General and administrative	3,407	4,172	3,868
Research and development	644	677	462
Total	$ 5,602	$ 7,319	$ 8,746

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 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 the PRSU awards are determined using a risk neutral Monte Carlo simulation valuation model. As of December 31, 2024, there were 3.2 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. The amount and terms of grants are determined by the Company's board of directors. As of December 31, 2024, there were 0.4 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, 2024, 2023 and 2022:

	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, 2021	1,499	$ 4.01		
Granted	—	$ —		
Exercised	(168)	$ 1.77		
Forfeited	(30)	$ 13.81		
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 and Expired	(31)	$ 9.90		
Outstanding at December 31, 2024	1,237	$ 3.75	5.1	$ 3.0
Exercisable at December 31, 2024	1,237	$ 3.75	5.1	$ 3.0
Vested and expected to vest at December 31, 2024	1,237	$ 3.75	5.1	$ 3.0

The Company recognized share-based compensation expense related to stock options of $0.1 million, $0.4 million and $0.7 million for the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, 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, 2024, 2023 and 2022 was $0.0 million, $0.0 million, and $0.2 million, respectively.

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, 2024, 2023 and 2022:

	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, 2021	1,729	$ 7.29	395	$ 6.77
Granted	2,902	$ 3.36	—	$ —
Vested	(705)	$ 7.32	—	$ —
Forfeited	(420)	$ 5.35	—	$ —
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

The Company recognized share-based compensation expense related to restricted stock units and performance restricted stock units of $5.5 million, $6.9 million, and $8.1 million during the years ended December 31, 2024, 2023 and 2022, respectively. As of December 31, 2024, there was $8.2 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 1.8 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, 2024, 2023 and 2022 was $4.4 million, $8.6 million, and $2.5 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, 2024 there were 0.2 million shares deferred under this plan.

The Company did not grant performance restricted stock units during the years ended December 31, 2023 and 2022.

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, 2024, the Company contributes 3% of employee salary to the participant's defined contribution plan, which vests immediately. Employee contributions also vest immediately.

2018 Employee Stock Purchase Plan

In July 2018, the Company adopted the 2018 Employee Stock Purchase Plan (2018 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, 2024, the Company had not yet approved any offering under the plan and 1.6 million shares were reserved for issuance.

19. INCOME TAXES

The Company's loss before income taxes was $43.7 million, $30.2 million and $37.2 million for the years ended December 31, 2024, 2023, and 2022, 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, 2024, 2023, and 2022.

A reconciliation of the statutory United States federal income tax rate to the Company's effective tax rate is as follows:

	Tax Year ended December 31,		
	2024	2023	2022
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %
State and local taxes, net of federal benefit	2.6 %	4.2 %	(0.9)%
Nondeductible expenses	(4.6)%	0.5 %	(2.3)%
Research and development credits	(0.5)%	(0.3)%	— %
Tax rate change and true-up	(1.3)%	0.8 %	(1.5)%
Net operating loss	(0.6)%	(0.6)%	—
Change in valuation allowance	(16.6)%	(25.6)%	(16.3)%
Effective income tax rate	— %	— %	— %

The tax effects of temporary differences that gave rise to significant portions of the deferred tax assets were as follows (in thousands):

	December 31,	
	2024	2023
Deferred tax assets:		
Net operating loss carryforwards	$ 106,645	$ 82,179
Research and development credits	2,699	2,923
Share-based compensation	1,788	2,538
Accruals	563	1,161
Interest expense	12,677	4,451
Lease liability	731	782
Capitalized start-up costs	6,279	—
Capitalized R&D costs	5,445	3,790
Other temporary differences	1,393	1,031
Gross deferred tax assets	138,220	98,855
Less: Valuation allowance	(133,990)	(94,472)
Total deferred tax assets	$ 4,230	$ 4,383
Deferred tax liabilities:		
Capitalized software	$ (103)	$ (1,038)
Fixed assets	(646)	—
Right-of-use asset	(541)	(679)
Prepaid commission	(2,940)	(2,666)
Gross deferred tax liabilities	(4,230)	(4,383)
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, 2024 and 2023. The valuation allowance increased by $7.2 million and $7.7 million during the years ended December 31, 2024 and 2023, 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,	
	2024	2023
Balance at the beginning of the year	$ 94,472	$ 86,733
Amounts acquired through purchase accounting	32,284	—
Amounts charged to expense	7,234	7,739
Balance at the end of the year	$ 133,990	$ 94,472

The following table summarizes carryforwards of federal net operating losses and tax credits as of December 31, 2024 (in thousands):

	Amount	Expiration Beginning in
Federal net operating losses	$ 424,377	2025
State net operating losses	$ 355,165	2025
Research and development credits	$ 2,699	2025

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, 2024, 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 2023 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 and their impact on the Company's results of operations, financial condition or cash flows cannot be estimated.

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 are being recognized as revenue over 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

Operating segments are defined as components of an enterprise about which separate discrete information is available for evaluation by the chief operating decision maker ("CODM") in deciding how to allocate resources and in assessing performance. The Company currently operates in one business segment focused on the sale and delivery of transcranial magnetic stimulation products that improve the quality of life for people suffering from neurohealth disorders. The Company's CODM is the chief executive officer.

The accounting policies of its segment are the same as those described in the summary of significant accounting policies. The key measure of segment profit of loss that the CODM uses to allocate resources and assess performance is the Company's net loss from operations, as reported on the accompanying statements of operations. The measure of segment assets is reported on the balance sheets as total consolidated assets with particular emphasis on the Company's available liquidity, including its cash and cash equivalents and

restricted cash. Following the recent acquisition of Greenbrook, intra-entity sales or transfers were insignificant to the segment analysis.

The following tables illustrate information about reported segment revenue, measures of a segment's profit or loss, significant segment expenses, and measure of a segment's assets for the current reporting period.

	Year ended December 31,		
	2024	2023	2022
Revenue	$ 74,890	$ 71,348	$ 65,206
Cost of revenues	20,729	19,643	15,483
Segment Gross profit	$ 54,161	$ 51,705	$ 49,723
Personnel	$ 44,938	$ 50,530	$ 55,143
Marketing	8,373	9,217	8,952
Research and development	2,720	3,849	3,834
Professional fees	10,929	6,231	5,921
Other segment expenses (a)	21,764	12,432	10,984
Segment Loss	$ (34,563)	$ (30,554)	$ (35,111)
Unallocated			
Interest expense	$ 7,286	$ 5,424	$ 4,251
Loss on extinguishment of debt	$ 4,427	$ -	$ -
Other income, net	$ (2,549)	$ (5,789)	$ (2,203)
Net Loss	$ (43,727)	$ (30,189)	$ (37,159)

(a) Other segment expenses include travel and entertainment, bad debt, depreciation and amortization, insurance, rent, and other costs.

On December 9, 2024, the Company completed the acquisition of Greenbrook (see Note 5). Due to the recency of the Greenbrook acquisition and lack of underlying financial information provided to the CODM, only one reportable segment was reported during 2024. The Company will continue to assess the identification of segments as the integration of Greenbrook progresses.

23. NONCONTROLLING INTEREST

As a result of the Greenbrook acquisition (see Note 5), the Company has operating agreements with 22 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.

There were no changes in the Company's non-wholly owned entities since the date of the acquisition through December 31, 2024.

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 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 and 2023, the $2.9 million ERC receivable is reported within prepaid expenses and other current assets on the Company's Consolidated Balance Sheets. The credit was reported within other income, net in the Company's Statement of Operations for the year ended December 31, 2023.

Subsequent to December 31, 2024 the Company received $2.6 million in ERC payments from the IRS consisting of $2.3 million of claims related to fiscal year 2021 and accrued interest of $0.3 million. The Company is expecting to receive payment for the remaining ERC claim periods in 2025.

25. SUBSEQUENT EVENTS

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 (the "Perceptive Amendment"). Pursuant to the Perceptive Amendment, the parties agreed to revise net revenue covenant to align with the Company's pre-existing operating plan for the first quarter of 2025.

DESCRIPTION OF THE REGISTRANT'S SECURITIES REGISTERED PURSUANT TO SECTION 12 OF THE SECURITIES EXCHANGE ACT OF 1934

The following description summarizes certain of the terms of the capital stock of Neuronetics, Inc. This description does not purport to be complete and is qualified in its entirety by reference to our amended and restated certificate of incorporation, as amended, and our bylaws, as amended, each of which are incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit is a part. We encourage you to read our amended and restated certificate of incorporation, bylaws and the applicable provisions of Delaware law for additional information. Unless the context requires otherwise, all references to "we", "us," "our" and "Company" in this section refer solely to Neuronetics, Inc. and not to any subsidiaries that we may have from time to time.

General

Under our amended and restated certificate of incorporation we are authorized to issue up to 250,000,000 shares of common stock, par value $0.01 per share, and 10,000,000 shares of preferred stock, par value $0.01 per share, all of which shares of preferred stock are undesignated. Our board of directors may establish the rights and preferences of the preferred stock from time to time.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share of common stock on all matters submitted to a vote of the stockholders, including the election of directors. Under our amended and restated certificate of incorporation and amended and restated bylaws, our stockholders do not have cumulative voting rights. Because of this, the holders of a majority of the shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they should so choose.

Dividends

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are entitled to receive ratably those dividends, if any, as may be declared from time to time by the board of directors out of legally available funds.

Liquidation

In the event of our liquidation, dissolution or winding up, holders of common stock will be entitled to share ratably in the net assets legally available for distribution to stockholders after the payment of all of our debts and other liabilities and the satisfaction of any liquidation preference granted to the holders of any then-outstanding shares of preferred stock.

Rights and Preferences

Holders of common stock have no preemptive, conversion or subscription rights and there are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the right of the holders of shares of any series of preferred stock that we may designate in the future.

Preferred Stock

Pursuant to our amended and restated certificate of incorporation, our board of directors has the authority, without further action by our stockholders, to issue up to 10,000,000 shares of preferred stock in one or more series and to fix the designations, number of shares, rights, voting powers, preferences, privileges and the qualifications, limitations and restrictions thereof. These rights, preferences and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences and sinking fund terms, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of common stock. The purpose of authorizing our board of directors to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. Our issuance of preferred stock with voting or conversion rights could adversely affect the voting power of holders of common stock and the likelihood and amount that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock, while providing flexibility in connection with possible acquisitions and other corporate purposes, could, among other things, have the effect of delaying, deferring or preventing a change of control or other corporate action, or make the removal of management more difficult. Additionally, the issuance of preferred stock may have the effect of decreasing the market price of the common stock and the voting and other rights of the holders thereof.

Our board of directors will fix the designations, number of shares, rights voting powers, preferences and privileges of each series, as well as the qualifications, limitations or restrictions thereof, of the preferred stock of each series in the certificate of designation relating to that series.

Anti-Takeover Provisions

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 preferred stock with such terms as our board of directors may determine; and

The combination of these provisions will make it more difficult for our existing stockholders to replace our board of directors as well as for another party to obtain control of us by replacing our board of directors. Because our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions are intended to enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to reduce our vulnerability to hostile takeovers and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of delaying changes in our control or management. As a

consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts. We believe that the benefits of these provisions, including increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure our company, outweigh the disadvantages of discouraging takeover proposals, because negotiation of takeover proposals could result in an improvement of their terms.

Choice of Forum

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware will be the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; or
- any action asserting a claim against us that is governed by the internal affairs doctrine.

Recent Amendment to the Ninth Amended and Restated Certificate of Incorporation

The Company's Ninth Amended and Restated Certificate of Incorporation was amended on May 30, 2019, following stockholder approval at the annual meeting held on May 28, 2019, to provide that any of our directors or our entire Board of Directors may be removed, with or without cause, by the holders of a majority of our capital stock then entitled to vote on the election of directors.

The Company's Ninth Amended and Restated Certificate of Incorporation was amended on December 10, 2024 to authorized the Company to issue up to 250,000,000 shares of common stock, par value $0.01 per share.

At the 2025 Annual Meeting of the Stockholders, the Company will give stockholder the opportunity to review amendments to its Ninth Amended and Restated Certificate of Incorporation and its Fourth Amended and Restated Bylaws to eliminate supermajority voting requirements.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Equiniti Trust Company, LLC (formerly American Stock Transfer & Trust Company, LLC). The transfer agent's address is 1110 Centre Point Curve, Mendota Heights, MN 55120.

Listing on The Nasdaq Global Market

Our common stock is listed for trading on Nasdaq under the symbol "STIM."

Exhibit 10.17

FIRST AMENDMENT TO LEASE

THIS FIRST AMENDMENT TO LEASE (this "**Amendment**") is made as of the 22 day of March, 2019 (the "**Effective Date**"), by and between **3222 PHOENIXVILLE PIKE OWNER LLC**, a Delaware limited liability company ("**Landlord**") and **NEURONETICS, INC.**, a Delaware corporation ("**Tenant**").

Statement of Facts

By Lease dated January 3, 2013 (the "**Original Lease**"), Landlord's predecessor, Exeter 3222 Phoenixville, L.P. (the "**Original Landlord**"), leased to Tenant and Tenant hired from the Original Landlord, the premises described in the Lease as Suite 300 consisting of approximately 32,485 rentable square feet (the "**Original Premises**"), in the building known as and by the street address 3222 Phoenixville Pike, Malvern, Pennsylvania (the "**Building**"). The Original Lease has been supplemented by a Commencement Date Memorandum dated as of December 17, 2013, which together with the Original Lease is herein collectively referred to as the "**Lease**".

Landlord has succeeded to the interest of the Original Landlord in and to the Lease.

The Term of the Lease is currently scheduled to expire on February 28, 2021.

Landlord and Tenant now desire to amend the Lease to provide for:

(i) the extension of the term of the Lease; and

(ii) the leasing by and to Tenant of additional premises in the Building consisting of approximately 9,966 rentable square feet.

TERMS

NOW, THEREFORE, in consideration of the foregoing, of the mutual covenants and agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Landlord and Tenant, intending to be legally bound, covenant and agree as follows:

1. **Incorporation of Recitals**. The foregoing Statement of Facts are hereby incorporated by reference in and made a part of this Amendment.

2. **Certain Definitions**. (a) Capitalized terms used but not separately defined in this Amendment shall have the meaning provided for such terms in the Lease.

(b) As used in this Amendment, the following terms shall have the following meanings:

(i) "**Additional Rent**" shall mean Annual Operating Expenses and any other amounts payable by Tenant to Landlord under the Lease.

(ii) "**Combined Premises**" shall mean both the Original Premises and Expansion Premises (as defined hereunder), which together shall be deemed to consist of 42,451 rentable square feet.

(iii) "**Existing Expiration Date**" shall mean February 28, 2021.

(iv) "**Expansion Premises**" shall mean a portion of the Building, which the parties agree shall be deemed to consist of 9,966 rentable square feet, as approximately shown on Exhibit A attached hereto.

(v) "**Expansion Premises Commencement Date**" shall mean the earliest to occur of: (a) the date the Tenant's Work in the Expansion Premises is Substantially Completed (as defined below); (b) the date that Tenant occupies all or any part of the Expansion Premises for the conduct of its business; (c) the date that is six (6) months after the Effective Date; or (d) the date that is one hundred twenty (120) days after the Expansion Premises Delivery Date.

(vi) "**Expansion Premises Delivery Date**" shall mean the date that Landlord's Work in the Expansion Premises is Substantially Completed. From and after the Expansion Premises Commencement Date, references in the Lease and this Amendment to the "**Premises**" shall be deemed to refer to the Combined Premises, i.e., both the Original Premises and the Expansion Premises.

(vii) "**Expansion Premises Rent Commencement Date**" shall mean January 1, 2020.

(viii) "**Extended Term**" shall mean the period of seven (7) years from the Extended Term Commencement Date to the Extended Term Expiration Date, both dates inclusive.

(ix) "**Extended Term Commencement Date**" shall mean March 1, 2021.

(x) "**Extended Term Expiration Date**" shall mean February 29, 2028.

(xi) "**Improvement Allowance**" shall mean $872,100.00.

(xii) "**Existing Security Deposit**" shall mean the Security Deposit under the Existing Lease.

(xiii) "**Landlord's Work**" shall have the meaning provided in Exhibit B attached hereto.

(xiv) "**Substantially Completed**" shall have the meaning provided in the Rider to the Original Lease, except that references therein to

"Tenant Improvements" shall be deemed to refer to "Landlord's Work" or "Tenant's Work", as applicable.

3. **Amendments to Lease**. Effective as of the Effective Date, the Lease is amended as follows:

(a) **Extended Term**. The Term of the Lease is hereby extended for the Extended Term and shall expire on the Extended Term Expiration Date unless sooner terminated. References in the Lease to the Expiration Date, including specifically Section 1(e) of the Original Lease, shall be deemed to refer to the Extended Term Expiration Date and references to the "term" or "Term" of the Lease shall be deemed to refer to such "**term**" or "**Term**" as hereby extended.

(b) **Additional Premises**. Landlord hereby leases to Tenant and Tenant hereby hires from Landlord the Expansion Premises for a term commencing on the Expansion Premises Delivery Date and expiring on the Extended Term Expiration Date or such earlier date as the Term of the Lease may terminate or expire. Promptly after the Expansion Premises Commencement Date, Landlord and Tenant shall confirm the Expansion Premises Commencement Date by the execution of the Confirmation of Lease Term attached hereto as Exhibit C. Tenant agrees to accept possession of the Expansion Premises in its "as-is" condition as of the Effective Date subject only to the performance of Landlord's Work. Landlord shall perform Landlord's Work at its sole cost or expense and covenants to use commercially reasonable efforts to Substantially Complete Landlord's Work with respect to the Expansion Premises within ninety (90) days of the Effective Date, subject to Tenant Delay and forces beyond the reasonable control of Landlord.

(c) Minimum Annual Rent and Additional Rent.

(i) Minimum Annual Rent.

(A) Original Premises. From and after the Extended Term Commencement Date, Minimum Annual Rent payable under the Lease on account of the Original Premises shall be at the rates set forth below for the corresponding periods of time:

Beginning	Ending	Rent PSF	Minimum Annual Rent	Monthly
March 1, 2021	February 28, 2022	$15.25	$495,396.25	$41,283.02
March 1, 2022	February 28, 2023	$15.63	$507,781.16	$42,315.10
March 1, 2023	February 29, 2024	$16.02	$520,475.69	$43,372.97
March 1, 2024	February 28, 2025	$16.42	$533,487.58	$44,457.30
March 1, 2025	February 28, 2026	$16.83	$546,824.77	$45,568.73
March 1, 2026	February 28, 2027	$17.25	$560,495.39	$46,707.95

March 1, 2027	February 29, 2028	$17.69	$574,507.77	$47,875.65

(B) Expansion Premises. Notwithstanding that the Expansion Premises are leased to Tenant for a term commencing on the Expansion Premises Delivery Date, no Minimum Annual Rent shall be payable by Tenant to Landlord under the Lease on account of the Expansion Premises until the Expansion Premises Rent Commencement Date. From and after the Expansion Premises Rent Commencement Date, Minimum Annual Rent payable under the Lease on account of the Expansion Premises shall be at the rates set forth below for the corresponding periods of time:

Beginning	**Ending**	**Rent PSF**	**Minimum Annual Rent**	**Monthly**
Expansion Premises Rent Commencement Date	December 31, 2020	$10.25	$102,151.50	$8,512.63
January 1, 2021	December 31, 2021	$10.51	$104,705.29	$8,725.44
January 1, 2022	December 31, 2022	$10.77	$107,322.92	$8,943.58
January 1, 2023	December 31, 2023	$11.04	$110,005.99	$9,167.17
January 1, 2024	December 31, 2024	$11.31	$112,756.14	$9,396.35
January 1, 2025	December 31, 2025	$11.60	$115,575.05	$9,631.25
January 1, 2026	December 31, 2026	$11.89	$118,464.42	$9,872.04
January 1, 2027	December 31, 2027	$12.18	$121,426.03	$10,118.84
January 1, 2028	February 29, 2028	$12.49	$124,461.68	$10,371.81

(ii) Additional Rent.

(A) Original Premises. Tenant shall continue to pay Additional Rent on account of the Original Premises as provided in the Lease.

(B) Expansion Premises. Tenant shall pay Additional Rent on account of the Expansion Premises from and after the Expansion Premises Delivery Date as provided in the Lease, except Tenant shall not be obligated to pay Additional Rent on account of Operating Expenses for the Expansion Premises until the Expansion Premises Commencement Date.

(C) Combined Premises. From and after the Expansion Premises Commencement Date, Tenant shall pay Additional Rent on account of the Combined Premises as provided under the Lease, including, without limitation, for Operating Expenses as provided in Article 6 thereof. As of the Expansion Premises Commencement Date, the Lease shall be deemed amended as follows:

"**Tenant's Share**" as defined in Section 1(h) of the Lease shall be 21.26%.

(d) **Utilities**. Utilities for the Combined Premises shall be provided and paid for by Tenant as provided in Article 7 of the Lease

(e) **Security Deposit**. Landlord acknowledges receipt of Tenant's Existing Security Deposit from Original Landlord in the form of a letter of credit. During the Extended Term, Landlord shall continue to hold and/or apply the Existing Security Deposit as security for Tenant's obligations under the Lease, as hereby amended, in accordance with the terms of the Lease.

(f) **Renewal Option**. Article 29 of the Lease is hereby deleted in its entirety and the provisions attached to this Agreement as Exhibit D substituted in lieu thereof. All references in the Lease to the Second Renewal Term are also hereby deleted.

(g) **Termination Option**. Article 30 of the Lease is hereby deleted in its entirety.

(h) **Parking Spaces**. Effective as of the Expansion Premises Commencement Date, Paragraph 11 of Exhibit B to the Lease (Building Rules) is modified to provide that from and after the Expansion Premises Commencement Date, Tenant, at its sole risk and responsibility, shall have the right to use two hundred ten (210) of the parking spaces in the parking areas of the Property shown on Exhibit G to the Lease, on the terms and conditions set forth in said Paragraph 11.

(i) **"As-is"; Improvement Allowance**. Except as provided below, Tenant agrees to accept the Expansion Premises on the Expansion Premises Delivery Date in its "as-is" condition of the Effective Date provided Landlord's Work with respect to the Expansion Premises is substantially completed as of the Expansion Premises Delivery Date.

(i) **Working Drawings**. Tenant shall provide to Landlord for its approval final working drawings, prepared by an architect chosen by Tenant and approved by Landlord, such approval not to be unreasonably withheld, conditioned or delayed, of all improvements that Tenant proposes to install to prepare the Expansion Premises for Tenant's occupancy (herein, "**Tenant's Work**"); which working drawings shall include the partition layout, ceiling plan, electrical outlets and switches, telephone outlets, drawings for any modifications to the mechanical and plumbing systems of the Building, and detailed plans and specifications for the construction of such improvements in accordance with all applicable Laws. All of Tenant's Work shall be performed on and subject to all applicable

terms and conditions of the Lease, including without limitation, Articles 12 and 13 thereof.

(ii) **Landlord's Approval; Performance of Work**. If any of Tenant's Work will affect the Building's structure or the Building's Systems, then the working drawings pertaining thereto must be approved by the Building's engineer of record. Landlord's approval of such working drawings shall not be unreasonably withheld, provided that (1) they comply with all Laws, (2) the improvements depicted thereon do not adversely affect (in the reasonable discretion of Landlord) the Building's structure or the Building's Systems (including the Building's restrooms or mechanical rooms), the exterior appearance of the Building, or the appearance of the Building's common areas or elevator lobby areas and (3) such working drawings are sufficiently detailed to allow construction of the improvements in a good and workmanlike manner. As used herein, "**Working Drawings**" means the final working drawings approved by Landlord, as amended from time to time by any approved changes thereto, and "**Tenant's Work**" means all improvements to be constructed in accordance with and as indicated on the Working Drawings, together with any work required by governmental authorities to be made to other areas of the Building as a result of the improvements indicated by the Working Drawings. Landlord's approval of the Working Drawings shall not be a representation or warranty of Landlord that such drawings are adequate for any use or comply with any Law, but shall merely be the consent of Landlord thereto.

(iii) **Change Orders**. Tenant may initiate changes in Tenant's Work. Each such change must receive the prior written approval of Landlord, such approval not to be unreasonably withheld or delayed on the terms and conditions set forth above; however, if such requested change would adversely affect (in the reasonable discretion of Landlord) (1) the Building's structure or the Building's Systems (including the Building's restrooms or mechanical rooms), (2) the exterior appearance of the Building, or (3) the appearance of the Building's common areas or elevator lobby areas, Landlord may withhold its consent in its sole and absolute discretion. Tenant shall, upon completion of Tenant's Work, cause to be prepared and delivered to Landlord an accurate architectural "as-built" plan of Tenant's Work as constructed.

(iv) **Cost of the Work**. The entire cost of performing Tenant's Work (including design of and space planning for Tenant's Work and preparation of the Working Drawings and the final "as-built" plan of Tenant's Work, costs of construction labor and materials, electrical usage during construction, janitorial services, general

tenant signage, related taxes and insurance costs, licenses, permits, certifications, surveys and other approvals required by Law, shall be paid by Tenant (herein, the "**Cost of the Work**") subject to Landlord's agreement to make the Improvement Allowance available to Tenant as hereinafter provided.

(v) **Improvement Allowance**. Landlord shall provide the Improvement Allowance to Tenant to be applied toward the Cost of the Work. Up to $87,210.00 of the Improvement Allowance may also be applied to the cost of permitting, space planning and construction drawings, or otherwise revised plans, comprising part of the Cost of the Work. Upon entering into contracts and/or subcontracts for the Tenant's Work, Tenant shall provide copies thereof to Landlord and submit such contracts and subcontracts to Landlord together with Tenant's architect's certification of the total Cost of the Work (herein, the "**Total Work Cost**") and a time line of the projected dates that each installment of the Total Work Cost will need to be disbursed by either Tenant or Landlord. In the event the Total Work Cost exceeds the Improvement Allowance, the excess is herein called the "**Excess Work Cost**". After the end of each calendar month during the progress of Tenant's Work after Tenant has expended the Excess Work Cost, Tenant shall submit to Landlord a requisition (herein, a "**Requisition**") containing (i) a certificate from Tenant and the architect indicating the amount of the Improvement Allowance being requested by Tenant and indicating that the portion of Tenant's Work which is the subject of such Requisition has been Substantially Completed in accordance with the Working Drawings approved by Landlord and in accordance with the terms of the Lease, as amended by this Amendment, (ii) a certificate from the architect as to the Total Work Cost and the amount of the Excess Work Cost previously paid by Tenant, (iii) paid and receipted invoice(s) from the contractor(s) and subcontractor(s) for the Excess Work Cost (to the extent not previously provided) and the portion of the Tenant's Work which is the subject of such requisition, and (iv) partial lien waivers from the contractors and subcontractors for the Excess Work Cost (to the extent not previously provided) and the portion of the Tenant's Work which is the subject of such Requisition. Within thirty (30) days of receipt of such Requisition, provided Tenant is not then an Event of Default by Tenant under the Lease which remains uncured, Landlord shall pay to Tenant the unexpended portion of the Improvement Allowance applicable to such Requisition to the extent in compliance with the foregoing (herein, an "**Installment Payment**"). Notwithstanding the foregoing, Landlord shall not be required to pay any Installment Payment to Tenant more than once in each calendar month and ten percent (10%) of such Installment Payment shall be retained by Landlord (unless the Requisition already accounted for such

retainage) and paid upon Tenant's taking possession of the Expansion Premises for the conduct of its business and Landlord's receipt of a final Requisition including (A) a certificate from Tenant and the architect that all of Tenant's Work has been Substantially Completed in accordance with the Working Drawings approved by Landlord and in accordance with the terms of the Lease, as amended by this Amendment, (B) final paid invoices from all of the contractor(s) responsible for the construction of any of Tenant's Work (including the Excess Work Costs), (C) final lien waivers from all contractors and subcontractors responsible for the construction of Tenant's Work indicating all such contractors and subcontractors have been paid in full, and (D) a final certificate of occupancy or other certificate of compliance issued by the local municipality with respect to the Tenant's Work.

(vi) Tenant shall (A) engage a general contractor who shall be subject to Landlord's prior approval, such approval not to be unreasonably withheld, conditioned or delayed, to perform Tenant' Work, (B) perform all Tenant's Work in a good and workmanlike manner in accordance with all applicable Laws, including without limitation, the Americans with Disabilities Act and all similar state and local accessibility laws, and on and subject to all terms, covenants and conditions of the Lease, including without limitation, obtaining Landlord's approval thereof; and (C) shall remove all debris, refuse and rubbish generated by Tenant's Work at appropriate intervals. Tenant, at its sole cost and expense, shall be solely responsible for safeguarding and protecting any and all of its furniture, fixtures, property, equipment or systems in the Original Premises or Expansion Premises that may be located in areas where Tenant's Work is being performed or is susceptible to damage by virtue of being exposed to the activities being performed as part of Tenant's Work.

(vii) Any portion of the Improvement Allowance that is not expended or applied towards Tenant's Work on or before June 30, 2020 shall be deemed forfeited by Tenant and shall not be applied to Rent.

(j) **Payments**. The following provision is hereby added to the Lease as the last sentence of Article 5 thereof.

"All payments of Minimum Annual Rent and Additional Rent shall be paid when due without demand at (i) the office of 3222 Phoenixville Pike Owner LLC c/o Goldman Sachs, BLDGID HMO001, PO BOX 6180, Hicksville, NY 11802-6180, (ii) by wire transfer to Bank of America, ABA Number: 026009593, Account Name: 3222 Phoenixville Pike Owner LLC-Property Depository, Account Number: 1257180236, or (iii) or at such other place as Landlord may from time to time direct in writing. All checks shall be made payable to USRPI REIT, INC.

Minimum Annual Rent and Additional Rent maybe referred to herein collectively as "Rent" or "rent."

4. **Confession of Judgment**. Tenant hereby ratifies and confirms the provisions for Confession of Judgment contained in Section 22(b)(vi) of the Lease and as amended by this Amendment as follows:

"CONFESSION OF JUDGMENT FOR POSSESSION. UPON THE OCCURRENCE OF AN EVENT OF DEFAULT OR UPON THE EXPIRATION OR TERMINATION OF THE TERM OF THIS LEASE, AND AFTER A FURTHER 5 DAY PRIOR WRITTEN NOTICE TO TENANT OF LANDLORD'S INTENT TO EXERCISE ITS RIGHT PURSUANT TO THIS SECTION 22(b)(vi), FOR THE PURPOSE OF OBTAINING POSSESSION OF THE PREMISES, TENANT HEREBY AUTHORIZES AND EMPOWERS THE PROTHONOTARY OR ANY ATTORNEY OF ANY COURT OF RECORD IN THE COMMONWEALTH OF PENNSYLVANIA OR ELSEWHERE, AS ATTORNEY FOR TENANT AND ALL PERSONS CLAIMING UNDER OR THROUGH TENANT, TO APPEAR FOR AND CONFESS JUDGMENT AGAINST TENANT FOR POSSESSION OF THE PREMISES, AND AGAINST ALL PERSONS CLAIMING UNDER OR THROUGH TENANT, IN FAVOR OF LANDLORD, FOR RECOVERY BY LANDLORD OF POSSESSION THEREOF, FOR WHICH THIS AGREEMENT OR A COPY HEREOF VERIFIED BY AFFIDAVIT, SHALL BE A SUFFICIENT WARRANT; AND THEREUPON A WRIT OF POSSESSION MAY IMMEDIATELY ISSUE FOR POSSESSION OF THE PREMISES, WITHOUT ANY PRIOR WRIT OR PROCEEDING WHATSOEVER AND WITHOUT ANY STAY OF EXECUTION. IF FOR ANY REASON AFTER SUCH ACTION HAS BEEN COMMENCED THE SAME SHALL BE TERMINATED AND THE POSSESSION OF THE PREMISES REMAINS IN OR IS RESTORED TO TENANT, LANDLORD SHALL HAVE THE RIGHT UPON THE OCCURRENCE OF ANY SUBSEQUENT EVENT OF DEFAULT TO CONFESS JUDGMENT IN ONE OR MORE FURTHER ACTIONS IN THE MANNER AND FORM SET FORTH ABOVE TO RECOVER POSSESSION OF SAID PREMISES FOR SUCH SUBSEQUENT DEFAULT. TENANT WAIVES ALL PROCEDURAL ERRORS IN CONNECTION WITH ANY SUCH CONFESSION OF JUDGMENT. NO SUCH TERMINATION OF THIS LEASE, NOR TAKING, NOR RECOVERING POSSESSION OF THE PREMISES SHALL DEPRIVE LANDLORD OF ANY REMEDIES OR ACTION AGAINST TENANT FOR FIXED BASIC RENT, ADDITIONAL RENT OR FOR OTHER SUMS DUE HEREUNDER OR FOR DAMAGES DUE OR TO BECOME DUE FOR THE BREACH OF ANY CONDITION OR COVENANT HEREIN CONTAINED, NOR SHALL THE BRINGING OF ANY SUCH ACTION FOR RENT AND/OR OTHER SUMS DUE HEREUNDER, OR BREACH OF COVENANT OR CONDITION NOR THE RESORT TO ANY OTHER REMEDY HEREIN PROVIDED FOR THE RECOVERY OF RENT AND/OR OTHER SUMS DUE HEREUNDER OR

DAMAGES FOR SUCH BREACH BE CONSTRUED AS A WAIVER OF THE RIGHT TO INSIST UPON THE FORFEITURE AND TO OBTAIN POSSESSION IN THE MANNER HEREIN PROVIDED. TO THE EXTENT PERMITTED BY LAW, TENANT HEREBY WAIVES THE DUTIES IMPOSED BY 50 PA.C.S.A. SECTION 5601.3 IN CONNECTION WITH ANY EXERCISE OF THE FOREGOING RIGHTS AND POWERS. TENANT HEREBY ACKNOWLEDGES AND AGREES THAT IT IS TENANT'S REASONABLE EXPECTATION THAT LANDLORD WILL EXERCISE THE RIGHTS AND REMEDIES GRANTED TO LANDLORD UNDER THIS SECTION 22(b)(v) AND ELSEWHERE IN THIS LEASE."

5. **Notices.** Landlord's address for notices set forth in Section 1(l) is hereby deleted and replaced with the following:

"To Landlord: 3222 Phoenixville Pike Owner LLC
c/o Goldman Sachs Realty Management, LLC
2001 Donald Ross Avenue, Suite 2800
Dallas, TX 75201
Attn: Mr. Patrick Pakan

With a copy to:

3222 Phoenixville Pike Owner LLC
c/o Goldman Sachs Realty Management, LLC
2001 Donald Ross Avenue, Suite 2800
Dallas, TX 75201
Attn: General Counsel

6. **Brokers**. Landlord and Tenant represent and warrant to one another that they dealt and negotiated solely and only through CBRE and Gola Corporate Real Estate, respectively (collectively, the "Broker") with respect to this Amendment, the extension of the term of the Lease and the leasing of the Expansion Premises and with no other agent, broker, firm, company or person. Landlord shall pay or cause a commission to be paid to the Broker pursuant to a separate agreement. Each party agrees to indemnify and hold the other harmless from any and all claims for commissions or fees in connection with the Premises and this Lease from any real estate brokers or agents with whom they may have dealt, other than Broker. The foregoing indemnification shall survive the expiration or termination of the Lease.

7. **Lease in Full Force and Effect; No Conflicts**. The Lease remains in full force and effect and unmodified, except as modified or amended by this Amendment. If there shall be any conflict or inconsistency between the terms and conditions of this Amendment and those of the Lease, the terms and conditions of this Amendment shall control.

8. **Binding Effect**. This Amendment shall be binding upon and inure to the benefit of Landlord and Tenant and their respective permitted successors and assigns.

9. **Counterparts**. This Amendment may be executed in two (2) or more counterpart copies, all of which counterparts shall have the same force and effect as if the parties hereto had executed a single copy of this Amendment.

10. **Entire Agreement**. The Lease, as further amended by this Amendment, contains, and is intended as, a complete statement of all of the terms of the arrangements between the parties with respect to the matters pertaining to the Premises, supersedes any previous agreements and understandings between the parties with respect to those matters, and cannot be changed or terminated orally.

11. **Governing Law**. This Amendment shall be governed by and construed in accordance with the substantive laws of the Commonwealth of Pennsylvania.

12. **Headings**. The Paragraph headings of this Amendment are for reference purposes only and are to be given no effect in the construction or interpretation of this Amendment.

13. **Severability**. Any provision of this Amendment that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Amendment or such provision, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

14. **Parties in Interest; No Third-Party Beneficiaries**. Neither the Lease, this Amendment nor any other agreement, document or instrument to be delivered pursuant to this Amendment shall be deemed to confer upon any person not a party hereto or thereto any rights or remedies hereunder or thereunder.

15. **OFAC**. Landlord and Tenant each represents, warrants and covenants that neither it nor any of its officers or directors (i) is listed on the Specially Designated Nationals and Blocked Persons List maintained by the Office of Foreign Asset Control, Department of the Treasury ("OFAC") pursuant to Executive Order No. 13224, 66 Fed. Reg. 49079 (Sept. 25, 2001) ("Order") and all applicable provisions of Title III of the USA Patriot Act (Public Law No. 107-56 (October 26, 2001)); (ii) is listed on the Denied Persons List and Entity List maintained by the United States Department of Commerce; (iii) is listed on the List of Terrorists and List of Disbarred Parties maintained by the United States Department of State; (iv) is listed on any other publicly available list of terrorists, terrorist organizations or narcotics traffickers maintained by the United States Department of State, the United States Department of Commerce or any other governmental authority or pursuant to the Order, the rules and regulations of OFAC (including without limitation the Trading with the Enemy Act, 50 U.S.C. App. 1-44; the International Emergency Economic Powers Act, 50 U.S.C. §§ 1701-06; the unrepealed provision of the Iraq Sanctions Act, Publ. L. No. 101-513; the United Nations Participation Act, 22 U.S.C. § 2349 as-9; The Cuban Democracy Act, 22 U.S.C. §§ 60 01-10; The Cuban Liberty and Democratic Solidarity Act, 18 U.S.C. §§ 2332d and 233; and The Foreign Narcotic Kingpin Designation Act, Publ. L. No. 106-120 and 107-108, all as may be amended from time to time); or any other applicable requirements contained in any enabling legislation or other Executive Orders in respect of the Order (the Order and such other rules, regulations, legislation or orders are collectively called the "Orders"); (v) is engaged in activities prohibited in the Orders; or (vi) has been convicted, pleaded nolo contendere, indicted,

arraigned or custodially detained on charges involving money laundering or predicate crimes to money laundering, drug trafficking, terrorist-related activities or other money laundering predicate crimes or in connection with the Bank Secrecy Act (31 U.S.C. §§ 5311 et. seq.). Tenant hereby agrees to defend, indemnify, and hold harmless Landlord from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorney's fees and costs) arising from or related to any breach of the foregoing representation, warranty and covenant. Landlord hereby agrees to defend, indemnify, and hold harmless Tenant from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorney's fees and costs) arising from or related to any breach of the foregoing representation, warranty and covenant. The parties indemnity obligations pursuant to this Section shall survive the expiration or termination of the Lease.

16. **Authority**. Landlord and Tenant each represent and warrant to the other party: (a) the execution, delivery and performance of this Amendment has been duly approved by such party and no further corporate action is required on the part of such party to execute, deliver and perform this Amendment; (b) the person(s) executing this Amendment on behalf of such party have all requisite authority to execute and deliver this Amendment; and (c) this Amendment, as executed and delivered by such person(s), is valid, legal and binding on such party, and is enforceable against such party in accordance with its terms.

[REMAINDER OF PAGE INTENTIONALLY BLANK]

IN WITNESS WHEREOF, the duly authorized officers or representatives of Landlord and Tenant have executed this Amendment to Lease under seal as of the day and year first hereinabove written.

WITNESSED/ ATTESTED BY:

_____

LANDLORD

3222 PHOENIXVILLE PIKE OWNER LLC

By: Goldman Sachs Realty Management, LLC,
as asset manager

By: /s/ Dirk Degenaars
Name: Dirk Degenaars
Title: Authorized Signatory

TENANT

NEURONETICS, INC.

By: /s/ Daniel Guthrie
Name: Daniel Guthrie
Title: Chief Commercial Officer

NEURONETICS, INC.

AMENDED AND RESTATED
RESTRICTED STOCK UNIT GRANT NOTICE
(2018 EQUITY INCENTIVE PLAN)

Neuronetics, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby awards to Participant a Restricted Stock Unit Award for the number of shares of the Company's Common Stock ("***Restricted Stock Units***") set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "***Restricted Stock Unit Grant Notice***"), and in the Plan and the Amended and Restated 2018 Equity Incentive Plan Restricted Stock Unit Award Agreement (the "***Award Agreement***"), both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein shall have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in this Restricted Stock Unit Grant Notice or the Award Agreement and the Plan, the terms of the Plan shall control.

Participant:	_____
Date of Grant:	_____
Vesting Commencement Date:	_____
Number of Restricted Stock Units:	_____

Vesting Schedule: [**For employees version 1:** 33.33% on the first anniversary of the Vesting Commencement Date, 33.33% on the second anniversary of the Vesting Commencement Date, and 33.34% on the third anniversary of the Vesting Commencement Date, subject to Participant's Continuous Service through each such vesting date. **For employees version 2:** 25% on the first anniversary of the Vesting Commencement Date, 25% on the second anniversary of the Vesting Commencement Date, 25% on the third anniversary of the Vesting Commencement Date, and 25% on the fourth anniversary of the Vesting Commencement Date, subject to Participant's Continuous Service through each such vesting date. **For non-employee directors:** The earlier of Participant's Board-approved separation of service from the Company (as contemplated in Section 2 of the Award Agreement) or _____, subject to Participant's Continuous Service through each such vesting date.]

Issuance Schedule: Subject to any Capitalization Adjustment, one share of Common Stock (or its cash equivalent, at the discretion of the Company) will be issued for each Restricted Stock Unit that vests at the time set forth in Section 6 of the Award Agreement.

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements on the terms of the Award, with the exception, if applicable, of (i) restricted stock unit awards or options previously granted and delivered to Participant, (ii) the written employment agreement, offer letter or other written agreement entered into between the Company and Participant specifying the terms that should govern this specific Award, and (iii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law.

By accepting the Award, Participant acknowledges having received and read the Restricted Stock Unit Grant Notice, the Award Agreement and the Plan and agrees to all of the terms and conditions set forth in these documents. Participant consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

NEURONETICS, INC.	**PARTICIPANT**

By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

Attachments: Award Agreement and 2018 Equity Incentive Plan

Attachment I
Award Agreement

(see next page)

NEURONETICS, INC.

AMENDED AND RESTATED
2018 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Amended and Restated 2018 Equity Incentive Plan Restricted Stock Unit Award Agreement (the "***Agreement***"), Neuronetics, Inc. (the "***Company***") has awarded you ("***Participant***") a Restricted Stock Unit Award (the "***Award***") pursuant to the Company's 2018 Equity Incentive Plan (the "***Plan***") for the number of Restricted Stock Units/shares indicated in the Grant Notice. Capitalized terms not explicitly defined in this Agreement or the Grant Notice shall have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the "***Account***") the number of Restricted Stock Units/shares of Common Stock subject to the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock in connection with the vesting of the Restricted Stock Units, and, to the extent applicable, references in this Agreement and the Grant Notice to Common Stock issuable in connection with your Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right. This Award was granted in consideration of your services to the Company.

2. VESTING. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice. Vesting will cease upon the termination of your Continuous Service and the Restricted Stock Units credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such Award or the shares of Common Stock to be issued in respect of such portion of the Award; provided, however, that your Award will vest in full on the date that your Continuous Service terminates if the termination of your Continuous Service has received the prior approval of the Board.

3. NUMBER OF SHARES. The number of Restricted Stock Units subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, shall be subject, in a manner determined by the Board of Directors of the Company (the "***Board***"), to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. SECURITIES LAW COMPLIANCE. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. TRANSFER RESTRICTIONS. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Restricted Stock Units.

(a) Death. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate shall be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, marital settlement agreement or other divorce or separation instrument as permitted by applicable law that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. DATE OF ISSUANCE.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation set forth in Section 11 of this Agreement, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***".

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), *and*

(ii) either (1) a Withholding Obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 11 of this Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

7. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

8. Restrictive Legends. The shares of Common Stock issued in respect of your Award shall be endorsed with appropriate legends as determined by the Company.

9. Execution of Documents. You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

10. Award not a Service Contract.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ or service of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the vesting schedule provided in the Grant Notice may not be earned unless (in addition to any other conditions described in the Grant Notice and this Agreement) you continue as an employee, director or consultant at the will of the Company and affiliate, as applicable (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). You acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with the Company's right to terminate your Continuous Service at any time, with or without your cause or notice, or to conduct a reorganization.

11. Withholding Obligation.

(a) On each vesting date, and on or before the time you receive a distribution of the shares of Common Stock in respect of your Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision, including in cash, for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with your Award (the "***Withholding Obligation***").

(b) By accepting this Award, you acknowledge and agree that the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Obligation relating to your Restricted Stock Units by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Withholding Obligation in cash; (ii) withholding from any compensation otherwise payable to you by the Company; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued pursuant to Section 6) equal to the amount of such Withholding Obligation; provided, however, that the number of such shares of Common Stock so withheld will not exceed the amount necessary to satisfy the Withholding Obligation using the maximum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and *provided*, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such

share withholding procedure will be subject to the express prior approval of the Board or the Company's Compensation Committee; and/or (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***"), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Restricted Stock Units to satisfy the Withholding Obligation and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Obligation directly to the Company and/or its Affiliates. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to you any Common Stock or any other consideration pursuant to this Award.

(c) In the event the Withholding Obligation arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

12. Tax Consequences. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

13. Unsecured Obligation. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Agreement until such shares are issued to you pursuant to Section 6 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. Notices. Any notice or request required or permitted hereunder shall be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

15. Headings. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

16. Miscellaneous.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

17. Governing Plan Document. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. Effect on Other Employee Benefit Plans. The value of the Award subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

19. Severability. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. Other Documents. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

21. Amendment. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

22. Compliance with Section 409A of the Code. This Award is intended to be exempt from the application of Section 409A of the Code, including but not limited to by reason of complying with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) and any ambiguities herein shall be interpreted accordingly. Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise not exempt from, and determined to be deferred compensation subject to Section 409A of the Code, this Award shall comply with Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein shall be interpreted accordingly. If

it is determined that the Award is deferred compensation subject to Section 409A and you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "Separation from Service" (as defined in Section 409A), then the issuance of any shares that would otherwise be made upon the date of your Separation from Service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the Separation from Service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

* * * * *

This Restricted Stock Unit Award Agreement shall be deemed to be signed by the Company and the Participant upon the signing by the Participant of the Restricted Stock Unit Grant Notice to which it is attached.

https://www.sec.gov/Archives/edgar/data/1227636/000119312525020110/d827992ds8.htm (see Exhibit 10.2 and Exhibit 10.4)

Exhibit 10.22

Separation and Release of Claims Agreement

This Separation and Release of Claims Agreement (this "**Agreement**") is entered into by and between Neuronetics, Inc., a Delaware corporation, on behalf of itself and its subsidiaries (collectively, the "**Employer**"), and the individual whose name is set forth as the counterparty on the signature page hereto (the "**Employee**" and, together with the Employer, the "**Parties**") as of the later of the dates set forth on the signature page hereto (the "**Execution Date**").

1. Separation Date. The Employee's last day of employment with the Employer is or was _____ (the "**Separation Date**"). After the Separation Date, the Employee shall not represent that the Employee is an employee, officer, attorney, agent, or representative of the Employer for any purpose. Except as otherwise set forth in this Agreement, the Separation Date is the employment termination date for the Employee for all purposes, meaning the Employee is not entitled to any further compensation, monies, or other benefits from the Employer, including coverage under any benefit plans or programs sponsored by the Employer, as of the Separation Date.

2. Return of Property. By the Separation Date, the Employee must return all of the Employer's property, including identification cards or badges, access codes or devices, keys, laptops, computers, telephones, mobile phones, hand-held electronic devices, credit cards, electronically stored documents or files and storage devices, physical files, and any other property of the Employer in the Employee's possession. The Employee further acknowledges and agrees that the Employee no longer has access to and does not claim ownership of any of the Employer's cloud storage or social media accounts.

3. Employee Representations.

(a) The Employee specifically represents, warrants, and confirms that the Employee:

(i) has not filed any claims, complaints, or actions of any kind against the Employer with any federal, state, or local court or government or administrative agency;

(ii) has not made any claims or allegations to the Employer related to unlawful employment practices, harassment, discrimination, retaliation, wage and hour violations, sexual abuse, or sexual assault, and that none of the payments set forth in this Agreement are related to any such claims or allegations;

(iii) has been properly paid for all hours worked for the Employer;

(iv) has received all salary, wages, commissions, bonuses, and other compensation due to the Employee, with the exception of the Employee's final payroll check through and including the Separation Date, which shall be paid on the next regularly scheduled payroll date for the pay period including the Separation Date;

(v) has not engaged in, and is not aware of, any unlawful conduct relating to the business of the Employer; and

(vi) has not given or assigned to any other individual or entity the right to assert or pursue any of the Released Claims.

(b) If any of these statements is not true, the Employee cannot sign this Agreement and must notify the Employer immediately in writing of the statements that are not true. This notice will not automatically disqualify the Employee from receiving the Separation Benefits, but will require the Employer's further review and consideration.

(c) Collectively, all representations, warranties, and confirmations in this **Section 3** shall be referenced as the "**Employee Representations**."

4. Employee Obligations Through Separation Date. Until close of business on the Separation Date, the Employee will continue to perform the Employee's existing job responsibilities and duties in a satisfactory and diligent manner; provided, that for some or all of such period, at the Employer's sole discretion, the Employee may be assigned to new or different assignments, placed on garden leave, or relieved of some or all of the Employee's responsibilities. As the Employee will remain an employee of the Employer during such period, the Employee will continue to have a duty of loyalty to the Employer and will continue to be subject to the same policies as other active employees.

5. Effective Date. This Agreement shall not become effective until the eighth (8th) day after the Employee signs, without revoking, this Agreement (the "**Effective Date**"). No payments due to the Employee under this Agreement shall be made or begin before the latest of the Effective Date, the Separation Date, and the date on which the Employee signs the Final Release.

6. Separation Benefits.

(a) As consideration for the Employee's execution of, non-revocation of, and compliance with this Agreement and the final release at **Exhibit A** (the "**Final Release**") and the Employee's satisfaction of the obligations set forth in **Section 4**, the Employer agrees to provide the following benefits to which the Employee is not otherwise entitled (collectively, the "**Separation Benefits**"):

(i) Continued payment of the Employee's base salary in accordance with the Employer's regular payroll practices, less all relevant taxes and other withholdings, until ___. The first installment payment shall include all amounts that would otherwise have been paid to the Employee during the period beginning on the Separation Date and ending on the first payment date. Notwithstanding the foregoing, no payment shall be made or begin before the Effective Date.

(ii) If the Employee timely and properly elects to continue existing group health, dental, or vision coverage under the Employer's group plans (collectively, the

"**Plans**") under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("**COBRA**"), then the Employee may be permitted to continue participation in the Plans under COBRA by continuing to pay premiums to the Employer at the contribution levels in effect for active employees until the earliest of: (A) ___; (B) the date the Employee becomes covered under another employer's plans; or (C) the expiration of the maximum COBRA continuation coverage period for which the Employee is eligible under federal law. At the end of such period, the Employee shall be eligible to continue coverage, pursuant to COBRA, and shall be responsible for the entire COBRA premium for the remainder of the applicable COBRA continuation period.

(b) The Employee understands, acknowledges, and agrees that the Separation Benefits exceed what the Employee is otherwise entitled to receive on separation from employment, and that the Separation Benefits are being given as consideration in exchange for executing this Agreement and the Final Release. The Employee further acknowledges that the Employee is not entitled to any additional payment or consideration not specifically referenced in this Agreement. Nothing in this Agreement or the Final Release shall be deemed or construed as an express or implied policy or practice of the Employer to provide the Separation Benefits or any other benefits to any individuals other than the Employee.

7. Termination for Cause. If the Employee quits or is terminated for Cause prior to the Separation Date, then the Employee will forfeit any right, claim, or entitlement to the Separation Benefits, with the sole exception of salary earned through the Separation Date, the balance of accrued and unused vacation time remaining as of the Separation Date, and group health benefits that Employee elects to continue and self-pay under COBRA. For purposes of this Agreement, "**Cause**" means the occurrence of any of the following. as determined by the Employer: (a) the Employee's commission of, or participation in, a fraud or act of dishonesty against the Employer; (b) the Employee's intentional and material violation of the Employer's standards of conduct; (c) the Employee's breach of **Section 13**; (d) the Employee's willful misconduct or gross negligence in the performance of the Employee's duties for the Employee; or (e) the Employee's breach of any provision of the restrictive covenant and invention assignment agreement by and between the Employee and the Employer (the "**RCIAA**").

8. Release.

(a) Employee's General Release and Waiver of Claims. In exchange for the consideration provided in this Agreement, the Employee and the Employee's heirs, executors, representatives, administrators, agents, insurers, and assigns (collectively, the "**Releasors**") irrevocably and unconditionally fully and forever waive, release, and discharge the Employer, including the Employer's parents, subsidiaries, affiliates, predecessors, successors, and assigns, and each of its and their respective officers, directors, employees, shareholders, trustees, partners, and other related persons or entities, in their corporate and individual capacities (collectively, the "**Released Parties**"), from any and all claims, demands, actions, causes of action, judgments, rights, fees, damages, debts, obligations, liabilities, and expenses (inclusive of attorneys' fees) of any kind whatsoever, whether known or unknown, and whether arising under or in connection with federal, state, or local law, statute, regulation, or ordinance, the common law, the law of contracts, the law of torts, any other principle of law or equity, any theory of

liability, or otherwise, and even if the Employee later discovers facts different from or in addition to the facts that the Employee knows or believes to be true as of the Execution Date (collectively, "**Claims**"), that Releasors may have or have ever had against the Released Parties, or any of them, by reason of any actual or alleged act, omission, transaction, practice, conduct, occurrence, or other matter from the beginning of time up to and including the date of the Employee's execution of this Agreement, including, but not limited to:

(i) any and all claims under Title VII of the Civil Rights Act of 1964, the Americans with Disabilities Act, the Family and Medical Leave Act (regarding existing but not prospective claims), the Fair Labor Standards Act, the Equal Pay Act, the Employee Retirement Income Security Act (regarding unvested benefits), the Civil Rights Act of 1991, Section 1981 of U.S.C. Title 42, the Fair Credit Reporting Act, the Worker Adjustment and Retraining Notification Act, the Age Discrimination in Employment Act (the "**ADEA**"), the Uniform Services Employment and Reemployment Rights Act, the Genetic Information Nondiscrimination Act, the Immigration Reform and Control Act, and all state and local laws that may be legally waived[, including but not limited to _____], all including any amendments and their respective implementing regulations, and any other federal, state, local, or foreign law (statutory, regulatory, or otherwise) that may be legally waived and released; provided, however, that the identification of specific statutes is for purposes of example only, and the omission of any specific statute or law shall not limit the scope of this general release in any manner;

(ii) any and all claims of discrimination on the basis of race, color, religion, national origin, ethnicity, age, disability, genetic information, sex, sexual orientation, gender identity, gender expression, transgender status, marital status, military service, veteran status, citizenship, your exercise of any rights protected by law, your opposition to any conduct you viewed as unlawful, or your membership in or affiliation with any class or group of people against whom discrimination is prohibited under any federal, state, or local law, regulation, or ordinance;

(iii) any and all claims for compensation of any type whatsoever, including but not limited to claims for salary, wages, bonuses, commissions, incentive compensation, vacation, and severance that may be legally waived and released;

(iv) any and all claims arising under tort, contract, and quasi-contract law, including but not limited to claims of breach of an express or implied contract, tortious interference with contract or prospective business advantage, breach of the covenant of good faith and fair dealing, promissory estoppel, detrimental reliance, invasion of privacy, violation of biometric and data privacy laws, nonphysical injury, personal injury or sickness or any other harm, wrongful or retaliatory discharge, fraud, defamation, slander, libel, false imprisonment, and negligent or intentional infliction of emotional distress; and

(v) any and all claims for monetary or equitable relief, including but not limited to attorneys' fees, back pay, front pay, reinstatement, experts' fees, medical fees or expenses, costs and disbursements, punitive damages, liquidated damages, and penalties;

(vi) any and all claims relating to or in connection with settlements or awards of damages or other monetary relief paid or payable by any of the Released Parties as a result of any investigation, litigation, or proceeding; and

(vii) indemnification rights the Employee has against the Employer.

This general release and waiver of claims excludes, and the Employee does not waive, release, or discharge: (A) any right to file an administrative charge or complaint with, or testify, assist, or participate in an investigation, hearing, or proceeding conducted by, the Equal Employment Opportunity Commission or other similar federal, state, or local administrative agencies, although the Employee waives any right to monetary relief related to any filed charge or administrative complaint; (B) claims that cannot be waived by law, such as claims for unemployment benefit rights and workers' compensation; (C) indemnification rights the Employee has against the Employer; (D) any right to file an unfair labor practice charge under the National Labor Relations Act, or participate or assist in proceedings before the National Labor Relations Board or the Employee's rights under a collective bargaining agreement without processes; (E) protections against retaliation under the Taxpayer First Act (26 U.S.C. § 2623(d)); and (F) any rights to vested benefits, such as pension or retirement benefits, the rights to which are governed by the terms of the applicable plan documents and award agreements (collectively, the "**Excluded Claims**").

(b) Specific Release of ADEA Claims. In further consideration of the payments and benefits provided to the Employee in this Agreement, the Releasors hereby irrevocably and unconditionally fully and forever waive, release, and discharge the Released Parties from any and all Claims, whether known or unknown, from the beginning of time through the date of the Employee's execution of this Agreement arising under the ADEA. By signing this Agreement, the Employee hereby acknowledges and confirms that:

(i) the Employee has read this Agreement in its entirety and understands all of its terms;

(ii) by this Agreement and the Final Release, the Employee has been advised in writing to consult with an attorney of the Employee's choosing before signing this Agreement;

(iii) the Employee knowingly, freely, and voluntarily agrees to all of the terms and conditions set out in this Agreement including, without limitation, the waiver, release, and covenants contained in it;

(iv) the Employee is signing this Agreement, including the waiver and release, in exchange for good and valuable consideration in addition to anything of value to which the Employee is otherwise entitled;

(v) the Employee was given at least twenty-one (21) days to consider the terms of this Agreement and consult with an attorney of the Employee's choice, although the

Employee may sign it sooner if desired and changes to this Agreement, whether material or immaterial, do not restart the running of such period;

(vi) the Employee understands that the Employee has seven (7) days after signing this Agreement to revoke the release in this **Section 8(b)** by delivering notice of revocation to Daniel Pont (daniel.pont@neurostar.com) (the "**Neuronetics Notice Recipient**") by email before the end of such period; and

(vii) the Employee understands that the release contained in this **Section 8(b)** does not apply to rights and claims that may arise after the Employee signs this Agreement.

(c) Definition of Released Claims. Collectively, all Claims waived, released, and discharged in this **Section 8** shall be referenced as the "**Released Claims**."

9. Obligations under RCIAA. The Employee acknowledges and agrees that the RCIAA remains in full force and effect in accordance with its terms, and that nothing in this Agreement is intended to supersede, cancel, amend, or modify the Employee's obligations thereunder. The Employee specifically acknowledges, reaffirms, and agrees to comply with the obligations that the Employee undertook under the RCIAA with respect to protection of the Employer's confidential information and trade secrets, not competing against the Employer, and not soliciting the Employer's customers or employees.

10. Final Release. On or after the Separation Date, and within the consideration period set forth in the Final Release, the Employee shall execute the Final Release.

11. Cooperation. The parties agree that certain matters in which the Employee has been involved during the Employee's employment may need the Employee's cooperation with the Employer in the future. Accordingly, from and after the Separation Date, the Employee shall cooperate with the Employer regarding matters arising out of or related to the Employee's service to the Employer. The Employer shall reimburse the Employee for reasonable out-of-pocket expenses incurred in connection with this cooperation.

12. Comments to Others. The Employee agrees and covenants that the Employee shall not at any time make, publish, or communicate to any person or entity or in any public forum any defamatory, or maliciously false comments, or statements concerning the Employer or its businesses, or any of its employees, officers, or directors now or in the future. This **Section 12** does not in any way restrict or impede the Employee from exercising protected rights to the extent that such rights cannot be waived by agreement or from complying with any applicable law or regulation or a valid order of a court of competent jurisdiction or an authorized government agency, provided that such compliance does not exceed that required by the law, regulation, or order.

13. Confidentiality of Financial Terms. The Employee agrees and covenants that the Employee will keep the terms regarding the payments contemplated in **Section 6(a)** confidential and will not disclose such terms to any individual or entity other than the Employee's attorneys,

tax advisors, or immediate family members; provided, that all such individuals or entities agree to keep such terms confidential.

14. Permitted Disclosures.

(a) Nothing in this Agreement shall be construed to prevent disclosure of Confidential Information as may be required by applicable law or regulation, or pursuant to the valid order of a court of competent jurisdiction or an authorized government agency, provided that the disclosure does not exceed the extent of disclosure required by such law, regulation, or order. The Employee shall promptly provide written notice of any such order to an authorized officer of the Employer.

(b) Nothing in this Agreement prohibits or restricts the Employee (or the Employee's attorney) from initiating communications directly with, responding to an inquiry from, or providing testimony before the Securities and Exchange Commission, the Financial Industry Regulatory Authority, any other self-regulatory organization, or any other federal or state regulatory authority regarding this Agreement or its underlying facts or circumstances or a possible securities law violation.

15. Notice of Immunity Under Defend Trade Secrets Act of 2016. Notwithstanding any other provision of this Agreement:

(a) The Employee shall not be held criminally or civilly liable under any federal or state trade secret law for any disclosure of a trade secret that is made: (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and solely for the purpose of reporting or investigating a suspected violation of law; or (ii) in a complaint or other document that is filed under seal in a lawsuit or other proceeding.

(b) If the Employee files a lawsuit for retaliation by the Employer for reporting a suspected violation of law, the Employee may disclose the Employer's trade secrets to the Employee's attorney and use the trade secret information in the court proceeding if the Employee: (ii) files any document containing the trade secret under seal; and (ii) does not disclose the trade secret, except pursuant to court order.

16. Remedies.

(a) In the event of a breach or threatened breach by the Employee of any provision of this Agreement, the Employee hereby consents and agrees that money damages would not afford an adequate remedy and that the Employer shall be entitled to seek a temporary or permanent injunction or other equitable relief against such breach or threatened breach from any court of competent jurisdiction, without the necessity of showing any actual damages, and without the necessity of posting any bond or other security. Any equitable relief shall be in addition to, not instead of, legal remedies, monetary damages, or other available relief.

(b) If the Employee fails to comply with any of the terms of this Agreement, the Employer may, in addition to any other available remedies, reclaim any amounts paid to the

Employee under the provisions of this Agreement and terminate the Separation Benefits that are later due under this Agreement, without waiving the releases provided in this Agreement.

(c) The Parties mutually agree that this Agreement can be specifically enforced in court and can be cited as evidence in legal proceedings alleging breach of this Agreement.

17. Successors and Assigns. The Employer may freely assign this Agreement at any time, and this Agreement shall inure to the benefit of the Employer and its successors and assigns. The Employee may not assign this Agreement in whole or in part, and any purported assignment by the Employee shall be null and void from the initial date of the purported assignment.

18. Governing Law, Jurisdiction, and Venue. This Agreement and all matters arising out of or relating to this Agreement and the Employee's employment or termination of employment with the Employer, whether sounding in contract, tort, or statute, for all purposes shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to any conflicts of laws principles that would require the laws of any other jurisdiction to apply. Any action or proceeding by either of the Parties to enforce this Agreement shall be brought in U.S. District Court for the Eastern District of Pennsylvania, or if such court does not have jurisdiction or will not accept jurisdiction, in the Court of Common Pleas of Chester County, Pennsylvania. The Parties hereby irrevocably submit to the exclusive jurisdiction of these courts and waive the defense of inconvenient forum to the maintenance of any action or proceeding in such venue.

19. Entire Agreement. Unless specifically provided herein, this Agreement, the RCIAA, and the Final Release, taken together, contain all of the understandings and representations between the Employer and the Employee relating to the subject matter hereof and supersede all prior and contemporaneous understandings, discussions, agreements, representations, and warranties, both written and oral, regarding such subject matter; provided, however, that any obligations that the Employee previously undertook pursuant to any grant agreements applicable to awards or restricted stock, stock units, stock options, or other equity awards previously granted by the Employer to the Employee shall remain in full force and effect. If any inconsistency exists between any such obligations and the obligations set forth in this Agreement, then the obligations set forth in this Agreement shall prevail.

20. Modification and Waiver. No provision of this Agreement may be amended or modified unless the amendment or modification is agreed to in writing and signed by the Employee and by an authorized representative of the Employer. No waiver by either Party of any breach by any other Party of any condition or provision of this Agreement to be performed by the other Party shall be deemed a waiver of any similar or dissimilar provision or condition at the same or any prior or subsequent time, nor shall the failure of or delay by either Party in exercising any right, power, or privilege under this Agreement operate as a waiver thereof to preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

21. Severability. If any provision of this Agreement is found by a court or arbitral authority of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, or enforceable only if modified, such finding shall not affect the validity of the remainder of this Agreement, which shall remain in full force and effect and continue to be binding on the Parties. The Parties further agree that any such court or arbitral authority is expressly authorized to modify any such invalid, illegal, or unenforceable provision of this Agreement instead of severing the provision from this Agreement in its entirety, whether by rewriting, deleting, or adding to the offending provision, or by making such other modifications as it deems necessary to carry out the intent and agreement of the Parties as embodied in this Agreement to the maximum extent permitted by law. Any such modification shall become a part of and treated as though originally set forth in this Agreement. If such provision or provisions are not modified, this Agreement shall be construed as if such invalid, illegal, or unenforceable provisions had not been set forth in it. The Parties expressly agree that this Agreement as so modified by the court or arbitral authority shall be binding on and enforceable against each of them.

22. Interpretation. Captions and headings of the sections and paragraphs of this Agreement are intended solely for convenience and no provision of this Agreement is to be construed by reference to the caption or heading of any section or paragraph. Moreover, this Agreement shall not be construed against either Party as the author or drafter of this Agreement.

23. Counterparts. The Parties may execute this Agreement in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument. Delivery of an executed counterpart of this Agreement has the same effect as delivery of an executed original of this Agreement.

24. No Admission of Liability. Nothing in this Agreement shall be construed as an admission by the Employee or the Employer of any wrongdoing, liability, or noncompliance with any federal, state, city, or local rule, ordinance, statute, common law, or other legal obligation.

25. Tolling. If the Employee violates any of the post-termination obligations in this Agreement, the obligation at issue shall run from the first date on which the Employee ceases to be in violation of such obligation.

26. Attorneys' Fees and Costs. If the Employee breaches any terms of this Agreement, to the extent authorized by applicable law, the Employee shall be responsible for payment of all reasonable attorneys' fees and costs that the Employer incurred in the course of enforcing the terms of this Agreement, including demonstrating the existence of a breach and any other contract enforcement efforts.

27. Section 409A. This Agreement is intended to comply with Section 409A of the Internal Revenue Code of 1986, as amended ("**Section 409A**"), including the exceptions thereto, and shall be construed and administered in accordance with such intent. Notwithstanding any other provision of this Agreement, payments provided under this Agreement may only be made upon an event and in a manner that complies with Section 409A or an applicable exemption. Any payments under this Agreement that may be excluded from Section 409A either as separation

pay due to an involuntary separation from service, as a short-term deferral, or as a settlement payment pursuant to a bona fide legal dispute shall be excluded from Section 409A to the maximum extent possible. For purposes of Section 409A, any installment payments provided under this Agreement shall each be treated as a separate payment. To the extent required under Section 409A, any payments to be made under this Agreement in connection with a termination of employment shall only be made if such termination constitutes a "separation from service" under Section 409A. Notwithstanding the foregoing, the Employer makes no representations that the payments and benefits provided under this Agreement comply with Section 409A and in no event shall the Employer be liable for all or any portion of any taxes, penalties, interest, or other expenses that may be incurred by the Employee on account of non-compliance with Section 409A.

28. Federal Rule of Evidence 408. The Parties agree that this Agreement, its terms, and the negotiations surrounding this Agreement shall be governed by Federal Rule of Evidence 408 and shall not be admissible or offered or received into evidence in any suit, action, or other proceeding, except upon the written agreement of the Parties, pursuant to an order of a court of competent jurisdiction, or as shall be necessary to give effect to, or to declare or enforce the rights of the Parties with respect to, any provision of this Agreement.

29. Acknowledgment of Full Understanding. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS FULLY READ, UNDERSTANDS, AND VOLUNTARILY ENTERS INTO THIS AGREEMENT. THE EMPLOYEE ACKNOWLEDGES AND AGREES THAT THE EMPLOYEE HAS HAD AN OPPORTUNITY TO ASK QUESTIONS AND CONSULT WITH AN ATTORNEY OF THE EMPLOYEE'S CHOICE BEFORE SIGNING THIS AGREEMENT. THE EMPLOYEE FURTHER ACKNOWLEDGES THAT THE EMPLOYEE'S SIGNATURE BELOW IS AN AGREEMENT TO RELEASE EMPLOYER FROM ANY AND ALL CLAIMS THAT CAN BE RELEASED AS A MATTER OF LAW.

(No further text on this page. Signature page follows.)

IN WITNESS WHEREOF, the Parties, knowingly and voluntarily and intending to be legally bound, affix their signatures to signify their mutual assent to this Agreement as of the Execution Date.

THE EMPLOYER:	**THE EMPLOYEE:**
Neuronetics, Inc.	
By: _____	Signature: _____
Name: _____	Print Name: _____
Title: _____	Date: _____
Date: _____	

OLDER WORKERS BENEFIT PROTECTION ACT DISCLOSURE NOTICE

The Older Workers Benefit Protection Act requires that employers provide specific information to employees who are forty (40) years of age or older and asked to execute a release of claims in connection with a group termination program. This document provides this information.

The class, unit, or group of individuals covered includes certain employees on the [___] team who will be terminated. The following table lists the ages and job titles of employees who were and were not selected for termination and offered consideration for signing a waiver:

Job Title	**Age**	**Number Selected**	**Number Not Selected**
[___]	[___]	[___]	[___]
[___]	[___]	[___]	[___]
[___]	[___]	[___]	[___]
[___]	[___]	[___]	[___]

Exhibit A

Final Release

(See attached)

Final Release

This Final Release (this "**Final Release**") is being executed to ensure the finality and completeness of the release of claims given to Neuronetics, Inc. (the "**Employer**") by the individual identified on the signature block hereto (the "**Employee**") in the Separation and Release of Claims Agreement (the "**Agreement**") to which this Final Release is attached. Capitalized terms used and not defined in this Final Release shall have the respective meanings assigned to them in the Agreement.

1. Understanding. The Employee acknowledges and agrees that the Employee's valid and timely execution of this Final Release is a precondition to the Employee's receipt of the Separation Benefits. The Employee intends to be bound by this Final Release.

2. Release of Claims. In exchange for the Separation Benefits, the Releasors hereby irrevocably and unconditionally fully and forever waive, release, and discharge the Released Claims arising at any time prior to the date on which the Employee signs this Final Release. For the avoidance of doubt, the immediately preceding sentence excludes, and the Employee does not waive, release, or discharge, the Excluded Claims.

3. Employee Representations. The Employee hereby incorporates by reference the Employee Representations as if set forth in full in this Final Release, and represents, warrants, and confirms that the Employee Representations remain accurate as of the date on which the Employee signs this Final Release.

4. Advice of Counsel. Because this Final Release involves the waiver of legal claims, the Employee is hereby advised to seek legal advice from an attorney of the Employee's choosing before signing this Final Release.

5. Acceptance. The Employee has twenty-one (21) calendar days from the Separation Date (the "**Consideration Period**") to review and consider this Final Release before signing it. If the Employee chooses to sign this Final Release, the Employee must return the signed version of this Final Release to the Neuronetics Notice Recipient by email within the Consideration Period. The Employee's failure to do so shall be considered a rejection of the Separation Benefits and the other consideration described in the Agreement.

6. Right to Revoke and Revocation Period. The Employee has seven (7) calendar days from the date on which the Employee signs this Final Release (the "**Revocation Period**") to revoke it. To revoke this Final Release, the Employee must deliver notice of revocation to the Neuronetics Notice Recipient by email within the Revocation Period, in which case this Final Release shall be void. This Final Release shall not become effective until the eighth (8th) calendar day after the Employee signs it.

(No further text on this page. Signature page follows.)

IN WITNESS WHEREOF, the Employee, knowingly and voluntarily and intending to be legally bound, affixes the Employee's signature to signify the Employee's assent to this Final Release as of the date set forth below.

THE EMPLOYEE:

Signature: _____

Print Name: _____

Date: _____

RESTRICTIVE COVENANT AND INVENTION ASSIGNMENT AGREEMENT

[NEURONETICS, INC. / GREENBROOK TMS INC.], on its own behalf and on behalf of its subsidiaries and affiliates (collectively, the "Company") and the undersigned employee ("Employee") mutually agree to the terms set forth in this Restrictive Covenant and Invention Assignment Agreement (this "Agreement"), in exchange for and in consideration of Employee's eligibility for and participation in the Company's annual bonus, equity, commission, and other incentive programs, as applicable, in the calendar year in which the Effective Date occurs and in all future calendar years, Employee's employment or continued employment by the Company, and the other mutual promises and good and valuable consideration set forth herein. All capitalized terms shall have the meanings provided in this Agreement. This Agreement shall become effective as of the later of the dates signed by the parties on the signature page to this Agreement, except that, where a later date is required by state law under an applicable State Covenant Addendum (**APPENDIX C**), the effective date shall be the first post-signature date that satisfies the notice period required by such state law (in either such case, the "Effective Date").

1. **Duty of Loyalty**. In carrying out Employee's job duties, Employee agrees to act in the best interest of the Company and not to use Employee's position or responsibilities to gain a personal advantage for Employee or others. During employment with the Company, Employee agrees not to directly or indirectly undertake any activity that supports or advances the interests of any Competing Business or would otherwise conflict with Employee's responsibilities or with Employee's duty to act in the best interest of the Company.

2. **Protection of the Company's Legitimate Business Interests**. It is agreed that the Company has a legitimate business interest in protecting the competitive advantages it derives from: its Confidential Information and Trade Secrets; the goodwill and business relationships it has developed with customers and in the marketplace; and the significant resources it has invested to recruit, select, and train its employees, educate them about its business, and enhance their skills and job competencies.

3. **Access to Confidential Information, Goodwill, and Customers**. From and after the Effective Date, the Company agrees to permit Employee, in the course of Employee's employment with the Company, to have access to the Company's Confidential Information and Trade Secrets (as defined herein), its goodwill, customers, customer relationships, and professional opportunities on the condition that Employee agrees to the protections set forth in this Agreement. Employee agrees to the obligations imposed by this Agreement and recognizes that Employee will be enriched by knowledge and use of the Company's Confidential Information and Trade Secrets, by the training and experience that the Company will provide Employee, and by Employee's affiliation with the Company and participation in the Company's business and customer relationships.

4. **Protection of Confidential Information and Trade Secrets**.

4.1 ***General.*** Subject to Sections 5 and 6, absent the prior written consent of the Company, Employee shall not directly or indirectly use Confidential Information or Trade Secrets for the benefit of any person or entity other than the Company and shall not directly or indirectly disclose Confidential Information or Trade Secrets to any person who is not actively employed by the Company or who is not covered by a non-disclosure agreement with the Company protecting such information. Without limiting the foregoing, Employee agrees not to (a) remove, copy, or otherwise reproduce any document or tangible item embodying or containing any Confidential Information or Trade Secrets, except as required to perform Employee's responsibilities for the Company; (b) load, install, copy, store, or otherwise retain

any Confidential Information on any non-Company computer or other device; or (c) while employed or thereafter, publish, release, disclose, or otherwise make available to any third party any Confidential Information or Trade Secrets by any means or medium. In addition, Employee specifically agrees not to perform duties or responsibilities for or on behalf of a Competing Business if the performance of such duties would unavoidably require Employee to use Employee's knowledge of the Company's Confidential Information or Trade Secrets. These obligations of non-disclosure and non-use shall last so long as the information remains confidential, provided that Trade Secrets are protected by statute and are not subject to any time limits on their protection.

4.2 State-Specific Limits. Employee understands that if Employee's primary work location or primary place of residence is an address located in any state requiring a temporal limit on non-disclosure clauses, Confidential Information that is not a Trade Secret shall be protected until a date no less than two (2) years following the Employee's last day of employment with the Company.

5. Immunity under the Defend Trade Secrets Act of 2016 ("DTSA"). Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a Trade Secret that: (a) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney, and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (b) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. In certain circumstances, disclosures to attorneys made under seal or pursuant to court order are also protected under the DTSA. If Employee files a lawsuit for retaliation by the Company for reporting a suspected violation of law, Employee may disclose the Company's Trade Secrets to Employee's attorney and use the Trade Secret in the court proceeding if Employee: (a) files any document containing the Trade Secret under seal; and (b) does not disclose Trade Secrets, except pursuant to court order.

6. Other Permitted Disclosures. Nothing in this Agreement shall be construed to prevent Employee's disclosure of Confidential Information as may be required by applicable law or regulation, or to make a good faith report of a violation of law to, or in cooperation with, a federal or state administrative agency (such as the Securities and Exchange Commission, Department of Labor, Equal Employment Opportunity Commission (or equivalent state agency), or the Department of Justice, (collectively, "Government Agencies")), or pursuant to a valid order of a court of competent jurisdiction; provided that the disclosure is limited as necessary for such report or order. Only with respect to an order of a court of competent jurisdiction, Employee shall promptly provide the Company's Chief Human Resources Officer with written notice of any such order and cooperate fully with the Company to protect the Confidential Information at issue to the extent possible. In addition, nothing in this Agreement prohibits Employee from, without prior authorization of, or notice to, the Company: (a) reporting possible violations of federal law or regulation to any Government Agency or making other disclosures that are protected under the whistleblower provisions of applicable law or regulation (and receiving an award therefor); (b) initiating communications directly with, responding to an inquiry from, volunteering information to, or providing testimony before, any Government Agency in connection with any reporting of, investigation into or proceeding regarding suspected violations of law; (c) filing a charge or complaint with any Government Agency; (d) discussing terms and conditions of employment for purposes of engaging in concerted activities protected by federal labor laws, or otherwise engaging in protected conduct; or (e) otherwise disclosing or discussing truthful information about unlawful employment practices (including unlawful discrimination, harassment, retaliation, or sexual assault).

7. Return of Company Property and Information/Social Media. Employee agrees that upon Employee's last day of employment (or earlier if requested by the Company) Employee will immediately return to the Company all property and information belonging to the Company (in electronic

or hard-copy form). Employee shall also disclose to the Company any passwords for Employee's computer or other access codes for anything associated with Employee's employment with the Company, and shall not delete or modify any property (including by factory resetting or wiping devices) prior to its return to the Company. To the extent that any Company information (whether or not such information is designated as confidential or proprietary) resides on Employee's personal computer, tablet, external hard drives, flash drives, cloud-based storage platforms, or any other personal device or storage location ("Employee Devices"), Employee shall cooperate with the Company to remove or delete such information from the Employee Devices, including by providing access and passwords to the Employee Devices to the Company's third-party forensic provider. The third-party forensic provider shall hold Employee's personal information in confidence (and not disclose it to the Company) and shall limit its activity solely to removing and deleting Company information from the Employee Devices. Unless otherwise agreed to in writing by the Company in advance, Employee further acknowledges and agrees that, once Employee ceases employment with the Company, (a) Employee shall remove any reference to the Company as Employee's current employer from any source Employee controls, either directly or Indirectly, including, but not limited to, any social media, including LinkedIn, Facebook, Twitter, Instagram, Google+, and/or TikTok, etc. and (b) Employee is not permitted to represent Employee as currently being employed by the Company to any person or entity, including, but not limited to, on any social media.

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8. <u>Covenants Protecting the Company's Business.</u>

8.1 Unfair Competition.

(a) Employee promises and agrees that, during Employee's employment with the Company and for a period of twelve (12) months immediately following Employee's last day of employment, Employee will not directly or indirectly perform Competitive Services for a Competing Business within the Geographic Area. Notwithstanding the foregoing, Employee may accept employment with a Competing Business whose business is diversified, provided that: (a) Employee will not be engaged in providing Competitive Services or otherwise use or disclose Confidential Information or Trade Secrets; and (b) the Company receives prior written assurances from the Competitor and Employee that are satisfactory to assure the Company that Employee will not provide Competitive Services or use or disclose Confidential Information or Trade Secrets.

(b) Nothing in this Agreement is intended to prevent Employee from investing Employee's funds in securities of a person engaged in a business that is directly competitive with the Company if the securities of such a person are listed for trading on a registered securities exchange or actively traded in an over-the-counter market, and Employee's holdings represent less than one percent (1%) of the total number of outstanding shares or principal amount of the securities of such a person.

8.2 Non-Solicitation of Covered Customers. Employee promises and agrees that, during employment with the Company and for a period of twenty-four (24) months immediately following Employee's last day of employment, Employee will not, directly or indirectly, alone or with any other(s), use any information (including Confidential Information), contact, or relationship acquired through employment with the Company to solicit, induce, encourage, or arrange for any Covered Customer, any healthcare provider (whether an individual or an entity) that bills insurance providers or other payors in connection with the treatment of patients using the Company's products or services, or any healthcare provider (whether an individual or an entity) with or through which the Company so bills, to (a) purchase or use Competing Products or Services from any source other than the Company, (b) reduce or discontinue its purchase or use of the Company's products or services, or (c) reduce or discontinue its billing relationship with the Company.

8.3. ***Non-Solicitation of Employees***. Employee promises and agrees that, during employment with the Company and for a period of twenty-four (24) months immediately following Employee's last day of employment, Employee will not, directly or indirectly, alone or with any other(s), do any of the following things for the purpose of inducing, assisting, encouraging, or causing a Covered Employee to terminate their employment with the Company or find or accept employment or work with a Competing Business or another business:

(a) provide or pass along to any person or entity the name or contact information of any Covered Employee or provide a reference or recommendation for them;

(b) provide or pass along to a Covered Employee any information regarding job openings, job postings, or the names or contact information of individuals or companies hiring people or accepting job applications;

(c) solicit, recruit or encourage (or attempt to solicit, recruit or encourage), or assist others in soliciting, recruiting or encouraging a Covered Employee; and/or

(d) make or communicate an offer of employment to a Covered Employee.

9. Assignment of Inventions and Original Works; Intellectual Property.

9.1 ***Prior Inventions and Prior Creative Works.*** Employee understands Employee's obligation to identify in writing to the Company, on or before the Effective Date, any of Employee's Prior Inventions (defined below) or Prior Creative Works (defined below). If Employee's Prior Inventions or Prior Creative Works are not listed on **APPENDIX A** attached hereto or otherwise disclosed in writing sufficiently and promptly (as determined by the Company), then Employee represents and warrants that no such Prior Inventions or Creative Works exist, and that no claim can be made related to them against the Company or contrary to the Company's interests. Employee agrees not to incorporate, or permit to be incorporated, any Prior Invention or Creative Works owned by Employee, or in which Employee has an interest, into a Company product, process, program, or machine, including any software code created or developed on the Company's behalf or in which the Company has an ownership interest pursuant to the terms of this Agreement, without the Company's prior written consent. Nevertheless, if, in the course of Employee's employment with the Company, Employee incorporates any Prior Invention or Creative Work owned by Employee, or in which Employee has an interest, into a Company product, process, program, service or machine, including any software code created or developed on the Company's behalf or in which the Company has an ownership interest pursuant to the terms of this Agreement, Employee hereby irrevocably grants to the Company a non-exclusive, royalty-free, fully paid-up, irrevocable, perpetual, transferable, sublicensable, worldwide license to reproduce, make derivative works of, distribute, perform, display, import, make, have made, modify, use, sell, offer to sell, and exploit in any other way such Prior Invention or Creative Work as part of or in connection with such product, process, service, program or machine, and to practice any method related thereto.

9.2 ***Assignment and Ownership of Inventions.*** Employee hereby irrevocably assigns to the Company (or its designees), and agrees to hold in trust for the sole right and benefit of the Company, without any additional consideration, and to promptly make full written disclosure to the Company of, all of Employee's right, title, and interest in and to any and all Inventions that Employee Invents (defined below) during Employee's employment with the Company. Employee hereby acknowledges and agrees that Inventions made, conceived, developed, invented or otherwise reduced to practice by Employee, alone or jointly with others, during the course of Employee's employment with the Company, provided that such Inventions are related in any manner to the Company's current or reasonably anticipated business or are conceived or made on the Company's time or with the use of the Company's facilities or materials or in connection with Employee's association with the Company, are the sole and exclusive property of the Company and subject to this assignment. Employee understands and agrees that the decision whether or not to commercialize or market any Inventions is within the Company's sole discretion and for the

Company's sole benefit, and that no royalty will be due to Employee as a result of the Company's efforts to commercialize or market any such Inventions. Employee further assigns and agrees to assign to the United States government all right, title, and interest in and to any and all Inventions whenever such full title is required to be assigned in the United States by a contract between the Company and the United States or any of its agencies.

9.3 Copyright and Work Made for Hire. Employee acknowledges that all Creative Works that are made by Employee (alone or jointly with others) within the scope of and during the period of Employee's employment with the Company, and which are protectable by copyright, constitute a "work made for hire," as that term is defined in the United States Copyright Act (17 U.S.C. § 101) and, if applicable or necessary, are deemed specially ordered or commissioned for use by the Company under U.S. Copyright laws. In the event that any Creative Work is determined not to be a "work made for hire," this Agreement shall operate as an irrevocable assignment by Employee to the Company of, and Employee does hereby irrevocably assign to the Company, all applicable State, Federal, and international copyrights, trademarks, service marks, or other similar rights in the Creative Work, including all right, title, and interest. If any such work of authorship or Creative Work cannot be assigned, Employee hereby grants to the Company an exclusive, assignable, irrevocable, perpetual, worldwide, sublicenseable (through one or multiple tiers), royalty-free, unlimited license to use, make, modify, sell, offer for sale, reproduce, distribute, create derivative works of, publicly display, and digitally perform and display such work in any media now known or hereafter known. Outside the scope of employment, whether during or after employment with the Company, Employee agrees not to (a) modify, adapt, translate, or create derivative works from any such work of authorship, or (b) merge any such work of authorship with other works, Creative Works, or inventions.

9.4 Cooperation in Enforcement of Intellectual Property Rights. Employee agrees to assist the Company (or its designees), at the Company's expense, but without additional compensation to Employee, to secure the Company's rights, as well as the rights of any government entities or third parties to which the Company directs any assignment, in any Inventions, copyrights, or other intellectual property rights in any and all countries. The obligation to assist the Company in this regard will continue after the last day of Employee's employment, the Company will compensate Employee at a reasonable rate for the time actually spent by Employee at the Company's request on such assistance. If the Company is unable for any reason whatsoever, including the Company's inability after expending reasonable efforts to locate Employee or Employee's mental or physical incapacity, to secure Employee's signature to apply for or to pursue any application for any United States or foreign patents or copyright registrations or other intellectual property rights (or on any document transferring ownership thereof) covering Inventions, Prior Inventions, or Creative Works assigned to the Company under this Agreement, Employee hereby irrevocably designates and appoints the Company and its duly authorized officers and agents as Employee's agent and attorney in fact to act for and on Employee's behalf and in Employee's stead to execute and file any such applications and documents and to do all other lawfully permitted acts to further the prosecution and issuance of patents or copyright registrations or transfers thereof with the same legal force and effect as if executed by Employee. This appointment is coupled with an interest in and to the Inventions and Creative Works and shall survive Employee's death or disability.

9.5 Duty to Disclose Information and Maintain Records; Presumption of Ownership of Holdover Inventions. Employee agrees, while employed and for two (2) years following Employee's last day of employment with the Company, to promptly disclose in writing to the Company all Inventions and Creative Works authored or conceived by Employee, alone or jointly with others, along with all attempts to register, patent, or otherwise claim ownership over or alienate such Inventions and Creative Works. If any such Inventions or Creative Works would have been the Company's Inventions or Creative Works during Employee's employment ("Holdover Invention"), then Employee agrees as follows: If these

Holdover Inventions (a) relate to the Business or its actual or demonstrably anticipated research or development, (b) result from any work Employee performed for the Company, and/or (c) were created with any Company equipment, supplies, facilities, Confidential Information, Inventions, or Trade Secrets, then such Holdover Inventions, unless otherwise proven, will be the exclusive property of the Company and subject to the assignment obligations of this Agreement.

9.6 Moral Rights. To the maximum extent allowed by law, the assignment of rights in Sections 9.1 through 9.7 includes all rights of paternity, integrity, disclosure, and withdrawal and any other rights that may be known as or referred to as "moral rights," "artist's rights," "droit moral" or the like (collectively, "Moral Rights"). To the extent that Employee retains any such Moral Rights under applicable law, Employee hereby ratifies and consents to any action that may be taken with respect to such Moral Rights by the Company, and Employee agrees not to assert any Moral Rights with respect thereto. Employee will confirm any such ratifications, consents, and agreements from time to time upon request by the Company.

9.7 Reverse Engineering. Employee agrees that Employee will not, directly or indirectly, reverse engineer, decompile, disassemble, or otherwise attempt to derive the source code, any software, Trade Secrets, Confidential Information, or Inventions of Company.

9.8 Exception to Assignments. Employee understands that the obligations under Sections 9.1 through 9.7 do not apply to any Invention for which no equipment, supplies, facility, or Confidential Information or Trade Secrets of the Company were used and which was developed entirely on Employee's own time, unless (a) the Invention relates (i) to the Business, or (ii) to the Company's actual or demonstrably anticipated research or development, or (b) the Invention results from any work performed by Employee for the Company. If Employee lives in any other jurisdiction with a non-assignable invention statute and/or that requires notice of such, Employee acknowledges and agrees that the required notice is provided as set forth on **APPENDIX B**. Employee has identified or will identify on **APPENDIX A** any Inventions that Employee believes meet the criteria in this subjection, including any applicable statute listed on **APPENDIX B**, and are not otherwise previously disclosed to permit a determination of ownership by the Company. Any such disclosure will be received in confidence. Employee agrees not to use or incorporate any Excluded Invention in any product, service, program, process, development, or work in progress of the Company without the Company's written consent. As to any Excluded Invention in which Employee has an interest at any time, if Employee uses or incorporates such an Excluded Invention in any product, service, program, process, development, or work in progress of the Company, or if Employee permits the Company so to use or incorporate such an Excluded Invention, Employee irrevocably and unconditionally grants (to the extent Employee has authority to do so) to the Company a perpetual, royalty-free, fully paid up, worldwide license to exercise any and all rights with respect to such Excluded Invention, including, without limitation, the right to protect, make, have made, import, use, and sell that Excluded Invention without restriction and the right to sublicense those rights to others (with the right to grant further sublicenses). This license will be exclusive, subject only to any pre-existing non-exclusive licenses or other pre-existing rights not subject to Employee's control.

10. <u>Disclosures to Other/Prospective Employers</u>. Before Employee accepts employment with another business or organization, Employee will disclose (and agrees that the Company may disclose) to the same a copy of this Agreement. Also, for the duration of Employee's employment, Employee must disclose to the Company, upon request, the name and location of any employer or business from which Employee has accepted an offer of employment, including Employee's anticipated job title and responsibilities in such employment.

11. **Breach**. If Employee commits a breach of any term of this Agreement, Employee shall pay the Company, upon demand, and in addition to any other amount attributable to such breach, a penalty of equal to 25% of the employee's first year annualized salary (*calculated as 2080 hours x hourly rate of pay*) for a breach of Section 4, 7, 8.2, or 8.3, and a penalty of $500.00 for each day of employment in violation of Section 8.1, provided, however, that the payment of said penalty shall not limit any other legal or injunctive relief that the Company may seek to remedy harm caused by the breach.

12. **Definitions**. As used herein, the following capitalized terms have the following meanings:

"*Competitive Services*" refers to forming, establishing, or owning a Competing Business, serving as an officer or director of a Competing Business, or the type of services that Employee performed or was expected to perform for the Company during the most recent 12 months of Employee's employment with the Company.

"*Competing Business*" refers to any business or organization that supplies, produces, or provides any product or service that is the same as or similar to any product or service supplied, produced, or provided by the Company to one or more customers during the most recent 12 months of Employee's employment with the Company.

"*Competing Products or Services*" refers to any product or service that is the same as or similar to any product or service supplied, produced, or provided by the Company to one or more customers during the most recent 12 months of Employee's employment with the Company.

"*Confidential Information*" means information that is created and used by the Company as part of its business and which is not generally known by the public, including but not limited to: Trade Secrets, treatment or diagnostic methods and techniques; proprietary technologies or materials; product designs and specifications; financial results and objectives; rate and pricing information, labor costs, overhead costs, profit margins; terms of bids or proposals; business plans or strategies; confidential records pertaining to existing or potential customers, including key customer contact information, contract terms and related information; confidential business opportunities or plans; merger or acquisition activity; confidential information regarding suppliers or vendors, including contact information and terms of contracts; proprietary or customized software and databases; techniques, processes, and methods for serving and supporting customers and patients; business processes and strategies; personnel specialization; non-public details of executive or manager compensation; and any other business information that the Company maintains as confidential. The term "Confidential Information" also includes all confidential information of a third party that may be communicated to, acquired by, learned, or developed by Employee in the course of Employee's employment with the Company. Confidential Information does not include information that is or may become known to Employee or to the public from sources outside the Company or through means other than a breach of this Agreement or disclosed by Employee after written approval from the Company.

"*Covered Customer"* refers to any person(s) or entity(ies) to whom or which, within the most recent twenty-four (24) months of Employee's employment, Employee, directly or indirectly, (a) marketed, provided, supplied, serviced, or supported the Company's products or services; or (b) provided a written proposal about the Company's products or services.

"*Covered Employee"* refers to a Company employee with whom Employee acquired a supervisory, managerial, or professional relationship in the course of Employee's employment with the Company, or whose skills, abilities, and/or compensation became known to Employee in the course of Employee's performance of job responsibilities for the Company.

"*Creative Works*" means any and all works of authorship including, for example, written documents, spreadsheets, graphics, designs, trademarks, service marks, algorithms, computer programs and code,

software, methodologies, protocols, formulas, mask works, brochures, presentations, photographs, music or compositions, manuals, reports, and compilations of various elements.

"*Geographic Area*" means, depending on Employee's position and responsibilities for the Company, the territory (*i.e.*, states, counties, and/or cities) where, during the most recent twelve (12) months of Employee's employment, Employee directly or indirectly had material responsibility or influence, performed services on behalf of the Company, solicited business for the Company, or sold, supported, or marketed products or services on behalf of the Company.

"*Invention(s)*" means inventions, developments, concepts, improvements, designs, discoveries, devices, apparatus, processes, practices, compositions, formulas, machines, articles of manufacture, methods (including business methods), inventive ideas, algorithms, computer software code and programs, protocols, formulas, mask works, compositions, trademarks, service marks, or trade secrets, whether or not reduced to practice, patentable, or registrable under patent, copyright, trademark, or similar laws, (a) which Employee Invents, either alone or jointly with others, during normal working hours or when Employee is expected to be working, or (b) that relate to the Business or to the Company's actual or demonstrably anticipated research or development, or (c) that are substantially aided by Employee's use of the Company's equipment, supplies, facilities, or Confidential Information or Trade Secrets, or contains any of the Company's Confidential Information or Trade Secrets, or (d) that are the direct or substantial result of any work performed by Employee for the Company.

"*Invent," "Invents,"* and *"Invented*" means to conceive of, develop, reduce to practice, or otherwise invent (as that term is commonly understood) and is not limited to its general usage under U.S. or foreign patent law.

"*Prior Creative Works*" means Creative Works that were made by Employee prior to Employee's employment with the Company, that belong to Employee, and are not presently assigned by Employee under this Agreement.

"*Prior Inventions*" means all Inventions (defined below) that were made by Employee prior to Employee's employment with the Company, that belong to Employee and are not presently assigned by Employee under this Agreement.

"*Trade Secret*" means information defined as a trade secret under applicable state law or the Defend Trade Secrets Act of 2016.

13. **Severability and Reformation**. The covenants in each section of this Agreement are independent of any other provisions of this Agreement. Each term in this Agreement constitutes a separate covenant between the parties, and each term is fully severable from any other term. Employee and the Company agree if any particular term or provision of this Agreement is determined by an appropriate court of competent jurisdiction to be overbroad or unenforceable as written, such term or provision shall be modified as necessary to comport with the reasonable intent and expectations of the parties and in favor of providing reasonable protection to all of the Company's legitimate business interests, without affecting the remaining provisions of the Agreement. The Company and Employee further agree that if a term or provision of this Agreement determined by a court to be overbroad or unenforceable cannot be modified in a manner to render such term or provision valid and enforceable, or if a court will not make such modification, then the offending term or provision shall be severed from this Agreement, and the remaining terms and provisions shall remain enforced as written to give effect most nearly to the reasonable intent and expectations of the parties.

14. **At-Will**. Employee acknowledges and agrees that nothing in this Agreement is a guarantee or assurance of employment for any specific period of time. Employee understands that Employee is an at-will employee, and that either Employee or the Company may terminate this at-will employment

relationship with or without notice, with or without cause, and at any time for any reason not prohibited by law.

15. **Miscellaneous.** This Agreement, in combination with any State Covenant Addendum that Employee executes as part of this Agreement, expresses the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements, written or oral, between the parties regarding the same. To the maximum extent permitted by law, and subject to the terms of an applicable State Covenant Addendum, the interpretation and contractual enforceability of this Agreement shall be governed by the law of the **Commonwealth of Pennsylvania**, without giving effect to any choice-of-law rule that would require the law of another jurisdiction to apply. In any dispute involving rights or obligations set forth in this Agreement, each party agrees not to contest federal court jurisdiction as provided for by the DTSA. It is understood that Sections 4, 7, 8.1-8.3, 9.1-9.8, and 10 are intended to survive the termination of Employee's employment and remain in full force and effect thereafter.

16. **Electronic Signature**. Employee agrees that the Company may enforce this Agreement with a copy for which Employee has provided an electronic signature, and that such electronic signature may be satisfied by procedures established by the Company or a third party designated by the Company for an electronic signature system, and Employee's electronic signature shall have the same force and effect as Employee's written signature. By electronically accepting this Agreement, Employee agrees to the following: "This electronic contract contains Employee's electronic signature, which I have executed with the intent to sign this Agreement."

17. **State Covenant Addendum**. To ensure compliance with the laws in the various states in which the Company does business, the terms of this Agreement are modified and superseded by the **State Covenant Addendum** executed by Employee as part of this Agreement and attached hereto as **APPENDIX C.**

18. **Future Applicability**. This Agreement is freely assignable by the Company in its sole discretion but may not be assigned by Employee to any other person or entity. Employee's obligations under this Agreement shall apply with equal force to the Company's successors and assigns, including any entity formed by merger, acquisition, or other business combination. As such, Employee's duties hereunder shall apply with respect to confidential information, trade secrets, covered customers, covered employees, goodwill, business interests, and relationships of each entity involved in any such merger, acquisition, or other business combination from and after the effective date thereof, even if the information, trade secret, customer relationship, business interest, or goodwill came into existence prior to such effective date.

(Remainder of this page intentionally left blank. Signature page follows.)

Intending to be legally bound hereby, the parties affix their signatures to express and signify their mutual assent to the terms of this Agreement:

[NEURONETICS, INC. / GREENBROOK TMS INC.]	EMPLOYEE:
By *(Sign)*: _____	By *(Sign)*: _____
Name: _____	Name: _____
Title: _____	Date: _____
Date: _____	

APPENDIX A - INVENTION DISCLOSURES

Employee Name: _____ Date Completed: _____

Prior Inventions (Sec. 9.1): Yes___ No___ Excluded Inventions (Sec. 9.8): Yes ___ No ___

PRIOR INVENTIONS: Pursuant to **Section 9.1** of the Agreement, Employee hereby discloses the following Prior Inventions:

Name of Invention	
Inventor Names	
Description	
Problem Solved	
Disclosed outside of Neuronetics?	_____Yes _____No

Use additional Sheets as necessary for disclosure of additional Inventions.

EXCLUDED INVENTIONS: Pursuant to **Section 9.8** of the Agreement, Employee hereby discloses the following Excluded Inventions:

Name of Invention	
Inventor Names	
Description	
Problem Solved	
Disclosed outside of Neuronetics ?	_____Yes _____No

Use additional Sheets as necessary for disclosure of additional Inventions.

I represent that I have personal knowledge of the disclosures contained in these disclosures and that such disclosures are true and correct.

Signature: _____ Date: _____

APPENDIX B - INVENTION ASSIGNMENT NOTICES

To the extent that Employee lives or works in California, Delaware, Illinois, Kansas, Minnesota, Nevada, New Jersey, New York, North Carolina, Utah or Washington, the provisions of this Agreement requiring assignment of Intellectual Property to the Company do not, and will not, apply to any Invention that qualifies for exclusion under the laws of each applicable state, as follows:

Employees in California: "Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (ii) result from any work performed by the employee for the employer." (**California Labor Code § 2870**.)

Employees in Delaware: "Any provision in an employment agreement which provides that the employee shall assign or offer to assign any of the employee's rights in an invention to the employee's employer shall not apply to an invention that the employee developed entirely on the employee's own time without using the employer's equipment, supplies, facility or trade secret information, except for those inventions that: (1) Relate to the employer's business or actual or demonstrably anticipated research or development; or (2) Result from any work performed by the employee for the employer." (**Del. Code Ann. tit.19, § 805**.)

Employees in Illinois: "The Agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer." (**765 ILCS 1060/1**.)

Employees in Kansas: "Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facilities or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless: (1) the invention relates to the business of the employer or to the employer's actual or demonstrably anticipated research or development; or (2) the invention results from any work performed by the employee for the employer." (**Kansas Statutes Annotated, Stat. Ann. § 44-130**.)

Employees in Minnesota: "Any provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer shall not apply to an invention for which no equipment, supplies, facility or trade secret information of the employer was used and which was developed entirely on the employee's own time, and (1) which does not relate (a) directly to the business of the employer or (b) to the employer's actual or demonstrably anticipated research or development, or (2) which does not result from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable." (**Minn. Stat. Ann. § 181.78.)**

Employees in Nevada: "Except as otherwise provided by express written agreement, an employer is the sole owner of any patentable invention or trade secret developed by his or her employee during the course and scope of the employment that relates directly to work performed during the course and scope of the employment." (**Nev. Rev. Stat. Ann. § 600.500.**)

Employees New Jersey: "(1) Any provision in an employment contract between an employee and employer, which provides that the employee shall assign or offer to assign any of the employee's rights to an invention to that employer, shall not apply to an invention that the employee develops entirely on the employee's own time, and without using the employer's equipment, supplies, facilities or information, including any trade secret information, except for those inventions that: (a) relate to the employer's business or actual or demonstrably anticipated research or development; or (b) result from any work performed by the employee on behalf of the employer. (2) To the extent any provision in an employment contract applies, or intends to apply, to an employee invention subject to this subsection, the provision shall be deemed against the public policy of this State and shall be unenforceable." (**N.J. Stat. § 34:1B-265**.)

Employees in New York: "Any provision in an employment agreement which provides that an employee shall assign, or offer to assign, any of his or her rights in an invention to his or her employer shall not apply to an invention that the employee developed entirely on his or her own time without using the employer's equipment, supplies, facilities, or trade secret information except for those inventions that either: (i) relate at the time of conception or reduction to practice of the invention to the employer's business, or actual or demonstrably anticipated research or development of the employer; or (ii) result from any work performed by the employee for the employer." (**New York Labor Law § 203-F.**)

Employees in North Carolina: "Any provision in an employment agreement which provides that the employee shall assign or offer to assign any of his rights in an invention to his employer shall not apply to an invention that the employee developed entirely on his own time without using the employer's equipment, supplies, facility or trade secret information except for those inventions that (i) relate to the employer's business or actual or demonstrably anticipated research or development, or (ii) result from any work performed by the employee for the employer. To the extent a provision in an employment agreement purports to apply to the type of invention described, it is against the public policy of this State and is unenforceable. The employee shall bear the burden of proof in establishing that his invention qualifies under this section. (**N.C. Gen Stat. § 66-57.1**.)

Employees in Utah: "(1) An employment agreement between an employee and his employer is not enforceable against the employee to the extent that the agreement requires the employee to assign or license, or to offer to assign or license, to the employer any right or intellectual property in or to an invention that is: (a) created by the employee entirely on his own time; and (b) not an employment invention. (2) An agreement between an employee and his employer may require the employee to assign or license, or to offer to assign or license, to his employer any or all of his rights and intellectual property in or to an employment invention. (3) Subsection (1) does not apply to: (a) any right, intellectual property or invention that is required by law or by contract between the employer and the United States government or a state or local government to be assigned or licensed to the United States; or (b) an agreement between an employee and his employer which is not an employment agreement." (**Utah Code Ann. § 34-39-3(1)-(3)**.)

Employees in Washington: "(1) A provision in an employment agreement which provides that an employee shall assign or offer to assign any of the employee's rights in an invention to the employer does not apply to an invention for which no equipment, supplies, facilities, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer. Any provision which purports to apply to such an invention is to that extent against the public policy of this state and is to that extent void and unenforceable. (2) An employer shall not require a provision made void and unenforceable by subsection (1) of this section as a condition of employment or

continuing employment. (3) If an employment agreement entered into after September 1, 1979, contains a provision requiring the employee to assign any of the employee's rights in any invention to the employer, the employer must also, at the time the agreement is made, provide a written notification to the employee that the agreement does not apply to an invention for which no equipment, supplies, facility, or trade secret information of the employer was used and which was developed entirely on the employee's own time, unless (a) the invention relates (i) directly to the business of the employer, or (ii) to the employer's actual or demonstrably anticipated research or development, or (b) the invention results from any work performed by the employee for the employer." (**Wash. Rev. Code Ann. § 49.44.140-49.44.150**.)

APPENDIX C - STATE COVENANT ADDENDA

December 2024

STATE COVENANT ADDENDUM FOR CALIFORNIA EMPLOYEES:

As a Covered California Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of California), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. The clause "*and for a period of twelve (12) months immediately following Employee's last day of employment*" is stricken from Section 8.1 so that, during the time that Employee's primary work location or residence is located in the State of California, these sections shall not have effect beyond Employee's last day of employment.

2. The clause "*and for a period of twenty-four (24) months immediately following Employee's last day of employment*" is stricken from Section 8.2 and Section 8.3 so that, during the time that Employee's primary work location or residence is located in the State of California, these sections shall not have effect beyond Employee's last day of employment.

3. The following sentence is added at the end of Section 15: "*Notwithstanding the foregoing, Employee understands that for as long as Employee's principal place of employment or Employee's principal residence is located in the State of California, the interpretation and enforcement of this Agreement shall be governed solely by the laws of the State of California with respect to obligations arising from Employee's employment in the State of California."*

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered California Employees. I also acknowledge that for as long as I am a Covered California Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this State Covenant Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of California, my obligations to Neuronetics, Inc. will no longer be limited by this State Covenant Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR COLORADO EMPLOYEES:

As a Covered Colorado Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Colorado), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 4.1 is modified by adding the following at the end of the existing text: "*Employee acknowledges and agrees that the restrictions in this section are reasonable and shall not prohibit the disclosure of information arising from Employee's general training, knowledge, skill, or experience, whether gained on the job or otherwise, information readily ascertainable to the public, and/or information an employee has a right to disclose as legally protected conduct*."

2. Sections 8.1, 8.2, and 8.3 each shall be modified by adding the following language at the end of each section: *", anywhere within the geographic territory in which Employee's knowledge of the Company's Trade Secrets could be used by a Competitor to unfairly compete with or undermine the Company's legitimate business interests. This restriction shall apply only to the extent (i) Employee earns, both at the time this Agreement is entered into and at the time the Company enforces it, an amount of annualized cash compensation equivalent to or greater than 60% of the threshold amount for highly compensated workers as determined by the Colorado Department of Labor and Employment at the time this Agreement is entered into, and (ii) such activities will involve the inevitable use of, or near-certain influence by Employee's knowledge of, Trade Secrets disclosed to Employee during the course of employment with Neuronetics*."

3. Section 15 shall be modified by adding the following after the last sentence: "*Notwithstanding the foregoing, Employee understands that if Employee primarily resides or works in the State of Colorado at the time Employee's employment with the Company ceases, the Agreement will be subject to the substantive laws and courts of the State of Colorado. During this period, venue shall be the State and Federal courts sitting in Colorado and the parties waive any defense, whether asserted by motion or pleading, that the venue specified by this Addendum is an improper or inconvenient venue*."

4. A new Section 19 is added, which reads follows: "*Acknowledgment. Employee acknowledges and agrees Employee has been provided with, and has signed, a separate notice of Employee's obligations either (a) prior to Employee's acceptance of employment with the Company or (b) for current employees of the Company, at least fourteen (14) days before the effective date of this Agreement. Employee further acknowledges and agrees that Sections 8.1, 8.2, and 8.3 shall not become effective until (c) Employee's first day of employment, if presented with such notice and a copy of the Agreement prior to accepting an offer of employment, or (d) for current employees of the Company, fourteen (14) days after receiving such notice and a copy of the Agreement*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Colorado Employees. I also acknowledge that for as long as I am a Covered Colorado Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Colorado, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR DISTRICT OF COLUMBIA EMPLOYEES

As a Covered District of Columbia Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the District of Columbia), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 is stricken in its entirety if Employee is a District Employee (defined herein) whose minimum annual qualifying compensation does not meet the criteria for a Highly Compensated Employee under the D.C. Non-Compete Clarification Amendment Act.

2. If Employee is a District Employee whose minimum annual qualifying compensation meets the criteria for a Highly Compensated Employee under the D.C. Non-Compete Clarification Amendment Act, a new Section 8.1(c) is added, which states as follows: "*Notice. The District's Ban on Non-Compete Agreements Amendment Act of 2020 limits the use of non-compete agreements. It allows employers to request non-compete agreements from highly compensated employees, as that term is defined in the Ban on Non-Compete Agreements Amendment Act of 2020, under certain conditions. The Company has determined that you are a highly compensated employee. For more information about the Ban on Non-Compete Agreements Amendment Act of 2020, contact the District of Columbia Department of Employment Services (DOES)."*

3. Section 12 is modified by adding the following definition for "District Employee": "'*District Employee' means, with respect to employees who have commenced work for the Company, (a) an employee who (a) spends more than 50% of their work time for the Company working in the District of Columbia; or (b) an employee whose employment is based in the District of Columbia, and who regularly spends a substantial amount of Employee's work time for the Company in the District of Columbia and not more than 50% of their work time for the Company in another jurisdiction. 'District Employee' also means, with respect to an employee who has not yet commenced employment with the Company, (c) an employee whom the Company reasonably anticipates will spend more than 50% of their work time for the Company working in the District of Columbia; or (d) an employee whose employment for the Company will be based in the District of Columbia, and who the Company reasonably anticipates will regularly spend a substantial amount of their work time for the Company in the District of Columbia and not more than 50% of their work time for the Company in another jurisdiction*.'"

4. A new Section 19 is added to the Agreement, which states: "*Acknowledgment. Employee agrees that before being required to sign this Agreement, the Company provided written notice to Employee that Employee had fourteen (14) calendar days before Employee commenced employment to review the non-competition provision in the Agreement; or, in the case of a current employee, that Employee had at least fourteen (14) calendar days to review the non-competition provision in the Agreement before Employee must execute the Agreement. In addition, the Company provided Employee with the following written notice."*

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered District of Columbia Employees. I also acknowledge that for as long as I am a Covered District of Columbia Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the District of Columbia, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR GEORGIA EMPLOYEES:

As a **Covered Georgia Employee** (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Georgia), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.2 is hereby amended so that its obligations are operative only with respect to Covered Customers or healthcare providers located within the Geographic Area.

2. Section 8.3 is hereby amended so that its obligations are operative only with respect to Covered Employees located within the Geographic Area.

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Georgia Employees. I also acknowledge that for as long as I am a Covered Georgia Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this State Covenant Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Georgia, my obligations to Neuronetics, Inc. will no longer be limited by this State Covenant Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR ILLINOIS EMPLOYEES:

As a Covered Illinois Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Illinois), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. The obligations in Sections 8.1, 8.2, and 8.3 shall apply to Employee only if Employee earns the statutory minimum compensation set by Illinois statute (*e.g.*, between January 1, 2022 and January 2, 2027, the statutory threshold is $45,001 per year or more).

2. A new Section 19 is added, which states, "*Acknowledgment. Employee agrees that before being required to sign this Agreement, the Company provided Employee with fourteen (14) calendar days to review it. The Company advises Employee to consult with an attorney before entering into this Agreement*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Illinois Employees. I also acknowledge that for as long as I am a Covered Illinois Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this State Covenant Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Illinois, my obligations to Neuronetics, Inc. will no longer be limited by this State Covenant Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR LOUISIANA EMPLOYEES

As a Covered Louisiana Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Louisiana), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. The definition for "*Geographic Area*" contained in Section 12 is stricken in its entirety and replaced with the following: "*Geographic Area" means the parishes (and equivalents) in the following list so long as Company continues to carry on business therein: Acadia Parish, Allen Parish, Ascension Parish, Assumption Parish, Avoyelles Parish, Beauregard Parish, Bienville Parish, Bossier Parish, Caddo Parish, Calcasieu Parish, Caldwell Parish, Cameron Parish, Catahoula Parish, Claiborne Parish, Concordia Parish, DeSoto Parish, East Baton Rouge Parish, East Carroll Parish, East Feliciana Parish, Evangeline Parish, Franklin Parish, Grant Parish, Iberia Parish, Iberville Parish, Jackson Parish, Jefferson Parish, Jefferson Davis Parish, Lafayette Parish, Lafourche Parish, LaSalle Parish, Lincoln Parish, Livingston Parish, Madison Parish, Morehouse Parish, Natchitoches Parish, Orleans Parish, Ouachita Parish, Plaquemines Parish, Pointe Coupee Parish, Rapides Parish, Red River Parish, Richland Parish, Sabine Parish, St. Bernard Parish, St. Charles Parish, St. Helena Parish, St. James Parish, St. John the Baptist Parish, St. Landry Parish, St. Martin Parish, St. Mary Parish, St. Tammany Parish, Tangipahoa Parish, Tensas Parish, Terrebonne Parish, Union Parish, Vermilion Parish, Vernon Parish, Washington Parish, Webster Parish, West Baton Rouge Parish, West Carroll Parish, West Feliciana Parish, and Winn Parish, all so long as the Business is transacted therein. Employee hereby continues to stipulate that Neuronetics does business in all of the above parishes, counties, and municipalities as of the date of this Louisiana Addendum. Employee also understands that Neuronetics serves those counties of the adjacent states that border the State of Louisiana, and that Employee will equally be bound in those geographic areas where Employee also performs Material responsibilities for Neuronetics during the two (2) years prior to Employee's last day of employment with the Company*."

2. A new Section 8.4 is added, which states: "*Sections 8.1, 8.2, and 8.3 are limited to those customers and employees located in the Geographic Area. Employee agrees that the foregoing provides Employee with adequate notice of the geographic scope of the restrictions contained in the Agreement by name of specific parish or parishes (and equivalents), municipality or municipalities, and/or parts thereof*."

3. The parties agree that the obligations set forth in 8.1, 8.2, and 8.3 shall not apply earlier than Employee's first day of employment with the Company, even if employee signs the Agreement at an earlier date.

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Louisiana Employees. I also acknowledge that for as long as I am a Covered Louisiana Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this State Covenant Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Louisiana, my obligations to Neuronetics, Inc. will no longer be limited by this State Covenant Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR MARYLAND EMPLOYEES:

As a Covered Maryland Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Maryland), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 is modified to insert the following after the last sentence: "*The foregoing covenant shall apply only if Employee's compensation exceeds 150% of the state minimum wage. Thus, as of March 1, 2024, only employees who are paid more than $22.50 an hour (approximately $46,800 per year) are subject to Section 8.1*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Maryland Employees. I also acknowledge that for as long as I am a Covered Maryland Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this State Covenant Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Maryland, my obligations to Neuronetics, Inc. will no longer be limited by this State Covenant Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR MASSACHUSETTS EMPLOYEES:

As a Covered Massachusetts Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the Commonwealth of Massachusetts), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 shall not apply after Employee's last day of employment with the Company if Employee's employment was terminated without cause. For purposes of this section, "cause" means misconduct, violation of any policy of the Company (including any rule of conduct or standard of ethics of the Company), breach of the Agreement (including this Massachusetts Addendum) or the breach of any confidentiality, non-disclosure, non-solicitation or assignment of inventions obligations to the Company, failure to meet the Company's reasonable performance expectations, or other grounds directly and reasonably related to the legitimate business needs of the Company.

2. If the Company enforces Section 8.1 after the Last Day (the "*Restraint Period*"), it will pay Employee an amount equal to fifty percent (50%) of the highest annualized base salary that Employee received from the Company within the two (2) years immediately preceding Employee's last day of employment with the Company, less any applicable deductions (the "*Restraint Payment*"). The Restraint Payment will be paid on a pro-rata basis during the Restraint Period in the same manner that Employee would have received wages from the Company had Employee been employed during the Restraint Period. The Restraint Period shall be extended to twenty-four (24) months if Employee (a) breached Employee's fiduciary duty(ies) to the Company, or (b) unlawfully took, physically or electronically, property belonging to the Company. Employee understands that if the Company elects to waive the non-competition restrictions set forth herein, Employee will not receive any compensation or consideration described above. Employee further understands that at the time of Employee's separation from employment, the Company (a) shall elect whether to waive its enforcement of the non-competition provisions in the Agreement (including this Massachusetts Addendum), and (b) shall notify Employee of its election in writing.

3. A new Section 8.4 ("Notices and Acknowledgment") shall be added, which states as follows:

    a. *NOTICE. If Employee was already employed by Neuronetics on the date of Employee's signature on the Agreement, Employee acknowledges (a) that the Agreement, including this Massachusetts Addendum, was delivered to Employee at least ten (10) business days before the date that the Agreement and Massachusetts Addendum was executed, and (b) that Employee has been provided with fair and reasonable consideration in exchange for Employee's agreement to the non-competition restriction set forth in Section 8.1.*

    b. *NOTICE. If Employee was not already employed by Neuronetics on the date of Employee's signature on the Agreement or on this Massachusetts Addendum, Employee acknowledges that the Agreement, including this Massachusetts Addendum, was delivered to Employee (a) before a formal offer of employment was made to Employee by Neuronetics, or (b) ten (10) business days before the commencement of Employee's employment with Neuronetics, whichever occurs sooner.*

    c. *Employee acknowledges that Employee has been advised of Employee's right to consult with counsel of Employee's own choosing prior to signing the Agreement and this Massachusetts Addendum. By signing the Agreement and this Massachusetts Addendum, Employee acknowledges that Employee has had time to read and understand the terms of the Agreement and this Massachusetts Addendum, and to consult with Employee's own legal counsel (not including counsel for Neuronetics) regarding the Agreement and this Massachusetts Addendum prior to their execution. Employee agrees that Employee has actually read and understood the Agreement and this Massachusetts Addendum and all of their terms, that Employee is entering into and signing the Agreement and this Massachusetts Addendum knowingly and voluntarily, and that in doing so Employee is not relying upon any statements or representations by Neuronetics or its agents.*

    d. *Employee acknowledges (a) that the non-competition covenant contained in Section 8.1 is no broader than*

necessary to protect Neuronetics' Confidential Information, Trade Secrets, and goodwill, and (b) that those business interests, and the business interests identified in the Agreement, cannot be adequately protected through restrictive covenants other than through Sections 8.1, 8.2, and 8.3 of the Agreement.

4. The following language is added to Section 15: "*Notwithstanding the foregoing, Sections 8.1, 8.2, and 8.3 shall be governed by Massachusetts substantive law. Any action relating to or arising out of the non-competition covenant contained in Section 8.1, 8.2, or 8.3 shall be brought in (a) the United States District Court for the District of Massachusetts, Eastern Division, if that Court has subject matter jurisdiction over the dispute; or, if it does not, (b) the Business Litigation Session of the Suffolk County Superior Court, or, if the Business Litigation Session does not accept the case for any reason whatsoever, (c) the Suffolk County Superior Court. Employee agrees and consents to the personal jurisdiction and venue of the federal or state courts of Massachusetts for resolution of any disputes or litigation arising under or in connection with Section 8.1, 8.2, or 8.3, and Employee waives any objections or defenses to personal jurisdiction or venue in any such proceeding before any such court. The parties further agree that any disputes between them, whether relating to the Agreement, this Addendum, or any other conflict, claim or dispute, shall be tried by a judge*."

5. A new Section 19 is added, which states: "*Employee agrees that any change or changes in Employee's job title, job duties, or responsibilities, reporting structure, compensation, or any other term or condition of Employee's employment after the date that Employee executes the Agreement or this Massachusetts Addendum shall not affect the validity or scope of the restrictive covenants set forth in the Agreement and in this Massachusetts Addendum. The restrictive covenants will remain valid, effective, and enforceable notwithstanding any such change or changes in Employee's employment. This Agreement shall be enforced in accordance with its terms and shall not be construed against either party.*

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Massachusetts Employees. I also acknowledge that for as long as I am a Covered Massachusetts Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the Commonwealth of Massachusetts, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR MINNESOTA EMPLOYEES:

As a Covered Minnesota Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Minnesota), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 is modified by deleting the phrase "and for a period of twelve (12) months immediately following Employee's last day of employment."

2. Section 15 shall be modified by adding the following: "*Notwithstanding the foregoing, if Employee is covered by the Minnesota Addendum set forth in Appendix B immediately prior to Employee's last day of work with the Company, Employee's obligations under Sections 8.1, 8.2, and 8.3 shall be determined under Minnesota law, without regard to any choice-of-law provision that would require the law of another jurisdiction to apply*."

3. A new Section 8.4 is added, which states: "*Employee further acknowledges and agrees that (i) the covenants in Sections 8.1, 8.2, and 8.3 are no broader than necessary to protect Neuronetics' legitimate business interests (including but not limited to business interests in its Confidential Information, Trade Secrets, goodwill, customer relations, and employee relations), (ii) those business interests cannot be adequately protected other than through these covenants, (iii) Employee and Neuronetics bargained for the terms of this Agreement, including the covenants in this Section and the consideration therefor, and (iv) Employee either (A) was advised, prior to Employee's acceptance of Neuronetics' offer of employment, of the terms of this Agreement, and that Neuronetics' offer of employment was contingent on Employee's agreement to those terms, or (B) received additional consideration in exchange for entering into this Agreement, to which Employee was not otherwise entitled, which additional consideration gave Employee real advantages*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Minnesota Employees. I also acknowledge that for as long as I am a Covered Minnesota Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Minnesota, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR NEBRASKA EMPLOYEES:

As a Covered Nebraska Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Nebraska), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 is modified by deleting the phrase "and for a period of twelve (12) months immediately following Employee's last day of employment." It is further modified by adding a new sentence at the end, which states, "*Employee further acknowledges that this Section 8.1 does not prevent Employee from exercising a lawful profession, trade, or business as they only apply while Employee is employed by the Company*."

2. Section 8.2 is modified by striking the language therein in its entirety and replacing it with the following: "*Except as prohibited by law, Employee promises and agrees that, during employment with the Company and for a period of twenty-four (24) months immediately following Employee's last day of employment, Employee will not, directly or indirectly, alone or with any other(s), use any information (including Confidential Information), contact, or relationship acquired through employment with the Company to solicit, induce, encourage, or arrange for any Covered Customer, any healthcare provider (whether an individual or an entity) that bills insurance providers or other payors in connection with the treatment of patients using the Company's products or services, or any healthcare provider (whether an individual or an entity) with or through which the Company so bills, to (a) purchase or use Competing Products or Services from any source other than the Company, (b) reduce or discontinue its purchase or use of the Company's products or services, or (c) reduce or discontinue its billing relationship with the Company, where the sale or service of products or services would be located in the Geographic Area*."

3. The definition of "*Geographic Area*" in Section 12 is stricken in its entirety and replaced with the following: "*Geographic Area*" *means the territory (i.e.: (i) state(s), (ii) county(ies), or (iii) city(ies)) in which, during the twenty-four (24) months prior to Employee's last day of employment with the Company, Employee: (a) provided Material services on behalf of the Company and/or (b) solicited Customers or otherwise sold or marketed services on behalf of the Company. "Material" means Employee's primary job duties and responsibilities, including, but not limited to, in connection with working with Customers or directly supervising individuals who work with Customers*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Nebraska Employees. I also acknowledge that for as long as I am a Covered Nebraska Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Nebraska, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR NORTH DAKOTA EMPLOYEES:

As a Covered North Dakota Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of North Dakota), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 is modified by striking the phrase "*and for a period of twelve (12) months immediately following Employee's last day of employment,*".

2. Section 8.2 is modified by striking the phrase "*and for a period of twenty-four (24) months immediately following Employee's last day of employment,*".

3. Section 8.3 is modified by striking the phrase "*and for a period of twenty-four (24) months immediately following Employee's last day of employment,*".

4. Sections 8.1, 8.2, and 8.3 each is modified by adding the following sentence to the end of each section: "*Employee further acknowledges that the restrictions do not prevent Employee from exercising a lawful profession, trade, or business as they apply only while Employee is employed by the Company*."

5. Section 15 is modified by adding the following: "*Notwithstanding the foregoing, Employee's obligations under Sections 8.1, 8.2, and 8.3 shall be governed by the substantive law of the State of North Dakota*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered North Dakota Employees. I also acknowledge that for as long as I am a Covered North Dakota Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of North Dakota, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR OKLAHOMA EMPLOYEES:

As a Covered Oklahoma Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Oklahoma), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.1 is modified by striking the phrase "*and for a period of twelve (12) months immediately following Employee's last day of employment,*".

2. Section 8.2 is modified by striking the phrase "*and for a period of twenty-four (24) months immediately following Employee's last day of employment,*".

3. Section 8.3 is modified by striking the phrase "*and for a period of twenty-four (24) months immediately following Employee's last day of employment,*".

4. A new Section 8.4 is added, which states: "*Employee further acknowledges that the restrictions do not prevent Employee from exercising a lawful profession, trade, or business as they only apply while Employee is employed by Neuronetics*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Oklahoma Employees. I also acknowledge that for as long as I am a Covered Oklahoma Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Oklahoma, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR OREGON EMPLOYEES:

As a Covered Oregon Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Oregon), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. A new Section 8.4 is added, which states as follows: "*Section 8.1 does not apply to Employee if (i) Employee is not classified as exempt from overtime under Oregon law as an employee engaged in administrative, executive, or professional work; or (ii) at the time of Employee's separation from employment, Employee is not paid a gross salary and commissions in the amount required under ORS 653.295, calculated on an annual basis (hereafter, a "Non-Qualified Employee"). However, even if Employee is a Non-Qualified Employee, the Company may, at its sole discretion, elect to enforce Section 8.1 by paying Employee, for the post-employment time during which Section 8.1 is in effect, compensation equal to the greater of (c) fifty (50) percent of Employee's annual gross base salary and commissions at the time of Employee's separation; or (d) fifty (50) percent of the minimum annual compensation required under ORS 653.295. If the Company elects to enforce Section 8.1 by agreeing to make the payments referenced in this section, Employee will be notified in writing. Employee understands and acknowledges that the Company's election not to pay the compensation set out in this section affects the applicability of Section 8.1 only in the event Employee is a Non-Qualified Employee, and that the election of non-payment does not relieve a Non-Qualified Employee from any other post-employment restriction set forth in the Agreement*.

2. A new Section 19 is added, which states as follows: "*This Agreement is being executed either upon Employee's initial employment with Neuronetics and as a condition of such employment or upon Employee's "subsequent bona fide advancement" within the meaning of Oregon Revised Statutes (ORS) Section 653.295 because of, among other things, Employee's increased responsibilities and access to Confidential Information and Trade Secrets. If this Agreement is executed upon initial employment, Employee acknowledges that Employee was informed in a written job offer at least two (2) weeks before starting work that Employee must enter into this Agreement as a condition of employment. If executed upon a "subsequent bona fide advancement," Employee knowingly and voluntarily waives any argument that Employee's new role does not constitute a "subsequent bona fide advancement*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Oregon Employees. I also acknowledge that for as long as I am a Covered Oregon Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Oregon, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR VIRGINIA EMPLOYEES:

As a Covered Virginia Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the Commonwealth of Virginia), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 4.2 shall be stricken in its entirety and replaced with the following: "*The obligations of non-disclosure and non-use in Section 4.1 shall last so long as the information remains confidential or for three (3) years following Employee's last day of work, whichever occurs first."*

2. Section 8.1 "*Non-Competition*" shall not apply to any employee who qualifies as a "low-wage employee" pursuant to Virginia Code Section 40.1-28.7:8. As of March 1, 2024, this low-wage exclusion applied to employees paid less than an average weekly wage of $1,410.00 or week, which is approximately $73,320.00 per year.

3. Section 8.2 "*Non-Solicitation*" shall not apply to any employee who qualifies as a "low-wage employee" pursuant to Virginia Code Section 40.1-28.7:8. As of March 1, 2024, this low-wage exclusion applied to employees paid less than an average weekly wage of $1,410.00 or week, which is approximately $73,320.00 per year.

4. Section 8.3 "*Non-Solicitation of Employees*" is amended by striking the phrase "or another business" at the end of the first sentence. This section is clarified so that it applies only with respect to individuals whom Employee knows (or reasonably should know) are employed by the Company at the time of the solicitation or inducement.

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Virginia Employees. I also acknowledge that for as long as I am a Covered Virginia Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this State Covenant Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the Commonwealth of Virginia, my obligations to Neuronetics, Inc. will no longer be limited by this State Covenant Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR WASHINGTON EMPLOYEES:

As a Covered Washington Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Washington), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. Section 8.2 is modified by striking the phrase "*and for a period of twenty-four (24) months,*" and replacing it with the phrase "*and for a period of eighteen (18) months,*".

2. As used in Section 8.2, "Covered Customer" and "healthcare providers" shall not include a person or entity that is not a customer or using the Company's products or services at the time of the alleged solicitation or encouragement.

3. Section 8.3 is modified by striking the phrase "*and for a period of twenty-four (24) months,*" and replacing it with the phrase "*and for a period of eighteen (18) months,*".

4. To qualify as a "Covered Employee" under Section 8.3, the individual must be known by (or reasonably should be known by) the Employee to be employed by the Company at the time of the alleged solicitation or encouragement.

5. A new Section 8.4 is added, which states as follows: "*Employee understands that Sections 8.1, 8.2, and 8.3 do not apply to Employee if Employee is covered under applicable state statute or local ordinance/rule prohibiting non-competition covenants or non-solicitation agreements, including on the basis of Employee's profession. Any term or provision in this Agreement, including but not limited to all or part of any restrictive covenant in Sections 8.1, 8.2, or 8.3 that is or is determined to be a non-competition covenant under Washington state law is effective and enforceable only once Employee earns, on an annualized basis, more than the annual required minimum compensation, which may be prorated for service less than a year, for enforcement of non-competition covenants found in Title 49 RCW. For the absence of doubt, Employee understands and agrees that even if Employee does not earn the required minimum compensation when Employee signs this Agreement, the non-competition covenants later become enforceable if Employee begins to earn sufficient compensation for their enforcement. This required minimum compensation for enforcement of non-competition covenants does not affect the enforceability of any other term or provision of this Agreement, including, but not limited to, any term or provision, or part thereof, that is or is determined to be a non-solicitation agreement under Washington state law found in Title 49 RCW*."

6. A new Section 8.5 is added, which states as follows: "*Non-Competition in the Event of a Layoff. If Employee's employment is terminated as a result of a layoff, any term or provision of this Agreement, including but not limited to all or part of any restrictive covenant in Sections 8.1, 8.2, or 8.3 of this Agreement, that is or is determined to be a non-competition covenant under Washington state law will not be enforced, unless, in the Company's sole discretion, it elects to pay Employee compensation equivalent to Employee's base salary at the time of termination for the period of enforcement of the non-competition covenants, less any compensation earned by Employee through subsequent employment (the "Non-competition Compensation"). The Company will advise Employee in writing whether it will elect to pay the Non-competition Compensation to enforce the non-competition covenants in this Agreement. Payment of the Non-competition Compensation will occur in bi-weekly installments on the Company's regularly scheduled payday, until such time as the Company elects to discontinue the payments and in no event for longer than twelve (12) months. If the Company notifies Employee that it elects to pay the Non-competition Compensation under this section, Employee agrees to submit a written statement to the Company on or before the fifth day of each month during the period of enforcement of any non-competition covenant disclosing the amount of gross compensation Employee earned the previous month, along with the paystubs or other evidence of payment acceptable to the Company. Employee understands that the Company is entitled to offset any compensation Employee earns from subsequent installments of the Non-competition Compensation or, alternatively, to terminate all further payments of the Non-competition Compensation. If, during the period of*

enforcement of the non-competition covenants, Employee reports earning compensation equal to or greater than Employee's base salary at the Company at the time of termination, Employee understands that the non-competition covenants will be enforceable according to their terms. At no time is the Non-competition Compensation earned or owed until paid. For absence of doubt, the Company reserves the right to elect not to pay any Non-competition Compensation or, after electing to pay the Non-competition Compensation, to discontinue payment at any time for any reason. Employee understands and agrees that this section and the potential Non-competition Compensation is only applicable if the Company terminates Employee's employment as a result of a layoff."

7. The definition of "*Geographic Area*" in Section 12 is stricken in its entirety and replaced with the following: ""*Geographic Area*"" *means: (i) within a ten (10) mile radius of: (A) any Company location where Employee worked; (B) any Company location where Employee was assigned; or (C) any other location where Employee performed Material (defined below) responsibilities for Neuronetics (e.g., Employee performing remote work); and/or (ii) if Employee had multistate responsibilities for Neuronetics, any location where Employee performed Material responsibilities and where performing those responsibilities for a Competitor will provide an unfair advantage to that Competitor because of Employee's access to and use of Confidential Information. "Material" means Employee's primary job duties and responsibilities in connection with providing Customers with Competitive Services. The foregoing geographic restrictions are limited to Employee's locations/responsibilities during the twenty-four (24) months prior to Employee's last day of employment with the Company."*

8. Section 15 is stricken in its entirety and replaced with the following: "*This Agreement, in combination with any State Covenant Addendum that Employee executes as part of this Agreement, expresses the entire agreement and understanding of the parties with respect to the subject matter hereof and supersedes any prior agreements, written or oral, between the parties regarding the same. It is understood that Sections 4, 7, 8.1-8.3, 9.1-9.8, and 10 are intended to survive the termination of Employee's employment and remain in full force and effect thereafter. In any dispute involving rights or obligations set forth in this Agreement, each party agrees not to contest federal court jurisdiction as provided for by the DTSA. This Agreement shall be construed and enforced in accordance with the substantive laws of the State of Washington without reference to any principle of choice of law that would require application of the law of another jurisdiction. The parties stipulate that the exclusive venue for any legal proceeding arising out of this Agreement is the state and federal courts sitting in Seattle, Washington and waive any defense, whether asserted by motion or pleading, that the venue specified by this section is an improper or inconvenient venue, provided that a party may commence a legal proceeding in a relevant jurisdiction for the purpose of enforcing its rights under this Agreement. The parties further agree that a judge shall try any disputes between them, whether relating to this Agreement or any other conflict, claim or dispute*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Washington Employees. I also acknowledge that for as long as I am a Covered Washington Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Washington, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

STATE COVENANT ADDENDUM FOR WISCONSIN EMPLOYEES:

As a Covered Wisconsin Employee (*i.e.*, an employee whose primary place of residence or primary work location is an address within the State of Wisconsin), the provisions of the Restrictive Covenant and Invention Assignment Agreement between Neuronetics, Inc. and the undersigned employee ("Employee") are amended and modified by this State Covenant Addendum as follows:

1. The language in Section 2(b) ("*Duration of Confidential Information and Trade Secrets*") is stricken in its entirety and replaced with the following: "*This obligation of non-disclosure and non-use of Confidential Information shall last only so long as the information remains confidential. However, Employee understands and agrees that, to the extent this obligation of non-disclosure and non-use of Confidential Information applies to information that does not meet the definition of a Trade Secret, it shall apply only for twenty-four (24) months after the date on which Employee's employment with Neuronetics ends and only in geographic areas in which the unauthorized use or unauthorized disclosure of such Confidential Information could competitively harm the Company. Employee also understands that Trade Secrets are protected by statute and are not subject to any time limits. Nothing in this Agreement limits or affects the protection given to confidential information and trade secrets under statutory and common law."*

2. The definition of "*Geographic Area*" contained in Section 12 is stricken in its entirety and replaced with the following: ""*Geographic Area" means the city(ies) in which, during the most recent twenty-four (24) months of Employee's employment with the Company, Employee: (a) provided Material services on behalf of the Company (or in which Employee supervised others, directly or indirectly, with respect to the exercise of such servicing activities), and/or (b) solicited Customers or otherwise sold or provided services on behalf of the Company (or in which Employee supervised, directly or indirectly, the solicitation or servicing activities related to such Customers). "Material" means Employee's primary job duties and responsibilities in connection with working with Customers or directly supervising individuals who work with Customers*."

3. Section 8.3 is modified by adding the following language at the end, "*Notwithstanding the foregoing, this Section 8.3 does not prohibit Employee from conducting generalized searches for employees or independent contractors by use of general advertisements or solicitations, including but not limited to, advertisements or solicitations through newspapers, internet or other media of general circulation or engaging and using a search firm not specifically targeted at Covered Employees*."

By signing below, I acknowledge receipt of this State Covenant Addendum for Covered Wisconsin Employees. I also acknowledge that for as long as I am a Covered Wisconsin Employee, my obligations to Neuronetics, Inc. under the Restrictive Covenant and Invention Assignment Agreement are governed by both the Restrictive Covenant and Invention Assignment Agreement and this Addendum, and that, if in the future, while employed by Neuronetics, neither my primary work location nor my primary residence remains in the State of Wisconsin, my obligations to Neuronetics, Inc. will no longer be limited by this Addendum.

Accepted and Agreed: (*Print Name:*) _____

By (*Sign*): _____ **Date:** _____

RESTRICTIVE COVENANT AND SEVERANCE AGREEMENT

This Restrictive Covenant and Severance Agreement (the "Agreement") is made and entered into effective as of the later of the dates set forth on the signature page (the "Effective Date"), by and between [Neuronetics, Inc. / Greenbrook TMS Inc.] ("Company") and the individual set forth on the signature page ("Employee").

RECITALS

WHEREAS, in order to encourage Employee's continued dedication to Company, the Board of Directors of Company (the "Board") desires to provide Employee 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 Employee 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 Employee's employment by Company for Cause, by Employee without Good Reason, or due to Employee's death or Disability; (ii) if Employee becomes entitled to benefits, payment of all benefits to which Employee is entitled under this Agreement and satisfaction of all other obligations of Employee and Company with respect to this Agreement, including Employee'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 Employee acknowledge that Employee's employment will continue to be at-will as defined under applicable law, and either Company or Employee may terminate the employment relationship at any time and for any reason. If Employee's employment with Company terminates for any reason, Employee 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 Employee'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 Employee 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 Employee 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 Employee, which has not been corrected (to the extent correctable) within thirty (30) days of Employee receiving a written notice for substantial correction from Company; (d) breach of fiduciary duty for personal gain during the course of Employee's employment with Company; (e) commission by Employee of a felony; (f) intentional act or intentional failure to act by Employee 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 Employee receiving a written notice for substantial correction from Company; or (g) determination that Employee intentionally omitted any requested information or falsified any disclosed information either in Employee's resume or during Employee'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 Employee'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 Employee) except for Employee'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, Employee shall not be entitled to any further compensation other than Employee'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. Employee may resign Employee's employment without Good Reason at any time. Employee 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 Employee immediately cease providing services to Company upon receipt of Employee's notice of resignation; provided, however, Company shall pay the Accrued Amounts through the Termination Date.

3.3 Without Cause or Resignation for Good Reason.

(a) Employee's employment may be terminated at any time by Company, without any requirement of Cause, upon delivery to Employee of thirty (30) days' prior written notice of its intention to terminate Employee's employment (the "Termination Period"). Company, in its sole discretion, may elect to have Employee 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 Employee'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) Employee's termination of employment by Company without Cause, or (B) Employee's resignation for Good Reason, Employee's obligations pursuant to the

Restrictive Covenant Agreement will remain in full force and effect. Employee and Company also agree that in the event Employee'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 Employee:

(1) severance at a rate equal to Employee's monthly base salary in effect at the time of such termination or resignation for a period of six (6) 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 Employees of Company (the "Incentive Bonus"), payable to Employee for the fiscal year that ended immediately preceding Employee's termination of employment, regardless of any requirement that Employee be employed on the date of payment; and

(3) if Employee (and Employee'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 employees until the earliest to occur of (i) the expiration of the Severance Period; (ii) the date Employee first becomes eligible for health, dental, or vision coverage with a subsequent employer; (iii) the date Employee is no longer eligible for continuation coverage under COBRA; or (iv) the date Employee 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 Employee a taxable monthly payment for the period described herein in an amount equal to the monthly COBRA premium that Employee would be required to pay to continue Employee's and Employee's dependents' COBRA continuation coverage based on the premium for the first month of COBRA continuation coverage.

(c) "Good Reason" means Employee'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 Employee's consent:

(1) a material adverse change of Employee's position with Company that reduces Employee's title, level of authority, duties, and/or responsibilities from those in effect immediately prior to the reduction;

(2) a reduction in base salary or target incentive compensation opportunity;

(3) any failure to provide that Employee is eligible to participate in Company benefit plans on a basis that is generally comparable to similarly-situated senior corporate officers of Company;

(4) a relocation of Employee's principal worksite of more than 35 miles one way unless such relocation reduces Employee's commute to such worksite; or

(5) any action or inaction that constitutes a material breach by Company of any employment agreement between Employee 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, Employee 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, Employee must separate from service with Company within 30 days of the end of the 120-day cure period. If Employee does not separate from service with Company within such 30-day period, Employee will not have incurred a separation from service for Good Reason.

3.4 Change in Control.

(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 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 Employee's employment without Cause, or (B) Employee resigns for Good Reason, Company will provide Employee:

(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 nine (9) months;

(2) an amount equal to Employee's target Incentive Bonus for the fiscal year of Employee'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 Employee by Company.

In the event Employee 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 Employee's employment ends due to Employee's death or Disability, this Agreement shall terminate and Employee 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 Employee 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 Employee, "Disability" will mean Employee's inability to perform Employee'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 Employee 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 Employee under Section 3.3 or 3.4 of this Agreement until Employee 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, Employee'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 Employee, and Employee 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. Employee shall not be obligated to seek other employment or take other action to mitigate the amounts payable to Employee hereunder.

3.9 No Additional Severance. Employee acknowledges and agrees that the severance described in this Section 3 shall be in lieu of any other severance payments or benefits to which Employee 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, Employee acknowledges and agrees that Employee is subject to any clawback and recoupment policies that may be applicable to Employee as an employee of Company, as in effect (or as may be amended) from time to time.

4. Restrictive Covenant Agreement. Employee 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"). Employee acknowledges that the Restrictive Covenant Agreement shall continue to remain in full-force and effect in accordance with its terms following cessation of Employee's employment with Company for any reason. If Employee 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 Employee and Company agree and stipulate that any claims, disputes, and demands which may arise out of Employee's employment with Company, Employee'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 Employee 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 Employee 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 Employee 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. Employee 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 Employee 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 Employee's estate following the Employee's death.

Notwithstanding anything in this Agreement to the contrary, in no event shall Company commence payment or distribution to Employee 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. Section 280G.

9.1 In the event that part or all of the payments or benefits to be paid or provided to the Employee 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 Employee ("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 Employee after application of the above reduction would exceed the after-tax value of the Total Payments received by the Employee without application of such reduction. If applicable, the particular payments that are to be reduced shall be subject to the mutual agreement of the Employee and the Company, with a view to maximizing the value of the payments to the Employee 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 Employee 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 Employee with its calculation of the amounts referred to in this Section 9.2 and such supporting materials as are reasonably necessary for the Employee to evaluate Company's calculations. If the Employee 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 Employee, or Employee'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 Employee or Employee's beneficiary has received cash from Company at the time the taxes, fees, or penalties become due. Employee acknowledges that tax requirements may change during the term of

this Agreement and that it is Employee's (or Employee'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 Employee and Company. Notwithstanding the foregoing, no amendment to this Agreement may accelerate any amount payable to Employee 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 Employee shall occur upon termination of this Agreement unless the requirements of Code Section 409A have been met, to the extent applicable. Company and Employee 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 Employee'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.** Employee acknowledges and agrees that Employee has been afforded the opportunity to review this Agreement with Employee'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.

Employee:	[Neuronetics, Inc. / Greenbrook TMS Inc.]
Signature: _____	Signature: _____
Name: _____	Name: _____
Date: _____	Title: _____
	Date: _____

Exhibit 10.25

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.

NEURONETICS, INC.

PERFORMANCE RESTRICTED STOCK UNIT GRANT NOTICE
(2020 INDUCEMENT INCENTIVE PLAN)

Neuronetics, Inc. (the "***Company***") hereby awards to Participant a Performance Restricted Stock Unit Award for the number of shares of the Company's Common Stock ("***Performance Restricted Stock Units***") set forth below (the "***Award***") as an inducement for the participant to accept the Company's offer of employment. The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "***Performance Restricted Stock Unit Grant Notice***"), the Performance Restricted Stock Unit Award Agreement (the "***Award Agreement***"), which is attached hereto and incorporated herein in its entirety, and the Neuronetics, Inc. 2020 Inducement Incentive Plan (the "***Plan***"). This is an inducement grant under NASDAQ Listing Rule 5635(c)(4). Capitalized terms not explicitly defined herein shall have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in this Performance Restricted Stock Unit Grant Notice or the Award Agreement and the Plan, the terms of the Plan shall control.

Participant: [_____]

Date of Grant: [_____]

Vesting Date: [_____]

Number of Performance Restricted Stock Units: [_____]

Vesting Schedule: [_____]

Performance Metric: [_____]

Issuance Schedule: [_____]

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Performance Restricted Stock Unit Grant Notice, the Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Performance Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements on the terms of this Award, with the exception, if applicable, of (i) Performance Restricted Stock Unit awards, restricted stock unit awards or options previously granted and delivered to Participant, (ii) the written employment agreement, offer letter or other written agreement entered into between the Company and Participant specifying the terms that should govern this specific Award, and (iii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law.

By accepting this Award, Participant acknowledges having received and read the Performance Restricted Stock Unit Grant Notice, the Award Agreement and the Plan and agrees to all of the terms and conditions set forth in these documents. Participant consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Neuronetics, Inc.:	**Participant:**
Signature: _____	Signature: _____
Name: Keith J. Sullivan	Date: _____

Title: President and Chief Executive Officer

Date: _____

ATTACHMENTS: Award Agreement and 2020 Inducement Incentive Plan

ATTACHMENT I

NEURONETICS, INC.

2020 INDUCEMENT INCENTIVE PLAN
PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Performance Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Performance Restricted Stock Unit Award Agreement (the "***Agreement***"), Neuronetics, Inc. (the "***Company***") has awarded you ("***Participant***") a Performance Restricted Stock Unit Award (the "***Award***") for the number of Performance Restricted Stock Units/shares indicated in the Grant Notice. This is an inducement grant under NASDAQ Listing Rule 5635(c)(4). Accordingly, this Award has been granted outside of the Company's 2018 Equity Incentive Plan, and the Performance Restricted Stock Units shall not count toward the 2018 Equity Incentive Plan Share Reserve. However, the Award will count toward the 2020 Inducement Incentive Plan (the "***Plan***") Share Reserve and be governed in all respects by the Plan, which is attached hereto and incorporated herein in its entirety. Capitalized terms not explicitly defined in this Agreement or the Grant Notice shall have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Performance Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the "***Account***") the number of Performance Restricted Stock Units/shares of Common Stock subject to the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock in connection with the vesting of the Performance Restricted Stock Units, and, to the extent applicable, references in this Agreement and the Grant Notice to Common Stock issuable in connection with your Performance Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right. This Award was granted in consideration of your services to the Company.

2. VESTING. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice. Vesting will cease upon the termination of your Continuous Service and the Performance Restricted Stock Units credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such Award or the shares of Common Stock to be issued in respect of such portion of the Award.

3. NUMBER OF SHARES. The number of Performance Restricted Stock Units subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Performance Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Performance Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. SECURITIES LAW COMPLIANCE. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Performance Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would

be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. **TRANSFER RESTRICTIONS**. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Performance Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Performance Restricted Stock Units.

(a) **Death**. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate shall be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) **Domestic Relations Orders.** Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, marital settlement agreement or other divorce or separation instrument as permitted by applicable law that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. **DATE OF ISSUANCE.**

(a) The issuance of shares in respect of the Performance Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation set forth in Section 11 of this Agreement, in the event one or more Performance Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Performance Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***".

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), *and*

(ii) either (1) a Withholding Obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Obligation by withholding

shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 11 of this Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash,

then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

7. Dividends. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

8. Restrictive Legends. The shares of Common Stock issued in respect of your Award shall be endorsed with appropriate legends as determined by the Company.

9. Execution of Documents. You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

10. Award not a Service Contract.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ or service of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the vesting schedule provided in the Grant Notice may not be earned unless (in addition to any other conditions described in the Grant Notice and this Agreement) you continue as an employee, director or consultant at the will of the Company and affiliate, as applicable (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). You acknowledge and agree

that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with the Company's right to terminate your Continuous Service at any time, with or without your cause or notice, or to conduct a reorganization.

11. WITHHOLDING OBLIGATION.

(a) On each vesting date, and on or before the time you receive a distribution of the shares of Common Stock in respect of your Performance Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision, including in cash, for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with your Award (the "***Withholding Obligation***").

(b) By accepting this Award, you acknowledge and agree that the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Obligation relating to your Performance Restricted Stock Units by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Withholding Obligation in cash; (ii) withholding from any compensation otherwise payable to you by the Company; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued pursuant to Section 6) equal to the amount of such Withholding Obligation; provided, however, that the number of such shares of Common Stock so withheld will not exceed the amount necessary to satisfy the Withholding Obligation using the maximum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and *provided*, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Board or the Company's Compensation Committee; and/or (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***"), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Performance Restricted Stock Units to satisfy the Withholding Obligation and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Obligation directly to the Company and/or its Affiliates. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to you any Common Stock or any other consideration pursuant to this Award.

(c) In the event the Withholding Obligation arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

12. TAX CONSEQUENCES. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by signing the Grant

Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

13. Unsecured Obligation. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Agreement until such shares are issued to you pursuant to Section 6 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. Notices. Any notice or request required or permitted hereunder shall be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

15. Headings. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

16. Miscellaneous.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

17. Governing Plan Document. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to

the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. Effect on Other Employee Benefit Plans. The value of the Award subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

19. Severability. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. Other Documents. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

21. Amendment. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

22. Compliance with Section 409A of the Code. This Award is intended to be exempt from the application of Section 409A of the Code, including but not limited to by reason of complying with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) and any ambiguities herein shall be interpreted accordingly. Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise not exempt from, and determined to be deferred compensation subject to Section 409A of the Code, this Award shall comply with Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein shall be interpreted accordingly. If it is determined that the Award is deferred compensation subject to Section 409A and you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "Separation from Service" (as defined in Section 409A), then the issuance of any shares that would otherwise be made upon the date of your Separation from Service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the

Separation from Service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

* * * * *

This Performance Restricted Stock Unit Award Agreement shall be deemed to be signed by the Company and the Participant upon the signing by the Participant of the Performance Restricted Stock Unit Grant Notice to which it is attached.

https://www.sec.gov/Archives/edgar/data/1227636/000119312525020110/d827992ds8.htm (see Exhibit 10.1 and Exhibit 10.3)

NEURONETICS, INC.
PERFORMANCE RESTRICTED STOCK UNIT GRANT NOTICE

Neuronetics, Inc. (the "***Company***"), pursuant to its 2018 Equity Incentive Plan (the "***Plan***"), hereby awards to Participant a Performance Restricted Stock Unit Award for the number of shares of the Company's Common Stock ("***Performance Restricted Stock Units***") set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "***Performance Restricted Stock Unit Grant Notice***"), and in the Plan and the Performance Restricted Stock Unit Award Agreement (the "***Award Agreement***"), both of which are attached hereto and incorporated herein in their entirety. Capitalized terms not explicitly defined herein shall have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in this Performance Restricted Stock Unit Grant Notice or the Award Agreement and the Plan, the terms of the Plan shall control.

Participant: [_____]

Date of Grant: [_____]

Vesting Date: [_____]

Number of Performance Restricted Stock Units: [_____]

Vesting Schedule: [_____]

Performance Metric: [_____]

Issuance Schedule: [_____]

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Performance Restricted Stock Unit Grant Notice, the Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Performance Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements on the terms of this Award, with the exception, if applicable, of (i) restricted stock unit awards or options previously granted and delivered to Participant, (ii) the written employment agreement, offer letter or other written agreement entered into between the Company and Participant specifying the terms that should govern this specific Award, and (iii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law.

By accepting this Award, Participant acknowledges having received and read this Performance Restricted Stock Unit Grant Notice, the Award Agreement and the Plan and agrees to all of the terms and conditions set forth in these documents. Participant consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Neuronetics, Inc.:	**Participant:**
Signature: _____	Signature: _____
Name: Keith J. Sullivan	Date: _____
Title: President and Chief Executive Officer	
Date: _____	

Attachments: Award Agreement and 2018 Equity Incentive Plan

Attachment I
Award Agreement

(see next page)

NEURONETICS, INC.

PERFORMANCE RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the Performance Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Performance Restricted Stock Unit Award Agreement (the "***Agreement***"), Neuronetics, Inc. (the "***Company***") has awarded you ("***Participant***") a Performance Restricted Stock Unit Award (the "***Award***") pursuant to the Company's 2018 Equity Incentive Plan (the "***Plan***") for the number of Performance Restricted Stock Units/shares indicated in the Grant Notice. Capitalized terms not explicitly defined in this Agreement or the Grant Notice shall have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice, are as follows.

1. Grant of the Award. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Performance Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the "***Account***") the number of Performance Restricted Stock Units/shares of Common Stock subject to the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock in connection with the vesting of the Performance Restricted Stock Units, and, to the extent applicable, references in this Agreement and the Grant Notice to Common Stock issuable in connection with your Performance Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right. This Award was granted in consideration of your services to the Company.

2. Vesting. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice. Vesting will cease upon the termination of your Continuous Service and the Performance Restricted Stock Units credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such Award or the shares of Common Stock to be issued in respect of such portion of the Award.

3. Number of Shares. The number of Performance Restricted Stock Units subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Performance Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Performance Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. Securities Law Compliance. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Performance Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. Transfer Restrictions. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Performance Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Performance Restricted Stock Units.

(a) Death. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate shall be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) Domestic Relations Orders. Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company, you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, marital settlement agreement or other divorce or separation instrument as permitted by applicable law that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. Date of Issuance.

(a) The issuance of shares in respect of the Performance Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation set forth in Section 11 of this Agreement, in the event one or more Performance Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Performance Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***".

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), and

(ii) either (1) a Withholding Obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 11 of this Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery *(e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

7. Dividends. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

8. Restrictive Legends. The shares of Common Stock issued in respect of your Award shall be endorsed with appropriate legends as determined by the Company.

9. Execution of Documents. You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

10. Award not a Service Contract.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ or service of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the vesting schedule provided in the Grant Notice may not be earned unless (in addition to any other conditions described in the Grant Notice and this Agreement) you continue as an employee, director or consultant at the will of the Company and affiliate, as applicable (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). You acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with the Company's right to terminate your Continuous Service at any time, with or without your cause or notice, or to conduct a reorganization.

11. Withholding Obligation.

(a) On each vesting date, and on or before the time you receive a distribution of the shares of Common Stock in respect of your Performance Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision, including in cash, for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with your Award (the "***Withholding Obligation***").

(b) By accepting this Award, you acknowledge and agree that the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Obligation relating to your Performance Restricted Stock Units by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Withholding Obligation in cash; (ii) withholding from any compensation otherwise payable to you by the Company; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued pursuant to Section 6) equal to the amount of such Withholding Obligation; provided, however, that the number of such shares of Common Stock so withheld will not exceed the amount necessary to satisfy the Withholding Obligation using the maximum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and provided, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Board or the Company's Compensation Committee; and/or (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***"),

pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Performance Restricted Stock Units to satisfy the Withholding Obligation and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Obligation directly to the Company and/or its Affiliates. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to you any Common Stock or any other consideration pursuant to this Award.

(c) In the event the Withholding Obligation arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

12. Tax Consequences. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

13. Unsecured Obligation. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Agreement until such shares are issued to you pursuant to Section 6 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. Notices. Any notice or request required or permitted hereunder shall be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

15. Headings. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

16. Miscellaneous.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

17. Governing Plan Document. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. Effect on Other Employee Benefit Plans. The value of the Award subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

19. Severability. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. Other Documents. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

21. Amendment. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Board by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Board reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

22. Compliance with Section 409A of the Code. This Award is intended to be exempt from the application of Section 409A of the Code, including but not limited to by reason of complying with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) and any ambiguities herein shall be interpreted accordingly. Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise not exempt from, and determined to be deferred compensation subject to Section 409A of the Code, this Award shall comply with Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein shall be interpreted accordingly. If it is determined that the Award is deferred compensation subject to Section 409A and you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "Separation from Service" (as defined in Section 409A), then the issuance of any shares that would otherwise be made upon the date of your Separation from Service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the Separation from Service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of

adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

* * * * *

This Performance Restricted Stock Unit Award Agreement shall be deemed to be signed by the Company and the Participant upon the signing by the Participant of the Performance Restricted Stock Unit Grant Notice to which it is attached.

https://www.sec.gov/Archives/edgar/data/1227636/000119312525020110/d827992ds8.htm (see Exhibit 10.2 and Exhibit 10.4)

Exhibit 10.33

NEURONETICS, INC.

RESTRICTED STOCK UNIT GRANT NOTICE

(2020 INDUCEMENT INCENTIVE PLAN)

Neuronetics, Inc. (the "***Company***"), pursuant to its 2020 Inducement Incentive Plan (the "***Plan***"), hereby awards to Participant a Restricted Stock Unit Award for the number of shares of the Company's Common Stock ("***Restricted Stock Units***") set forth below (the "***Award***"). The Award is subject to all of the terms and conditions as set forth in this notice of grant (this "***Restricted Stock Unit Grant Notice***") and in the Plan and the Restricted Stock Unit Award Agreement (the "***Award Agreement***"), both of which are attached hereto and incorporated herein in their entirety. This is an inducement grant under NASDAQ Listing Rule 5635(c)(4). Capitalized terms not explicitly defined herein shall have the meanings set forth in the Plan or the Award Agreement. In the event of any conflict between the terms in this Restricted Stock Unit Grant Notice or the Award Agreement and the Plan, the terms of the Plan shall control.

Participant: [_____]

Date of Grant: [_____]

Vesting Commencement Date: [_____]

Number of Restricted Stock Units: [_____]

Vesting Schedule: [_____]

Issuance Schedule: [_____]

Additional Terms/Acknowledgements: Participant acknowledges receipt of, and understands and agrees to, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan. Participant further acknowledges that as of the Date of Grant, this Restricted Stock Unit Grant Notice, the Award Agreement and the Plan set forth the entire understanding between Participant and the Company regarding the acquisition of the Common Stock pursuant to the Award specified above and supersede all prior oral and written agreements on the terms of this Award, with the exception, if applicable, of (i) restricted stock unit awards or options previously granted and delivered to Participant, (ii) the written employment agreement, offer letter or other written agreement entered into between the Company and Participant specifying the terms that should govern this specific Award, and (iii) any compensation recovery policy that is adopted by the Company or is otherwise required by applicable law.

(Remainder of this page intentionally left blank.)

By accepting this Award, Participant acknowledges having received and read the Restricted Stock Unit Grant Notice, the Award Agreement and the Plan and agrees to all of the terms and conditions set forth in these documents. Participant consents to receive Plan documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

Neuronetics, Inc.:	**Participant:**
Signature: _____	Signature: _____
Name: Keith J. Sullivan	Date: _____
Title: President and Chief Executive Officer	
Date: _____	

ATTACHMENTS: Award Agreement and 2020 Inducement Incentive Plan

ATTACHMENT I

NEURONETICS, INC.

RESTRICTED STOCK UNIT AWARD AGREEMENT

2020 INDUCEMENT INCENTIVE PLAN

Pursuant to the Restricted Stock Unit Grant Notice (the "***Grant Notice***") and this Restricted Stock Unit Award Agreement (the "***Agreement***"), Neuronetics, Inc. (the "***Company***") has awarded you ("***Participant***") a Restricted Stock Unit Award (the "***Award***") pursuant to the Company's 2020 Inducement Incentive Plan for the number of Restricted Stock Units/shares indicated in the Grant Notice. This is an inducement grant under NASDAQ Listing Rule 5635(c)(4). Accordingly, this Award has been granted outside of the Company's 2018 Equity Incentive Plan, and the Performance Restricted Stock Units shall not count toward the 2018 Equity Incentive Plan Share Reserve. However, the Award will count toward the 2020 Inducement Incentive Plan (the "***Plan***") Share Reserve and be governed in all respects by the Plan, which is attached hereto and incorporated herein in its entirety. Capitalized terms not explicitly defined in this Agreement or the Grant Notice shall have the same meanings given to them in the Plan. The terms of your Award, in addition to those set forth in the Grant Notice, are as follows.

1. GRANT OF THE AWARD. This Award represents the right to be issued on a future date one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 below) as indicated in the Grant Notice. As of the Date of Grant, the Company will credit to a bookkeeping account maintained by the Company for your benefit (the "***Account***") the number of Restricted Stock Units/shares of Common Stock subject to the Award. Notwithstanding the foregoing, the Company reserves the right to issue you the cash equivalent of Common Stock, in part or in full satisfaction of the delivery of Common Stock in connection with the vesting of the Restricted Stock Units, and, to the extent applicable, references in this Agreement and the Grant Notice to Common Stock issuable in connection with your Restricted Stock Units will include the potential issuance of its cash equivalent pursuant to such right. This Award was granted in consideration of your services to the Company.

2. VESTING. Subject to the limitations contained herein, your Award will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice. Vesting will cease upon the termination of your Continuous Service and the Restricted Stock Units credited to the Account that were not vested on the date of such termination will be forfeited at no cost to the Company and you will have no further right, title or interest in or to such Award or the shares of Common Stock to be issued in respect of such portion of the Award.

3. NUMBER OF SHARES. The number of Restricted Stock Units subject to your Award may be adjusted from time to time for Capitalization Adjustments, as provided in the Plan. Any additional Restricted Stock Units, shares, cash or other property that becomes subject to the Award pursuant to this Section 3, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units and shares covered by your Award. Notwithstanding the provisions of this Section 3, no fractional shares or rights for fractional shares of Common Stock shall be created pursuant to this Section 3. Any fraction of a share will be rounded down to the nearest whole share.

4. SECURITIES LAW COMPLIANCE. You may not be issued any Common Stock under your Award unless the shares of Common Stock underlying the Restricted Stock Units are either (i) then registered under the Securities Act, or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Your Award must also comply with other applicable laws and regulations governing the Award, and you shall not receive such Common Stock if the Company determines that such receipt would not be in material compliance with such laws and regulations.

5. TRANSFER RESTRICTIONS. Prior to the time that shares of Common Stock have been delivered to you, you may not transfer, pledge, sell or otherwise dispose of this Award or the shares issuable in respect of your Award, except as expressly provided in this Section 5. For example, you may not use shares that may be issued in respect of your Restricted Stock Units as security for a loan. The restrictions on transfer set forth herein will lapse upon delivery to you of shares in respect of your vested Restricted Stock Units.

(a) **Death**. Your Award is transferable by will and by the laws of descent and distribution. At your death, vesting of your Award will cease and your executor or administrator of your estate shall be entitled to receive, on behalf of your estate, any Common Stock or other consideration that vested but was not issued before your death.

(b) **Domestic Relations Orders.** Upon receiving written permission from the Board or its duly authorized designee, and provided that you and the designated transferee enter into transfer and other agreements required by the Company (including, if required by the Board, an agreement by the transferee to bear any increased costs (including allocation of the Company's overhead) related to the administration of the transferred option), you may transfer your right to receive the distribution of Common Stock or other consideration hereunder, pursuant to a domestic relations order, marital settlement agreement or other divorce or separation instrument as permitted by applicable law that contains the information required by the Company to effectuate the transfer. You are encouraged to discuss the proposed terms of any division of this Award with the Company General Counsel prior to finalizing the domestic relations order or marital settlement agreement to verify that you may make such transfer, and if so, to help ensure the required information is contained within the domestic relations order or marital settlement agreement.

6. DATE OF ISSUANCE.

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation set forth in Section 11 of this Agreement, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Restricted Stock Unit that vests on the applicable vesting date(s) (subject to any adjustment under Section 3 above, and subject to any different provisions in the Grant Notice). Each issuance date determined by this paragraph is referred to as an "***Original Issuance Date***".

(b) If the Original Issuance Date falls on a date that is not a business day, delivery shall instead occur on the next following business day. In addition, if:

(i) the Original Issuance Date does not occur (1) during an "open window period" applicable to you, as determined by the Company in accordance with the Company's then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company's policies (a "***10b5-1 Arrangement***")), *and*

(ii) either (1) a Withholding Obligation does not apply, or (2) the Company decides, prior to the Original Issuance Date, (A) not to satisfy the Withholding Obligation by withholding shares of Common Stock from the shares otherwise due, on the Original Issuance Date, to you under this Award, and (B) not to permit you to enter into a "same day sale" commitment with a broker-dealer pursuant to Section 11 of this Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash, then the shares that would otherwise be issued to you on the Original Issuance Date will not be delivered on such Original Issuance Date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company's Common Stock in the open public market, but in no event later than December 31 of the calendar year in which the Original Issuance Date occurs (that is, the last day of your taxable year in which the Original Issuance Date occurs), or, if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock under this Award are no longer subject to a "substantial risk of forfeiture" within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) The form of delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

7. DIVIDENDS. You shall receive no benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution that does not result from a Capitalization Adjustment; provided, however, that

this sentence will not apply with respect to any shares of Common Stock that are delivered to you in connection with your Award after such shares have been delivered to you.

8. Restrictive Legends. The shares of Common Stock issued in respect of your Award shall be endorsed with appropriate legends as determined by the Company.

9. Execution of Documents. You hereby acknowledge and agree that the manner selected by the Company by which you indicate your consent to your Grant Notice is also deemed to be your execution of your Grant Notice and of this Agreement. You further agree that such manner of indicating consent may be relied upon as your signature for establishing your execution of any documents to be executed in the future in connection with your Award.

10. Award not a Service Contract.

(a) Nothing in this Agreement (including, but not limited to, the vesting of your Award or the issuance of the shares in respect of your Award), the Plan or any covenant of good faith and fair dealing that may be found implicit in this Agreement or the Plan shall: (i) confer upon you any right to continue in the employ or service of, or affiliation with, the Company or an Affiliate; (ii) constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or affiliation; (iii) confer any right or benefit under this Agreement or the Plan unless such right or benefit has specifically accrued under the terms of this Agreement or Plan; or (iv) deprive the Company of the right to terminate you at will and without regard to any future vesting opportunity that you may have.

(b) By accepting this Award, you acknowledge and agree that the right to continue vesting in the Award pursuant to the vesting schedule provided in the Grant Notice may not be earned unless (in addition to any other conditions described in the Grant Notice and this Agreement) you continue as an employee, director or consultant at the will of the Company and affiliate, as applicable (not through the act of being hired, being granted this Award or any other award or benefit) and that the Company has the right to reorganize, sell, spin-out or otherwise restructure one or more of its businesses or Affiliates at any time or from time to time, as it deems appropriate (a "***reorganization***"). You acknowledge and agree that such a reorganization could result in the termination of your Continuous Service, or the termination of Affiliate status of your employer and the loss of benefits available to you under this Agreement, including but not limited to, the termination of the right to continue vesting in the Award. You further acknowledge and agree that this Agreement, the Plan, the transactions contemplated hereunder and the vesting schedule set forth herein or any covenant of good faith and fair dealing that may be found implicit in any of them do not constitute an express or implied promise of continued engagement as an employee or consultant for the term of this Agreement, for any period, or at all, and shall not interfere in any way with the Company's right to terminate your Continuous Service at any time, with or without your cause or notice, or to conduct a reorganization.

11. Withholding Obligation.

(a) On each vesting date, and on or before the time you receive a distribution of the shares of Common Stock in respect of your Restricted Stock Units, and at any other time as reasonably requested by the Company in accordance with applicable tax laws, you hereby authorize any required withholding from the Common Stock issuable to you and/or otherwise agree to make adequate provision, including in cash, for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or any Affiliate that arise in connection with your Award (the "***Withholding Obligation***").

(b) By accepting this Award, you acknowledge and agree that the Company or any Affiliate may, in its sole discretion, satisfy all or any portion of the Withholding Obligation relating to your Restricted Stock Units by any of the following means or by a combination of such means: (i) causing you to pay any portion of the Withholding Obligation in cash; (ii) withholding from any compensation otherwise payable to you by the Company; (iii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to you in connection with the Award with a Fair Market Value (measured as of the date shares of Common Stock are issued pursuant to Section 6) equal to the amount of such Withholding Obligation; provided, however, that the number of

such shares of Common Stock so withheld will not exceed the amount necessary to satisfy the Withholding Obligation using the maximum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income; and *provided*, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Plan Administrator or the Company's Compensation Committee; and/or (iv) permitting or requiring you to enter into a "same day sale" commitment, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "***FINRA Dealer***"), pursuant to this authorization and without further consent, whereby you irrevocably elect to sell a portion of the shares to be delivered in connection with your Restricted Stock Units to satisfy the Withholding Obligation and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Obligation directly to the Company and/or its Affiliates. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to you any Common Stock or any other consideration pursuant to this Award.

(c) In the event the Withholding Obligation arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

12. Tax Consequences. The Company has no duty or obligation to minimize the tax consequences to you of this Award and shall not be liable to you for any adverse tax consequences to you arising in connection with this Award. You are hereby advised to consult with your own personal tax, financial and/or legal advisors regarding the tax consequences of this Award and by signing the Grant Notice, you have agreed that you have done so or knowingly and voluntarily declined to do so. You understand that you (and not the Company) shall be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Agreement.

13. Unsecured Obligation. Your Award is unfunded, and as a holder of a vested Award, you shall be considered an unsecured creditor of the Company with respect to the Company's obligation, if any, to issue shares or other property pursuant to this Agreement. You shall not have voting or any other rights as a stockholder of the Company with respect to the shares to be issued pursuant to this Agreement until such shares are issued to you pursuant to Section 6 of this Agreement. Upon such issuance, you will obtain full voting and other rights as a stockholder of the Company. Nothing contained in this Agreement, and no action taken pursuant to its provisions, shall create or be construed to create a trust of any kind or a fiduciary relationship between you and the Company or any other person.

14. Notices. Any notice or request required or permitted hereunder shall be given in writing (including electronically) and will be deemed effectively given upon receipt or, in the case of notices delivered by mail by the Company to you, five (5) days after deposit in the United States mail, postage prepaid, addressed to you at the last address you provided to the Company. The Company may, in its sole discretion, decide to deliver any documents related to participation in the Plan and this Award by electronic means or to request your consent to participate in the Plan by electronic means. By accepting this Award, you consent to receive such documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

15. Headings. The headings of the Sections in this Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Agreement or to affect the meaning of this Agreement.

16. Miscellaneous.

(a) The rights and obligations of the Company under your Award shall be transferable by the Company to any one or more persons or entities, and all covenants and agreements hereunder shall inure to the benefit of, and be enforceable by, the Company's successors and assigns.

(b) You agree upon request to execute any further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award.

(c) You acknowledge and agree that you have reviewed your Award in its entirety, have had an opportunity to obtain the advice of counsel prior to executing and accepting your Award and fully understand all provisions of your Award.

(d) This Agreement shall be subject to all applicable laws, rules, and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

(e) All obligations of the Company under the Plan and this Agreement shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all of the business and/or assets of the Company.

17. Governing Plan Document. Your Award is subject to all the provisions of the Plan, the provisions of which are hereby made a part of your Award, and is further subject to all interpretations, amendments, rules and regulations which may from time to time be promulgated and adopted pursuant to the Plan. Your Award (and any compensation paid or shares issued under your Award) is subject to recoupment in accordance with The Dodd–Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company and any compensation recovery policy otherwise required by applicable law. No recovery of compensation under such a clawback policy will be an event giving rise to a right to voluntarily terminate employment upon a resignation for "good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

18. Effect on Other Employee Benefit Plans. The value of the Award subject to this Agreement shall not be included as compensation, earnings, salaries, or other similar terms used when calculating benefits under any employee benefit plan (other than the Plan) sponsored by the Company or any Affiliate except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any or all of the employee benefit plans of the Company or any Affiliate.

19. Severability. If all or any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

20. Other Documents. You hereby acknowledge receipt or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act. In addition, you acknowledge receipt of the Company's policy permitting certain individuals to sell shares only during certain "window" periods and the Company's insider trading policy, in effect from time to time.

21. Amendment. This Agreement may not be modified, amended or terminated except by an instrument in writing, signed by you and by a duly authorized representative of the Company. Notwithstanding the foregoing, this Agreement may be amended solely by the Plan Administrator by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to you, and provided that, except as otherwise expressly provided in the Plan, no such amendment materially adversely affecting your rights hereunder may be made without your written consent. Without limiting the foregoing, the Plan Administrator reserves the right to change, by written notice to you, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the Award as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change shall be applicable only to rights relating to that portion of the Award which is then subject to restrictions as provided herein.

22. Compliance with Section 409A of the Code. This Award is intended to be exempt from the application of Section 409A of the Code, including but not limited to by reason of complying with the "short-term deferral" rule set forth in Treasury Regulation Section 1.409A-1(b)(4) and any ambiguities herein shall be interpreted accordingly. Notwithstanding the foregoing, if it is determined that the Award fails to satisfy the requirements of the short-term deferral rule and is otherwise not exempt from, and determined to be deferred compensation subject to Section 409A of the Code, this Award shall comply with Section 409A to the extent necessary to avoid adverse personal tax consequences and any ambiguities herein shall be interpreted accordingly. If

it is determined that the Award is deferred compensation subject to Section 409A and you are a "Specified Employee" (within the meaning set forth in Section 409A(a)(2)(B)(i) of the Code) as of the date of your "Separation from Service" (as defined in Section 409A), then the issuance of any shares that would otherwise be made upon the date of your Separation from Service or within the first six (6) months thereafter will not be made on the originally scheduled date(s) and will instead be issued in a lump sum on the date that is six (6) months and one day after the date of the Separation from Service, with the balance of the shares issued thereafter in accordance with the original vesting and issuance schedule set forth above, but if and only if such delay in the issuance of the shares is necessary to avoid the imposition of adverse taxation on you in respect of the shares under Section 409A of the Code. Each installment of shares that vests is intended to constitute a "separate payment" for purposes of Treasury Regulation Section 1.409A-2(b)(2).

* * * * *

This Restricted Stock Unit Award Agreement shall be deemed to be signed by the Company and the Participant upon the signing by the Participant of the Restricted Stock Unit Grant Notice to which it is attached.

https://www.sec.gov/Archives/edgar/data/1227636/000119312525020110/d827992ds8.htm (see Exhibit 10.1 and Exhibit 10.3)

CERTAIN INFORMATION IN THIS EXHIBIT MARKED [***] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) IS THE TYPE THAT IS PRIVATE OR CONFIDENTIAL.

AMENDMENT TO RESEARCH COLLABORATION AGREEMENT ("Amendment")

This Amendment is dated 08 August 2024 ("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 December 15, 2023 ("Agreement") which included a Collaboration Plan (as defined in the Agreement);

(B) The Steering Committee (as defined in the Agreement) has agreed to certain amendments to the deliverables and research activities contained in the Collaboration Plan; and

(C) 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 deliverable for the Milestone 0 [***] in the Compensation Table contained in the Collaboration Plan shall be revised to reflect the following:

[***]

2.2 The activity description for Milestone 1 in the Compensation Table contained in the Collaboration Plan shall be revised to include the following:

- [***]

3. No Further Amendments

Except as expressly modified herein, there are no further amendments to the Agreement, which remains in full force and effect.

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

CEO

8/8/2024

GTMS

/s/ Geoffrey Grammer

Chief Medical Officer

8/8/2024

Exhibit 10.49

SECOND AMENDMENT TO RESEARCH COLLABORATION AGREEMENT
("Amendment")

This Amendment is dated 14 February 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) Subsequent to the First Amendment, the Steering Committee (as defined in the Agreement) has agreed to certain further amendments to the deliverables and research activities contained in the Collaboration Plan; and

(D) 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 The activity descriptions, deliverables, and associated payments for Milestones 2-4 shall be updated as reflected in Appendix A.

2.1.2 Activity descriptions, deliverables, and associated payments for new 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: 3/6/2025

GTMS

/s/ Cory Anderson

Name: Cory Anderson

Title: SVP R&D and Clinical

Date: 3/6/2025

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. 2 TO CREDIT AGREEMENT AND GUARANTY

This AMENDMENT NO. 2 TO CREDIT AGREEMENT AND GUARANTY (this "***Amendment***") is made as of March 26, 2025, 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 make certain amendments to the Existing Credit Agreement, 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. 2 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. 2***" means Amendment No. 2 to Credit Agreement and Guaranty, dated as of the Amendment No. 2 Effective Date, by and among the Borrower, the Administrative Agent and the Majority Lender.

"***Amendment No. 2 Effective Date***" means March 26, 2025.

(b) 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. 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. 2 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. 1 Effective Date remain in full force and effect (without any amendment, modification, rescission, revision, repeal or supplementation since the Amendment No. 1 Effective Date) as of the Amendment No. 2 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. 1 Effective Date pursuant to Section 6.1(a) of the Existing Credit Agreement, in each case effective as of (and true and correct as of) the Amendment No. 2 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) **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. 2 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 and the Amended Credit Agreement 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 and the Amended Credit Agreement 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. 2 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 material 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 material 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.

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. 2 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/ Keith Sullivan

Name: Keith Sullivan
Title: President & CEO

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

Exhibit 19.1

Insider Trading and Window Period

Introduction

During the course of your employment, directorship or consultancy with Neuronetics (the "Company"), you may receive important information that is not yet publicly available about the Company or about other publicly-traded companies with which the Company has business dealings ("inside information"). Because of your access to this inside information, you may be in a position to profit financially by buying or selling, or in some other way dealing, in the Company's stock, or stock of another publicly- traded company, or to disclose such information to a family member or third party who does so profit (a "tippee").

Policy

A. Securities Transactions

Use of inside information or the appearance of the use of inside information, by someone for personal gain, or to pass on, or "tip," the inside information to someone who uses it for personal gain, is illegal, regardless of the quantity of shares, and is therefore prohibited. You can be held liable both for your own transactions and for transactions effected by a tippee, or even a tippee of a tippee. The only exception is that transactions directly with the Company, e.g., option exercises for cash or purchases under the Company's employee stock purchase plan, are permitted.

B. Inside Information

The key to determining whether nonpublic information (either positive or negative) you possess about a public company is inside information is whether dissemination of the information would likely affect the market price of the company's stock or would likely be considered important, or "material," by investors who are considering trading in that company's stock. If you possess inside information, you may not trade in a company's stock, advise anyone else to do so or communicate the information to anyone else until you know that the information has been publicly disseminated even if you planned to execute the transaction prior to learning of the inside information. "Trading" includes engaging in short sales, transactions in put or call options, hedging transactions and other inherently speculative transactions. Bona fide gifts of securities are treated the same as the sale of securities for insider trading purposes and are therefore subject to the same restrictions, window periods and pre-clearance procedures.

Although by no means an all-inclusive list, some examples of potential inside information include positive or negative financial results or forecasts, pricing changes, strategic plans, acquisitions or divestitures of customers, Company stock developments, leadership changes and/or legal issues.

For information to be considered publicly disseminated, it must be widely disclosed through a press release, SEC filing or other public means, and at least two full trading days must have passed since the date of public disclosure to allow the information to be fully disseminated.

C. Stock Trading by Directors, Officers, Other Employees and Certain Family Members

Because the officers and directors and certain members of management of the Company are the most visible to the public and are most likely, in the view of the public, to possess inside information about the Company, we require them to do more than refrain from insider trading and require that they notify, and receive approval from, a Clearing Officer (as defined below) prior to engaging in transactions in the Company's stock and observe other restrictions designed to minimize the risk of apparent or actual insider trading. We also require that employees limit their transactions in the Company's stock to window periods following public dissemination of quarterly and annual financial results. The restrictions on trading in Company securities set forth in this policy apply to the family members of the Company's officers, directors and employees who share the same household or to whom such officer, director or employee has otherwise disclosed material nonpublic information.

D. Window Periods

Generally, the trading window ("window period") opens after two full trading days have elapsed after the public dissemination of the Company's annual or quarterly financial statements and closes on the 15th day of the last month of each fiscal quarter.

E. 10b5-1 Trading Programs

Purchases or sales of the Company's securities made pursuant to, and in compliance with, a written plan established by a director or employee (a "Trading Plan") that meets the requirements of Rule 10b5-1 under the Securities Exchange Act of 1934, as amended (the "Exchange Act") may be made without restriction to any particular period provided that (i) the Trading Plan was established in good faith, in compliance with the requirements of Rule 10b5-1, at the time when such individual was not in possession of inside information about the Company and the Company had not imposed any trading blackout period; (ii) the Trading Plan was reviewed by the Company prior to establishment, solely to confirm compliance with this policy and the securities laws and (iii) the Trading Plan allows for the cancellation of a transaction and/or suspension of such Trading Plan upon notice and request by the Company to the individual if any proposed trade (a) fails to comply with applicable laws (e.g., exceeding the number of shares that may be sold under Rule 144 under the Securities Act of 1933, as amended (the "Securities Act")) or (b) would create material adverse consequences for the Company. The Company must be notified of the establishment of any such Trading Plan, any amendments to such Trading Plan and the termination of such Trading Plan.

F. Pre-Clearance

In addition to the requirements above, officers and directors may not engage in any transaction in the Company's securities, including any purchase or sale in the open market, loan, or other transfer of beneficial ownership without first obtaining pre-clearance of the transaction from the Company's Chief Financial Officer, General Counsel or their respective designees (each, a "Clearing Officer"). A Clearing Officer may not clear his or her own trades in Company securities. Pre-cleared transactions not completed within two business days shall require new pre-clearance under the provisions of this paragraph. The Company may, at its discretion, shorten such period of time. The Clearing Officer also may withdraw pre-clearance without explanation if the Clearing Officer determines it is appropriate to do so.

Advance notice of gifts or an intent to exercise an outstanding stock option shall be given to a Clearing Officer. Upon completion of any transaction, the officer or director or other member of management must immediately

notify the Compliance Coordinator and any other individuals identified in Section 3 of the Company's Section 16 Compliance Program so that the Company may assist in any Section 16 reporting obligations.

Officers and directors subject to the reporting obligations under Section 16 of the Exchange Act may not violate the prohibition on short-swing trading (Section l6(b) of the Exchange Act) and the restrictions on sales by control persons (Rule 144 under the Securities Act), and must file all appropriate Section 16(a) reports (Forms 3, 4 and 5), which are enumerated and described in the Company's Section 16 Compliance Program, and any notices of sale required by Rule 144 under the Securities Act.

In accordance with Regulation Blackout Trading Restriction ("Regulation BTR") under the Exchange Act, no director or executive officer of the Company shall, directly or indirectly, purchase, sell or otherwise acquire or transfer any equity security of the Company (other than an exempt security) during any "blackout period" (as defined in Regulation BTR) with respect to such equity security, if such director or executive officer acquires or previously acquired such equity security in connection with his or her service or employment as a director or executive officer. The Company will notify each director and executive officer of any blackout periods in accordance with the provisions of Regulation BTR.

G. Prohibition on Hedging and Other Speculative Transactions

No employee or director may engage in short sales, transactions in put or call options, hedging transactions, margin accounts or other inherently speculative transactions with respect to the Company's stock at any time.

H. Duration of Policy's Applicability

For executive officers and directors, this policy continues to apply to your transactions in the Company's stock or the stock of other public companies engaged in business transactions with the Company even after separation of service from the Company until such time as such departed executive officers and/or directors no longer possess material nonpublic information as determined by a Clearing Officer.

I. Penalties

Anyone who effects transactions in the Company's stock or the stock of other public companies engaged in business transactions with the Company (or provides information to enable others to do so) on the basis of inside information is subject to both civil liability and criminal penalties, as well as disciplinary action by the Company.

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 and 333-266606) on Form S-8 and (No. 333-266617) on Form S-3 of our report dated March 25, 2025, with respect to the financial statements of Neuronetics, Inc.

/s/ KPMG LLP

Philadelphia, Pennsylvania
March 27, 2025

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 27, 2025

By: /s/ Keith J. Sullivan
Name: Keith J. Sullivan
Title: President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION

I, Stephen Furlong, 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 27, 2025

By: /s/ Stephen Furlong
Name: Stephen Furlong
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 Stephen Furlong, Senior 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, 2024, 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 27, 2025

IN WITNESS WHEREOF, the undersigned have set their hands hereto as of the 27th day of March, 2025.

By: /s/ Keith J. Sullivan
Name: Keith J. Sullivan
Title: President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Stephen Furlong
Name: Stephen Furlong
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."

Exhibit 97.1

NEURONETICS, INC.
CLAWBACK POLICY
December 1, 2023

Introduction

The Board of Directors (the "**Board**") of Neuronetics, Inc. (the "**Company**") believes that it is in the best interests of the Company and its shareholders to create and maintain a culture that emphasizes integrity and accountability and that reinforces the Company's pay-for-performance compensation philosophy. The Board has therefore adopted this policy which provides for the recoupment of certain incentive-based executive compensation in the event of an accounting restatement resulting from material noncompliance with financial reporting requirements applicable to the Company under the federal securities laws (the "**Policy**"). This Policy is designed to comply with Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**") and with the requirements set forth in Listing Rule 5608 of the corporate governance rules of the NASDAQ Stock Market, and shall be construed and interpreted in accordance with such intent.

Administration

Unless otherwise determined by action of the Board, this Policy will be administered by the Board's Compensation Committee (the "**Compensation Committee**"). Any determinations made by the Board will be final and binding on all affected individuals. The Board may, in its discretion, act under this Policy in lieu of the Compensation Committee in which case references herein to the Compensation Committee will be deemed to mean the Board.

Covered Executives

This Policy applies to the Company's current and former executive officers, as determined by the Compensation Committee in accordance with Section 10D of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed from time to time, and, in the discretion of the Compensation Committee, to any other employees of the Company holding a title of Vice President or above ("**Covered Executives**").

Incentive Compensation

For purposes of this Policy, "**Incentive Compensation**" means any compensation that is granted, earned, or vested based wholly or in part on the attainment of a Financial Reporting Measure (as defined below).

For the avoidance of doubt, Incentive Compensation does not include compensation that is earned exclusively based upon the passage of time.

"**Financial Reporting Measures**" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and total shareholder return are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the Commission.

Recoupment; Accounting Restatement

In the event the Company is required to prepare an accounting restatement of its financial statements as a result of the Company's material noncompliance with United States Generally Accepted Accounting Principles (a "**Material Misstatement**"), the Compensation Committee will require reimbursement and/or forfeiture of any Excess Incentive Compensation (as defined below) received on or after the Effective Date (as that term is defined below) by each Covered Executive (a) after beginning service as a Covered Executive; (b) who served as a Covered Executive at any time during the performance period for such Incentive Compensation; (c) while the Company had a class of securities listed on a national securities exchange or a national securities association; and (d) during the three completed fiscal years immediately preceding the Accounting Restatement Date (as that term is defined below). In addition to such last three completed fiscal years, the immediately preceding clause (d) includes any transition period that results from a change in the Company's fiscal year within or immediately following such three completed fiscal years; provided, however, that a transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of nine to twelve months shall be deemed a completed fiscal year. For purposes of this Policy, Incentive Compensation is deemed "received" in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period. For the avoidance of doubt, Incentive Compensation that is subject to both a Financial Reporting Measure vesting condition and a service-based vesting condition shall be considered received when the relevant Financial Reporting Measure is achieved, even if the Incentive Compensation continues to be subject to the service-based vesting condition.

"**Accounting Restatement**" means an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"**Accounting Restatement Date**" means the earlier to occur of: (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if the Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

"**Excess Incentive Compensation**" means the amount of Incentive Compensation previously received that exceeds the amount of Incentive Compensation that otherwise would have been received had it been determined based on the restated amounts in such Accounting Restatement, and must be computed without regard to any taxes paid by the relevant Covered Executive; provided, however, that for Incentive Compensation based on stock price or total stockholder return, where the amount of Excess Incentive Compensation is not subject to mathematical recalculation directly from the information in an Accounting Restatement: (a) the amount of Excess Incentive Compensation must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total stockholder return upon which the Incentive Compensation was received; and (b) the Company must maintain documentation of the

determination of that reasonable estimate and provide such documentation to the national stock exchange on which the Company's common stock is listed.

If the Compensation Committee cannot determine the amount of excess Incentive Compensation received by the Covered Executive directly from the information in the accounting restatement, then it will make its determination based on a reasonable estimate of the effect of the accounting restatement.

Method of Recoupment

The Compensation Committee will determine, in its sole discretion, the method for recouping Incentive Compensation hereunder which may include, without limitation:

- requiring repayment of cash Incentive Compensation previously paid;
- seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards;
- to the extent otherwise permitted by law, offsetting the recouped amount from any compensation otherwise owed by the Company to the Covered Executive;
- cancelling outstanding unvested equity awards; and/or
- taking any other remedial and recovery action permitted by law, as determined by the Compensation Committee,

No Indemnification

Neither the Company nor any direct or indirect subsidiary of the Company will indemnify any Covered Executives against the loss of any Excess Incentive Compensation or reimburse an Covered Executive for purchasing insurance to cover any such loss or enter into any agreement that exempts any Incentive Compensation that is granted, paid or awarded to an Covered Executive from the application of this Policy or that waives the Company's right to recovery of any Excess Incentive Compensation.

Interpretation

The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. It is intended that this Policy be interpreted in a manner that is consistent with the requirements of Section 10D of the Exchange Act and any applicable rules or standards adopted by the Securities and Exchange Commission or any national securities exchange on which the Company's securities are listed.

Effective Date

This Policy will be effective as of the date set forth above (the "**Effective Date**") and will apply to Incentive Compensation that is received by a Covered Executives on or after October 2, 2023.

Amendment; Termination

Subject to the review and approval of the Board, the Compensation Committee may amend this Policy from time to time in its discretion and will amend this Policy as it deems necessary to reflect final regulations adopted by the Securities and Exchange Commission under Section 10D of the Exchange Act and to comply with any rules or standards adopted by a national securities exchange

on which the Company's securities are then-listed. Subject to the review and approval of the Board, the Compensation Committee may terminate this Policy at any time.

Other Recoupment Rights

The Board intends that this Policy will be applied to the fullest extent of the law. The Compensation Committee may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date will, as a condition to the grant of any benefit thereunder, require a Covered Executive to agree to abide by the terms of this Policy. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies available to the Company.

Impracticability

The Compensation Committee will recover any Excess Incentive Compensation in accordance with this Policy unless such recovery would be impracticable, as determined by the Compensation Committee in accordance with Rule 10D-1 of the Exchange Act and the listing standards of the national securities exchange on which the Company's securities are listed.

Successors

This Policy will be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives.

Acknowledgment

Each Covered Executive shall sign and return to the Company, within 30 calendar days following the later of (i) the effective date of this Policy first set forth above or (ii) the date the individual becomes a Covered Executive, the Acknowledgement Form attached hereto as **Exhibit A**, pursuant to which the Covered Executive agrees to be bound by, and to comply with, the terms and conditions of this Policy.

Exhibit A
to
Neuronetics, Inc. Clawback Policy

(see attached)

NEURONETICS, INC.

CLAWBACK POLICY

ACKNOWLEDGEMENT FORM

By signing below, the undersigned acknowledges and confirms that the undersigned has received and reviewed a copy of the Neuronetics, Inc. (the "**Company**") Clawback Policy (the "**Policy**").

By signing this Acknowledgement Form, the undersigned acknowledges and agrees that the undersigned is and will continue to be subject to the Policy and that the Policy will apply both during and after the undersigned's employment with the Company. Further, by signing below, the undersigned agrees to abide by the terms of the Policy, including, without limitation, by returning any Excess Incentive Compensation (as defined in the Policy) to the Company to the extent required by, and in a manner consistent with, the Policy.

COVERED PERSON:

_____

Signature

_____

Print Name

_____

Date