

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025

OR

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

FOR THE TRANSITION PERIOD FROM TO

Commission File Number 001-38538



electroCore, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

200 Forge Way, Suite 205,
Rockaway, NJ
(Address of principal executive offices)

20-3454976
(I.R.S. Employer
Identification No.)

07866
(Zip Code)

Registrant's telephone number, including area code: (973) 290-0097

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 \$0.001 Per Share	ECOR	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	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

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 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 of the Registrant, based on the closing price of the shares of common stock on the Nasdaq Capital Stock Market on June 30, 2025 was \$27,950,688.

The number of shares of Registrant's Common Stock outstanding as of March 13, 2026 was 8,083,558.

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Cautionary Note Regarding Forward-Looking Statements

This Annual Report on Form 10-K, or Annual Report, contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Annual Report, including statements regarding our future results of operations and financial position, strategy and plans, and our expectations for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as “may,” “will,” “should,” “could,” “expects,” “intends,” “plans,” “anticipates,” “believes,” “estimates,” “predicts,” “potential,” “continue” or the negative of these terms or other comparable terminology. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described under the heading “Risk Factors” contained in Item 1A of this Annual Report. In light of these risks, uncertainties and assumptions, actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements in this Annual Report and you should not place undue reliance on these forward-looking statements.

Any forward-looking statements in this Annual Report reflect our current views with respect to future events or to our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by these forward-looking statements. Given these uncertainties, you should not place undue reliance on these forward-looking statements. Except as required by law, we assume no obligation to update or revise these forward-looking statements for any reason, even if new information becomes available in the future.

References to electroCore

In this Annual Report, unless otherwise stated or the context otherwise indicates, references to “ECOR,” “electroCore,” “the Company,” “we,” “us,” “our” and similar references refer to electroCore, Inc., a Delaware corporation and its wholly owned subsidiaries, including NeuroMetrix, Inc., a Delaware corporation (“NeuroMetrix” or “NURO”).

Risk Factor Summary

The following is a summary of certain important factors that may make an investment in our Company speculative or risky. You should carefully consider the full risk factor disclosure set forth in Item 1A of this Annual Report, in addition to the other information herein, including the section of this report titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes.

- We may be required to obtain additional funds in the future, and these funds may not be available on acceptable terms or at all.
- We have a limited history commercializing our Quell platform and our general wellness and human performance products in the United States for which market acceptance and commercial success are uncertain.
- We are subject to risks associated with the commercialization of our product offering through ecommerce marketplaces.
- We recently launched our next generation prescription gammaCore device under the brand gammaCore Emerald, and there can be no assurance that the new device will be well received or adopted, which may impact our financial results.
- Our products may require modifications and improvements, which may cause added expense and impact our financial results.
- We generate sales of TAC-STIM branded products through active-duty military and budgetary cuts or government shutdowns or strikes could negatively impact our financial results.
- Our potential revenue in the United States and the United Kingdom is substantially dependent on government funding arrangements and changes in governmental policy for such arrangements could cause material harm to our business.
- Unfavorable global economic conditions and government regulations, initiatives or policies could adversely affect our business, financial condition or results of operations.

- We derive a material portion of our revenue from a limited number of customers, and the loss of one or more of these customers could adversely impact our business, results of operations, and financial condition.
- We have a history of significant losses. If we do not achieve and sustain profitability, our financial condition could suffer. Our failure to become and remain profitable could negatively impact the results of our operations and your investment.
- We must demonstrate to patients, physicians and third-party payers the medical and economic benefits of our prescription products and therapies compared to those of our competitors or other available therapies and such comparisons may not be realizable.
- Our operating results may vary significantly from quarter to quarter because of seasonality, bulk orders, shipments to distributors or otherwise.
- If our competitors are better able to develop and market non-invasive pain treatments that are safer, more effective, less costly, easier to use, or otherwise more attractive than our products, our business and business prospects will be adversely impacted.
- Many of our competitors are large, well-established companies with substantially greater resources than us and have a long history of competing in the migraine or general wellness markets.
- Our international operations subject us to certain operating and compliance risks, which could adversely impact our results of operations and financial condition.
- We may not be able to establish, strengthen, or protect our brands.
- If we are unable to develop and retain an effective sales force, including retention of independent contractors, or if we are unable to attract additional independent contractors, our sales efforts may be adversely impacted.
- We may be held responsible for certain taxes or assessments and other obligations relating to the activities of our independent consultants, which could harm our financial condition and operating results.
- Our app-enabled products rely on third-party vendors for application development and management, resulting in a significant dependency on such vendors.
- Our supply chains are subject to disruption, unfavorable changes to prices or terms, or quality problems.
- Outside the United States, we rely on a single third-party distributor to effectively distribute the majority of our products.
- The regulatory environment governing information, cybersecurity, and privacy is increasingly demanding and continues to evolve.
- Cybersecurity risks and cyber incidents could result in the compromise of confidential data or critical data systems and give rise to potential harm to customers, remediation and other expenses, expose us to liability under HIPAA, consumer protection laws, or other common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business and operations.
- Failure to protect our information technology infrastructure against cyberattacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business and operating results.
- We are currently engaged in an intellectual property lawsuit which may be costly, time-consuming and, if adversely determined against us, could have a material adverse effect on our financial position and business operations.
- Our business is subject to extensive governmental regulation that makes it expensive and time consuming for us to bring our products to market in the United States and to expand the use of our prescription therapies to additional therapeutic indications, and to expand the reach of our general wellness initiatives.
- If we fail to maintain regulatory approvals and clearances, or are unable to obtain, or experience significant delays in obtaining FDA clearances, approvals or CE Certificates of Conformity for our future products or product enhancements, our ability to commercially distribute, market, and sell these products could suffer, and, if our general wellness products no longer fall under the scope of applicable FDA guidance, such products may be subject to additional and more comprehensive regulation and/or greater regulatory uncertainty, affecting our ability to commercially distribute, market, and sell such products in the ordinary course of business.
- We are subject to an active FTC Consent Order that remains in effect and is monitored by the FTC.
- Failure to meet Nasdaq's continued listing standards could result in the delisting of our common stock, which could negatively impact the market price and liquidity of our common stock and our ability to access the capital markets.

- We have identified a material weakness in our internal control over financial reporting and determined that our disclosure controls were not effective. If we are unable to remediate this material weakness, or if we experience additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations and investors may lose confidence in our financial reports and the market price of our common stock could be adversely affected.
- We do not currently intend to pay dividends on our common stock, and, consequently, your ability to achieve a return on your investment will depend on the price of our common stock.
- Our stock price may be volatile, and you may not be able to resell shares of our common stock at or above the price you paid.
- Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.
- The terms of our Loan and Security Agreement (the “Loan and Security Agreement”) with Avenue Venture Opportunities Fund II, L.P. (“Avenue”) require us to meet certain operating covenants and place certain restrictions on our operating and financial flexibility, and failure to meet these covenants could result in default of the Loan and Security Agreement.
- As a publicly traded company, we are subject to activist investors.

Trademarks and Tradenames

The electroCore, gammaCore, Truvaga, TAC-STIM, NeuroMetrix, and Quell, names, logos, and other trademarks of electroCore, Inc. appearing in this Annual Report on Form 10-K are the property of electroCore, Inc. All other trademarks, service marks and trade names in this Annual Report on Form 10-K are the property of their respective owners. We have omitted the ® and ™ designations, as applicable, for the trademarks used in this Annual Report on Form 10-K.

Market Data and Forecasts

Unless otherwise indicated, information in this Annual Report on Form 10-K concerning economic conditions, our industry, and our markets, including our general expectations and competitive position, market opportunity and market size, is based on a variety of sources, including information from independent industry analysts and publications, and/or our own estimates and research.

Our estimates are derived from industry and general publications, studies and surveys conducted by third parties, as well as data from our own internal research. These publications, studies and surveys generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information, and we have not independently verified industry data from such third-party sources. While we believe our internal research is reliable and that our internal estimates are reasonable, such research has not been verified by any independent source and our internal estimates are based on our good faith beliefs as of the respective dates of such estimates. We are responsible for all of the disclosure in this Annual Report on Form 10-K.

PART I

Item 1.

Our Business

Background and Overview

electroCore is a bioelectronic technology company whose mission is to improve health and quality of life through innovative non-invasive bioelectronic technologies. Our two leading commercial products are gammaCore non-invasive vagus nerve stimulation, or nVNS, and Quell Fibromyalgia, or Quell. We also sell our Truvaga and TAC-STIM products, which are handheld, personal-use consumer products, developed to promote general wellness and human performance.

We believe that our proprietary nVNS technology, which works through a variety of mechanistic pathways including the modulation of neurotransmitters, and Quell for chronic pain are designed to address many of the limitations of traditional non-invasive approaches.

Our business generates revenues from the sale of prescription medical devices and non-prescription wellness products in the United States and select overseas markets. We have two principal product categories:

- Personal use prescription medical devices for the management and treatment of certain medical conditions such as primary headache and fibromyalgia; and
- Personal use consumer products that promote general wellness and human performance.

Our capabilities include product development, regulatory affairs and compliance, sales and marketing, product testing, electromechanical assembly, fulfillment, intellectual property, and customer support.

Marketed Products and Business Strategy

Our goal is to be a leader in non-invasive bioelectronic technologies delivering better health. To achieve this, we offer multiple propositions:

gammaCore

gammaCore, is a prescription, handheld, medical device that is FDA cleared for a variety of primary headache conditions. gammaCore products are available by prescription only and are portable, reusable, rechargeable with reloadable personal use options for patients to use at home or on the go. Prescriptions are written by a health care provider and dispensed from a specialty pharmacy, through the patient's healthcare system, or directly from electroCore in the United States from our facility in Rockaway, New Jersey. After the initial prescription is filled, access to additional therapy can be refilled for certain of our gammaCore products with a prescription authorization. Additional information may be found at www.gammaCore.com.

Quell Fibromyalgia

Quell Fibromyalgia is an FDA-authorized, prescription only, wearable neuromodulation device that helps reduce the symptoms of fibromyalgia in adults with high pain sensitivity. It incorporates a collection of proprietary approaches designed to optimize the effectiveness of nerve stimulation. The Quell platform is comprised of (1) an electronic device that is placed in a flexible band worn on the upper calf; (2) disposable refillable electrodes that attach to the device and acts as the interface between the device and the skin; and (3) a smartphone app to control the device, and, visualize, understand, and optimize data relating to chronic pain and health. The app is integrated with the Quell Health Cloud which stores user data which may be used for data analytics and scientific research. Prescriptions are written by a health care provider and dispensed through the patient's healthcare system, or directly from electroCore in the United States from our facility in Rockaway, New Jersey. Additional information may be found at www.uell.com.

Truvaga

We offer Truvaga handsets for the support of general health and wellbeing. Truvaga products are available direct-to-consumer at www.truvaga.com, through certain online retailers, or through select employment benefit plans.

TAC-STIM

TAC-STIM is a non-prescription form of nVNS for human performance and has been developed in collaboration with the United States Department of Defense Biotech Optimized for Operational Solutions and Tactics, or BOOST program. TAC-STIM handsets are available as a Commercial Off the Shelf (COTS) solution to active-duty military and professional organizations, and are the subject of ongoing research and evaluation within the United States Air Force Special Operations Command, the United States Army Special Operations Command and at the United States Air Force Research Laboratory. Additional information may be found at www.Tac-Stim.com.

Truvaga and TAC-STIM are intended for general wellness in compliance with the FDA guidance document entitled “General Wellness: Policy for Low-Risk Devices; Guidance for Industry and FDA Staff, issued on September 27, 2019.” Truvaga and TAC-STIM handsets are not intended to diagnose, treat, cure, or prevent any disease or medical condition.

Quell Over-the-Counter (“Quell OTC”)

Quell OTC is a pain management therapeutic system for the symptomatic relief and management of chronic pain in the lower extremities. Quell OTC is a Class III medical device intended for the treatment of lower extremity pain and is FDA cleared as an over-the-counter device (no prescription required) with disposable electrodes and in conjunction with a mobile app that contains several convenient features. Quell OTC is no longer commercially available; however, replacement electrodes continue to be sold to existing Quell OTC customers. We may choose to relaunch the Quell OTC product in the direct-to-consumer business channel in the future, there can be no assurance that we will do so successfully, or at all.

Customers

Our two largest customers by revenue are the United States Department of Veterans Affairs and United States Department of Defense, or VA, and the United Kingdom National Health Service, or NHS, both utilizing prescription products under qualifying agreements.

The United States Department of Veteran Affairs comprised 71.2% of our revenue during the year ended December 31, 2025. The majority of our 2025 sales were made pursuant to our qualifying contract under the Federal Supply Schedule, or FSS, which has an expiry date of June 14, 2030, as well as pursuant to open market sales to individual facilities within the government channels.

In August 2023, we signed a non-exclusive distribution agreement with Lovell Government Services, or Lovell, providing Lovell with the right to list and distribute certain electroCore products into the federal market. Lovell is a Service-Disabled Veteran-Owned Small Business (SDVOSB) offering medical and pharmaceutical goods and services to federal healthcare providers. Listing products with Lovell is intended to streamline the sales process to a variety of government procurement channels through Lovell’s compliance with contracting regulations and its provision of logistical solutions connected directly into government contracting portals, all of which are intended to help government agencies meet their SDVOSB procurement goals. Customers for these vehicles are federal healthcare systems such as the Veterans Health Administration (VHA, which includes the VA), the Military Health System (MHS), and Indian Health Services (IHS), which we believe serve up to approximately 21 million patients combined.

We expect a significant portion of our 2026 sales to continue in the government channel broadly, and to our largest customer, the VA, specifically, pursuant to our FSS contract and / or through our relationship with Lovell and its qualifying FSS, GSA Advantage, VA Distribution and Pricing Agreement (DAPA), and Defense Logistics Agency’s ECAT system contracts to which our prescription devices have been added.

Sales under the U.K. MedTech Funding Mandate, or MTFM, for cluster headache (CH) in the United Kingdom comprised 4.4% of our revenue during the year ended December 31, 2025. In 2026, we plan on continuing to use this program. Our current agreement with the NHS, in which our prescription gammaCore therapy will continue to be listed in the NHS catalogue, expires in February 2028. We continue to utilize distribution partners to commercialize our nVNS technology in selected territories outside the United States and United Kingdom.

Research and Development (“R&D”) and Clinical Programs

Our R&D team has significant experience in developing and commercializing therapeutic devices and bioelectronic technologies. Our R&D team works closely with regulatory, engineering, marketing, and customers to design and support products that are focused on improving clinical outcomes.

The product development team is comprised of product development, engineering, and product management personnel to support new iterations of bioelectronic technologies, led by our Chief Executive Officer. We are developing future iterations of bioelectronic technology, including the use of our intellectual property around the delivery of smartphone-integrated and smartphone-connected non-invasive therapies.

Our clinical and medical program is led by our Chief Medical Officer who coordinates our clinical programs for potential future uses of our bioelectronic technologies and clinical education. We are cooperating with a variety of Investigator Initiated Trials (“IIT”) to evaluate additional indications and/or markets for our products. If successful, we believe these trials will provide marketing support for future expansion of our business into new indications and markets.

Sales, Marketing, and Distribution

Demand for our prescription devices in the U.S. may be driven by clinical data and our increased presence in the field. Our field sales force is comprised of territory business managers who manage commission only sales agents and sub representatives. In addition, we have a small team seeking to accelerate adoption in managed care systems.

Demand for prescription devices outside the U.S. may be driven by similar factors, including the strength of our clinical and health economic data. We have two dedicated resources focused on generating sales outside the United States.

We sell our general wellness products direct-to-consumer through our ecommerce site, www.truvaga.com, and through select Truvaga retail and marketplace partners, including Best Buy and Rehabmart. We also partner with organizations such as Ben Greenfield Life, Perks at Work, True Medicine and a growing number of affiliates and influencers who promote Truvaga and support awareness and customer acquisition through promotional partnerships.

We sell the TAC-STIM handset for human performance to active-duty military and professional organizations.

Manufacturing and Supply

We are the FDA-registered and ISO registered legal manufacturer of our bioelectronic products. We rely upon third-party contract manufacturers and suppliers, located both within and outside the United States, for substantially all the components of our products. In order to protect against risk of supply chain disruption, we seek to maintain adequate inventory and, safety stock and to qualify a secondary contract manufacturer when any supply chain disruption is identified. Additionally, we retain the internal expertise and capabilities to perform all assembly aspects of our commercial product. These measures include purchasing what we consider to be sufficient advanced supply of key components to reasonably assure that no component shortages will interrupt our ability to manufacture and deliver our products to patients on a timely basis. All the electronic components used in our products are either high-volume, non-custom commodity components, or alternate components are available. The majority of these components have multiple sources, and the few with single sources have been purchased with sufficient reserves to permit continued production while simple product design modifications can be made. We rely upon certain qualified third parties, from time to time, for engineering, design and validation of new and modified devices.

At our facility in Rockaway, NJ, we inspect inbound component parts to ensure they meet our design and manufacturing specifications prior to assembly. This quality process involves physical inspection and electrical performance testing. After successful completion of this inspection, each unit is then assembled, programmed, and packaged, along with appropriate labeling and accessories.

Market and Competition

nVNS for Primary Headache

Migraine affects roughly 12% of the U.S. population and 14% of the global population. In the United States, approximately 39 million patients are affected by migraine, with approximately 18% being women. Approximately eight million Americans are seeing a professional annually about headaches. Migraine attacks can be extremely disabling and more than 90% of migraine sufferers are unable to work or function normally while experiencing migraine. According to an analysis cited in *The American Journal of Managed Care*, published in 2020, the annual economic burden of migraine in the United States is approximately \$78 billion. The analysis further provides an estimate of annual total direct and indirect costs of all migraine-related health services between \$8,500 and \$9,500 for an individual patient with chronic migraine.

The market for the treatment and prevention of migraine is highly competitive with most migraine patients managing their conditions with over-the-counter therapies. The prescription triptan drug class is generally considered first line therapy for the acute treatment of migraine. There are many additional pharmaceutical approaches currently marketed by third parties. Injectables such as Botulinum toxin (Botox) and calcitonin gene-related peptides antagonists or CGRPs have gained significant adoption and market share, with oral CGRPs gaining more market share shortly after their initial U.S. approvals and commercial launches in early 2020.

Several neuromodulation devices have been marketed for the treatment of migraine, including CEFALY (sold by CEFALY Technologies sprl), Nerivio (sold by Theranica Bioelectronics), and Savi Dual (sold by eNeura, Inc.) as well as other neuromodulation devices that may be marketed for use in treating pain associated with primary headache.

Cluster Headache (“CH”) is a rare primary headache disorder compared with migraine and tension-type headache. The estimated prevalence of CH ranges from 0.05% to 0.07% of the total U.S. adult population, and roughly 0.1% of the global adult population. CH is a condition in which patients experience extremely painful headaches. CH predominantly affects males in their prime earning ages of 20 to 50, and the attacks of pain occur in bouts, known as cluster periods, during which attacks are experienced at a frequency ranging from every other day to as often as eight times per day.

There are a variety of pharmaceutical, FDA-approved, and commercially available therapies for the acute treatment for CH. The most frequently used acute treatments for CH attacks are subcutaneous sumatriptan and high flow rate inhaled oxygen. Alternative treatments, both approved by the FDA and medications that are used by patients off label, exist for CH.

Our prescription gammaCore therapy competes with numerous existing therapies from many different sources, including pharmaceutical, biotechnology, medical device and other healthcare companies, as well as with therapies that may become available in the future. We believe the key competitive factors affecting the potential success of our therapy are safety, efficacy, side effect profile, convenience, price, the availability of generic drugs and the availability of coverage and reimbursement from government and certain other third-party payers.

Quell

Chronic pain affects nearly 20% of adults in the United States and globally. According to estimates from U.S. health economic studies, the estimated incremental impact of chronic pain on health care costs in the United States is over \$250 billion per year, and lost productivity is estimated to exceed \$300 billion per year. Specifically, Fibromyalgia is estimated to affect about 2% to 4% of patients in the United States and globally, depending on diagnostic criteria study methods and population surveys.

The most common approach to chronic pain management is pain medication. This includes over the counter internal and external analgesics as well as prescription pain medications, including both non-opioid and opioids. The approach to treatment is individualized, drug combinations may be employed, and the results are often inadequate. Side effects, including potential for addiction are substantial. As a result of the complexity of treating chronic pain, it is believed that inadequate relief leads 25% to 50% of pain sufferers to seek alternatives to prescription pain medications. These alternatives include nutraceuticals, acupuncture, chiropractic care, non-prescription analgesics, electrical stimulators, braces, sleeves, pads and other items. In total, these pain relief products and services account for approximately \$15 billion in annual out-of-pocket spending in the United States.

Our Quell technology falls within the crowded transcutaneous electrical nerve stimulation (“TENS”) category, which encompasses a wide number of neurostimulation devices. However, we believe there is no direct competition to our Quell technology with the level of power, sophistication, and user-friendly features for the symptomatic relief of chronic pain. The most common approach to chronic pain, including fibromyalgia, is pain medication. This includes OTC drugs (such as Advil and Motrin), and prescription (“Rx”) drugs including anti-convulsants (such as Lyrica, Savella, and Neurontin) and anti-depressants (such as Cymbalta and Elavil). Topical creams may also be used (such as Zostrix and Bengay). With severe pain, narcotic or opioid pain medications may be prescribed (such as codeine, fentanyl, morphine, and oxycodone).

Nerve stimulation is an established treatment for chronic pain. It is available through implantable spinal cord stimulation; however, this approach requires surgery and has attendant risks. Historically, although non-invasive approaches to neurostimulation, specifically TENS, have achieved limited success due to device limitations, inadequate dosing and low patient adherence. We believe our Quell wearable technology is in a unique neurostimulation category for both fibromyalgia and other lower extremity chronic pain conditions.

General Wellness

The global wellness economy was valued at about \$6.8 trillion in 2024, according to research by the Global Wellness Institute (GWI). It is projected to continue growing toward nearly \$10 trillion by the end of 2030.

According to Grand View Research, the global stress management treatment market is expected to reach approximately \$20 billion by 2030, with the U.S. stress management market size valued at \$2.4 billion in 2022 and expected to grow at a compound annual growth rate (CAGR) of 5.3% from 2023 to 2030.

Some of the largest technology companies that have not historically operated in the general wellness and/or medical device spaces, such as Alphabet Inc., Amazon.com, Inc., Apple Inc., Samsung Electronics Co., Ltd., and others have notably developed, or may develop, products and technologies that may compete with our current or future products and technologies. Such companies have substantially greater capital, research and development, and sales resources than we have.

Regulatory Clearances

Prescription gammaCore

gammaCore, our prescription only, handheld device, is cleared by the FDA for use in the following indications:

- The acute treatment of pain associated with episodic cluster headache;
- The acute treatment of pain associated with migraine headache;
- Adjunctive use for the preventive treatment of cluster headache in adult patients;
- The preventive treatment of migraine headache in adult patients;
- The use of gammaCore by adolescent patients (between 12 and 17 years of age); and
- Treatment of hemicrania continua and paroxysmal hemicrania in adult patients.

The FDA clearances of our prescription gammaCore therapy to treat primary headache were facilitated by the FDA's creation of a new regulatory category: External Vagus Nerve Stimulator for Headache (21 CFR 882-5892). Based on this category's description, we anticipate that some additional label expansions may be possible through the pathway under Section 510(k) of the Federal Drug and Cosmetic Act or through de novo classifications relating to uses of External Vagus Nerve Stimulators.

In January 2022, the FDA granted gammaCore "Breakthrough Device" designation for the treatment of post-traumatic stress disorder or PTSD." PTSD is a highly prevalent and disabling disorder with limited approved treatment options. The FDA's Breakthrough Device designation is designed to expedite the development and regulatory review of medical devices that hold the potential for more effective treatment or diagnosis of life-threatening or irreversibly debilitating disease or condition. The Company is currently considering a pathway for obtaining FDA clearance for treatment of PTSD by using gammaCore.

We are considering additional medical indications for our nVNS technology which are being studied in several investigator-initiated trials, or IITs. These indications include, post-traumatic stress disorder, concussion, and anxiety, among others.

In 2011, we received a CE Certificate of Conformity for gammaCore for the treatment of primary headache from the British Standards Institution, which was at the time a European Union notified body. This CE Certificate of Conformity allowed us to affix the CE Mark on gammaCore and to commercialize it in the European Economic Area and other countries that recognize the CE Mark. In addition, we received CE Certificates of Conformity on gammaCore covering four other indications for use, including reactive airway disease and gastric motility disorders. Post-Brexit, these CE Certificates of Conformity remain valid in the United Kingdom and European Union. British Standards Institution, or BSI, has established a Netherlands entity, which remains a notified body, and BSI in the United Kingdom has equivalent status as a “U.K. approved body”. Under current guidance, CE marked medical devices may be placed on the U.K. market until the sooner of the expiration of the CE Certificate of Conformity or June 30, 2028. After that date, we will need to obtain U.K.CA marking (the U.K. replacement for CE marking) for commercialization of our gammaCore products in the United Kingdom, unless the United Kingdom implements the proposed amendments to the U.K. Medical Device Regulation (U.K. MDR) permitting the United Kingdom to indefinitely recognize devices that comply with the E.U. Medical Device Regulation (E.U. MDR). BSI is currently reviewing the Company’s technical file as part of the transition to E.U. MDR and U.K. MDR. Upon successful completion of this review, BSI is expected to issue an updated CE certification.

Quell

In 2021, Quell received Breakthrough Device designation from the FDA for a fibromyalgia indication. A pivotal double-blind, randomized, sham-controlled clinical study of Quell Fibromyalgia was completed, and a De Novo marketing authorization was obtained from the FDA in 2022. Quell Fibromyalgia is indicated for use as an aid for reducing the symptoms of fibromyalgia in adults with high pain sensitivity. This Rx product was introduced to the domestic market in late 2022.

Quell also received FDA Breakthrough Device designation in early 2022 for the treatment of chronic Chemotherapy Induced Peripheral Neuropathy (CIPN). Similar approaches to other possible disease indications involving chronic pain could include fibromyalgia-like long COVID, chronic low back pain, and chronic overlapping pain conditions (COPC).

In July 2014, the Quell OTC device received 510(k) clearance for over-the-counter use and in November 2014, our Quell OTC disposable electrode received 510(k) clearance for over-the-counter use. In January 2016, a number of new features were added to Quell OTC and received 510(k) clearance, most notably use with an optional mobile app that contains several convenience features. The intended use of the Quell OTC pain management therapeutic system is the symptomatic relief and management of lower extremity pain.

General Wellness

Truvaga and TAC-STIM are being marketed in the United States as general wellness and human performance products pursuant to the FDA guidance document entitled “General Wellness: Policy for Low-Risk Devices; Guidance for Industry and FDA Staff,” issued on September 27, 2019, and subsequently updated on January 6, 2026. They are not intended to diagnose, treat, cure, or prevent any disease or medical condition.

Intellectual Property

Patents and Patent Applications

As of December 31, 2025, we held more than 215 patents and patent applications, including 170 issued U.S. patents, 39 U.S. patent applications, and 80 international patents and applications. All of our current issued patents are projected to expire between 2026 and 2039.

Copyrights, Trademarks and Trade Secrets

As of December 31, 2025, our trademark portfolio consisted of 23 U.S. trademark registrations, including electroCore, gammaCore, gammaCore Sapphire, gConcierge, TAC-STIM, NeuroMetrix, and Quell, over 40 international trademark registrations, and 9 pending U.S. and international trademark applications.

We also rely upon trade secrets, know-how and continuing technological innovation, and may pursue licensing opportunities in the future, to develop and maintain our competitive position. We seek to protect our proprietary rights through a variety of methods, including confidentiality agreements and proprietary information agreements with suppliers, employees, consultants and others who may have access to proprietary information, under which they are bound to assign to us inventions made during the term of employment or term of service.

Some of the software related to our Truvaga Plus product which was launched in 2024 is licensed from third-parties, and we currently rely entirely on third-party software developers for the design of the software for this product.

U.S. Food and Drug Administration (FDA) Regulation

Several of our products are medical devices that are subject to extensive regulation by the U.S. FDA under the Federal Food, Drug, and Cosmetic Act, or FDCA, and the regulations promulgated thereunder, as well as by other regulatory bodies in the United States and abroad. The FDA classifies medical devices into one of three classes based on the risks associated with the medical device and the controls deemed necessary to reasonably ensure the device's safety and effectiveness. These three classes are:

- Class I, the lowest risk products, which require compliance with medical device general controls, including labeling, establishment registration, device product listing, adverse event reporting and, for some products, adherence to good manufacturing practices through the FDA's quality system regulations;
- Class II, comprising moderate-risk devices, which also require compliance with general controls and in some cases, so-called special controls that may include performance standards, particular labeling requirements, or post-market surveillance obligations; typically a Class II device also requires pre-market review and clearance by FDA of a pre-market notification (also referred to as a "510(k) application") as well as adherence to the quality system regulations/good manufacturing practices for devices; and
- Class III, high-risk devices that are often implantable or life-sustaining, which also require compliance with the medical device general controls and quality system regulations, but which generally must be approved by FDA before entering the market, through a more-lengthy pre-market approval (PMA) application. Approved PMAs can include post-approval conditions and post-market surveillance requirements, analogous to some of the special controls that may be imposed on Class II devices.

Before being introduced into the U.S. market, our medical devices must obtain marketing clearance or approval from FDA through the 510(k) pre-market notification process, the de novo classification process (summarized below under De Novo Classification Process), or the PMA process, unless they are determined to be Class I devices or to otherwise qualify for an exemption from one of these available forms of pre-market review and authorization by the FDA. To date, our products have all been classified as Class II, moderate-risk medical devices and have been subject to the 510(k) review and clearance process.

Additionally, the FDA also has a policy, General Wellness: Policy for Low-Risk Devices, regarding general wellness products. Under this policy, the FDA does not intend to examine low risk general wellness products to determine whether they are devices within the meaning of the FDCA or, if they are devices, whether they comply with the relevant regulatory requirements for devices (e.g., establishment registration, pre-market review). The policy defines general wellness products as products that meet the following two factors: (1) are intended for only general wellness use, as defined in the policy, and (2) present a low risk to the safety of users and other persons. We market Truvaga and TAC-STIM as general wellness products pursuant to this policy.

510(k) Pre-Market Notification Process

Class II devices typically require pre-market review and clearance by the FDA, which is accomplished through the submission of a 510(k) pre-market notification before the device may be marketed. To obtain 510(k) clearance, we must demonstrate that a new device is substantially equivalent to another device with 510(k) clearance or grandfathered status, or to a device that was reclassified from Class III to Class II or Class I - this device to which the new device is compared is called the "predicate device." In some cases, we may be required to perform clinical trials to support a claim of substantial equivalence. If clinical trials are required, we may be required to submit an application for an investigational device exemption, or IDE, which must be cleared by the FDA prior to the start of a clinical investigation, unless the device and clinical investigation are considered non-significant risk by the FDA or are exempt from the IDE requirements. Whether or not an IDE is required for a clinical study involving a medical device, an appropriate Institutional Review Board (IRB) must review and approve the study protocol before it is initiated. It generally takes three months from the date of the pre-market notification submission to obtain a final 510(k) clearance decision from the FDA, but it can be significantly longer.

After a medical device receives a 510(k) clearance letter, which authorizes commercial marketing of the new device for one or more specific indications for use, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires the submission of a new 510(k) notification or could require de novo classification or a PMA. The FDA allows each company to make this determination, but the FDA can review the decision as part of routine compliance audits of the company. If the FDA disagrees with a company's decision not to seek prior FDA authorization, the FDA may require the company to seek additional 510(k) clearance or pre-market approval. The FDA also can require the company to cease marketing and/or recall the medical device in question until its regulatory status is resolved.

De Novo Classification Process

If the FDA determines that a new, previously unclassified medical device or its intended use is not substantially equivalent to a predicate device, the device is automatically placed into Class III, requiring the submission of a PMA. Devices that cannot be cleared through the 510(k) process due to lack of a predicate device but would be considered low or moderate risk (in other words, they do not rise to the level of requiring the approval of a PMA because any risks associated with the device could be mitigated through general controls and/or special controls) may be eligible for the 510(k) De Novo classification process. If a product is classified as Class II through the De Novo classification process, then that device may serve as a predicate device for subsequent 510(k) pre-market notifications.

FDA has issued a Guidance document that formally codifies requirements for the medical device De Novo process and the procedures and criteria for product developers to file a De Novo classification request.

PMA Application Process

If a medical device does not qualify for the 510(k)-pre-market notification process and is not eligible for classification as a low or moderate-risk device through the De Novo process, the device is deemed to be Class III and a company must submit a PMA application to seek authorization for its commercial sale. A PMA requires more extensive pre-filing testing than is required in the 510(k) application and is more costly, lengthy and uncertain. The PMA review and approval process can take one to three years or longer, from the time the PMA application is filed with the FDA. Under a PMA, the company must demonstrate to the FDA that the new medical device is safe and effective for its intended purpose. A PMA typically includes extensive pre-clinical and clinical trial data, and information about the device, its design, manufacture, labeling and components. Before approving a PMA, the FDA generally also performs an on-site inspection of manufacturing facilities for the product to ensure compliance with the FDA's quality system regulation, or QSR.

If FDA approves the PMA, the approved indications may be more limited than those originally sought. In addition, FDA's approval order may include post-approval conditions that the FDA believes necessary to ensure the safety and effectiveness of the device, including, among other things, restrictions on labeling, promotion, sale and distribution and post-market study requirements. Failure to comply with the post-approval conditions can result in adverse enforcement or administrative actions, including the withdrawal of the approval. Approval of a new PMA application or a PMA supplement may be required before making certain types of modifications to the device, including to its labeling, intended use or indication, or manufacturing process, especially when such modifications have the potential to affect safety and effectiveness.

Post-Marketing Compliance Obligations

Regardless of which pre-market pathway a medical device uses to reach the U.S. market, after a device is placed on the market, numerous regulatory requirements continue to apply. These include:

- the FDA's quality management system regulation, which requires manufacturers, including third-party manufacturers, to follow stringent design, testing, control, documentation and other good manufacturing practice and quality assurance procedures during all aspects of the manufacturing process (unless a device category is exempt from this requirement by the FDA, such as in the case of many Class I devices);
- correction and removal reporting regulations, which require that manufacturers report to the FDA field corrections and device recalls or removals if undertaken to reduce a risk to health by the device or to remedy a violation of the FDA caused by the device that may present a risk to health;
- post-market surveillance regulations, which apply to Class II or III devices if the FDA has issued a post-market surveillance order and the failure of the device would be reasonably likely to have serious adverse health consequences, the device is expected to have significant use in the pediatric population, the device is intended to be implanted in the human body for more than one year, or the device is intended to be used to support or sustain life and to be used outside a user facility;

- regular and for-cause inspections by FDA to review a manufacturer’s facility and its compliance with applicable FDA requirements;
- the FDA’s recall authority, whereby it can ask, or order, device manufacturers to recall from the market a product that is in violation of applicable laws and regulations; and
- the guidance document entitled “General Wellness: Policy for Low-Risk Devices; Guidance for Industry and FDA Staff, issued on September 27, 2019” under which Truvaga and TAC-STIM are marketed under as general wellness devices.

International Regulation

Our international sales are subject to regulatory requirements in the countries in which our products are sold. The regulatory review process varies from country to country and may in some cases require the submission of clinical data.

In 2011, we received CE Certificate of Conformity in the European Economic Area, or EEA, for our prescription gammaCore therapy to treat primary headache, including migraine, CH, and hemicrania continua, as well as medication overuse headache in adults. The CE Certificate of Conformity was extended to additional indications, including for the treatment or prevention of symptoms of reactive airway disease, which includes asthma, bronchoconstriction, exercise induced bronchospasm, and COPD in adults.

Outside the United States, we market gammaCore in the United Kingdom and, to a limited extent, in the European Economic Area (EEA), and other jurisdictions through distribution partners. Sales in these markets currently represent an immaterial portion of our total revenue. To market gammaCore in the EEA and United Kingdom, we must comply with applicable medical device regulations and maintain CE Certificates of Conformity issued by a notified body. Our CE Certificates allow us to affix the CE mark to gammaCore for sale in the EEA. In the United Kingdom, CE marked devices may currently be placed on the market until the earlier of expiration of the CE Certificate or June 30, 2028, after which we will need UKCA marking to continue sales in the U.K.

The EU Medical Devices Regulation 2017/745 (MDR) replaced the prior Medical Devices Directive and imposes additional compliance requirements. The European Commission extended the MDR transition period until June 30, 2028 for Class IIa devices, which includes our gammaCore products. We have obtained the necessary certificates for MDR compliance through June 30, 2028. On December 16, 2025, the European Commission, or EC, published a proposal to revise the MDR. The proposal introduces several measures that would have a significant impact on the medical device industry, including:

- Amendments to classification rules, which may result in a lower risk classification for certain products, including medical device software. These changes could also reduce the number of AI-enabled medical devices classified as “high-risk” under the EU AI Act (Regulation (EU) 2024/1689);
- Clarification of the interplay with the AI Act, providing that most requirements applicable to high-risk AI systems under the AI Act would not apply to AI-based medical devices, in order to avoid regulatory overlaps;
- Extension of CE Certificate validity, by removing the current five-year maximum validity period for CE Certificates of Conformity issued by Notified Bodies.

The proposal will undergo the ordinary legislative procedure and be examined by the European Parliament and the Council, which may introduce amendments to the text proposed by the EC.

Following Brexit, U.K. medical device regulations are based on retained EU legislation but may diverge in the future. These regulatory changes could add complexity and cost to our limited U.K. and EEA operations.

Federal Trade Commission

We are subject to Federal Trade Commission, or FTC, regulatory oversight. Under the Federal Trade Commission Act (FTC Act), the FTC is empowered, among other things, to (a) prevent unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce; (b) seek monetary redress and other relief for conduct injurious to consumers; and (c) gather and compile information and conduct investigations relating to the organization, business, practices, and management of entities engaged in commerce. The FTC has very broad enforcement authority, and failure to abide by the substantive requirements of the FTC Act and other consumer protection laws can result in administrative or judicial penalties, including civil penalties, or injunctions affecting the manner in which our products could be marketed in the future.

Other Regulations

We may also be subject to healthcare fraud and abuse regulation in the jurisdictions in which we conduct our business. These laws include, without limitation, applicable anti-kickback, false claims, transparency and patient privacy and security laws and regulations.

Advertising and Promotion

Advertising and promotion of medical devices, in addition to being regulated by the FDA, are also regulated by the FTC and by federal and state regulatory and enforcement authorities, including the Department of Justice, the Office of Inspector General of the Department of Health and Human Services, and various state attorneys general. Although physicians are permitted to use their medical judgment to use medical devices for indications other than those cleared or approved by the FDA, we may not promote our products for such “off-label” uses and can only market our products for cleared or approved uses. Other companies’ promotional activities for their FDA-regulated products have been the subject of FTC enforcement actions brought under healthcare reimbursement laws and consumer protection statutes. FTC enforcement actions often result in consent decrees that constrain future actions. In addition, under the federal Lanham Act and similar state laws, competitors and others can initiate litigation relating to advertising claims.

Import and Export Requirements

To import a device, the importer must file an entry notice and bond with the United States Bureau of Customs and Border Protection (CBP). All devices are subject to FDA examination before release from CBP. Any article that appears to be in violation of the FDCA may be refused admission and a notice of detention and hearing may be issued. If the FDA ultimately refuses admission, CBP may issue a notice for redelivery and, if a company fails to redeliver the goods or otherwise satisfy CBP and the FDA with respect to their disposition, may assess liquidated damages for up to three times the value of the lot. The CBP also imposes its own regulatory requirements on the import of our products, including inspection and possible sanctions for noncompliance.

Human Capital Resources

As of February 1, 2026, we employed 83 full-time employees. None of our employees are represented by a labor union or covered by a collective bargaining agreement. We consider our relationship with our employees to be good.

We believe our success depends on our ability to attract, develop and retain key personnel. The skills, experience and industry knowledge of key employees significantly benefit our operations and performance. Our board of directors and management oversee various employee initiatives. New employees are provided industry-relevant compliance training and are introduced to our Code of Business Conduct and Ethics to which all employees are required to annually confirm compliance.

Employee health and safety in the workplace is one of our core values.

Company History

electroCore, Inc. was founded in 2005 as a limited liability company, which converted into a Delaware corporation pursuant to a statutory conversion effective June 21, 2018. The Company is headquartered in New Jersey and has three wholly owned subsidiaries: electroCore U.K. Ltd., electroCore Germany GmbH, and NeuroMetrix. The Company has ceased its operations in Germany, although sales to Germany are still supported by electroCore U.K. Ltd.

On May 1, 2025 (the “NURO Closing Date”), the Company completed its previously announced acquisition of NeuroMetrix pursuant to the terms of the Agreement and Plan of Merger dated as of December 17, 2024 (the “Merger Agreement”) by and among the Company, NURO, and Nexus Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of the Company (“Merger Sub”). Pursuant to the Merger Agreement, on the NURO Closing Date, Merger Sub merged with and into NURO, with NURO surviving as a wholly-owned subsidiary of the Company (the “Merger”).

Our primary internet website address is www.electrocore.com. We also maintain websites at www.gammacore.com, www.gammacore.co.uk, www.gammacore.com/ca/, www.gammacore.com/lt/, www.truvaga.com, www.tac-stim.com, www.quellrelief.com, www.quellfibromyalgia.com, www.neurometrix.com. The content reflected on our websites is not incorporated by reference herein unless expressly noted.

Available Information

Our annual reports on Form 10-K, quarterly reports on Form 10-Q and current reports on Form 8-K and proxy statements, and all exhibits and amendments thereto, are available free of charge on our Internet website. These reports are posted on our website as soon as reasonably practicable after such reports are electronically filed with the SEC. The public may read and copy any materials that we file with the SEC electronically through the SEC website (www.sec.gov). The information contained on the SEC's website is not incorporated by reference into this Form 10-K and should not be considered to be part of this Form 10-K. Within the Investors section of our website, we provide information concerning corporate governance, including our Corporate Governance Guidelines, board committee charters, Code of Conduct and other information. A copy of the Code of Conduct may be provided to any person without charge upon written request to: electroCore, Inc., Attn: Corporate Secretary, 200 Forge Way, Suite 205, Rockaway, NJ 07866. The content reflected on any website reflected in this Form 10-K is not incorporated by reference herein unless expressly noted.

Item 1A. Risk Factors.

RISK FACTORS

You should carefully consider the following risk factors, in addition to the other information in this Annual Report, including the section of this Annual Report titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes. If any of the events described in the following risk factors and the risks described elsewhere in this Annual Report occur, our business, operating results, and financial condition could be seriously harmed. This Annual Report also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this Annual Report.

Risk Related to our Financial Position, Operating Results and Need for Additional Capital

We may be required to obtain additional funds in the future, and these funds may not be available on acceptable terms or at all.

Our operations have consumed substantial amounts of cash since inception. We believe that our growth will depend, in part, on our ability to fund our commercial efforts for our bioelectronic technologies, including opportunistically pursuing research and development activities for additional indications for our gammaCore and Quell therapies, as well as our ability to invest in programs to commercialize our general wellness and human performance products. If our revenue continues to grow, it is likely we will have increased working capital needs in connection with increased inventory purchases and accounts receivable. Our ability to collect our accounts receivable on a timely basis is dependent on the intent and ability of our customers to pay on a timely basis. There is no assurance that we will have sufficient cash flow and liquidity to fund our planned activities. As a result, we may need to seek additional funds in the future or curtail or forgo some or all of such activities. If we seek to and are unable to raise funds on favorable terms, or at all, we may not be able to support our commercialization efforts or increase our research and development activities, and the growth of our business may be negatively impacted. As a result, we may be unable to compete effectively. Changes, including those relating to the payor and competitive landscape, our commercialization strategy, our development activities, our government contracting mechanisms, and regulatory matters, may occur beyond our control that would cause us to consume our available capital more quickly. Our future capital requirements will depend on many factors, including:

- the outcome, timing of, and costs involved with negotiating, obtaining, maintaining, and enhancing payor coverage;
- the outcome, timing of, and costs involved with negotiating, obtaining, maintaining government procurement mechanisms;

- the outcome, timing of, and costs involved with our plan to potentially expand our direct-to-consumer, cash-pay business channel;
- the scope and timing of our investment in our U.S. and U.K. commercial infrastructure and sales force;
- the costs of commercialization activities including sales, marketing, manufacturing and distribution;
- the costs incurred in defending against pending intellectual property litigations and other potential litigation, as well as the costs of any potential judgements or settlements;
- the degree and rate of payor, physician, patient, and market acceptance of our prescription therapies;
- the degree and rate of consumer adoption of our non-prescription product offerings;
- the outcome, timing of, and costs involved in seeking and obtaining clearances or approvals from the FDA and other regulatory authorities, including the potential for the FDA and other regulatory authorities to require that we perform more studies, clinical trials, or tests on our prescription gammaCore therapy than we currently expect;
- the research and development activities we may undertake to expand our indications and enhancements to our prescription therapies;
- the costs of filing, prosecuting, defending, and enforcing any patent claims and other intellectual property rights;
- the need for us and third parties, including payors and service providers, to potentially implement new or revised policies, infrastructure, and internal systems;
- the lead times, order quantities, and payment terms needed to purchase inventory;
- our ability to collect accounts receivable on a timely basis;
- our ability to hire additional personnel to support our various functions and operations; and
- the emergence and acceptance of competing therapies or other adverse market developments.
- the ability to meet financial covenants in the Loan and Security Agreement and the restrictions therewith.

To finance our activities, we may seek funds through borrowings or through additional rounds of financing, including public or private equity or debt offerings and collaborative arrangements with corporate partners. We may be unable to raise funds on favorable terms, if at all.

On July 24, 2025, our Form S-3 registration statement (File No. 333-284477), or the 2025 Shelf Registration Statement, was declared effective by the SEC. The 2025 Shelf Registration Statement relates to the potential offering and issuance from time to time of common stock, preferred stock, warrants, rights, debt securities and units, up to an aggregate amount of \$100.0 million. The proposed maximum offering price per unit and the proposed maximum aggregate offering price per class of security in any future offering under the 2025 Shelf Registration Statement will be determined from time to time by us in connection with the issuance by us of the securities registered under the 2025 Shelf Registration Statement. As of the date of this Annual Report, we have \$100.0 million remaining for potential issuance under the 2025 Shelf Registration Statement (including \$19.8 million under the Sales Agreement (as defined below)). As of the date of the filing of this this Annual Report on Form 10-K, the aggregate market value of our securities held by non-affiliates may be below \$75 million, and until such time as the aggregate market value of our securities held by non-affiliates equals or exceeds \$75 million, the aggregate maximum offering price of all securities issued by us in any given 12-calendar month period pursuant the 2025 Shelf Registration Statement may not exceed one-third of the aggregate market value of our securities held by non-affiliates, pursuant to the terms and conditions of the rules of the Securities and Exchange Commission (the “SEC”), and thus may be limited.

On November 29, 2024, we entered into an At The Market Offering Agreement (the “Sales Agreement”) with H.C. Wainwright & Co., LLC (“Wainwright”) under which we may offer and sell shares of our common stock from time to time having an aggregate offering price of up to \$20,000,000. Our stock price, market capitalization trading volume, and other macroeconomic factors may affect our ability to raise funds and the terms on which we will be able to raise funds. Our failure to obtain additional necessary financing could impair our ability to conduct our operations, and any such failure to raise capital as and when needed could have a negative impact on our financial condition and on our ability to (i) pursue our business plans and strategies and (ii) maintain our listing on the Nasdaq Stock Market.

Our lack of consistent sufficient liquidity could make it more difficult for us to secure additional financing terms acceptable to us, if at all, and may materially and adversely affect the terms of any financing that we may obtain and our stock price generally. Our ability to continue our operations depends upon, among other things, our ability to increase revenue, reduce operating expenses, and obtain additional funding through the sale of equity and/or debt securities, debt financing, strategic transactions, or otherwise. However, there are significant risks and uncertainties as to our ability to achieve these goals or to obtain required funding on commercially reasonable terms or at all, including as a result of the potential adverse impact on our business from macro-economic conditions. There can be no assurance that we will have sufficient cash flow and liquidity to fund our planned activities, which could force us to significantly reduce or curtail our activities and ultimately potentially cease operations.

The sale of additional equity or convertible debt securities could result in additional dilution to our stockholders. If we borrow additional funds or issue debt securities, lenders or security holders could have rights superior to holders of our common stock, and such indebtedness could contain covenants that will restrict our operations. We might have to obtain funds through arrangements with collaborative partners or others that may require us to relinquish rights to our technologies, therapeutic candidates, or products that we otherwise would not relinquish. If we do not obtain additional resources, our ability to capitalize on business opportunities will be limited and we may be unable to compete effectively, and the growth of our business would be materially and adversely harmed.

We recently began selling the Quell platform and patients, providers or consumers may be slow to adopt these programs or their pricing which could adversely impact our business and financial results.

We recently began selling the Quell Fibromyalgia devices through our sales organization. We intend to expand our prescription device business through internal and external sales representatives and relaunch the over-the-counter Quell OTC product in the direct-to-consumer business channel in 2026. This will require significant investment and expansion of our sales and marketing capabilities and further development by us relating to this business channel. We have limited experience with scaling and commercializing the Quell platform in the United States, which may impact our ability to rely on this channel as a positive source of revenue. If we are unsuccessful in executing our commercialization efforts in our prescription sales, or fail to launch, or are unsuccessful in commercialization efforts for Quell OTC product in the direct-to-consumer business channel, we may not achieve the sales levels that we reasonably anticipate materializing in light of current planning and forecasting, and may be unable to recover the investments described above. Additionally, there is a risk that potentially lower pricing of our therapies in the direct-to-consumer cash-pay business channel could lead to lower pricing and reimbursement in our legacy business channels and, therefore, this risk could have an adverse impact on our financial position and results of operations as well as heighten our need to obtain additional financial capital to support our business projects.

If third-party payors do not provide adequate coverage and reimbursement for the use of our medical devices, it may affect our ability to generate significant revenues.

Some of our success in marketing and commercializing our medical devices depends, and will continue to depend, on whether U.S. and international government health administrative authorities, private health insurers, and other payor organizations provide adequate coverage and reimbursement for the cost of our products. Many third-party payors do not currently cover non-invasive bioelectronic therapies or cover non-proprietary bioelectronic therapies at prices that are unacceptable to us as they have determined these modalities to be non-differentiated or investigational or experimental. If physicians or insurers do not find our clinical data compelling or wish to wait for additional studies, they may choose not to use or provide coverage and reimbursement for our medical devices. We cannot provide assurance that data we or others may generate in the future will be consistent with data observed in our existing clinical studies, and we cannot provide similar assurance that our current or future published clinical evidence will be sufficient to obtain adequate coverage and reimbursement for our medical devices. Moreover, if we cannot obtain adequate coverage for and reimbursement of the cost of our medical devices, we cannot provide assurance that patients will be willing to incur the full cost of our prescription therapies. Access to adequate coverage and reimbursement by third-party payors for our prescription therapies or the willingness of patients to bear the entire cost of our therapy is essential in the acceptance of our therapies by physicians, patients, and other customers for our therapy.

In most markets, there are private insurance systems and government-managed systems. If sufficient and timely coverage and reimbursement are not available for our current or future prescription medical devices, or if reimbursement rates change, in either the United States or internationally, the demand for our medical devices and our revenues would be adversely affected.

We have a limited history commercializing our Quell platform in the United States for which market acceptance and commercial success are uncertain.

We have limited experience engaging in direct-to-consumer commercial activities and limited established relationships with marketing agencies, analytic platforms, and social media following, all of which are becoming increasingly important to direct-to-consumer initiatives. We may be unable to gain broader market acceptance for our Quell platform in our sales channels and markets, including direct-to-consumer channels in the United States for a number of reasons, including:

- established competitors with strong relationships with customers, including ecommerce and telehealth platforms, systems, marketing agencies and a critical mass of existing patients;
- limitations in our ability to demonstrate differentiation and advantages of our product compared to our own products and competing products and the relative safety, efficacy and ease of use of our product;
- the limited size of our marketing team and the learning curve required to gain experience selling our product direct-to-consumer;
- limited brand awareness;
- insufficient financial or other resources to support our commercialization efforts necessary to reach profitability; and
- the introduction and market acceptance of new, more effective or less expensive competing products and technologies in relevant geographic and product markets.

We have a limited history commercializing our general wellness and human performance products in the United States for which market acceptance and commercial success are uncertain.

As a small company with a limited history of selling our consumer products including our general wellness and human performance products, we have limited experience engaging in commercial activities and limited established relationships and experience with direct-to-consumer channels and third-party suppliers on whom we depend for the manufacture of our product components. In addition, as a general matter, we may fail to adapt our existing or future technology to patient and customer requirements or emerging treatment standards in our relevant geographic and product markets. New industry standards for the development, manufacture, and marketing of medical devices and general wellness products may evolve in separate ways, and we may not be able to conform to the changes, meet new standards in a timely fashion, or maintain a competitive position in our target marketplace. Moreover, if we face material delays in introducing our products and new technology, we may fail to attract new customers in part due to diminished brand awareness and ineffective implementation of marketing and promotion strategy. Specifically, we may be unable to successfully commercialize our consumer products including general wellness and human performance products in the United States for a number of reasons, including:

- established competitors with relatively more mature relationships with their customers and third-party suppliers;
- limitations in our ability to demonstrate differentiation and advantages of our product compared to similar, competing products and the relative safety, efficacy and ease of use of our product;
- the limited brand awareness of our Truvaga and TAC-STIM brands, which are our two recently launched non-prescription, general wellness and human performance products;
- the limited size of our marketing budget to assess and increase customer demand levels;

- the inability to obtain sufficient supply of the product components for our wellness products from our primary and secondary manufacturers and suppliers;
- insufficient financial or other resources to support our commercialization efforts necessary to realize profitability; and
- the introduction, and market acceptance, of new, relatively more effective, or less expensive, competing products and technologies.

Risks of doing business through ecommerce marketplaces.

In 2024, we launched a direct-to-consumer wellness offering, Truvaga, and we remain subject to risks associated with the commercialization of our Truvaga product offering, including those associated with selling Truvaga through ecommerce marketplaces. Selling products through large, well established ecommerce marketplaces presents several risks including inventory management challenges, broader competition, potential account suspensions, and the risk of losing control over brand identity, value perception, and customer relationships. While we intend to monitor commercialization efforts through these marketplaces, there can be no assurance that we can respond adequately to reviews on public forums that may cause a loss of control over our brand identity, value perception and customer relationships, and any inability to respond adequately may negatively impact our financial results. In addition, our business may be adversely affected if online marketplaces, such as has been the case in 2025 with Amazon, remove our products on the basis that they are classified as medical devices requiring FDA clearance or registration. Such removal can significantly disrupt our sales channels, reduce product visibility, and impair revenue generation, particularly if online sales constitute a substantial portion of our sales and marketing strategy. While an appeals process is available, the appeals process is uncertain, time-consuming, and may not result in reinstatement. Prolonged or permanent removal could lead to inventory write-downs, loss of market share, reputational harm, and increased compliance costs. Additionally, similar actions by other ecommerce platforms or heightened regulatory scrutiny could further restrict market access, adversely impacting our business, financial condition, and results of operations.

We recently launched our next generation prescription gammaCore device under the brand gammaCore Emerald, and there can be no assurance that the new device will be well received or adopted, which may impact our financial results.

In April 2025, we launched our next generation prescription gammaCore device under the brand gammaCore Emerald. Achieving broad market acceptance for the gammaCore Emerald device may be limited for a number of reasons, including:

- established customers have already adopted gammaCore Sapphire and switching to the new generation may be deemed disruptive to the customary ordering process;
- limitations in our ability to demonstrate differentiation and advantages of our product compared to our own products and competing products and the relative safety, efficacy and ease of use of our product;
- the limited size of our marketing team and inability of our sales team to educate new or existing customers of the change;
- limited brand awareness;
- insufficient financial or other resources to support our commercialization efforts necessary to reach profitability; and
- the introduction and market acceptance of new, more effective or less expensive competing products and technologies in relevant geographic and product markets.

Our app-enabled products may require modifications and improvements, which may cause added expense and negatively impact our financial results.

If our app-enabled products are not well received, we may need to make modifications or improvements including software updates, which may require additional research and development expense, or stop selling the products all together which would negatively impact our financial results. Undiscovered vulnerabilities in our app-enabled products could expose us or consumers to hackers or other unscrupulous third parties who develop and deploy viruses and other malicious software programs that could attack our products. Actual or perceived security vulnerabilities in our products could harm our reputation and lead some customers to return products, to reduce or delay future purchases, or use competing products. In addition, to the extent a competitor were to develop app-software that competes with ours, customers may choose not to purchase our wellness product.

We recently acquired the Quell platform as part of the merger with NURO which comes with a companion application and may require modifications, maintenance, and improvements, which may cause added expense and negatively impact our financial results.

The Quell platform comes complete with a companion application and if the product or application are not well received, we may need to make modifications or improvements including software updates, which may require additional research and development expense, or stop selling the device all together which would negatively impact our financial results. Undiscovered vulnerabilities in our app-enabled products could expose us or consumers to hackers or other unscrupulous third parties who develop and deploy viruses and other malicious software programs that could attack our products. Actual or perceived security vulnerabilities in our products could harm our reputation and lead some customers to return products, to reduce or delay future purchases, or use competing products. In addition, to the extent a competitor were to develop app-software that competes with ours, customers may choose not to purchase our wellness product.

We generate sales of TAC-STIM branded products to active-duty military and accordingly, military budgetary cuts or government shutdowns or strikes could negatively impact our financial results.

We launched our TAC-STIM branded products for human performance within the active-duty military channel. Funding for purchases of TAC-STIM product is subject to government budgetary decisions and any spending cuts or government policies may negatively impact the timing or amounts of sales to these customers, which could result in lost sales and harm our business and operation results.

Our potential revenue in the United Kingdom is substantially dependent on government funding arrangements, and changes in governmental policy for such arrangements could cause material harm to our business.

Effective April 1, 2021, gammaCore Sapphire was included in a new long-term reimbursement policy. The MTFM policy supports the use of National Institute for Health and Care Excellence, or NICE, approved, clinically effective and cost-saving medical devices, diagnostics, and digital technologies that will improve patient health. In December 2019, NICE published a Medical Technology Guidance document recommending the use of gammaCore for CH within the NHS. In 2026, we expect NICE to review the guidance document, and any changes in recommendation or pricing may adversely impact our ability to work with NHS England on the MTFM program, which could have an adverse impact on our business in the United Kingdom.

We derive a material portion of our revenue made pursuant to our qualifying contract under the Federal Supply Schedule or FSS, as well as open market sales to individual facilities within the government channels.

Our customer base is concentrated. During the years ended December 31, 2025 and 2024, revenue from VA facilities pursuant to the terms and conditions of our qualifying contract under the FSS and open market sales represented 71.2% and 70.6% of our total revenue, respectively. In 2025, no specific VA facility represented greater than 10% of our revenue from this channel. If we were to lose one or more of our significant customers, our revenue may be adversely affected. The loss of one or more of our significant customers could adversely affect our business, results of operations, and financial condition.

We expect an increasing portion of our 2026 sales will be made pursuant to the non-exclusive distribution agreement with Lovell, and its contract vehicles, concentrating our customer base even further as revenue generated from the VA facilities pursuant to the terms and conditions of our qualifying contract under the FSS and open market sales is partially shifted to sales under our agreement with Lovell. Any delay in payments by our customers as well as any disagreement, disagreement or change in relationship status with the FSS procurement office, Lovell or other customers, could adversely affect our business, results of operations, and financial condition.

Unfavorable global economic conditions and government regulations could adversely affect our business, financial condition or results of operations.

Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets. Factors such as geopolitical events (including the ongoing wars in Iran, Ukraine and Israel and the risk of increased tensions between China and Taiwan), inflationary pressures, public health crises, and U.S. election cycles, and changes in government administration and policies have caused extreme volatility and disruptions in the capital and credit markets in recent years. Uncertainty or unfavorable global economic conditions could result in a variety of impacts to our business, including weakening demand for our products, and adversely impacting our ability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy has strained in the past and may in the future strain our manufacturers or suppliers, possibly resulting in supply disruption, or cause our customers to delay making payments for our services. Further, the Trump administration has proposed or enacted tariffs and substantial changes to trade policies, which could adversely affect our business. For example, the Trump administration has imposed tariffs on certain foreign products, including most recently from Canada, Mexico and China, that in the past have resulted in and may result in future retaliatory tariffs on U.S. goods and products. Additionally, on September 25, 2025, the current U.S. administration announced a 100% tariff on brand-name or patented drugs unless pharmaceutical companies expand their manufacturing operations in the U.S. Although the pharmaceutical tariff is currently on hold, this could have a material adverse effect on our supply chain and business prospects as well as the larger biopharmaceutical industry. While certain tariffs have subsequently been suspended, modified or temporarily reduced, we cannot predict the results of the U.S. government's trade negotiations or the outcome of ongoing legal challenges to specific tariff policies. We cannot predict whether these policies will continue, or if new policies will be enacted, or the impact, if any, that any policy changes could have on our business. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the economic climate and financial market conditions could adversely affect our business.

There is also uncertainty surrounding potential changes to the healthcare regulatory environment in the United States, and it is not possible to predict how these changes may be implemented, and the ultimate effects of such changes on our business. In addition, the U.S. federal government and other governments may reduce funding for health care or other programs or make changes that adversely affect the number of persons eligible for certain programs, the services provided to enrollees in such programs and premiums we can charge. The levels of U.S. federal government spending are difficult to predict and are subject to significant risk. Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the spending priorities of the new presidential administration and Congress, and what challenges budget reductions, if any, will present for our business and our industry generally. For example, on January 20, 2025, President Trump established by executive order the U.S. DOGE Service Temporary Organization ("DOGE") to reform federal government processes and reduce expenditures, and on February 5, 2025, the Centers for Medicare & Medicaid Services, or CMS, announced that it is collaborating with DOGE to determine where there may be opportunities for more effective and efficient use of resources. Further, there are reports that the administration is continuing to explore and implement policies which may put limits on, or freeze, spending by government employees on behalf of government agencies, which could adversely affect our business with the VA. Additionally, the Trump administration took several Executive Actions, including the issuance of a number of Executive Orders, that imposed significant burdens on, or otherwise materially delayed, the FDA's ability to engage in routine oversight activities, such as implementing statutes through rulemaking, issuance of guidance, and review and approval of marketing applications. It is difficult to predict whether additional orders will be implemented, or how these orders will be rescinded and replaced under the current or future administrations.

Risks related to recent U.S. tariff announcements.

The U.S. government has made and continues to make significant additional changes in U.S. trade policy and may continue to take future actions that could negatively impact U.S. trade. For example, the United States has announced tariffs on many goods imported from specified nations. In addition, there are currently discussions concerning potential increased tariffs for pharmaceutical and medical device products, which may impact our supply chain and create uncertainty in the broader pharmaceutical industry. While certain tariffs have been suspended, modified or temporarily reduced, we cannot predict the results of the U.S. government's trade negotiations or the outcome of ongoing legal challenges to specific tariff policies. Changes in U.S. trade policy, including recently announced tariffs, related to countries where we or our suppliers operate could result in increased costs for raw materials, components, or finished goods for us, or challenges for our third-party contract manufacturers, distributors and suppliers to continue to meet demands for our products at current prices. These cost increases may reduce our margins, require us to raise prices, or make our products less competitive in the marketplace. Additionally, retaliatory tariffs imposed by other countries on U.S. exports could adversely impact demand for our products in international markets or increase the costs of conducting business. If we are unable to mitigate these risks through supply chain adjustments, pricing strategies, or other measures, our financial performance and growth prospects could be negatively affected.

We have limited operating experience at our current scale of operations. If we are unable to manage our growth effectively, our brand, company culture, and financial performance may suffer.

Implementation of our growth strategy may require greater overall planned capital expenditures, and we cannot guarantee that any such increased expenditures will bring forth corresponding, offsetting revenue growth. Because we have a relatively limited history operating our business at its current and evolving scale, it is difficult for us to evaluate our present and future business prospects, including our ability to plan for, and model, future growth scenarios. Our limited operating experience at this scale, combined with the rapidly evolving customer demand and other market structure properties of the health and general wellness geographic and product markets in which we operate and other economic factors beyond our control, reduces our ability to accurately forecast quarterly or annual revenue. In particular, our ability to accurately forecast customer demand could be affected by myriad factors, including, without limitation, changes in customer demand levels for our products, changes in demand levels for the products of our competitors, the relative pace of acceptance of personalized health and general wellness recommendations, unanticipated weakening of various macroeconomic conditions, and capricious shifts in consumer confidence in future macroeconomic stability and/or the public capital markets. Failure to manage our future growth plans effectively could have an adverse effect on our financial condition and operating results.

Any significant disruption to our ecommerce business could result in lost sales.

We have cash pay initiatives for our Truvaga consumer products, Quell OTC refills, and prescription gammaCore therapy, including our ecommerce websites in both the United States and United Kingdom. Online sales are subject to a number of risks. System interruptions or delays could cause potential patients to fail to purchase our products, harming our brands. Operating our direct-to-consumer ecommerce business depends on our ability to maintain the efficient and uninterrupted administration of online prescription generation, order-taking, and fulfillment activities. Our ecommerce operations subject us to certain risks that could have an adverse effect on our operating results, including risks related to the computer systems that operate our website and related support systems, such as system failures, viruses, denial of service attacks, computer hackers, data privacy breaches, and other disruptions. If we are unable to continually add software and hardware, effectively upgrade our systems and network infrastructure, and take other steps to improve the efficiency and efficacy of our systems, system interruptions or delays could occur that would adversely affect our operating results.

We utilize third-party vendors for our customer-facing ecommerce technology, portions of our prescription generation, order management system, and fulfillment internationally. We depend on our technology vendors to manage "up-time" of the front-end ecommerce store, manage regulatory control measures around prescriptions, the intake of our orders, and export orders for fulfillment. Any failure on the part of our third-party ecommerce vendors, or in our ability to transition third-party services effectively, could result in lost sales and harm our business.

We are subject to increasing operating costs and inflation risks, which may adversely affect our performance.

While we may attempt to offset potential increases in operating costs through a variety of measures focused on increasing revenues or reducing operating expenses, there is no assurance that we will be able to do so. Therefore, operating costs may rise faster than associated revenues resulting in a material negative impact on our cash flow and margins.

We are also impacted by inflationary pressures in wages in local and regional labor markets; structural labor market benefits, whether driven by competition for talent or ordinary course pay increases, and other rising costs. Increases in the rate of inflation could also significantly impact our cost base. In all countries in which we operate, wage inflation, whether driven by competition for talent or ordinary course pay increases, may also increase the cost of our cost products and adversely impact our results of operations and financial condition if we are not able to pass those costs on to our patients and consumers or charge premium prices when justified by actual or perceived market demand.

Moreover, some of our existing or future customers may consider our products and services to be discretionary by nature. Factors affecting the aggregate level of spending for such customers possibly include current macroeconomic conditions, including inflation, consumer confidence in future macroeconomic conditions, fears of recession, the availability and cost of customer credit, rates of employment, and tax rates, which are factors that would adversely impact demand for our products.

We have a history of significant losses. If we do not achieve and sustain profitability and positive cash flow from operations, our financial condition could suffer. Our failure to become and remain profitable could negatively impact the results of our operations as well as your investment.

We have experienced significant net losses, and we may continue to incur losses for the foreseeable future while we operate our sales and marketing infrastructure, endeavor to increase acceptance of our bioelectronic technologies in relevant markets, fund our various research and development activities, and obtain regulatory clearance or approval for other products or indications in the United States and internationally. We have never been profitable and have incurred net losses in each year since our inception.

We incurred net losses of \$14.0 million and \$11.9 million for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, our accumulated deficit was \$191.1 million. Our prior losses, combined with potential future losses, and may continue to have for the foreseeable future, an adverse effect on our stockholders' deficit and working capital.

To become and remain profitable, we must continue to grow our bioelectronic technologies and identify promising areas of adoption with significant potential in terms of marketability, brand awareness, and product distinguishability, among other business considerations. This will require us to be successful in a range of challenging activities, which may include obtaining adequate coverage and reimbursement from payors; marketing and selling any current and future product candidates for which we may obtain appropriate marketing clearance, approval or authorization; developing commercial-scale manufacturing processes; managing various risks associated with the design, manufacture, marketing, and sale of human performance, general wellness product offerings, including compliance risk stemming from inadequate monitoring and analysis of applicable FDA and other relevant guidance as well as applicable consumer protection laws, rules, and regulations, ineffective initial and periodic assessment of claims and intended uses of such offerings, and inadequate government affairs, regulatory change management, or other corporate compliance functions that typically identify and remediate nonconformance with administrative law requirements, whether U.S. federal, state, or otherwise, and execute regulatory compliance processes more broadly; completing future clinical trials of prescription devices for additional therapeutic indications; obtaining additional marketing clearance, approval, or authorization from applicable regulatory authorities; mitigating against risk in, and enhancing the measures of cost efficiency in, our manufacturing; satisfying any post-marketing requirements; and developing the marketing and promotional expertise necessary to succeed in an integrative, well-funded direct-to-consumer approach through the sale of our consumer product offerings. Because of the numerous risks and uncertainties associated with our commercialization efforts as well as our research and clinical development activities, uncertainty remains around the timing to achieve or maintain profitability. We intend to continue to make targeted investments in building our U.S. and U.K. commercial infrastructure as we commercialize our bioelectronic technologies.

If we fail to become profitable or are unable to sustain profitability, then we may be unable to continue our operations at planned levels and may be forced to further reduce, or ultimately terminate, our operations. As of December 31, 2025, we had cash, cash equivalents and marketable securities of \$11.6 million. There can be no assurance that we will have sufficient cash flow and liquidity to fund our planned activities, which could force us to significantly reduce or curtail our activities and ultimately and potentially cease operations. Our failure to become and remain profitable would decrease the value of our company and could impair our ability to raise capital, maintain our research and development and marketing efforts, and expand our business or continue our operations. Accordingly, a decline in the market value of our company could cause you to lose all or part of your investment.

We must successfully attract, hire, train, and retain qualified professionals to service our direct-to-consumer sales channels, and we must productively deploy our professionals to become profitable.

Identifying, recruiting, hiring, and retaining professionals, including employees, independent contractors, and consultants with diverse skill sets across our broad geography of operations consistent with servicing our existing, new, and evolving sales channels, including direct-to-consumer are critical to our sales strategy. The market for qualified professionals is evolving, dynamic, and increasingly challenging. Our corporate reputation is a significant factor on consumers' evaluation of whether to buy our products and on potential employees' evaluation of whether to join our company. If we are unable to recruit skilled professionals, and if we do not deploy those professionals productively, our results of operations may be adversely impacted. We must manage our sales and marketing team well and plan and train for future needs effectively while accurately predicting physician, patient, and consumer demand. We may not be able to retain such talented professionals long-term for a variety of reasons, including their desire to remain as independent content creators rather than full-time employees. If we are unable to attract, hire, train, and retain highly skilled professionals and productively deploy them on our sales and marketing efforts, we will jeopardize our ability to develop ongoing and future sales, which could adversely affect our financial condition and results of operations.

Competition for highly skilled professionals is intense in the markets where we operate, and we may experience significant employee turnover rates due to such competition. If we are unable to retain professionals with specialized skills, our revenues, operating efficiency, and profitability would decrease. Cost reductions, such as reducing headcount, or voluntary departures that result from our failure to retain the professionals we hire, could negatively affect our reputation as an employer and our ability to hire skilled professionals to meet our business requirements. Increased compensation to retain skilled professionals could lead to lower margins or higher costs and price increases that could in turn lead to a general reduction in demand levels for our products.

Any significant growth in the market for our products and services or our entry into a new market may require an expansion of our employee base for managerial, marketing, operational, financial, and other purposes. During any period of growth, we may face problems relating to our operational and financial systems and controls, including quality control and delivery and service capacities. We would also need to continue to expand, train, and manage our employee base. Continued future growth will impose significant added responsibilities upon the members of management to identify, recruit, maintain, integrate, and motivate new employees.

Our consultants and certain of our sales force are classified as independent contractors, and we can face consequences if it is determined that they are misclassified as such.

There is often uncertainty in the application of worker classification laws, and, consequently, there is risk that our independent contractors could be deemed to be misclassified under applicable law. The tests governing whether a service provider is an independent contractor or an employee are typically highly fact-intensive and vary by jurisdiction. Laws and regulations that govern the status and misclassification of independent contractors are also subject to divergent interpretations by various authorities, which contributes to uncertainty or unpredictability in the law. A misclassification determination or allegation creates potential exposure for us, including, but not limited to, monetary exposure arising from or relating to failure to withhold and remit taxes, unpaid wages, and wage and hour laws and requirements (such as those pertaining to minimum wage and overtime); claims for employee benefits, social security, workers' compensation and unemployment; claims of discrimination, harassment, and retaliation under civil rights laws; claims under laws pertaining to unionizing, collective bargaining, and other concerted activity; and other claims, charges, or other proceedings under laws and regulations applicable to employers and employees, including risks relating to allegations of joint employer liability. Such claims could result in monetary damages (including, but not limited to, wage-based damages or restitution, compensatory damages, liquidated damages, and punitive damages), interest, fines, penalties, costs, fees (including, but not limited to, attorneys' fees), criminal and other liability, assessment, or settlement. Such an allegation, claim, adverse determination, including but not limited to with respect to advisors and consultants that provide services to us, could also harm our brand and reputation, which could in turn adversely impact our business.

If we experience price fluctuations for our products, and we are unable to reduce our expenses, including the per unit cost of producing our products, there may be a material adverse effect on our business, results of operations, and financial condition.

We anticipate that we will experience price fluctuations for our products due to pricing pressure relating to our efforts to increase consumer demand for our products. We may also face pricing pressure from managed care organizations and other third-party payors due to increased market power of our payors while the medical device industry consolidates as well as increased competition among suppliers, including manufacturing services providers. If the prices for our products decrease, and we are unable to reduce our expenses, including the cost of sourcing materials, logistics, and the cost to manufacture our products, our sales, results of operations, financial condition and cash flows, could be adversely affected. Macroeconomic conditions may result in increased costs for manufacturing and outsourced services and cause additional pressure to reduce the prices for our products if a recession or depression occurs, and people are unable to afford our products. Any increased or unexpected pricing pressures, costs, delays, or failures to achieve cost savings, and unexpected risks we encounter in our business, including those caused by factors outside our control, could adversely affect our business, results of operations, financial condition and cash flows.

Unstable market and economic conditions may have serious adverse consequences on our business, financial condition and share price.

The global economy, including credit and financial markets, has experienced extreme volatility and disruptions, including severely diminished liquidity and credit availability, bank failures, declines in consumer confidence, declines in economic growth, increases in unemployment rates, increases in inflation rates and uncertainty about economic stability. For example, the COVID-19 pandemic resulted in widespread unemployment, economic slowdown and extreme volatility in the global capital markets. Similarly, the current Russia-Ukraine war, and other conflicts including military activities in the Red Sea and Persian Gulf, and the results of the recent elections in the United States may exacerbate volatility in the global capital markets or disrupt the global supply chain and energy markets. Any such volatility and disruptions may have adverse consequences on us or the third parties on whom we rely. If the equity and credit markets deteriorate, including as a result of political unrest or war, it may make any necessary debt or equity financing more difficult to obtain in a timely manner or on favorable terms, more costly or more dilutive. Inflation can adversely affect us by increasing our costs, including personnel costs. Any significant increases in inflation and related increase in interest rates could have a material adverse effect on our business, results of operations and financial condition.

Future acquisitions, strategic investments, or alliances could disrupt our business and harm our business, financial condition, and operating results.

We may in the future explore potential acquisitions of companies and technologies, strategic investments, or alliances to strengthen our business. Acquisitions involve numerous risks, any of which could harm our business, including:

- regulatory hurdles;
- anticipated benefits may not materialize;
- diversion of management's attention from our core business and disruption of ongoing operations;
- cultural challenges associated with integrating employees from the acquired company into our organization;

- various challenges with regard to the acquired company’s products and technology in the existing internal corporate and customer-facing systems or processes;
- integration of the acquired company’s accounting, management information, human resources, and other administrative systems or processes;
- the need to implement or improve controls, procedures, and policies in a preexisting business organization that, prior to the acquisition, may have lacked effective controls, procedures, and policies;
- coordination of product development and sales and marketing functions;
- liability for activities of the acquired company before the acquisition, including relating to privacy and data security, patent and trademark infringement claims, violations of laws, commercial disputes, tax liabilities, and other known and unknown liabilities; and
- litigation or other claims in connection with the acquired company, including claims from terminated employees, users, former stockholders or third parties.

Failure to appropriately mitigate these risks or other issues related to such acquisitions and strategic investments could result in reducing or completely eliminating any anticipated benefits of transactions and harm our business generally. Future acquisitions could also result in dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities, amortization expenses or the impairment of goodwill, any of which could harm our business, financial condition, and operating results.

Unanticipated costs relating to our acquisition of NURO could have an adverse impact on our business, financial condition, and operating results.

With the acquisition of NURO completed, we have incurred and expect to continue to incur additional expenses in connection with integrating the business, operations, network, systems, technologies, policies and procedures of NURO. The fees and expenses may be significant and could have an adverse impact on our business, financial condition, and operating results.

We may not be able to fully realize the benefits from the NURO Transaction.

The acquisition of NURO may not perform as expected. If we are unsuccessful at, among other things, integrating NURO into our operations or managing the NURO business, our revenues and margins could be adversely affected, and our business could suffer. See also “Risk Related to our Financial Position, Operating Results and Need for Additional Capital - Future acquisitions, strategic investments, or alliances could disrupt our business and harm our business, financial condition, and operating results.”

Litigation may arise in connection with our acquisition of NURO, which could be costly, prevent consummation of the transaction, divert management’s attention, and otherwise harm our business, financial condition, and results of operations.

The Company is subject to the laws and regulations applicable to NURO, including a settlement order between NURO and the FTC entered into on March 4, 2020, which enjoins NURO from engaging in deceptive acts or practices in violation of the FTC Act in the manufacturing, labeling, advertising, marketing, distribution and sale of certain of NURO’s stimulation devices. Any violation of such laws and regulations, including the settlement, could have an adverse impact on our business, financial condition, and operating results.

Risks Related to Our Business

Regulatory requirements and changes to payors’ prescription benefit plans and medical pathway plans could adversely impact our business and financial results.

Applicable Medicare Part D regulations and federal and state laws will impose additional requirements on us upon execution of our commercialization strategy. Our commercialization strategy, including our planned reimbursement approach with respect to our prescription gammaCore therapy, is likely to subject us to additional audit oversight requirements, and if material contractual or regulatory non-compliance were to be identified, applicable sanctions and/or monetary penalties may be imposed, which could have an adverse effect on our financial position, results of operations, or cash flows.

In time, changes in payor prescription benefit plans or medical pathway plans could have the effect of rendering existing pharmacy benefit plans or medical pathway plans less valuable to beneficiaries and reduce the total market for our prescription gammaCore therapy. In addition, some payors could decide to discontinue providing full or partial coverage to their members for our prescription gammaCore therapy, which could have an adverse effect on our financial position, results of operations, or cash flows.

Our commercialization strategy of prescription devices may expose us to increased billing, cash application, and credit risks.

Our commercialization strategy may involve funding for our prescription devices through medical benefit coverage, the majority of which is provided by private insurers, as well as reimbursement by government agencies. Such claims are generally for very high-priced medicines, and collection of payments from insurance companies, patients, and other payors generally takes substantially longer than for those claims administered through a pharmacy benefit manager. Because of the high cost of these claims, complex billing requirements, and the nature of the medical benefit coverage determination process, these accounts receivable are characterized by higher risk in collecting the full amounts due and applying the associated payments. In addition, possible sales in our EUA business channel to hospitals may involve higher credit risks than sales to other payors.

Revenues from the sale of our prescription devices partially depend on the continued availability of reimbursement by government and private insurance plans. The government's Medicare regulations are complex, and, as a result, the billing and collection process is time-consuming and typically involves the submission of claims to multiple payors whose payment of claims may be contingent upon the payment of another payor. Because of the coordination with multiple payors, and the complexity in determining reimbursable amounts, these accounts receivable have higher risk in collecting the full amounts due and applying the associated payments.

Our prescription device commercialization strategy may require premium payments from members for the ongoing benefit as well as amounts due from insurers and government-sponsored or national health insurance programs. As a result of the demographics of the consumers covered under these programs, and the complexity of the calculations as well as the potential magnitude and timing of settlement for amounts due from insurers and government-sponsored or national health insurance programs, these accounts receivable may be subject to billing and realization risk.

A significant portion of our sales will be made to the VA pursuant to our FSS contract or via open market purchases. The U.S. federal government and other governments may reduce funding for health care or other programs or make changes that adversely affect the number of persons eligible for certain programs, the services provided to enrollees in such programs and premiums we can charge. The levels of U.S. federal government spending are difficult to predict and are subject to significant risk. Considerable uncertainty exists regarding how future budget and program decisions will unfold, including the spending priorities of the new presidential administration and Congress, and what challenges budget reductions, if any, will present for our business and our industry generally. Any reduction in government spending or limitations put in place through government processes to reduce expenditures could have an adverse effect on the results of operations and financial condition.

Furthermore, we expect a portion of our 2026 sales will be made pursuant to the distribution agreement with Lovell and their contract vehicles. As a result of this relationship an increasing portion of medical device sales in the government channel will be processed through Lovell and payment made to us by Lovell according to the terms of the Lovell distribution agreement. Additionally, we may be subject to increased credit risk associated with state and local government agencies experiencing increased fiscal challenges. As a result of the aforementioned risks, our commercialization strategy, even if successful, may involve the incurrence of bad debt expenses potentially impacting our results of operations and liquidity. Any payment delays or disputes in our relationship with Lovell could have an adverse effect on our results of operations and financial condition.

We must demonstrate to patients, physicians, and third-party payors the medical and economic benefits of our prescription therapies compared to those of our competitors or other available therapies, and such comparisons may not be realizable.

Physicians play a significant role in determining the course of a patient's treatment and, as a result, the type of product that will be used to treat a patient. As a result, our success depends, in large part, on effectively marketing our prescription therapies to physicians. We have received several 510(k) clearances from the FDA for prescription therapies; however, such clearances do not necessitate adoption by physicians. In order for our prescription therapies to gain widespread adoption, we must successfully demonstrate to physicians the medical and economic benefits of our prescription therapies compared to competitors' products, including pharmaceutical and neuromodulation devices that have been marketed for the treatment of different forms of primary headache and fibromyalgia by competitors with greater financial or other resources. We also may face challenges because bioelectronic technology is relatively new compared to existing traditional treatments for cluster and migraine headaches.

Acceptance of our prescription therapies depends on educating patients and physicians as to the distinctive characteristics, perceived benefits, safety, ease of use, and cost-effectiveness of our prescription therapies relative to our competitors' products and communicating to physicians the proper use of our prescription medical devices. If we are not successful in convincing patients and physicians of the merits of our prescription therapies or educating them on the benefits of our prescription bioelectronic technologies, they may not seek a prescription or prescribe our prescription medical devices, and we may be unable to increase our sales, sustain our growth, or achieve profitability. In addition, we believe support of our products by physicians is essential for market acceptance and adoption. If we do not receive support from physicians, or long-term data do not show the benefits of using our prescription therapies, patients and physicians may not use it. In such circumstances, our results of operations would be materially and adversely affected.

We must demonstrate to customers the benefits of bioelectronic technology for general wellness and human performance compared to those of our competitors and such comparisons may not be realizable.

Consumer sentiments play a significant, and increasing, role in determining customer adoption of certain general wellness products. In general, our success depends on the continued willingness of consumers to use health and general wellness products and services and to place value in the primacy of scientific evidence in the marketing of general wellness products and services. To be successful, we will need to continue to significantly invest in educating consumers about our products. This need is elevated in the light of the health and general wellness market's particular characteristics. The market is heavily saturated, and the expected future demand for and market acceptance of innovative products and services in the market is uncertain. While we believe it is reasonable to predict that the overall health and general wellness market will continue to grow, it is difficult to predict the future growth rates, if any, of certain sectors that intersect with comparable and substitution products relevant to our business. As a result, if our market does not further develop, or develops more slowly than expected, or becomes saturated with competitors with greater financial or other resources, or if our products do not achieve sufficient adoption in accordance with present and future business plans, our financial condition, and operating results could be materially and adversely affected. In particular, as stated previously, acceptance of our bioelectronic platform technologies depends on educating patients as to the distinctive characteristics, perceived benefits, safety, ease of use, and cost-effectiveness of our bioelectronic platform technologies relative to our competitors' products and communicating to customers the proper use of our products. As a result, our success depends, in large part, on effectively marketing our bioelectronic platform technologies to consumers. For our bioelectronic platform technologies to gain widespread adoption, we must successfully demonstrate to consumers the relative benefits of our bioelectronic platform technologies compared to competitors' products. We also may face challenges because bioelectronic technologies are relatively new compared to existing general wellness products across a multitude of price points. Further, the competitive landscape for general wellness products is crowded and continues to rapidly evolve. Therefore, our general wellness business line faces a diverse set of challenges that may have a significant effect on your investment.

Stimulating therapeutically relevant fibers in the vagus nerve by a proprietary high-frequency burst waveform that passes through the skin cells represents a novel approach to treating pain, and we must overcome significant challenges to successfully develop, commercialize, and manufacture our product.

We have concentrated our development and commercialization efforts on products based on a platform of stimulating therapeutically relevant fibers in the vagus nerve by a proprietary high-frequency burst waveform that passes through the skin. We believe that our product platform represents a novel approach to treating pain. However, to date, the FDA has cleared only our gammaCore products for commercialization based on this platform. The processes and requirements imposed by the FDA or other applicable health authorities may cause delays and additional costs in obtaining approvals for marketing authorization for our gammaCore products. Because our platform is novel, regulatory agencies, as well as insurance and other coverage providers and payors, may lack experience in evaluating product candidates like gammaCore and gammaCore Sapphire. This inexperience may lengthen the regulatory review process, increase our development costs, and delay or prevent reimbursement and commercialization of our platform products. Additionally, advancing this novel platform creates significant challenges for us, including:

- training a sufficient number of medical personnel on how to properly administer our product;
- enrolling sufficient numbers of patients in future clinical trials;
- manufacturing our products on a large scale and in a cost-effective manner;
- submitting applications for and obtaining regulatory approval, as the FDA and other regulatory authorities have limited experience with commercial development of our product platform for treating pain; and
- establishing sales and marketing capabilities as well as developing a manufacturing process and distribution network to support the commercialization of any approved products.

We must be able to overcome these challenges in order to successfully develop, commercialize, and manufacture our gammaCore and product candidates.

The Quell platform is categorized as a TENS unit, and we must overcome significant challenges to successfully develop, commercialize, manufacture, and differentiate our product.

Nerve stimulation is a long-established category of treatment for chronic pain. This treatment approach is available through implantable devices which have both surgical and ongoing risks, such as migration of the implanted nerve stimulation leads. Non-invasive approaches involving TENS have achieved limited efficacy in practice due to power limitations, inadequate dosing and low patient adherence. While we believe that our Quell wearable technology for chronic pain is designed to address many of the limitations of traditional TENS, there can be no assurance that we can effectively which may adversely effect commercialization of our Quell products.

Our operating results may vary significantly from quarter to quarter because of seasonality, bulk orders, shipments to distributors, or otherwise.

Our quarterly revenue and results of operations may fluctuate from quarter to quarter due to, among others, the following reasons:

- physician, prosthetics, and payor acceptance of our prescription gammaCore therapy;
- patients' acceptance of our bioelectronic technologies;
- customer acceptance of our consumer products;
- the timing and amount of TAC-STIM sales and cash disbursements;
- payor adoption;
- estimated useful life of products;
- the timing of when individual payor coverage becomes available;
- patient and physician product returns;
- the timing, expense, and results of research and development activities, future clinical trials, and regulatory clearance or approvals;

- fluctuations in our expenses associated with expanding our commercial operations and operating as a public company;
- fluctuations in our marketing spend to drive patient purchases;
- the introduction of new products, therapies, and technologies by competitors;
- the productivity of our field sales function;
- supplier, manufacturing, or quality issues with our products;
- the timing of stocking orders from our distributors;
- changes in our pricing policies or in the pricing policies of our competitors or suppliers;
- timing of working capital requirements;
- adverse developments in coverage amounts, benefit pathway, or government and third-party payors' reimbursement policies; and
- the timing of customer budget cycles.

Our results may also fluctuate on a seasonal basis due to the seasonality of cluster and migraine headache attacks for our medical device products and the holiday seasons for our general wellness products, which could affect the comparability of our results between periods. These seasonal variations are difficult to predict accurately, may vary across different markets, and at times may be entirely unpredictable, which introduce additional risk into our business because we may rely upon forecasts of customer demand to build inventory in advance of anticipated sales. In addition, we believe our limited commercial history has, in part, made our seasonal patterns more difficult to discern, making it more difficult to predict future seasonal patterns.

We currently generate a small portion of our revenue through distribution of other manufacturers products through our government sales channel, and any issue arising from these products may impact our relationship with the Veterans Administration resulting in negative impact to our business.

Pursuant to a distribution agreement with Lovell, we currently distribute products manufactured by other companies throughout the VA. We do not control the production of these products, their regulations, or efficacy. There can be no assurance that the VA will adopt these products and any issues stemming from the use of these products distributed by or on behalf of the Company may adversely affect our relationship with the VA and negatively impact our business, results of operations, and financial condition. Additionally, there can be no assurance that we will continue to distribute such products throughout the VA in the future, which could negatively impact our business, results of operations, and financial condition.

We currently distribute products manufactured by other companies. Any disruption in our supply chain, or our failure to successfully manage our relationships with our suppliers could harm our business.

We distribute products supplied by other companies. If we fail to manage our relationships with our suppliers effectively, or if our suppliers experience delays, disruptions, capacity constraints, shortage of raw materials or components, or quality control problems in their operations, our ability to ship products may be impaired and our competitive position and reputation could be harmed. In addition, any adverse change in our suppliers financial or business condition could disrupt our ability to supply quality products to our customers. Such reliance increases our risks of various supply chain disruptions. In addition, qualifying a new supplier could be an expensive and lengthy process. If we experience increased demand that our suppliers are unable to fulfill, or if they are unable to provide us with adequate supplies of high-quality products for any reason, we could experience a delay in our order fulfillment, and it may have a material adverse effect on our business, results of operations, and financial condition.

Furthermore, we expect our suppliers to comply with all legal requirements relating to health and safety, labor relations, the environment, supply chain ethics, and transparency. If any of our suppliers engage in or are perceived to have engaged in legal or ethics violations, we may be unable to continue our relationship with such suppliers. If we are required to find alternative sources of supply, qualification of alternative suppliers and the establishment of reliable supplies could result in delays and a possible loss of sales, which may have a material adverse effect on our business, results of operations, and financial condition. Furthermore, the actions of our suppliers could, in certain instances, result in reputational damage to us.

Even when we effectively manage our suppliers and logistics partners, forces outside our control may still disrupt our supply chain. Such factors may include catastrophic events such as the COVID-19 pandemic, raw material shortages and price volatility; and sanctions, war, or other geopolitical conflict.

Failure to protect our information technology infrastructure against cyber-based attacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business and operating results.

We rely on information technology and telephone networks and systems, including the internet, to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities, including sales, billing, customer service, marketing, procurement and supply chain, manufacturing, and distribution. We also rely on information technology systems to support our proprietary data warehouse, which, among other things, maintains patient product serial numbers and allows for prescription refills at specialty pharmacies through RFID cards. In addition, we use enterprise information technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory, financial reporting, legal, and tax requirements. Our information technology systems, some of which are managed by third parties, and the information technology systems of third parties may be susceptible to damage, disruptions, or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors, or catastrophic events. Despite the precautionary measures we and third parties have taken to prevent breakdowns in information technology and telephone systems, if these systems are breached or suffer severe damage, disruption, or shutdown, and we are unable to effectively resolve the issues in a timely manner, our business and operating results may suffer, and we may be subject to related lawsuits.

We may engage in future acquisitions that increase our capital requirements, dilute our stockholders, cause us to incur debt, or assume contingent liabilities that subject us to other risks.

We may evaluate various strategic transactions, including licensing or acquiring complementary therapies, products and technologies, or businesses. Any potential acquisitions may entail numerous risks, including increased operating expenses and cash requirements, assimilation of operations and products, retention of key employees, diversion of our management's attention, and uncertainties in our ability to maintain key business relationships of the acquired entity or entities. In addition, if we undertake acquisitions, we may issue dilutive securities, assume or incur debt obligations, incur large one-time expenses, and acquire intangible assets that could result in significant future amortization expense. Moreover, we may not be able to locate suitable acquisition opportunities, and this inability could impair our ability to grow or obtain access to technology or products that may be important to the development of our business.

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, and technologies. Accordingly, from time to time, we may consider opportunities to acquire or make investments in businesses or make investments in or license other technologies and products, that may enhance our capabilities, complement our current products, or expand the geographic or product 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 business; and
- increased transaction, 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.

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.

If serious adverse events or other undesirable side effects are identified during the use of our prescription therapies in clinical trials or IITs (collectively and unless the context requires otherwise, "clinical trials") or general wellness product consumer studies, it may adversely affect our development of such product candidates.

Undesirable side effects caused by our prescription therapies or general consumer wellness products could cause us or regulatory authorities to interrupt, delay, or halt nonclinical studies and future clinical trials or could make it more difficult for us to enroll patients in clinical trials and could, if injuries occur, result in product liability litigation. If serious adverse events or other undesirable side effects or unexpected characteristics of our prescription therapies or consumer wellness products are observed in clinical trials or consumer studies, further clinical development of such product candidate may be delayed or we may not be able to continue development of such product candidate at all, and the occurrence of these events could have a material adverse effect on our business. Undesirable side effects caused by our prescription therapies or consumer wellness products could also result in an inability to obtain consumer confidence in the efficacy of our bioelectronic technologies the delay or denial of regulatory clearance or approval by the FDA or other regulatory authorities or in more restrictive labels than we desire.

Commercialization of our prescription therapies for additional conditions may require clinical trials, which are very expensive, take a long time to complete, and are difficult to design and implement and involve uncertain outcomes. Furthermore, results of earlier preclinical studies and clinical trials may not be predictive of results of future preclinical studies, clinical trials, or commercial success.

The risk of failure for our prescription therapies in additional treatment areas is high. It is difficult if not impossible to predict when or if any of our product candidates will receive regulatory clearance or approval in additional areas of indication. To obtain the requisite regulatory clearance or approvals to market and sell our prescription therapies in additional indications, we must demonstrate through extensive preclinical studies and clinical trials that it is safe and effective in humans for use in each additional target indication. Clinical testing is expensive and can take many years to complete, and the outcome is inherently uncertain. Failure can occur at any time during the clinical trial process.

In addition, the results of preclinical studies and early clinical trials may not be predictive of the results of later-stage preclinical studies or clinical trials. Our prescription therapies may fail to show the desired safety and efficacy traits in additional areas of indication in future clinical trials despite having progressed through preclinical and earlier stage clinical trials. Many companies in the pharmaceutical and medical device industries have suffered significant setbacks in later-stage clinical trials due to lack of efficacy or adverse safety profiles, notwithstanding promising results in earlier trials, and we cannot be certain that we will not face similar setbacks. Moreover, preclinical and clinical data are often susceptible to varying interpretations and analyses, and many companies that have believed their product candidates performed satisfactorily in preclinical studies and clinical trials have, nonetheless, failed to obtain marketing clearance or approval of their products.

In some instances, there can be significant variability in safety or efficacy results between different clinical trials of the same product candidate due to numerous factors, including changes in clinical trial procedures set forth in protocols, differences in the size and type of the patient populations, adherence to the dosing regimen and other clinical trial protocols, and the rate of dropout among clinical trial participants. If we fail to produce positive results in our planned preclinical studies or clinical trials of any of our product candidates, the development timeline and regulatory clearance and commercialization prospects for our product candidates, and, correspondingly, our business and financial prospects, would be materially and adversely affected.

Any clinical trial we conduct in the United States may subject us to additional costs and detriments compared to a foreign clinical trial, which may negatively impact our financial condition and our business.

Conducting any clinical trial within the United States may subject us to additional costs and drawbacks, which may negatively impact our financial condition and our business. The costs of a foreign clinical trial (or FCT) may be significantly lower than costs of an equivalent trial in the United States, as the materials and location costs of an FCT may be lower than a trial within the United States. Electing to run a clinical trial within the United States may impose significant added financial costs compared to an FCT. Among other factors, the faster recruitment of patients overseas and completion of trials in a FCT may represent considerable cost savings that we would forego in conducting clinical trials within the United States. These and other costs from conducting any clinical trial for our prescription gammaCore therapy instead of a FCT may negatively impact our financial condition and our business. In addition, a FCT may offer other non-financial benefits, such as a larger potential population of qualified patients to participate in clinical trials compared against the potential enrollee population in the United States where clinical trials may compete for a limited number of the same potential patients. These and other foregone benefits of a FCT may negatively impact our financial condition and our business.

If we are unable to enroll patients in future clinical trials, our research and development efforts could be adversely affected.

Identifying and qualifying patients to participate in future clinical trials for additional areas of indications are critical to our success. Successful and timely completion of future clinical trials will require that we enroll a sufficient number of patients who remain in the study until conclusion. If we are unable to enroll a sufficient number of patients in our future clinical trials, our timelines for recruiting patients, conducting clinical trials, and obtaining regulatory clearance or approval of our prescription therapies in additional areas of indication may be delayed. These delays could result in increased costs, delays in advancing our product development, delays in testing the effectiveness of our technology, or termination of clinical trials altogether.

We cannot predict how successful we will be at enrolling patients in future clinical trials. Patient enrollment is affected by other factors including:

- the eligibility criteria for the trial in question;
- the perceived risks and benefits of the product candidate in the trial;
- clinicians' and patients' perceptions as to the potential advantages of the product candidate being studied in relation to other available therapies, including any new drugs that may be approved for the indications we are investigating or drugs that may be used "off-label" for these indications;
- the size of the patient population required for analysis of the trial's primary endpoints;
- competition for patients for competitive product candidates undergoing clinical trials;

- the efforts to facilitate timely enrollment in clinical trials;
- the design of the trial;
- the patient referral practices of physicians;
- our ability to recruit clinical trial investigators with the appropriate competencies and experience;
- the ability to monitor patients adequately during and after treatment;
- the risk that patients enrolled in clinical trials will drop out of the trials before completion;
- the ability to obtain and maintain patient consents;
- the number of patients with the indication being studied and the difficulty of diagnosing the relevant condition or disease; and
- the proximity and availability of clinical trial sites for prospective patients.

In addition, our clinical trials will compete with other clinical trials that are in the same therapeutic areas as we are targeting, and this competition will reduce the number and types of patients available to us because some patients who might have opted to enroll in our trials may instead opt to enroll in a trial being conducted by one of our competitors.

Delays in the completion of any clinical trial will increase our costs, slow down our expansion into additional treatment indications and approval process, and delay or potentially jeopardize our ability to commence product sales and generate future revenue. We have reduced resources in research and development which may delay our receipt of regulatory approvals for additional indications. In addition, many of the factors that may lead to a delay in the commencement or completion of clinical trials may also ultimately lead to the denial of regulatory clearance or approval of additional treatment indications.

Clinical trials may be delayed, suspended, or terminated for many reasons, which will increase our expenses and delay the time it takes to develop and expand in additional treatment indications.

We may experience delays in our ongoing or future preclinical studies or clinical trials, and we do not know whether future preclinical studies or clinical trials will begin on time, need to be redesigned, will enroll an adequate number of patients on time or be completed on schedule, if at all. The commencement and completion of clinical trials may be delayed, suspended or terminated as a result of many factors, including:

- the FDA or other regulators disagreeing as to the design, protocol or implementation of clinical trials;
- the delay or refusal of regulators or institutional review boards (or IRBs) to authorize us to commence a clinical trial at a prospective trial site;
- changes in regulatory requirements, policies and guidelines;
- delays or failure to reach agreement on acceptable terms with prospective clinical research organizations (or CROs) and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and trial sites;
- delays in patient enrollment and variability in the number and types of patients available for clinical trials;
- the inability to enroll a sufficient number of patients in trials, particularly in orphan indications, to observe statistically significant treatment effects in the trial;
- having clinical sites deviate from the trial protocol or dropping out of a trial;
- negative or inconclusive results from ongoing preclinical studies or clinical trials, which may require us to conduct additional preclinical studies or clinical trials, or to abandon projects that we expect to be promising;
- safety or tolerability concerns that could cause us to suspend or terminate a trial if we find that the participants are being exposed to unacceptable health risks;
- reports from preclinical or clinical testing of other similar therapies that raise safety or efficacy concerns;

- regulators or IRBs requiring that we or our investigators suspend or terminate clinical research for various reasons, including non-compliance with regulatory requirements or safety concerns, among others;
- lower than anticipated retention rates of patients and volunteers in clinical trials;
- our CROs or clinical trial sites failing to comply with regulatory requirements or meet their contractual obligations to us in a timely manner, or at all, deviating from the protocol or dropping out of a trial;
- delays relating to adding new clinical trial sites;
- difficulty in maintaining contact with patients after treatment, resulting in incomplete data;
- delays in establishing the appropriate dosage levels;
- the quality of the product candidate falling below acceptable standards;
- the inability to manufacture sufficient quantities of our prescription therapies to commence or complete clinical trials; and
- exceeding budgeted costs due to difficulty in accurately predicting costs associated with clinical trials.

Consistent with recent years, we continue not to invest in certain clinical trials in indications that are more exploratory in nature.

We could also encounter delays if a clinical trial is suspended or terminated (or paused by us, as we have done with our PREMIUM II trial) by the IRBs or ethics committees of the institutions at which such trials are being conducted, by the data safety monitoring board for such trial, or by the FDA or other regulatory authorities. Such authorities may suspend or terminate a clinical trial due to a number of factors, including failure to conduct the clinical trial in accordance with regulatory requirements, including the FDA's current Good Clinical Practice (or GCP) regulations, or our clinical protocols, inspection of the clinical trial operations or trial site by the FDA resulting in the imposition of a clinical hold, unforeseen safety issues or adverse side effects, failure to demonstrate a benefit from using a drug, changes in governmental regulations, or administrative actions, or lack of adequate funding to continue the clinical trial.

In addition, we may encounter delays if the FDA, or other regulators, conclude that our financial relationships with investigators result in a perceived or actual conflict of interest that may have affected the interpretation of a study, the integrity of the data generated at the applicable clinical trial site, or the utility of the clinical trial itself. Principal investigators for our clinical trials may serve as scientific advisors or consultants to us from time to time and receive cash compensation and/or stock options in connection with such services. If these relationships and any related compensation to, or ownership interest by, the clinical investigator carrying out the study result in perceived or actual conflicts of interest, or if the FDA or other regulators conclude that the financial relationship may have affected interpretation of the study, the integrity of the data generated at the applicable clinical trial site may be questioned, and the utility of the clinical trial itself may be jeopardized, which could result in the delay or rejection by the FDA. Any such delay or rejection could prevent us from commercializing any of our products currently in development.

If we experience delays in the commencement or completion of any clinical trial of our product candidates, or if any of our future clinical trials are terminated, the commercial prospects of our prescription gammaCore therapies may be harmed, and our ability to generate revenue from sales may be delayed or materially diminished.

We do not know whether any of our future preclinical studies or clinical trials will begin as planned, will need to be restructured or will be completed on schedule, or at all. Any delays in completing clinical trials will increase our costs, slow down our product candidate development and approval process, and jeopardize our ability to commence sales and generate associated revenue. Any of these occurrences may significantly harm our business, financial condition, and prospects. In addition, many of the factors that cause, or lead to, a delay in the commencement or completion of clinical trials may also ultimately lead to the denial, suspension, or revocation of expanded regulatory clearance or approval of our product candidates. Significant preclinical study or clinical trial delays also could shorten any periods during which we may have the exclusive right to commercialize our product candidates or could allow our competitors to bring products to market before we do and impair our ability to successfully commercialize our product candidates.

Even if our products are approved or cleared in the United States and obtain a CE Certificate of Conformity in the EEA, comparable regulatory authorities of additional foreign countries must also approve the manufacturing and marketing of our products in those countries. Approval and clearance procedures vary among jurisdictions and can involve requirements and administrative review periods different from, and greater than, those in the United States or the EEA, including additional preclinical studies or clinical trials. Any of these occurrences may harm our business, financial condition, and prospects significantly.

Our cost-control efforts might not assure profitability and may affect morale and make it difficult to retain employees, independent contractors, or attract new ones.

We have previously implemented reductions in force affecting a large portion of our workforce, redeployed resources across our organization, and taken other measures to reduce our operating expenses. These efforts do not assure profitability. Furthermore, no assurance can be given as to the need to implement additional cost reductions in the future. Cost savings may also be offset by future hiring or other costs incurred in pursuing strategic objectives. Reductions in force, strategic redeployment, and other cost-cutting measures could adversely affect morale in our organization and our reputation as an employer, which could lead to the loss of valued employees and could make it more difficult for us to hire new employees in the future, and the reduction of our headcount could adversely affect our operations and make it more difficult for us to pursue new opportunities and initiatives in the future.

We have outsourced certain finance and accounting functions and may outsource other back-office functions, which will make us more dependent upon third parties.

In an effort to be more efficient and generate cost savings, we have outsourced certain finance and accounting functions. As a result, we rely on third parties to ensure that our needs are sufficiently met. This reliance subjects us to risks arising from the loss of control over processes, changes in pricing that may affect our operating results, and potentially, termination of these services by our suppliers. The failure of our service providers to perform services in a satisfactory manner may have a significant adverse effect on our business. We may outsource other back-office functions in the future, which would increase our reliance on third parties.

If we fail to properly manage our anticipated growth, our business could suffer.

We have a relatively short history of operating as a commercial company. We intend to continue to grow our existing business and may experience periods of rapid growth and expansion, which could place significant additional strain on our limited personnel, information technology systems, and other resources. In particular, maintaining our sales force in the United States requires significant management, financial, and other supporting resources. Any failure by us to manage our growth effectively could have an adverse effect on our ability to achieve our commercialization and development goals.

In the future, we may experience difficulties with manufacturing, quality control, component supply, inventory, distribution, and shortages of qualified personnel, among other problems. These problems could result in delays in availability of our prescription therapies or general wellness products and increases in expenses. Any such delay or increased expense could adversely affect our ability to generate revenue.

Future growth will also impose significant added responsibilities on management, including the need to identify, recruit, train, or integrate new businesses and additional employees. In addition, rapid and significant growth will place a strain on our administrative and operational infrastructure.

In order to manage our operations and growth, we will need to continue to improve our operational and management controls, reporting and information technology systems, and financial internal control procedures. If we are unable to manage our growth effectively, it may be difficult for us to execute our business strategy, and our operating results and business could suffer.

If we fail to continue to develop and retain an effective sales force, our business could suffer.

In order to continue to market and sell our bioelectronic technologies, we may in the future need to substantially expand our sales force. There is significant competition for such personnel. Once hired, the training process is lengthy because it requires significant education for new sales personnel to achieve the level of clinical competency with our products expected by physicians. Upon completion of the training, our territory business managers typically require “lead time” in the field to grow their network of accounts and achieve the productivity levels we expect them to reach. Furthermore, the use of our products often requires or benefits from direct support from us. If we are unable to attract, motivate, develop, and retain qualified sales personnel, and if our sales personnel do not achieve the productivity levels, we expect them to reach, our revenue will not grow at the rate we expect and our financial performance will suffer. Also, to the extent we hire personnel from our competitors, we may have to wait until applicable non-competition provisions have expired before deploying such personnel in restricted territories or incur costs to relocate personnel outside of such territories, and, in the past, we have been subject to, and may, in the future, be subject to, allegations that these new hires have been improperly solicited, or that they have divulged to us proprietary or other confidential information of their former employers. Any of these risks may adversely affect our business.

We have limited history of commercializing general wellness products within the United States or abroad. We have limited established relationships with stakeholders and experience in direct-to-consumer channels and limited relationships with third-party suppliers on whom we depend for the manufacture of our product components.

If our competitors are better able to develop and market chronic pain treatments that are safer, more effective, less costly, easier to use, or otherwise more attractive than our therapies, our business and business prospects will be adversely impacted.

The pharmaceutical and medical device industries are highly competitive and subject to rapid innovation and change. Our success depends, in part, upon our ability to establish a competitive position in the chronic pain markets by securing broad market acceptance of our prescription therapies. We believe that the primary competitive factors in the chronic pain markets including those for CH, migraine headache, and fibromyalgia are cost, demonstrated clinical effectiveness, product safety, reliability and durability, ease of use, product support and service, minimal side effects, and sales force experience and relationships. We face significant competition in the United States and internationally, which we believe will intensify over time. Many of the companies developing or marketing competing products enjoy several advantages over us, including:

- more experienced and larger sales forces;
- greater name recognition;
- more established sales and marketing programs and distribution networks;
- earlier regulatory clearance or approval;
- long-established relationships with physicians and hospitals;
- significant patent portfolios, including issued U.S. and foreign patents and pending patent applications, as well as the resources to enforce patents against us or any of our third-party suppliers and distributors;
- the ability to acquire and integrate our competitors and/or their technology;
- demonstrated ability to develop product enhancements and new product offerings;
- established history of product reliability, safety, and durability;
- the ability to offer rebates or bundle multiple product offerings to offer greater discounts or incentives;
- greater financial and human resources for product development, sales, and marketing; and
- greater experience in resources for conducting research and development; technological resources, including personnel and access to technology such as AI; clinical studies; manufacturing; preparing regulatory submissions; and obtaining regulatory clearance or approval for products and marketing approved products.

Our competitors may develop and patent processes or products earlier than us, obtain patents that may apply to us at any time, obtain regulatory clearance or approvals for competing products or processes more rapidly than us, or develop more effective or less expensive products or technologies that render our technology or products obsolete or less competitive. We also face fierce competition in recruiting and retaining qualified sales, scientific, and management personnel, establishing clinical trial sites, and enrolling patients in clinical studies. If our competitors are more successful than us in these matters, our business may be harmed.

Many of our competitors are large, well-established companies with substantially greater resources than us and have a long history of competing in the chronic pain and consumer wellness markets.

Many of our current and potential chronic pain competitors are publicly traded, or are divisions of publicly traded, major pharmaceutical and medical device companies that have substantially greater financial, technical, sales and marketing resources than we do. Also, several neuromodulation devices are approved for the treatment and/or prevention of migraine, including Cefaly, Nerivo, Savi Dual, or any other neuromodulation devices that may be marketed for use in treating pain associated with primary headache. Cefaly has been granted an OTC clearance allowing it to be sold without a prescription, and the impact of this clearance on the competitive landscape remains to be seen. Given the size of the existing and potential market in the United States, we expect that, as we continue our commercial efforts in the United States, our current and future competitors, including any who may compete with us in the direct-to-consumer channel, will take aggressive action to protect their current share of the market.

We will face significant competition in establishing our market share in the United States and may encounter unforeseen obstacles and competitive challenges in the United States. In addition, some physicians have a long-standing practice of using the headache products of our larger, more established competitors. Physicians who use our competitors' products for the treatment of migraine headache may be reluctant to try new products from a source with which they are less familiar. If these physicians do not try, and subsequently adopt, our product, then, our financial performance would be adversely affected.

In the United Kingdom, three of the CGRP monoclonal antibody therapies have been recommended for use in the National Health Service by the National Institute Health and Care Excellence for the prevention of migraine. All of our current business with the National Health Service in the United Kingdom is for the prevention and treatment of cluster headache, and these recommendations may limit our ability to penetrate the NHS migraine market in the United Kingdom.

Furthermore, a number of our competitors are currently conducting, or we anticipate will be conducting, clinical trials to demonstrate the results of their headache products. The results of these trials may be equivalent to, or potentially better than, the results of our clinical trials, which could have a material adverse effect on us. The completion of our competitors' clinical trials with respect to their headache products could negatively impact the perception of us or our prescription therapies. In addition, perception by physicians, payors, or patients that a competitor's product is superior to our prescription therapies or offers comparable benefits at a lower cost or lower incidence of undesirable side effects as compared against our prescription therapies, among other perception-driven outcomes in the market following competitors' completion of their clinical trials, could have a material adverse effect on us.

Given our nascent entry into the diverse human performance and general wellness market, we expect that the barriers of entry and competitive effects may be significant factors impacting our success in the research and development, advertising, marketing, promotion, distribution, and sale of our general wellness products, Truvaga and TAC-STIM branded products, respectively. We expect to continue to perform, or engage with consultants to perform, where appropriate, extensive market research and other economic analysis to appropriately understand market participants' product offerings and contextualize various empirical and conjectural properties of market structure, including pricing patterns, competitive or anticompetitive tendencies, collaborative ventures and synergies, and cross-market product substitutions and other consumer behavior inferences, among other factors. To effectively compete with more established market participants in the general wellness industry, we may need to expand our product offerings and distribution channels, which, in the interim, could increase our research and development costs and decrease our operating margins, thereby adversely impacting our business, financial condition, and results of operations. Some of the world's largest technology companies that have not historically operated in the general wellness and/or medical device spaces, such as Alphabet Inc., Amazon.com, Inc., Apple Inc., Samsung Electronics Co., Ltd., and others have notably developed or may in the future develop products and technologies that may compete with our current or future products and technologies. Such companies have substantially greater capital, research and development, and sales resources than we have. Future research or investigative reports or publicity that is perceived as unfavorable or that question certain claims associated with or methods underlying our general wellness products could result in a decline in our revenues. Because of our final dependence on consumer perceptions, adverse publicity associated with illness or other undesirable effects resulting from the use of our products or similar products by competitors, whether or not accurate, could also damage customer confidence in our existing and any future general wellness products and result in a decline in revenues. Adverse publicity could arise even if the unfavorable effects associated with our general wellness products resulted from the user's failure to use such products appropriately.

We may expend our limited resources to pursue a particular product candidate or disease and fail to capitalize on product candidates or diseases that may be more profitable or for which there is a greater likelihood of success.

Because we have limited financial and managerial resources, we focus our research programs and product candidates on specific conditions. As a result, we may forego or delay the pursuit of opportunities with other product candidates or other diseases or conditions that may later prove to have greater commercial potential. Our resource allocation decisions may cause us to fail to capitalize on viable commercial products or profitable market opportunities. Our spending on current and future research and development programs and product candidates for specific conditions may not yield any commercially viable products.

Our international operations subject us to certain operating and compliance risks, which could adversely impact our results of operations and financial condition.

In 2012, commercial operations began in the United Kingdom and Germany, and we now sell our prescription gammaCore therapy in Europe from our U.K. based subsidiary and via distribution partners. Outside of Europe, we have a network of distribution partners tasked with selling our prescription gammaCore therapy to patients in select global markets. The sale and shipment of our prescription gammaCore therapy across international borders and the purchase of components from international sources subjects us to U.S. and foreign governmental trade and customs regulations and laws.

Compliance with these regulations and laws is costly and exposes us to penalties for non-compliance. Other laws and regulations that can significantly impact us include various anti-bribery laws, including the U.S. Foreign Corrupt Practices Act of 1977 (or FCPA), as amended, and export controls laws. The failure to comply with U.S. Foreign Corrupt Practices Act and similar worldwide anti-bribery laws in non-U.S. jurisdictions could materially adversely affect our business and result in civil and/or criminal sanctions.

With regard to FCPA, the U.K. Bribery Act, and similar worldwide anti-bribery laws in non-U.S. jurisdictions, such laws generally prohibit companies and their intermediaries from making improper payments to non-U.S. government officials and, in some instances, other persons for the purpose of obtaining or retaining business. Because of the predominance of government-sponsored healthcare systems around the world, most of our customer relationships outside of the United States are or will be with governmental entities and are therefore potentially subject to such anti-bribery laws. Notably, global enforcement of anti-corruption and anti-bribery laws, which are typically interpreted broadly to prohibit generally companies, their employees, and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector, has increased substantially in recent years, which has in part led to more frequent voluntary self-disclosures by companies, aggressive investigations and enforcement proceedings by U.S. and foreign governmental agencies, and assessment of significant fines and penalties against companies and individuals in various cases.

Thus, our international operations create the risk of unauthorized payments or offers of payments by one of our employees, consultants, sales agents, or distributors because these parties are not always subject to our direct oversight and control. As we increase our international sales and direct greater levels of business and sales toward the public sector, we may engage with business partners and third-party intermediaries to market our products and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. It is therefore our policy to implement safeguards to educate our employees and agents on these legal requirements and discourage improper practices. However, our existing safeguards and any future improvements may prove to be less than effective, and our employees, contractors or consultants, partners, sales agents, or distributors may engage in conduct for which we might be held ultimately responsible as principal. Specifically, we can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors or consultants, partners, and sales agents, or distributors, even if we do not explicitly authorize such activities. Detecting, investigating, and resolving actual or alleged violations of anti-corruption and other laws can require a significant diversion of time, resources, and attention from our business.

In addition, government agencies may seek to hold us liable for successor liability for anti-corruption law violations committed by any companies in which we invest or that we acquire in the future. Any alleged or actual violations of these regulations may subject us to expensive government scrutiny, severe criminal or civil sanctions and other liabilities, including exclusion from government contracting, reputational harm, adverse media coverage, and such alleged or actual violations could disrupt our business and result in a material adverse effect on our business, financial condition, and results of operations. As we expand contract relations internationally, our risks under these laws may increase.

In general, any failure to comply with the applicable legal and regulatory obligations could impact us in a variety of ways that include, but are not limited to, significant criminal, civil, and administrative penalties, including imprisonment of individuals, fines, and penalties, denial of export privileges, seizure of shipments, restrictions on certain business activities, and exclusion or debarment from government contracting.

The U.S. administration of President Trump may support potential trade proposals (including import tariffs and other tariffs on China and other U.S. trading partners), modifications to international trade policy, and other changes that may affect U.S. trade relations with other countries. We source a significant amount of the components used in gammaCore from Chinese sources, so any tariffs or other trade restrictions impacting the import of these components from China could have a material adverse impact on us. Additionally, our international operations expose us and our distributors to risks inherent in operating in foreign jurisdictions. These risks include:

- difficulties in enforcing our intellectual property rights and in defending against third-party threats and intellectual property enforcement actions against us, our distributors, or any of our third-party suppliers;
- reduced or varied protection for intellectual property rights in some countries;
- pricing pressure that we may experience internationally;
- a shortage of high-quality salespeople and distributors;
- third-party reimbursement policies that may require some of the patients who receive our products to directly absorb medical costs, or that may necessitate the reduction of the selling prices of gammaCore;
- competitive disadvantage to firms with established business and customer relationships;
- foreign currency exchange rate fluctuations;
- the imposition of additional U.S. and foreign governmental controls or regulations;
- economic instability;
- changes in duties and tariffs, license obligations, and other non-tariff barriers to trade;
- the imposition of restrictions on the activities of foreign agents, representatives, and distributors;
- scrutiny of foreign tax authorities, which could result in significant fines, penalties, and additional taxes being imposed on us;
- laws and business practices favoring local companies;
- longer payment cycles;
- difficulties in maintaining consistency with our internal guidelines;
- difficulties in enforcing agreements and collecting receivables through certain foreign legal systems;
- the imposition of costly and lengthy new export licensing requirements;
- the imposition of U.S. or international sanctions against a country, company, person, or entity with whom we do business that would restrict or prohibit continued business with the sanctioned country, company, person, or entity;
- the imposition of new trade restrictions; and
- divergences in U.K. and EU regulation, increasing the regulatory burden on electroCore.

If we experience any of these risks, our sales in non-U.S. jurisdictions may be harmed, and our results of operations would suffer.

Our results may be impacted by changes in foreign currency exchange rates.

We have international operations and, as a result, an increase in the value of the U.S. dollar relative to foreign currencies could require us to reduce our selling price or risk making our products less competitive in international markets. Our general costs of doing business could increase. Also, if our international sales increase, we may enter into a greater number of transactions denominated in non-U.S. dollars, which could expose us to increased foreign currency risks, including currency fluctuations and exchange rate risks and indirect effects from net capital flows related risks, such as capital flight and any cross-border capital controls. We do not currently engage in any hedging transactions. If we are unable to address these risks and challenges effectively, our international operations may not be successful, and our business could be harmed.

We may not be able to establish, strengthen or protect our brands.

We believe that establishing and strengthening the electroCore, gammaCore, Truvaga, TAC-STIM, Quell Fibromyalgia and Quell OTC brands are critical to achieving widespread acceptance of our bioelectronic technology. We believe that brand awareness considerations are particularly significant in light of the highly competitive nature of the burgeoning markets for chronic pain therapies and general wellness products. Promoting and positioning our brand will depend largely on the success of our marketing efforts, our direct-to-consumer initiatives, and our ability to provide physicians, patients, and consumers with a reliable product. Given the established nature of our competitors, our relative lack of commercialization in the United States and our lack of experience in the direct-to-consumer channels, it is likely that our future marketing efforts will require us to incur significant additional expenses. These brand promotional activities may not yield increased sales and, even if they do, any sales increases may not offset the expenses we incur to promote our brands. If we fail to successfully promote, expand, and maintain our brands, or if we incur substantial expenses in an unsuccessful attempt to promote, expand, and maintain our brands, bioelectronic platform technologies may not be accepted by physicians and consumers, which would adversely affect our business, results of operations, and financial condition.

We may face product liability claims that could result in costly litigation and significant liabilities.

Manufacturing and marketing of our bioelectronic technologies and clinical testing of our prescription therapies may expose us to individual product liability claims, class action lawsuits or actions, and other individual or mass tort claims. Regardless of the merits or eventual outcome, liability claims may result in any of the following:

- decreased demand for our products or products that we may develop in the future;
- decline in price charged for our products;
- loss of revenue;
- injury to our reputation;
- initiation of investigations by regulators;
- costs to defend the related litigation;
- a diversion of management's time and our resources;
- substantial monetary awards to trial participants;
- product recalls or withdrawals;
- labeling, packaging, marketing or promotional modifications or restrictions;
- exhaustion of any available insurance and our capital resources;
- the inability to commercialize our existing or future products; and
- a decline in our stock price.

Although we have, and intend to maintain, liability insurance, the insurers may deny our claims, and coverage limits of our insurance policies may not be adequate. Specifically, we may have to pay any amount awarded by a court or negotiated in a settlement that exceed our coverage limitations, or that are not covered by the terms and conditions of our insurance policies, and we may not have, or be able to obtain, sufficient capital to pay such amounts. Even if our agreements entitle us to indemnification against losses, such indemnification may not be available or adequate should any claim arise. These risks are particularly heightened in the event any product recalls take place as a result of any product design defect or defect in product warnings or labelling. One or more successful claims brought against us may have a material adverse effect on our business and results of operations. Even successful defense would require significant financial and management resources.

Our operating results and profitability may be adversely affected by increases in reserves for product returns, doubtful accounts receivable, and inventory.

Our net sales and profitability are affected by changes in reserves to account for product returns, doubtful accounts receivable, and inventory. Significant management judgment must be used, and estimates must be made in relation to establishing the foregoing reserves, and any increase thereto could adversely affect our reported financial results by reducing our net revenues and/or profitability for the given reporting period.

If the financial condition of our customers were to deteriorate, resulting in an impairment of their ability to make payments, or if third-party payors were to deny claims, additional provisions for doubtful accounts may be required.

We permit the return of damaged or defective products and accept Truvaga and Quell product returns in certain instances. While such returns are expected to be nominal and within management's expectations and the provisions established, future return rates may increase more than anticipated. We have established a reserve in our financial statements for product returns, and we will continue to analyze our returns to determine the adequacy of the reserve. Any significant increase in damaged or defective products or expected returns could have a material adverse effect on our operating results for the period or periods in which such returns materialize.

Additionally, damaged or defective products could (i) adversely affect our reputation and our end customers' willingness to buy products from us, (ii) adversely affect market acceptance or perception of our products, (iii) increase our service costs, (iv) cause us to lose significant end-customers, (v) result in punitive actions from regulatory bodies and (vi) subject us to liability for damages and divert our resources from other tasks, any of which could materially and adversely affect our business, asset valuations, results of operations, and financial condition.

If we fail to retain our key executives or recruit and hire new employees, our operations and financial results may be adversely affected while we attract other highly qualified personnel.

Our future success depends, in part, on our ability to continue to retain our executive officers and other key employees and recruit and hire new employees. All of our executive officers and other employees are at-will employees and therefore may terminate employment with us at any time with no advance notice. The replacement of any of our key personnel would likely involve significant time and costs, may significantly delay or prevent the achievement of our business objectives, and may harm our business.

While we expect to engage in an orderly transition process as we integrate newly appointed officers, we face a variety of risks and uncertainties relating to management transition, including diversion of management attention from business concerns, failure to retain other key personnel or loss of institutional knowledge. In addition, the loss of the services of any of our executive officers, other key employees, and an inability to find suitable replacements could adversely affect our business, results of operations, and financial condition. See also "*Item 9B. Other Information - Executive Officer Transition.*"

Many executive officers and employees in the pharmaceutical and medical device industries are subject to strict non-compete or confidentiality agreements with their employers, which may include our main competitors. In addition, some of our existing and future employees are or may be subject to confidentiality agreements with previous employers. Our competitors may allege breaches of, and seek to enforce, such non-compete agreements or initiate litigation based on such confidentiality agreements. This litigation, whether or not meritorious, may impede our ability to attract or use executive officers and other key employees who have been employed by our competitors and may result in intellectual property claims against us. It is likely that we will experience similar aggressive lawsuit tactics by our competitors while they seek to protect their market position, particularly as we prepare to expand in new or existing markets.

If we are unable to develop and retain an effective sales force, including the retention of independent contractors, or if we are unable to attract additional independent contractors, our sales efforts may be adversely impacted.

The independent contractors in our sales force may terminate their services at any time. We have experienced and are likely to continue to experience turnover among independent contractors. The departure for any reason of any of our independent contractors could have a negative impact on our sales and operating results. While we take steps to help train, motivate, and retain independent contractors, we cannot accurately predict the number or sales productivity of our independent contractors.

Our operating results will be harmed if we and the independent contractors in our sales force do not generate sufficient interest in our products to retain such contractors and attract new contractors. The number and sales productivity of the contractors could be harmed by several factors, including:

- any adverse publicity regarding us, our products, our distribution channel, or our competitors;
- non-compliance by our independent consultants with applicable legal requirements or our policies and procedures;
- lack of interest in existing or new products or their failure to achieve desired sales results;
- lack of a compelling business opportunity sufficient to generate the interest and commitment of new independent contractors;
- any changes we might make to our independent contractors sales compensation plan;
- any negative public perception of our company or our products;
- any negative public perception of our independent contractors;
- our actions to enforce our policies and procedures;
- any efforts to sell our products through competitive channels;
- any regulatory actions or charges against us or others in our industry; and
- general economic and business conditions.

We may be held responsible for certain taxes or assessments and other obligations relating to the activities of our independent contractors, which could harm our financial condition and operating results.

Our independent contractors are subject to taxation, and in some instances, legislation or governmental agencies impose an obligation on us to collect or withhold taxes, such as value added taxes or income taxes, and to maintain appropriate records. In the event that local laws and regulations or the interpretation of local laws and regulations change to require us to treat our independent consultants as employees, or that our independent consultants are deemed by local regulatory authorities in one or more of the jurisdictions in which we operate to be our employees rather than independent contractors under existing laws and interpretations, or our independent contractors are deemed to be conducting business in countries outside of the country in which they are authorized to do business, we may be held responsible for social security, income, and other related taxes in those jurisdictions, plus any related assessments and penalties, which could harm our financial condition and operating results. If our independent contractors were deemed to be employees rather than independent contractors, we may be obligated to pay certain employee benefits, such as workers compensation and unemployment insurance. Further, if our independent contractors are misclassified as employees, we would also face the threat of increased vicarious liability for their actions.

Our future success depends on our leadership development and succession planning.

Effective succession planning is important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees and senior executives could hinder our strategic planning and execution. Our ability to execute our business strategies, ensure a cohesive management team, and attract and retain key executives may be adversely affected by the uncertainty that could be associated with the transition to new senior leadership.

Our employees, independent contractors, consultants, commercial collaborators, principal investigators, CROs, and vendors 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, independent contractors, independent contractor influencers, other content creators, consultants, commercial collaborators, principal investigators, CROs, and vendors may engage in fraudulent conduct or other illegal activity. Possible misconduct by these parties, including intentional, reckless, or negligent conduct or otherwise unauthorized activities, that violates the (1) laws and regulations of the FDA, FTC, and other similar regulatory authorities, including those laws requiring the reporting of true, complete, and accurate information to such authorities, (2) manufacturing standards, (3) federal and state data privacy, security, fraud, and abuse and other healthcare laws and regulations in the United States and abroad, such as the General Data Protection Regulation in the European Union, and (4) laws that require the true, complete, and accurate reporting of financial information or data. In particular, sales, advertising and marketing, and business arrangements in the healthcare industry 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, advertising, marketing and promotion, sales commission, customer incentive programs, and other business arrangements. Misconduct by the foregoing parties could also involve the improper use of individually identifiable information, including information obtained in the course of clinical trials, creation of fraudulent data in our preclinical studies or clinical trials, or illegal misappropriation of product candidates, which could result in regulatory sanctions and serious harm to our reputation.

Although we have adopted a code of business conduct and ethics, it is not always possible to identify and deter misconduct by employees 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 be in compliance with such laws or regulations. Additionally, we are subject to the risk that a person or government could allege such fraud or other misconduct, even if none occurred. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal, and administrative penalties, including damages, fines, disgorgement, imprisonment, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, contractual damages, reputational harm, and the curtailment or restructuring of our operations.

Regarding advertising risk in the United States in particular, the FTC and states' attorneys general are primarily responsible for enforcing the consumer protection laws by, among other things, investigating and initiating enforcement actions against business practices they deem to be deceptive or fraudulent under applicable laws. We are thus subject to consumer protection laws that regulate our marketing practices and prohibit unfair or deceptive acts or practices. Our actual or perceived failure to comply with such obligations could harm our business, and changes in such regulations or laws could require us to modify our products or marketing or advertising efforts. In connection with the marketing or advertising of our products, we could be the target of claims relating to false, misleading, deceptive or otherwise noncompliant advertising or marketing practices, including under the auspices of the FTC and state consumer protection statutes. If we rely on third parties to provide any marketing and advertising of our products, we could be liable for, or face reputational harm as a result of, their marketing practices if, for example, they fail to comply with applicable statutory and regulatory requirements. We cannot ensure that all marketing materials currently used for our products comply with applicable laws, rules, and regulations, including bans on false and misleading product related claims. Any failure to comply with these restrictions could subject us to assertions of claims of false advertising and misrepresentation, which potentially bring forth significant financial penalties, costly mandatory product recalls, or relabeling requirements, any of which could have a material adverse effect on our results of operations and financial condition.

If we are found to have breached any consumer protection, advertising, unfair competition or other laws or regulations, we may be subject to enforcement actions that generally require us to amend our marketing and business practices in a manner that may negatively impact us. This could also result in litigation, fines, penalties, and adverse publicity that could cause reputational harm and loss of customer trust, which could have a material adverse effect on our business, financial condition and results of operations.

The increasing use of social media could give rise to liability.

Social media, including Instagram, Snapchat, TikTok, Facebook, LinkedIn and X, the social media platform formerly known as Twitter, are increasingly being used to communicate about our products, clinical development programs, and, at present, the conditions our prescription therapies are being developed to treat and potential general wellness improvements. We are engaging in what we believe is appropriate social media usage in connection with our commercialization efforts for indications for which our therapy has been approved and for potential general wellness improvements. We intend to do the same for any future indications or products, if approved. Social media practices in the medical device and general wellness industries continue to evolve, and regulations and regulatory guidance relating to such practices are mutable and unclear at times. This evolution creates uncertainty and elevated risk of non-compliance with regulations applicable to our business, which can result in potential regulatory actions against us or potential litigation related to “off-label” marketing or other prohibited activities. For example, for our clinical-stage candidates, patients and consumers may use social media channels to comment on their experience in an ongoing blinded clinical study or to report an alleged adverse event. When such disclosures occur, there is a risk that study enrollment may be adversely impacted, or we fail to monitor and comply with applicable adverse event reporting obligations, or that we may not be able to defend our business or the public’s legitimate interests in the face of the political and market pressures generated by social media due to restrictions on what we may say about our investigational products. There is also a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us on any online platform, including a blog on the Internet, or a post on a website, that can be distributed rapidly and could negatively harm our reputation. In addition, our employees may knowingly or inadvertently make use of social media in ways that may not comply with our company policies or other legal or contractual requirements, which may give rise to liability, lead to the loss of trade secrets or other intellectual property, or result in public exposure of personal information of our employees, clinical trial participants, customers, consumers, and others. Our efforts to promote our products via marketing and social media initiatives may subject us in the future to additional scrutiny of our practices of effective communication of risk information, benefits, or claims, by the FDA, FTC, or both. If any of the aforesaid events were to occur, or we otherwise fail to comply with applicable regulations, we could incur liability, face regulatory actions, or cause other injury to our business and stockholders.

Risks Related to our Dependence on Third Parties

We have signed a License Agreement with a Chinese company giving them access to develop products based on certain patents associated with our nVNS technology and success of this agreement and protection of the patents will be dependent on the third-party.

The value of our business depends in part on our ability to protect our intellectual property and information, including our patents, copyrights, trademarks, trade secrets, and rights under agreements with third parties in China, and around the world. Third parties may try to challenge our ownership of our intellectual property in China and intellectual property rights and protections in China may be insufficient to protect material intellectual property rights in China. Further, our business is subject to the risk of third parties counterfeiting our products or infringing on our intellectual property rights. The steps we have taken may not prevent unauthorized use of our intellectual property. We, or our third-party licensor, may need to resort to litigation to protect our intellectual property rights, which could result in substantial costs and diversion of resources. If we or our third-party licensor(s) fail to protect our proprietary intellectual property and information, the failure could have a significant adverse effect on our business, financial condition, and results of operations.

We have signed a distribution agreement with Lovell to sell certain electroCore products throughout the government channel through Lovell’s contract vehicles, and we may therefore be dependent on Lovell.

Beginning in November 2023, certain electroCore products were added to the FSS, the DAPA, GSA Advantage, and Defense Logistics Agency’s ECAT system procurement portals through the Lovell contract vehicles. We expect an increasing portion of our 2026 sales will be made pursuant to the distribution agreement with Lovell and its contract vehicles. Any delay in payments by our customers as well as any disagreement disruption or change in the status of the relationship with Lovell or other customers or Lovell’s ability to execute orders could negatively impact our business, results of operations, and financial condition.

We are offering products to government customers through two different contracting vehicles, which may cause confusion for purchasing agents and result in frustration by customers.

Beginning in November 2023, gammaCore products have been available to government customers directly through our existing FSS contract, via open market purchases for individual VA facilities, and through Lovell. Offering different products at different price points may cause confusion for purchasing agents, which may result in loss or delay of sales to customers. Our existing FSS contract has a different contract number than what was previously used for purchases by customers. Any frustration or confusion by customers associated with gammaCore offerings through multiple procurement contracts or contract identifiers may adversely impact our business, results of operations, and financial condition.

We have signed a distribution agreement with Joerns Healthcare (“Joerns”) to sell certain gammaCore products throughout certain managed healthcare systems through the Joerns contract vehicles which puts a significant dependence on Joerns.

In October 2022, certain gammaCore products were added to the Joerns DME catalog for distribution throughout certain managed care healthcare systems. We expect a portion of our 2026 sales will be made pursuant to the distribution agreement with Joerns and their contract vehicles. Any change in the status of the relationship or Joerns’ ability to execute orders could negatively impact our business.

Our app-enabled products rely on third-party vendors for application development and management, resulting in a significant dependency on such vendors.

We launched our app-enabled consumer product under the Truvaga brand in 2024. The customer-facing application was developed by a third-party vendor on their proprietary platform. We acquired the Quell platform as part of our acquisition of NURO in May 2025. The patient and customer-facing application was developed by a third-party vendor.

We currently depend on our technology vendors to manage “up-time” of the front-end customer-facing application, device connectivity, and back-end administration portals. Any failure on the part of our third-party application developer, or in our ability to transition third-party services effectively, could result in lost sales and harm our business.

The third-party application developer information technology systems, some of which are managed by third parties, and the information technology systems of third parties may be susceptible to damage, disruptions, or shutdowns due to computer viruses, attacks by computer hackers, failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors, or catastrophic events. Despite the precautionary measures we and third parties have taken to prevent breakdowns in information technology systems, if these systems are breached or suffer severe damage, disruption, or shutdown, and we are unable to effectively resolve the issues in a timely manner, our business and operating results may suffer.

Our supply chains are subject to disruption, unfavorable changes to prices or terms, or quality problems.

A number of the critical components used in our products are supplied to us from either a primary, or secondary manufacturer, and multiple suppliers of high-demand consumer electronic components, and in certain cases sole-source, suppliers. Our manufacturers and suppliers may encounter problems during manufacturing for a variety of reasons, failure to follow specific protocols and procedures, failure to comply with applicable legal and regulatory requirements, equipment malfunction and environmental factors, failure to properly conduct their own business affairs, and infringement of third-party intellectual property rights, any of which could delay or impede their ability to meet our requirements. Our ability to supply our products commercially depends, in part, on our ability to obtain a supply of these components that have been manufactured in accordance with regulatory requirements and in sufficient quantities for commercialization and clinical testing. We have not entered into manufacturing, supply or quality agreements with suppliers of consumer electronic components, some of which supply components critical to our products. Although we believe that long-term agreements with these suppliers are not necessary as all the components in our products are either high-volume, non-custom commodity components or are readily available from multiple vendors, there can be no assurance that our multiple-source or sole-source suppliers will be able to meet our demand for their products and services, either because of the informal nature of our arrangements with those suppliers, or our limited experience with those suppliers, due to our relative importance as a customer to those suppliers, or due to supply chain disruptions that may arise such as those relating to the armed conflict between Russia and Ukraine, trade sanctions, and similar events. It may be difficult for us to assess the ability of our suppliers to timely meet our demand in the future based on past performance. While our suppliers have generally met our demand for their products on a timely basis in the past, they may subordinate our needs in the future to their other customers.

Establishing additional or replacement suppliers for the components or processes used in our products, if required, may not be accomplished quickly. If we are able to find a replacement supplier within the safety stock level, such a replacement supplier would need to be qualified and may require additional regulatory authority approval, which could result in further delay. While we seek to maintain adequate inventory of the single-source or sole-source components and materials used in our products, any interruption or delay in the supply of components or materials, or our inability to obtain components or materials from alternate sources at acceptable prices in a timely manner, could impair our ability to meet the demand of our customers and cause them to cancel orders.

If our third-party suppliers fail to deliver the required commercial quantities of materials, or the level of services we require, on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement suppliers capable of production at a substantially equivalent cost in substantially equivalent volumes and quality and on a timely basis, the continued commercialization of our products would be impeded, delayed, limited, or prevented, which could harm our business, results of operations, financial condition, and prospects.

We have limited experience with the supply chain of our app-enabled products, including our human performance product, and we are dependent on third parties for related software development.

Many of the critical components that are used in our app-enabled devices and products, including our human performance product under the brand name TAC-STIM, are supplied to us from either a primary or secondary manufacturer, as well as multiple suppliers of high-demand consumer electronic components, certain of whom are sole-source suppliers. We also have limited experience in selling app-enabled prescription and consumer wellness products, and therefore we may be unable to reliably forecast the demand and inventory requirements for this type of product, which could directly or indirectly have an adverse effect on our business, results of operations and financial condition. Separately, orders through government customers are affected by a variety of factors and therefore we may be unable to reliably forecast the demand and inventory requirements for this type of product, which could directly or indirectly have an adverse effect on our business, results of operations and financial condition. In addition, we rely entirely on third-party software developers for the design and development of the software for this next generation product. If our third-party suppliers fail to deliver the required commercial quantities of materials, or our software developers fail to deliver or the level and quality of services, we require, on a timely basis and at commercially reasonable prices, and we are unable to find one or more replacement suppliers or developers capable of production or development at a substantially equivalent cost in substantially equivalent volumes and quality and on a timely basis, the continued commercialization of our devices and products would be impeded, delayed, limited, or prevented, which could have an adverse effect on our business, results of operations, financial condition and prospects.

Outside the United States, we rely on a single third-party distributor to effectively distribute the majority of our products.

We depend in part on a single third-party distributor for the warehousing and shipment of our products in certain territories outside the United States. We depend on this distributor's efforts; however, we are unable to control its efforts completely. This distributor typically performs the same services for a variety of other products that may limit the resources it dedicates to our prescription products. If our distributor fails to effectively distribute our products in full compliance with applicable laws, our operating results and business may suffer. Recruiting and retaining qualified third-party distributors and training them in our technology and product offerings require significant time and resources. To develop and expand our distribution, we must continue to scale and improve our processes and procedures that support our distributors. In addition, our ability to recruit distributors and their effectiveness may be adversely affected by the armed conflict between Ukraine and Russia.

Furthermore, if our relationship with a successful distributor terminates, we may be unable to replace that distributor without disruption to our business. If we fail to maintain positive relationships with our distributor, fail to develop new relationships with other distributors (including in new markets), fail to manage, train, or incentivize our existing distributor effectively, or fail to strike agreements with attractive terms, or if our distributor is not successful in its businesses, our revenue may decrease, and our operating results, reputation, and business may be harmed.

Our status as a supplier to the federal government subjects us to a wide variety of regulatory compliance, pricing, and contract-based requirements. Failure to comply with these requirements could adversely impact our ability to obtain future federal contracts, which could negatively impact us and our business.

We expect that a portion of our 2026 U.S. sales of prescription devices will be made pursuant to qualifying FSS, GSA, DAPA, and ECAT contracts, and open market sales to individual VA facilities. Our status as a contractor on FSS means that we are obligated to comply with a variety of federal procurement laws, regulations, and contract terms that require commercial price disclosures, commercial-to-federal price indexing, and compliance with various federal programs. Furthermore, as a federal contractor, we are also subject to contractual remedies and potential administrative, civil, and criminal damages and penalties for non-compliance with contract terms, over billing, or sales of human performance and general wellness products to the U.S. Armed Forces could involve various significant compliance requirements as regards applicable laws and regulations and certain contract law covenants and conditions that collectively regulate our affairs in the ordinary course of business as a result of our status as a federal contractor.

The cost of maintaining compliance with these requirements could adversely impact us and our business, and complying with these requirements could divert managerial and financial resources. Additionally, failure to comply could result in us being excluded from the opportunity to renew existing federal contracts or to bid on federal future contracts for a period of time lasting up to several years.

We rely on third parties to conduct and support clinical trials and investigator - initiated trials, and those third parties may not perform satisfactorily, including failing to meet deadlines for the completion of such trials.

We do not independently conduct clinical trials for our product candidates. We rely on third parties, such as CROs, clinical data management organizations, medical institutions, and clinical investigators to perform this function. Currently, we have a number of ongoing IITs. We frequently review both proposals for new trials and the performance of ongoing trials, and our reviews may result in changes to our future obligations. Our reliance on third parties for clinical development activities reduces our control over these activities but does not relieve us of our responsibilities. Furthermore, some of the sites for our IIT's are outside the United States. The performance of these sites may be adversely affected by various issues, including less advanced medical infrastructure, lack of familiarity with conducting clinical trials in accordance with U.S. standards, insufficient training of personnel, communication difficulties or change in local regulations. We remain responsible for ensuring that clinical trials are conducted in accordance with the general investigation plan and protocols for the study. Moreover, the FDA requires us to comply with GCP for conducting, recording, and reporting the results of clinical trials to assure that data and reported results are credible and accurate, and that the rights, integrity, and confidentiality of patients in clinical trials are protected. Furthermore, these third parties may also have relationships with other entities, including our competitors. If these third parties do not successfully carry out their contractual duties, meet expected deadlines, or conduct clinical trials in accordance with regulatory requirements or our stated protocols, we will not be able to obtain, or may be delayed in obtaining, regulatory clearance or approval for our product candidates and will not be able to, or may be delayed in our efforts to, successfully commercialize our products.

Additionally, patient enrollment is affected by many factors beyond our control and the control of the third parties upon whom we rely to conduct IITs. As a result, we cannot predict how successful our IITs will be at enrolling patients.

We also may rely on other third parties to store and distribute supplies for clinical trials. Any performance failure on the part of our existing or future distributors could delay clinical development or regulatory clearance or approval of our product candidates or commercialization of our products, producing additional losses and depriving us of potential product revenues.

If we do not successfully enter into future collaborations for the development, regulatory clearance, and commercialization of our prescription gammaCore therapy in international markets, our business may be harmed.

We may choose to enter into collaboration agreements with third parties with respect to development, regulatory clearance, and commercialization of our prescription gammaCore therapy in international markets. We will have limited control over the amount and timing of resources that our collaborators dedicate to the development, regulatory clearance, or commercialization of our prescription therapies. Our ability to generate revenues from these arrangements will depend in part on our collaborators' abilities to successfully perform the functions assigned to them in these arrangements.

Despite carefully written collaboration agreements, collaborations involving our prescription therapies are subject to numerous risks, which may include the following:

- collaborators have significant discretion in determining the efforts and resources that they will apply to a collaboration;
- collaborators may not pursue development, regulatory clearance, and commercialization of our product candidates, or may elect not to continue or renew development, regulatory clearance, or commercialization programs based on clinical trial 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 may delay clinical trials, provide insufficient funding for a clinical trial, stop a clinical trial, abandon a product candidate, repeat or conduct new clinical trials, or require a new formulation of a product candidate for clinical testing;
- 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 and distribution rights to one or more products may not commit sufficient resources to their marketing and distribution;
- 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 cause the delay or termination of the research, development, or commercialization of our product candidates or that result 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 product candidates; and
- collaborators may own or co-own intellectual property covering our products that result from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual property.

Any termination or disruption of any future collaboration could result in delayed development of product candidates, increased cost to develop product candidates, or termination of development of a product candidate.

If we are not able to establish or maintain collaborations, we may have to alter some of our future development, regulatory clearance, and commercialization plans.

Our product development programs, regulatory clearance, and potential commercialization of our bioelectronic technologies will require substantial additional capital to fund expenses. For some of our product candidates, we may decide to collaborate with pharmaceutical and medical device or consumer electronics companies for the future development, regulatory clearance, and potential commercialization of those product candidates. Furthermore, we may find that our programs require the use of proprietary rights held by third parties, and the growth of our business may depend in part on our ability to acquire, in-license, or use these proprietary rights.

We face significant competition in seeking appropriate collaborators, and a number of more established companies may also be pursuing strategies to license or acquire third-party intellectual property rights that we may consider attractive. These established companies may have a competitive advantage over us due to their size, financial resources, and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. Whether we reach a definitive agreement for a collaboration will depend upon, among other things, our assessment of the collaborator's resources and expertise, the terms and conditions of the proposed collaboration, and the proposed collaborator's evaluation of a number of factors.

We, or third-party manufacturers on whom we rely, may be unable to successfully sustain and to further scale-up manufacturing of our technology platforms or its component parts in sufficient quality and quantity, which would delay or prevent us from developing and commercializing any approved products.

In order to commercialize products, we, or our manufacturers, will need to manufacture products in large quantities.

There are technical challenges to increasing manufacturing capacity, including equipment design, automation, validation and installation, contractor issues and delays, licensing and permitting delays or rejections, materials procurement, manufacturing site expansion, problems with production yields, and quality control and assurance. Continuing to develop or enhance commercial-scale manufacturing facilities could require the investment of substantial additional funds and the hiring and retention of additional management, quality assurance, quality control, and technical personnel who have the necessary manufacturing experience.

The scaling of manufacturing capacity is subject to numerous risks and uncertainties and may lead to variability in product quality or reliability and increased construction timelines and resources required to design, install, and maintain manufacturing equipment, among others, all of which can lead to unexpected delays in manufacturing output. In addition, any changes to manufacturing processes may trigger the need for submissions or notifications to, and in some cases advance approval from, the FDA or other regulatory authorities because of the potential impact of changes on previously cleared, approved, and/or authorized devices. Our facilities are subject to inspections by the FDA and corresponding state and international agencies on an ongoing basis, and thus, we must comply with Good Manufacturing Practices, which generally require us to maintain compliant processes, controls, and record keeping, and to comply with FDA Quality System Regulations (or QSR), and applicable state-law requirements. We may be unable to adequately maintain, develop, and expand our manufacturing process and operations or maintain compliance with FDA and state agency requirements, and manufacturing issues could impact our cleared and approved products. If we are unable to manufacture a sufficient supply of our current products or any future products for which we may receive approval or clearance, maintain control over expenses or otherwise adapt to anticipated growth, or if we underestimate growth, we may not have the capability to satisfy market demand, contractual obligations, and our business will suffer.

In light of the above considerations, we, or our manufacturers, may be unable to successfully sustain, or increase manufacturing capacity in a timely or cost-effective manner, or at all. In addition, quality issues may arise during further scale-up activities. If we, or any of our manufacturers, are unable to successfully sustain, or further scale-up manufacturing in sufficient quality and quantity, the development, testing, and clinical trials, if appropriate, of our nVNS technology platform may be delayed or infeasible, and regulatory clearance, approval, or commercial launch of any resulting product may be delayed or not obtained, which could significantly harm our business. If we are unable to obtain or maintain third-party manufacturing for commercial supply of our product candidates, or to do so on commercially reasonable terms, we may not be able to develop and commercialize our prescription gammaCore therapy successfully.

We are required to maintain adequate levels of inventory due to lead times with single-source consumer electronic components vendors, which could consume a significant amount of our resources, reduce our cash flows, and lead to inventory impairment charges.

Our bioelectronic technology platforms consist of a substantial number of individual components. In order to market and sell effectively, we often must maintain high levels of inventory of the product and its components.

The manufacturing process requires lengthy lead times during which electronic components of our bioelectronic technology platforms may become obsolete, and we may over- or under-estimate the amount needed of a given component, in which case we may expend extra resources or be constrained in the amount of end product that we can produce. As compared to direct manufacturers, our dependence on third-party manufacturers exposes us to greater lead times, increasing our risk of adverse financial impact of inventory obsolescence comparatively. In addition, as of December 31, 2025, we had approximately \$1.6 million of inventory. There are risks that growth in our business, including our recently launched non-prescription, human performance and general wellness offerings, may result in demand that could exceed our current inventory, in which case we would be subject to various supply chain, manufacturing, and operational risks. If not mitigated fully, this could negatively impact our ability to commercialize our products and have a material adverse effect on our brands, revenues, expenses, results of operations, and financial condition.

Moreover, we have limited experience in selling the app-enabled Quell devices and consumer wellness product, and we may be unable to forecast the demand and inventory requirement. This could negatively impact our ability to commercialize our products and have a material adverse effect on our brands, revenues, expenses, results of operations, and financial condition.

Risks Related to Intellectual Property

Our product development initiatives may be delayed or fail to succeed and could also lead to challenging intellectual property rights issues.

We may seek to develop new products, software applications and technologies, including enhancements of our existing products for nVNS. Developing new products and improving our existing products to meet the needs of current and future patients and consumers require significant investment in research and development. We do not know whether any such product development activities will result in products that meet necessary standards and performance criteria, whether the development will be completed on a timely basis, or, if the development is completed, whether it will lead to market acceptance and commercial success. We will need to carefully manage our introduction of any new products. If potential purchasers of new products 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. 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 patient and customer preferences, or the introduction by competitors of products embodying new technologies or features. Delays could occur based on a number of issues, including the need to investigate third party patents and potential infringement matters, which could impair our development and commercialization efforts.

Our ongoing disputes with UAB Pulsetto (“Pulsetto”) may be costly, time consuming and, if adversely determined against us, could have a material adverse effect on our financial position and business operations.

On June 11, 2025, Pulsetto filed a declaratory judgment action against the Company in the United States District Court for the District of New Jersey, captioned UAB Pulsetto v. electroCore, Inc., Civ. No. 25-10036 (D.N.J.), asserting that its non-invasive vagus nerve stimulation product does not infringe the Company’s U.S. Patent No. 11,446,491 (the “491 Patent”).

On July 16, 2025, the Company filed a responsive pleading, answering the complaint and asserting counterclaims, that Pulsetto’s non-invasive vagus nerve stimulation product infringes the 491 Patent, as well as the Company’s U.S. Patent Nos. 8,948,873, 9,339,653, 10,874,857, 8,843,210, 9,242,092, 11,623,078, and 10,441,780, as well as claims that Pulsetto’s commercial conduct has infringed and continues to infringe the Company’s Truvaga™ and gammaCore® trademarks, and committed acts of false advertising and unfair competition in violation of state and federal law. On September 5, 2025, Pulsetto requested leave to file a motion to dismiss the Company’s counterclaims for lack of jurisdiction and/or insufficient pleadings. The Company has opposed that request, which has not yet been considered by the trial judge. On September 9, 2025, the court approved a schedule for discovery, and certain proceedings, filings, submissions, motions, reports and conferences. The parties have exchanged initial requests for the production of documents relevant to the dispute and have proceeded with exchanging their respective infringement and invalidity contentions, as the case may be. The parties are still in the early stages of discovery. The parties held an in-person settlement conference with a Judge Magistrate on March 4, 2026.

Litigation is inherently uncertain, expensive, and time-consuming. Adverse developments in this matter could include, among others, the court’s dismissal, narrowing, or stay of some or all of our counterclaims; findings that Pulsetto does not infringe one or more of our asserted patents or trademarks; invalidation, unenforceability, or a narrowing construction of one or more of our patents or trademark rights; denial of requested remedies; or the imposition of limitations on our ability to assert, license, or enforce our intellectual property and brand assets. Any such outcomes could reduce or eliminate competitive advantages, limit or delay our ability to protect our products and brands, or encourage third parties to challenge or avoid our intellectual property rights.

Even if we ultimately prevail, this litigation could divert management time and attention, require significant cash outlays for legal fees, experts, and discovery, and disrupt our operations and strategic initiatives. We may also face reputational harm with customers, partners, payors, regulators, and suppliers arising from the pendency or publicity of the dispute. Insurance, if available, may not cover all claims or associated costs. The timing, scope, and outcome of the litigation remain uncertain, and any of the foregoing risks—individually or in the aggregate—could materially and adversely affect our business, financial condition, results of operations, and cash flows.

We have in the past, are currently, and may in the future become involved in lawsuits to protect or enforce our intellectual property, which could be expensive and time consuming, and ultimately unsuccessful, and could result in the diversion of significant resources, thereby hindering our ability to effectively commercialize our existing or future products. If we are unable to obtain, maintain, protect, and enforce our intellectual property, our business will be negatively affected.

The markets in which we compete and expect to compete are subject to rapid technological change and frequent litigation regarding patent and other intellectual property rights. It is possible that our patents or licenses may not withstand challenges made by others or protect our rights adequately.

Our success depends in large part on our ability to secure effective patent protection for our products and processes in the United States and internationally. We have filed, and intend to continue to file, patent applications for various aspects of our technology and trademark applications to protect our brands and business and copyright applications to protect our software, digital devices and related software applications, and certain User Manuals, Guides and Instructions for Use for some of our commercial products. We seek to obtain and maintain patents and other intellectual property rights to restrict the ability of others to market products or services that misappropriate our technology and work product and/or infringe our intellectual property to compete with our products and services.

However, we face the risks that:

- We may fail to secure necessary patents, potentially permitting competitors to market competing products, related software applications and services and make, use, or sell products or offer services that are substantially the same as ours without incurring the sizeable development costs that we have incurred, which would adversely affect our ability to compete.
- Patents may not issue from currently pending or future patent applications.
- Our already-granted patents and any future patents may not survive legal challenges to their scope, validity, or enforceability, or provide significant protection for us, and they may be challenged in a post grant review or inter partes review proceeding, re-examined or invalidated, and/or may be found to be unenforceable or not cover competing processes, products, or services.
- Even if our patents are determined by the U.S. Patent and Trademark Office, or USPTO, foreign patent office, or a court to be valid and enforceable, they may not be drafted or interpreted sufficiently broadly to prevent others from marketing products and services similar to ours or designing around our patents. For example, third parties may be able to develop therapies, or make systems or devices, that are similar to ours but that are not covered by the claims of our patents. Third parties may assert that we or our licensors were not the first to make the inventions covered by our issued patents or pending patent applications. The claims of our issued patents or patent applications when issued may not cover our commercial technology or the future products and services that we develop. We may not have freedom to operate unimpeded by the patent rights of others. Third parties may have dominating, blocking or other patents relevant to our technology of which we are not aware. In addition, because patent applications in the United States and many foreign jurisdictions are typically not published until 18 months after the filing of certain priority documents (or, in some cases, are not published until they issue as patents) and because publications in the scientific literature often lag behind actual discoveries, we cannot be certain that others have not filed patent applications for our technology or our contemplated technology. Any such patent applications may have priority over our patent applications or issued patents, which could further require us to obtain rights from third parties to issued patents or pending patent applications covering such technologies to allow us to commercialize our technology. There may be prior public disclosures of which we are not aware that could invalidate our patents or a portion of the claims of our patents. Further, we may not develop additional proprietary technologies and, even if we do, they may not be patentable.

- Patent law can be highly uncertain and involve complex legal and factual questions for which important principles remain unresolved. The standards that courts use to interpret patents are not always applied predictably or uniformly and can change, particularly as new technologies develop. In the United States and in many foreign jurisdictions, policies regarding the breadth of claims allowed in patents can be inconsistent. The U.S. Supreme Court and the U.S. Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. Similarly, foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. We cannot predict future changes in the interpretation of patent laws or changes to patent laws that might be enacted into law by U.S. and foreign legislative bodies. Those changes may materially affect our patents or patent applications, our ability to obtain patents, or the patents and patent applications of our licensors. Future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep our competitive advantage, which could adversely affect our financial condition and results of operations.
- Monitoring unauthorized uses of our intellectual property is difficult and costly. From time to time, we seek to analyze our competitors' therapies, products and services, and may in the future seek to enforce our patents or other proprietary rights against potential infringement. However, the steps we have taken to protect our proprietary rights may not be adequate to prevent misappropriation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Our competitors may also independently develop similar technology. Any inability to meaningfully protect our intellectual property could result in competitors offering products that incorporate our product features, which could reduce demand for our prescription gammaCore therapy. In addition, we may need to defend our patents from third-party challenges, including interferences, derivation proceedings, re-examination proceedings, post-grant review, inter partes review, third-party submissions, oppositions, nullity actions, or other patent proceedings. We may need to initiate infringement claims or litigation. Adverse proceedings such as litigation can be expensive, time consuming and may divert the efforts of our technical and managerial personnel, which could in turn harm our business, whether or not we receive a determination favorable to us. In addition, in an infringement proceeding, a court may decide that the patent we seek to enforce is invalid or unenforceable or may refuse to enjoin the other party from using the technology at issue on the grounds that the patent in question does not cover the technology in question. An adverse result in any litigation could place one or more of our patents at risk of being invalidated or interpreted narrowly. Some of our competitors may be able to devote significantly more resources to intellectual property litigation, and may have patent portfolios, including significantly broader patent portfolios, to assert against us, if we assert our rights against them. Further, because of the substantial discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be disclosed or otherwise compromised during litigation. Further, even if we prevail against an infringer in U.S. district court, there is always the risk that the infringer will file an appeal, and the district court judgment will be overturned at the appeals court, and/or that an adverse decision will be issued by the appeals court relating to the validity or enforceability of our patents. An adverse result in any litigation proceeding could put one or more of our patents at risk of being invalidated or interpreted in a manner insufficient to achieve our business objectives.
- We may not be able to accurately estimate or control our future operating expenses in relation to obtaining, enforcing and/or defending intellectual property, which could lead to cash shortfalls. Our operating expenses may fluctuate significantly in the future as a result of the costs of preparing, filing, prosecuting, defending and enforcing patent claims and other patent related costs, including litigation costs and the results of such litigation.
- We may also be forced to enter into cross-license agreements with competitors in order to manufacture, use, sell, offer for sale, import and/or export products or services that are covered by our competitors' intellectual property rights. If we need to use our intellectual property to enter such cross-license agreements, it may compromise the value of our intellectual property due to the fact that our competitors may be able to manufacture, use, sell, offer for sale, import and/or export our patented technology.

We rely on third-party software to develop our products and significant increases in licensing costs or defects in third-party software could harm our business.

We rely on software licensed from third parties to develop our products. In addition, we may need to obtain future licenses from third parties to use software or other intellectual property associated with our products. There can be no assurance that these licenses will be available to us on acceptable terms, without significant price increases or at all. Any loss of the right to use any such software or other intellectual property required for the development and maintenance of our products could significantly increase our expenses and result in delays in the production of our products until equivalent technology is either developed by us, or, if available from others, is identified, obtained, and integrated, which could harm our business. Any errors or defects in third-party software could result in errors or a failure of our products, which could harm our business.

We rely on a variety of intellectual property rights, and if we are unable to maintain or protect our intellectual property, our business and results of operations will be harmed.

Our commercial success will depend, in part, on our ability to obtain and maintain intellectual property protection for our products and related software applications, processes, and related technologies in the United States, Europe and elsewhere, successfully defend our intellectual property rights against third-party challenges, and successfully enforce our intellectual property rights to prevent third-party infringement. While we rely primarily upon a combination of patents, copyrights, trademarks, and trade secret protection, as well as nondisclosure, confidentiality, and other contractual agreements to protect the intellectual property related to our brands, products, and other proprietary technologies, protection derived from patents is relatively limited.

The process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may choose not to seek patent protection for certain innovations or products and may choose not to pursue patent protection in certain jurisdictions, and, under the laws of certain jurisdictions, patents or other intellectual property rights may be unavailable or limited in scope and, in any event, any patent protection we obtain may be limited. As a result, some of our products are not, and in the future may not be, protected by patents. We generally apply for patents in those countries where we intend to make, have made, use, offer for sale, or sell products, and where we assess the risk of infringement to justify the cost of seeking patent protection. However, we do not seek protection in all countries where we sell products, and we may not accurately predict all the countries where patent protection would ultimately be desirable. If we fail to timely file a patent application in any such country or major market, we may be precluded from doing so at a later date. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and, further, may export otherwise infringing products to territories in which we have patent protection that may not be sufficient to terminate infringing activities.

Furthermore, we cannot guarantee that any patents will be issued from any pending or future owned or licensed patent applications, or that any current or future patents will provide us with any meaningful protection or competitive advantage. Even if issued, existing, or future patents may be challenged, including with respect to ownership, narrowed, invalidated, held unenforceable or circumvented, any of which could limit our ability to prevent competitors and other third parties from developing and marketing similar products or limit the length of terms of patent protection we may have for our products and technologies. Other companies may also design around technologies we have patented, licensed, or developed. In addition, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our products or practicing our own patented technology.

We may introduce products that include related software applications. Software is generally ineligible for patent protection in the United States and other countries. We may not be able to obtain patent claims that adequately cover our software applications. In the event that we do obtain such protection, it may be difficult to enforce any such patents as certain types of software patents are vulnerable to invalidity proceedings in the USPTO and foreign counterparts. Software innovations are often implemented as method patents, which have unique enforcement requirements and restrictions that may make them difficult to enforce against third parties. In addition, it may be difficult to ascertain whether third parties are implementing software that infringes our patents.

The patent positions of pharmaceutical and medical device companies can be highly uncertain and involve complex legal, scientific, and factual questions for which important legal principles remain unresolved. The standards that the USPTO and its foreign counterparts use to grant patents are not always applied predictably or uniformly. Changes in either the patent laws, implementing regulations, or the interpretation of patent laws may diminish the value of our rights. The legal systems of certain countries do not protect intellectual property rights to the same extent as the laws of the United States, and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions.

Because patent applications in the United States, Europe, and many other jurisdictions are typically not published until 18 months after filing, or in some cases not at all, and because publications of discoveries in scientific literature lag behind actual discoveries, we cannot be certain that we were the first to conceive or reduce to practice the inventions claimed in our issued patents or pending patent applications, or that we were the first to file for protection of the inventions set forth in our patents or pending patent applications. We can give no assurance that all of the potentially relevant art relating to our patents and patent applications has been found; overlooked prior art could be used by a third party to challenge the validity, enforceability, and scope of our patents or prevent a patent from issuing from a pending patent application. As a result, we may not be able to obtain or maintain protection for certain inventions. Therefore, the validity, enforceability, and scope of our patents in the United States, Europe, and in other countries cannot be predicted with certainty and, as a result, any patents that we own, or license, may not provide sufficient protection against our competitors.

Third parties may challenge any existing patent or future patent we own or license through adversarial proceedings in the issuing offices or in court proceedings, including as a response to any assertion of our patents against them. In any of these proceedings, a court or agency with competent jurisdiction may find our patents invalid and/or unenforceable, or even if valid and enforceable, insufficient to provide protection against competing products and services to achieve our business objectives. We may be subject to a third-party pre-issuance submission of prior art to the USPTO, or reexamination by the USPTO if a third party asserts a substantial question of patentability against any claim of a U.S. patent we own or license. The adoption of the Leahy-Smith America Invents Act, or the Leahy-Smith Act, in September 2011, established additional opportunities for third parties to invalidate U.S. patent claims, including inter partes review and post-grant review proceedings. Outside of the United States, patents we own, or license, may become subject to patent opposition or similar proceedings, which may result in loss of scope of some claims or the entire patent. In addition, such proceedings are very complex and expensive and may divert our management's attention from our core business. If any of our patents are challenged, invalidated, circumvented by third parties, or otherwise limited or expire prior to the commercialization of our products, and if we do not own or have exclusive rights to other enforceable patents protecting our products or other technologies, competitors and other third parties could market products and use processes that are substantially similar to, or superior to, ours, and our business would suffer.

The degree of future protection for our proprietary rights is uncertain because legal means afford only limited protection and may not adequately protect our rights or permit us to gain or keep a competitive advantage. For example:

- others may be able to develop products that are similar to, or better than, ours in a way that is not covered by the claims of our patents;
- we might not have been the first to conceive of or reduce to practice the inventions covered by our patents or pending patent applications;
- we might not have been the first to file patent applications for our inventions;
- any patents that we obtain may not provide us with any competitive advantages or may ultimately be found invalid or unenforceable; or
- we may not develop additional proprietary technologies that are patentable.

Our commercial success depends significantly on our ability to operate without infringing upon the intellectual property rights of third parties.

The pharmaceutical and medical device industries are subject to rapid technological change and substantial litigation regarding patent and other intellectual property rights. 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 or obtain, patents that will prevent, limit, or otherwise interfere with our ability to make, use, and sell our products and services. Numerous third-party patents exist in the fields relating to our products and services, and it is difficult for industry participants, including us, to identify all third-party patent rights relevant to our products, services, and technologies. Moreover, because some patent applications are maintained as confidential for a certain period of time, we cannot be certain that third parties have not filed patent applications that cover our products, services, and technologies.

Patents could be issued to third parties that we may ultimately be found to infringe. Third parties may have or obtain valid and enforceable patents or proprietary rights that could block us from developing products using our technology. Our failure to obtain or maintain a license to any technology that we require may materially harm our business, financial condition, and results of operations. Furthermore, we would be exposed to a threat of litigation.

From time to time, we may be party to, or threatened with, litigation or other proceedings with third parties, including non-practicing entities, who allege that our products, components of our products, services, and/or proprietary technologies infringe, misappropriate, or otherwise violate their intellectual property rights. The types of situations in which we may become a party to such litigation or proceedings include:

- we or our collaborators may initiate litigation or other proceedings against third parties seeking to invalidate the patents held by those third parties, or to obtain a judgment that our products or processes do not infringe those third parties' patents;
- we or our collaborators may participate at substantial cost in International Trade Commission proceedings to abate importation of products that would compete unfairly with our products;
- if our competitors file patent applications that claim technology also claimed by us or our licensors, we or our licensors may be required to participate in interference, derivation, or opposition proceedings to determine the priority of invention, which could jeopardize our patent rights and potentially provide a third party with a dominant patent position;
- if third parties initiate litigation claiming that our processes or products infringe their patent or other intellectual property rights, we and our collaborators will need to defend against such proceedings;
- if third parties initiate litigation or other proceedings seeking to invalidate patents owned by or licensed to us or to obtain a declaratory judgment that their products, services, or technologies do not infringe our patents or patents licensed to us, we will need to defend against such proceedings;
- we may be subject to ownership disputes relating to intellectual property, including disputes arising from conflicting obligations of consultants or others who are involved in developing our products; and
- if a license to necessary technology is terminated, the licensor may initiate litigation claiming that our processes or products infringe or misappropriate its patent or other intellectual property rights, and/or that we breached our obligations under the license agreement, and we and our collaborators would need to defend against such proceedings.

These lawsuits and proceedings, regardless of merit, are time-consuming and expensive to initiate, maintain, defend, or settle, and could divert the time and attention of managerial and technical personnel, which could materially and adversely affect our business. Any such claim could also force us to do one or more of the following:

- incur substantial monetary liability for infringement or other violations of intellectual property rights, which we may have to pay if a court decides that the product, service, or technology at issue infringes or violates the third party's rights, and, if the court finds that the infringement was willful, we could be ordered to pay treble damages and the third party's attorneys' fees;
- pay substantial damages to our customers or end users to discontinue use or replace infringing technology with non-infringing technology;
- stop manufacturing, offering for sale, selling, using, importing, exporting, or licensing the product or technology incorporating the allegedly infringing technology or stop incorporating the allegedly infringing technology into such product, service, or technology;

- obtain from the owner of the infringed intellectual property right a license, which may require us to pay substantial upfront fees or royalties to sell or use the relevant technology and which may not be available on commercially reasonable terms, or at all;
- redesign our products, services, and technology so they do not infringe or violate the third party's intellectual property rights, which may not be possible or may require substantial monetary expenditures and time;
- enter into cross-licenses with our competitors, which could weaken our overall intellectual property position;
- lose the opportunity to license our technology to others or to collect royalty payments based upon successful protection and assertion of our intellectual property against others;
- find alternative suppliers for non-infringing products and technologies, which could be costly and create significant delay; or
- relinquish rights associated with one or more of our patent claims if our claims are held invalid or otherwise unenforceable.

Some of our competitors may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. In addition, intellectual property litigation, regardless of its outcome, may cause negative publicity, adversely impact prospective customers, cause product shipment delays, or prohibit us from manufacturing, marketing, or otherwise commercializing our products, services, and technology. Any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise additional funds or otherwise have a material adverse effect on our business, results of operations, or financial condition.

In addition, we may indemnify our customers and distributors against claims relating to the infringement of intellectual property rights of third parties related to our products. 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, we may be forced to pay damages on behalf of our customers, suppliers, or distributors or may be required to obtain licenses for the products or services they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our products or services.

Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. There could also be public announcements of the results of hearings, motions, or other interim proceedings or developments, which could have a material adverse effect on the price of our common stock. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our common stock. The occurrence of any of these events may have a material adverse effect on our business, results of operations, or financial condition.

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

In addition to patent, copyright, and trademark protection, we also rely on trade secrets, including unpatented know-how, technology, and other proprietary information, to maintain our competitive position. We seek to protect our trade secrets, in part, by entering into non-disclosure and confidentiality agreements with parties who have access to them, such as our consultants and vendors, or our former or current employees. We also enter into confidentiality and invention and patent assignment agreements with our employees and consultants. Despite these efforts, however, any of these parties may breach the agreements and disclose our trade secrets and other unpatented or unregistered proprietary information, and once disclosed, we are likely to lose trade secret protection. Monitoring unauthorized uses and disclosures of our intellectual property is difficult, and we do not know whether the steps we have taken to protect our intellectual property will be effective. In addition, we may not be able to obtain adequate remedies for any such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, and time-consuming, and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to enforce trade secret protection.

Further, our competitors may independently develop knowledge, methods, and know-how similar, equivalent, or superior to our proprietary technology. Competitors could purchase our products and attempt to reverse engineer and replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology, or develop their own competitive technologies that fall outside of our intellectual property rights. In addition, our key employees, consultants, suppliers, or other individuals with access to our proprietary technology and know-how may incorporate that technology and know-how into projects and inventions developed independently or with third parties. As a result, disputes may arise regarding the ownership of the proprietary rights to such technology or know-how, and any such dispute may not be resolved in our favor. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us, and our competitive position could be adversely affected. If our intellectual property is not adequately protected so as to protect our market against competitors' products and processes, our competitive position and business could be adversely affected.

Changes in patent law could diminish the value of patents in general, thereby impairing our ability to protect our existing and future products and processes.

As is the case with other pharmaceutical and medical device companies, our success is heavily dependent on intellectual property, particularly patents. Obtaining and enforcing patents in the pharmaceutical and medical device industries involve both technological and legal complexity and is therefore costly, time-consuming, and inherently uncertain. In addition, patent reform legislation may pass in the future that could lead to additional uncertainties and increased costs surrounding the prosecution, enforcement, and defense of our patents and pending patent applications. U.S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain other situations. Furthermore, the U.S. Supreme Court and the U.S. Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. Similarly, foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. We cannot predict future changes in the interpretation of patent laws or changes to patent laws that might be enacted into law by United States and foreign legislative bodies. Those changes may materially affect our patents or patent applications and our ability to obtain additional patent protection in the future.

Obtaining and maintaining patent protection depend 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 similar provisions during the patent application process. In addition, periodic maintenance fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent. While an unintentional lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees, and failure to properly legalize and submit formal documents. If we fail to maintain the patents and patent applications covering our products or procedures, we may not be able to stop a competitor from marketing products that are the same as or similar to our own, which would have a material adverse effect on our business.

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 registered or unregistered trademarks or trade names may be challenged, infringed, circumvented, declared generic or determined to be infringing on other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition with potential partners or customers in our markets of interest. In addition, third parties have used trademarks similar and identical to our trademarks in foreign jurisdictions and have filed or may in the future file for registration of such trademarks. If they succeed in registering or developing common law rights in such trademarks, and if we are not successful in challenging such third-party rights, we may not be able to use these trademarks to market our products in those countries. In any case, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business may be adversely affected.

If we cannot show access and copying, then, our copyrights may not provide protection for our software and our business may be adversely affected.

Copyrights protect works of authorship, such as software, but proving infringement requires a showing of access to the work and copying of the work. Because software is not readily available or accessible, it may be difficult to determine and prove that a third party had access to our software and/or that they copied our software. Because our software may be accessible by obtaining or accessing our product offerings and technology, third parties may be able to download or reproduce our software and reverse engineer our software programs. Software programs can be rewritten in ways that significantly modify it from the original program, which may make it difficult to prove the copying prong of a copyright infringement showing. If we are unable to establish the two prongs of a copyright infringement analysis, then, our copyrights may provide limited or no protection for our software. Copyright infringement suits are expensive, and any damages we seek may be inadequate to compensate us for the costs of litigation and for damage to our business resulting from the copyright infringement.

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

Filing, prosecuting, and defending patents relating to our products in all countries throughout the world would be prohibitively expensive. The requirements for patentability may differ in certain countries, particularly developing countries, and the breadth of patent claims allowed can be inconsistent. In addition, the laws of some foreign countries may not protect our intellectual property rights to the same extent as laws in the United States.

Consequently, we may not be able to prevent third parties from practicing our inventions in all countries outside the United States. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and further may export otherwise infringing products to territories in which we have patent protection that may not be sufficient to terminate infringing activities.

We do not have patent rights in certain foreign countries in which a market for our products may exist. Moreover, in foreign jurisdictions where we do have patent rights, proceedings to enforce such rights could result in substantial costs and divert our efforts and attention from other aspects of our business, which could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, such proceedings could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially meaningful. Thus, we may not be able to stop a competitor from marketing and selling products and services in foreign countries that are the same as or similar to our products and services, and our competitive position in the international market would be harmed.

We may not identify relevant third-party patents or may incorrectly interpret the relevance, scope or expiration of a third-party patent, which might adversely affect our ability to develop and market our products.

We cannot guarantee that any of our or our licensors' patent searches or analyses, including the identification of relevant patents, the scope of patent claims, or the expiration of relevant patents are complete or thorough, nor can we be certain that we have identified each and every third-party patent and pending application in the United States and abroad that is relevant to or necessary for the commercialization of our products in any jurisdiction. For example, U.S. patent applications filed before November 29, 2000 and certain U.S. patent applications filed after that date that will not be filed outside the United States remain confidential until patents issue. Patent applications in the United States and elsewhere are 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. Therefore, patent applications covering our products could have been filed by others without our knowledge. Additionally, pending patent applications that have been published can, subject to certain limitations, be later amended in a manner that could cover our product candidates or the use of 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. Our interpretation of the relevance or the scope of a patent or a pending application may be incorrect, which may negatively impact our ability to market our products. We may incorrectly determine that our products 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 and services. Our failure to identify and correctly interpret relevant patents may negatively impact our ability to develop and market our products and services.

If we fail to identify and correctly interpret relevant patents, we may be subject to infringement claims. We cannot guarantee that we will be able to successfully settle or otherwise resolve such infringement claims. If we fail in any such dispute, in addition to being forced to pay damages, we may be temporarily or permanently prohibited from commercializing any of our products that are held to be infringing. We might, if possible, also be forced to redesign products or services, so that we no longer infringe the third-party intellectual property rights. Any of these events, even if we were ultimately to prevail, could require us to divert substantial financial and management resources that we would otherwise be able to devote to our business.

Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time.

Patents have a limited lifespan, and the protection patents afford is limited. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Even if patents covering our products are obtained, once the patent life has expired for patents covering a product, we may be open to competition from competitive products and services. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing product candidates similar or identical to ours.

Intellectual property rights do not necessarily address all potential threats to our business.

Once granted, patents may remain open to invalidity challenges including 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 grant. In the course of such proceedings, which may continue for a protracted period of time, the patent owner may be compelled to limit the scope of the allowed or granted claims thus attacked or may lose the allowed or granted claims altogether.

In addition, the degree of future protection afforded by our intellectual property rights is uncertain because even granted intellectual property rights have limitations and may not adequately protect our business, provide a barrier to entry against our competitors or potential competitors, or permit us to maintain our competitive advantage. Moreover, if a third party has intellectual property rights that cover the practice of our technology, we may not be able to fully exercise or extract value from our intellectual property rights. The following examples are illustrative:

- others may be able to develop and/or practice technology that is similar to our technology or aspects of our technology, but that are not covered by the claims of the patents that we own or control, assuming such patents have issued or do issue;
- we or our licensors or any future strategic partners might not have been the first to conceive or reduce to practice the inventions covered by the issued patents or pending patent applications that we own or have exclusively licensed;
- we or our licensors or any future strategic partners might not have been the first to file patent applications covering certain of our inventions;
- others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing our intellectual property rights;
- it is possible that our pending patent applications will not lead to issued patents;
- it is possible that our pending patent applications may not adequately cover our software applications;
- issued patents that we own or have exclusively licensed may not provide us with any competitive advantage, or may be held invalid or unenforceable, as a result of legal challenges by our competitors;
- our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets;

- third parties performing manufacturing or testing for the use of our products or technologies could use the intellectual property of others without obtaining a proper license;
- parties may assert an ownership interest in our intellectual property and, if successful, such disputes may preclude us from exercising exclusive rights over that intellectual property;
- we may not develop or in-license additional proprietary technologies that are patentable;
- we may not be able to obtain and maintain necessary licenses on commercially reasonable terms, or at all; and
- the patents of others may have an adverse effect on our business.

Should any of these events occur, they could significantly harm our business and results of operations.

We may be subject to claims that our employees, consultants, or independent contractors have wrongfully used or disclosed confidential information of their former employers or other third parties.

We do and may employ individuals who were previously employed at universities or other pharmaceutical or medical device companies, including our licensors, competitors, or potential competitors. Although we try to ensure that our employees, consultants, and independent contractors do not use the proprietary information or know-how of others in their work for us, and we are not currently subject to any claims that our employees, consultants or independent contractors have wrongfully used or disclosed confidential information of third parties, we may in the future be subject to such claims. Litigation may be necessary to defend against these claims. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights or personnel. Such intellectual property rights could be awarded to a third party, and we could be required to obtain a license from such third party to commercialize our technology or products. Such a license may not be available on commercially reasonable terms or at all. Even if we are successful in defending against such claims, litigation could result in substantial costs, be a distraction to management and other employees, and could result in customers seeking other sources for the technology, or in ceasing from doing business with us.

Our intellectual property agreements with third parties may be subject to disagreements over contract interpretation, which could narrow the scope of our rights to the relevant intellectual property or technology.

Certain provisions in our intellectual property agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could affect the scope of our rights to the relevant intellectual property or technology or affect financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who in fact conceives or develops intellectual property that we regard as our own. Our assignment agreements may not be self-executing or may be breached, and we may be forced to bring claims against third parties, or defend claims they may bring against us, to determine the ownership of what we regard as our intellectual property.

We may not be successful in obtaining necessary intellectual property rights to future products through acquisitions and in-licenses.

Although we intend to develop products and technology through our own internal research, we may also seek to acquire or in-license technologies to grow our product offerings and technology portfolio. However, we may be unable to acquire or in-license intellectual property rights relating to, or necessary for, any such products or technology from third parties on commercially reasonable terms or at all. In that event, we may be unable to develop or commercialize such products or technology. We may also be unable to identify products or technology that we believe are an appropriate strategic fit for our company and protect intellectual property relating to, or necessary for, such products and technology.

The in-licensing and acquisition of third-party intellectual property rights for product candidates are a competitive area, and a number of more established companies are also pursuing strategies to in-license or acquire third-party intellectual property rights for products that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, cash resources, and greater clinical development and commercialization capabilities. Furthermore, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. If we are unable to successfully obtain rights to additional technologies or products, our business, financial condition, results of operations, and prospects for growth could suffer.

In addition, we expect that competition for the in-licensing or acquisition of third-party intellectual property rights for products and technologies that are attractive to us may increase in the future, which may mean fewer suitable opportunities for us as well as higher acquisition or licensing costs. We may be unable to in-license or acquire the third-party intellectual property rights for products or technology on terms that would allow us to make an appropriate return on our investment.

Our platform utilizes open-source software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Our platform utilizes software governed by open-source licenses. The terms of various open-source licenses have not been interpreted by United States courts, and there is a risk that such licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to market our platform. By the terms of certain open-source licenses, if we combine certain proprietary software with open-source software in a specified manner, we could be required to release the source code of our proprietary software and make it available under open-source licenses. In the event that portions of our platform are determined to be subject to an open-source license, we could be required to publicly release the affected portions of our source code, or to re-engineer all or a portion of our technologies, or otherwise be limited in licensing activities, each of which could reduce or eliminate the value of our technologies. In addition to risks related to license requirements, the use of open-source software can lead to greater risks than use of third-party commercial software because open-source licensors generally do not provide warranties or controls on the origin of the software. Many of the risks associated with the use of open-source software cannot be eliminated and could negatively affect our business.

Cybersecurity incidents, including data security breaches or computer viruses, could harm our business by disrupting our delivery of services, damaging our reputation, or exposing us to liability.

We receive, process, store, and transmit, often electronically, data of our customers and others which may be confidential. Unauthorized access to our computer systems or stored data could result in the theft or improper disclosure of confidential information, the deletion or modification of records, or could cause interruptions in our operations. These cybersecurity risks increase when we transmit information from one location to another, including transmissions over the Internet or other electronic networks. Despite implemented security measures, our facilities, systems, and procedures, and those of our third-party service providers, may be vulnerable to security breaches, phishing scams, acts of vandalism, software viruses, misplaced or lost data, programming and/or human errors, or other similar events which may disrupt our delivery of services or expose the confidential information of the Company, our customers and others. Any security breach involving the misappropriation, loss, or other unauthorized disclosure or use of confidential information of our customers or others, whether by us or a third party, could: (i) subject us to civil and criminal penalties; (ii) have a negative impact on our reputation; or (iii) expose us to liability to our customers, third parties, or government authorities. Any of these developments could have a material adverse effect on our business, financial condition, and results of operations.

The regulatory environment governing information, cybersecurity, and privacy is increasingly demanding and continues to evolve.

Personal privacy and data security have become significant issues in the United States, Europe, and many other jurisdictions where we offer our products. The regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. For example, the recent suspension of offensive cyberoperations against Russia by U.S. Cyber Command. As a result of SEC rules on cybersecurity disclosure, we are required to disclose, pursuant to new Item 1.05 of SEC Form 8-K, any cybersecurity incident that we determine to be material and describe the material aspects of the nature, scope, and timing of the incident, as well as the material impact or reasonably likely material impact of the incident on us, including our financial condition and results of operations. We will also be required to describe, on a periodic basis, our processes, if any, for the assessment, identification, and management of material risks from cybersecurity threats, and describe whether any risks from cybersecurity threats have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition, our board's oversight of risks from cybersecurity threats and management's role in assessing and managing material risks from cybersecurity threats. While any insurance that we may have that covers a specific cybersecurity incident may help to prevent our realizing a significant loss from the incident, it would not protect us from the effects of adverse regulatory actions that may result from the incident or a finding that we had inadequate cybersecurity controls, including the reputational harm that could result from such regulatory actions. Such insurance can be expensive and difficult to procure and may also be limited and subject to policy terms and significant self-insured retentions. Any such insurance also may be insufficient to cover all losses or all types of claims that may arise. We have incurred significant costs in an effort to detect and prevent security breaches and incidents, and we may face increased costs and requirements to expend substantial resources in the event of an actual or perceived security breach or incident and to comply with this new SEC cybersecurity rule.

Certain U.S. and foreign laws, such as the federal Health Insurance Portability and Accountability Act of 1996 (or HIPAA), govern the transmission, security, and privacy of individually identifiable information and sensitive health and other personal information that we may obtain or have access to in connection with the operation of our business, including the conduct of clinical research trials or other research studies that may provide us with access to this information. We may be required to make costly system modifications to comply with these data privacy and security requirements. In addition, if we do not properly comply with applicable laws and regulations related to the protection of this information, we could be subject to criminal or civil penalties and sanctions. The California Consumer Privacy Act of 2018 (or CCPA), which became effective on January 1, 2020, requires us to make new disclosures to consumers about our data collection, use, and sharing practices. The CCPA also allows consumers to opt out of certain data sales to third parties, affords new consumer rights, and provides a new cause of action for data breaches with the possibility of significant statutory damage awards as well as injunctive or declaratory relief if there has been unauthorized access, theft, or disclosure of specified personal information due to failure to implement reasonable security procedures. The California Privacy Rights Act (or CPRA), which went into effect on January 1, 2023, with a 12-month look-back period for enforcement purposes, will effectively replace the CCPA. Among other changes, the CPRA expands consumers' rights and has enhanced enforcement mechanisms, such as the creation of a new California privacy agency that will investigate and enforce the CPRA and its promulgating regulations. In addition to the CCPA and the CPRA, all 50 U.S. states have data breach notification laws that, if violated, could result in penalties, fines, and litigation. In addition, many states have implemented or are in the process of implementing related legislation, including state-specific biometric privacy laws that have resulted in class-action lawsuits against businesses. The full impact of these laws on our business is yet to be determined, but it could result in increased operating expenses and additional exposure to the risk of litigation by or on behalf of consumers.

Internationally, the General Data Protection Regulation (or GDPR) took effect in May 2018 within the European Economic Area (EEA), and many EEA jurisdictions have also adopted their own data privacy and protection laws in addition to the GDPR. Furthermore, other international jurisdictions, including Singapore, South Korea, China, Brazil, Mexico, and Australia, have also implemented laws relating to data privacy and protection. Although we believe that we are complying with the GDPR and similar laws, these laws are still relatively new. Therefore, as international data privacy and protection laws continue to evolve, and as new regulations, interpretive guidance, and enforcement information become available, we may incur incremental costs to modify our business practices to comply with these requirements. In addition, our internal control policies and procedures may not always protect us from reckless, intentional and/or criminal acts committed by our employees or agents.

Cybersecurity risks and cyber incidents could result in the compromise of confidential data or critical data systems and give rise to potential harm to customers, remediation and other expenses, expose us to liability under HIPAA, consumer protection laws, or other common law theories, subject us to litigation and federal and state governmental inquiries, damage our reputation, and otherwise be disruptive to our business and operations.

There are numerous and evolving risks to our cybersecurity and privacy from cyber threat actors. These cyber threat actors, whether internal or external to our company, are becoming more frequent, sophisticated and coordinated in their attempts to access data, including third parties with whom we conduct business through, without limitation, malicious software; data privacy breaches by employees, insiders or others with authorized access; cyber or phishing-attacks; ransomware; utilization of Artificial Intelligence; attempts to gain unauthorized access to our data and systems; and other electronic security breaches. In the ordinary course of business, we collect and store sensitive information on our network, including intellectual property, proprietary business information and personally identifiable information of individuals, such as our customers and employees. The secure maintenance of this information and technology is critical to our business operations. We are consistently implementing new security measures and technologies to protect the confidentiality, integrity and availability of this data and the systems and devices that store and transmit such data. Although our defenses are monitored and routinely tested internally and by external parties. Threats from malicious persons and groups, new vulnerabilities and advanced new attacks against information systems create enhanced risks of cybersecurity incidents.

These incidents can include, but are not limited to, gaining unauthorized access to digital systems for purposes of misappropriating assets or sensitive information, corrupting data, or causing operational disruption. Because the techniques used to obtain unauthorized access, disable or degrade service, or sabotage systems change frequently and may not immediately produce signs of intrusion, we may be unable to anticipate these incidents or techniques, timely discover them, or implement adequate preventative measures.

Additionally, in response to the onset of the COVID-19 pandemic, we modified our business practices to adopt hybrid and remote workplace models for many of our employees. The hybrid and remote workplace models do, however, introduce additional operational risk, including increased cybersecurity risk. These cyber risks include, among other risks, increased phishing, malware, and other cybersecurity attacks, vulnerability to, or disruptions of, our information technology infrastructure and systems to support remote operations, increased risk of unauthorized access, use or dissemination of confidential information, limited ability to restore the systems in the event of a systems failure or interruption, greater risk of a security breach resulting in destruction, alteration or misuse of valuable information, including proprietary business information and personally identifiable information of individuals, all of which could expose us to risks of data or financial loss, litigation and liability.

These threats can come from a variety of sources, including criminal hackers, state-sponsored intrusions, industrial espionage and malfeasance by employees, contractors, or other insiders. Cyber threats may be generic, or they may be custom-crafted against our information systems or particular personnel. Over the past several years, cyber attacks have become more prevalent and much harder to detect and defend against. These threat actors may be able to penetrate our security measures, breach our information technology systems, misappropriate or compromise confidential and proprietary information of our company and our customers, cause system disruptions and shutdowns, or introduce ransomware, malware, or vulnerabilities into our products, systems, and networks or those of our customers and partners. Our network and storage applications, as well as those of our contractors, may be vulnerable to cyber attack, malicious intrusion, malfeasance, loss of data privacy or other significant disruption and may be subject to unauthorized access by hackers, employees, consultants or other service providers. In addition, products, hardware, software or applications we develop, or which we procure from third parties, may contain defects in design or manufacture, security flaws, or other problems that could unexpectedly compromise information security or the operation of our products. Our third-party vendors may experience security incidents of varying severity, including but not limited to increased ransomware attacks, network intrusions, and unauthorized data exfiltration. Targeted cyber-attacks or those that may result from a security incident directed at a third-party vendor could compromise our services and internal systems, resulting in interruptions, delays, or cessation of service that could disrupt business operations for us and our customers. Our proactive measures and remediation efforts may not be successful or timely. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deceiving our employees, contractors and temporary staff.

We are and may continue to be subject to cybersecurity incidents that bypass our security measures. Such incidents may impact the integrity, availability or privacy of personal health information or other data subject to privacy laws or disrupt our information systems, devices or business, including our ability to deliver products and services to our customers. As a result, cybersecurity, physical security and the continued development and enhancement of our controls, processes and practices designed to protect our enterprise, information systems and data from attack, damage or unauthorized access remain a priority for us but there can be no assurance that our efforts will prevent or mitigate the risks. Moreover, as cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any cybersecurity vulnerabilities. The occurrence of any of these events could result in:

- harm to customers and consumers;
- business interruptions and delays;
- the loss, misappropriation, corruption or unauthorized access of data, confidential information or intellectual property;
- litigation, including potential class action litigation, and potential liability under privacy, security and consumer protection laws or other applicable laws;
- reputational damage;
- significant remediation costs, including liability for stolen customer or employee information, repairing system damage, or providing benefit to affected customers or employees;
- increase to insurance premiums; and
- foreign, federal and state governmental inquiries, violations or sanctions, any of which could have a material, adverse effect on our financial position and results of operations.

Any significant interruptions or delays in third-party service and access could result in limited capacity, reduced demand, and loss of customers and adversely affect our business.

We rely upon third-parties as service data storage providers, including cloud storage solution providers, for the development, availability or functionality of our medical devices and wellness products, including our next generation Truvaga app-enabled consumer product. Nearly all of our data storage and analytics are conducted on, and the data and content we create associated with sales on our apps and websites are processed through servers hosted by these providers. If our third-party vendors are unable or unwilling to provide the services necessary to support, or if our agreements with such vendors are terminated, our medical devices and wellness products, including the launch and use of our next generation Truvaga app-enabled consumer product, could be significantly affected. Some of our vendor agreements may be unilaterally terminated by the licensor for convenience, and if such agreements are terminated, we may not be able to enter into similar relationships in the future on reasonable terms or at all.

Any damage to, or failure of, our systems or the systems of our third-party data centers or our other third-party providers that we may use could result in interruptions to the development, availability or functionality of our medical devices and wellness products, including the launch of our next generation Truvaga app-enabled consumer product. As a result, we could lose consumer data and miss opportunities to acquire and retain consumers, which could potentially result in decreased revenue. If for any reason our arrangements with our data centers or third-party providers are terminated or interrupted, such termination or interruption could adversely affect our business, financial condition, and results of operations. We exercise little control over third-party providers, which increases our vulnerability to problems with the services they provide. We could experience additional expense in arranging for new facilities, technology, services and support. In addition, the failure of third-party data centers or any other third-party providers to meet our requirements could result in interruption in the development, availability or functionality of our medical devices and wellness products, including the launch and use of our Truvaga app-enabled consumer product.

The satisfactory performance, reliability, development and availability of our Truvaga app-enabled consumer product is critical to our reputation and our ability to acquire and retain customers, as well as to maintain adequate customer service levels. If the interface of our next generation app is not considered user friendly by our customers or our app does not function correctly, our customers may become frustrated and not order any existing or new wellness products. Our future revenue may depend in part on the number of customers using our app in connection with our next generation consumer product in fulfilling their wellness needs. The unavailability of our app in connection with the use of our next generation consumer product could materially and adversely affect consumer perception of our brand.

The occurrence of a natural disaster, power loss, telecommunications failure, data loss, computer virus, an act of terrorism, cyberattack, vandalism or sabotage, act of war or any similar event, or a decision to close our third-party data centers on which we normally operate or the facilities of any other third-party provider without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions and affect the launch and use of our next generation Truvaga app-enabled consumer product. Cloud computing, in particular, is dependent upon having access to an internet connection in order to retrieve data. If a natural disaster, blackout or other unforeseen event were to occur that disrupted the ability to obtain an internet connection, we may experience a slowdown or delay in the development, availability or functionality of our medical devices and wellness products, including the launch and use of our next generation Truvaga app-enabled consumer product. While we have disaster recovery arrangements in place, our preparations may not be adequate to account for disasters or similar events that may occur in the future and may not effectively permit consumers to use our medical devices and wellness products, including our next generation Truvaga app-enabled product after launch, in the event of any problems with respect to our systems or those of our third-party data centers or any other third-party facilities. Our disaster recovery and data redundancy plans may be inadequate, and our business interruption insurance may not be sufficient to compensate us for the losses that could occur. If any such event were to occur, our medical devices and wellness products, including the launch and use of our next generation Truvaga app-enabled consumer product, could be impaired and our business, financial condition and results of operations may be materially and adversely affected.

Failure to protect our information technology infrastructure against cyber attacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business and operating results.

We rely on information technology and telephone networks and systems, including the internet, to process and transmit sensitive electronic information and to manage or support a variety of business processes and activities, including sales, billing, customer service, procurement and supply chain, research and development, product assembly, and distribution. We use enterprise information technology systems to record, process, and summarize financial information and results of operations for internal reporting purposes and to comply with regulatory financial reporting, legal, and tax requirements. System failures or outages, including any potential disruptions due to significantly increased global demand on certain cloud-based systems, or failures to adequately scale our data platforms and architectures could compromise our ability to perform these functions in a timely manner, which could harm our ability to conduct business or delay our financial reporting. Such failures could materially adversely affect our operating results and financial condition. Our information technology systems, some of which are managed by third parties, may be susceptible to damage, disruptions or shutdowns due to computer viruses, denial-of-service attacks, phishing attacks, ransomware or other malware, attacks by computer hackers (including nation states or state-sponsored organizations), failures during the process of upgrading or replacing software, databases or components thereof, power outages, hardware failures, telecommunication failures, user errors, natural disasters, terrorist attacks, the outbreak of wars or other armed conflicts, or catastrophic events. Although we are developing systems and processes that are designed to protect customer information and prevent data loss and other security breaches, including systems and processes designed to reduce the impact of a security breach at a third-party vendor, such measures cannot provide absolute security. In addition, certain countries have implemented or may implement legislative and technological actions that either do or can effectively regulate access to the internet, including the ability of internet service providers to limit access to specific websites or content. Other countries have attempted or are attempting to change or limit the legal protections available to businesses that depend on the internet for the delivery of their services. If our systems are breached or suffer severe damage, disruption or shutdown and we are unable to effectively resolve the issues in a timely manner, our business and operating results may significantly suffer and we may be subject to litigation, government enforcement actions and other actions for which we could face financial liability and other adverse consequences which may include:

- additional government oversight of our operations;
- loss of existing customers;
- difficulty in attracting new customers;
- problems in determining product cost estimates and establishing appropriate pricing;
- difficulty in preventing, detecting, and controlling fraud;

- disputes with customers, physicians, and other health care professionals;
- increases in operating expenses, incurrence of expense, including notification and remediation costs;
- regulatory fines or penalties;
- individual actions or class actions for damages;
- loss of revenues (including through loss of coverage or reimbursement);
- product development delays;
- disruption of key business operations; and
- diversion of attention of management and key information technology resources.

The increasing use, availability, and misuse of artificial intelligence (“AI”), including generative AI technologies, present evolving risks to our business, operations, cybersecurity posture, data protection practices, and regulatory compliance, which could materially and adversely affect our financial condition and results of operations.

AI technologies are increasingly used by third parties, vendors, employees, customers, and malicious actors, and may be deployed in ways that are difficult to detect, control, or govern. Advances in AI have enabled the creation of highly realistic synthetic content, including voice, video, image, and text-based materials, which may be used to impersonate our executives, employees, vendors, or other trusted parties. AI-enabled impersonation, social engineering, or phishing attacks could result in unauthorized payments, disclosure of confidential or proprietary information, circumvention of internal controls, cybersecurity incidents, or other fraud or operational harm.

The use of AI tools, including third-party AI systems, may result in the inadvertent disclosure, misuse, or loss of sensitive, confidential, proprietary, or regulated information if such data is input into AI systems that retain, process, or use data in ways beyond our control, including for model training or system improvement. Errors, misconfigurations, changes in third-party terms, or security incidents involving AI providers could further increase the risk of data leakage, intellectual property loss, or violations of privacy, data protection, or cybersecurity laws.

AI systems may also produce inaccurate, incomplete, misleading, or biased outputs, including fabricated information, which could negatively affect business operations, product development, customer communications, research activities, regulatory compliance, or decision-making if relied upon. The increasing use of AI by threat actors may further increase the frequency, scale, and sophistication of cyberattacks, making them more difficult to detect and mitigate, while vulnerabilities in AI systems themselves may introduce new attack surfaces or systemic risks.

The regulatory and legal frameworks governing AI are rapidly evolving and remain uncertain. New or changing laws, regulations, standards, or enforcement practices related to AI, data protection, consumer protection, and algorithmic accountability could impose additional compliance obligations, restrict certain uses of AI, require costly operational changes, or expose us to increased litigation, regulatory scrutiny, or liability. We also rely on third-party vendors and service providers that may use or incorporate AI technologies, and we may have limited visibility into or control over their AI-related practices, increasing our exposure to security, compliance, and reputational risks arising from third-party actions or failures.

Any actual or perceived misuse of AI, AI-enabled cybersecurity incident, data leakage, fraud, regulatory violation, or failure to responsibly manage AI-related risks could result in financial losses, business disruptions, regulatory investigations or enforcement actions, litigation, increased compliance and remediation costs, loss of customer or investor confidence, and reputational harm, any of which could materially and adversely affect our business, financial condition, and results of operations.

Risks Related to Regulation of our Industry

Our business is subject to extensive governmental regulation that makes it expensive and time consuming for us to bring our therapies and products to market in the United States and to expand the use of our prescription therapies to additional therapeutic indications, and to expand the reach of our general wellness initiatives.

Our prescription therapies must comply with regulatory requirements imposed by the FDA in the United States and by similar agencies in foreign jurisdictions. These requirements involve lengthy and detailed laboratory and clinical testing procedures, sampling activities, extensive agency review processes, and other costly and time-consuming procedures. It often takes several years to satisfy these requirements, depending on the complexity and novelty of the product. We also are subject to numerous additional licensing and regulatory requirements relating to safe working conditions, manufacturing practices, environmental protection, fire hazard control, and disposal of hazardous or potentially hazardous substances. Some of the most important requirements we must comply with include:

- the Federal Food, Drug, and Cosmetic Act (FDCA) and the FDA's implementing regulations (Title 21 CFR);
- CE mark requirements of the European Union (or EU) and U.K.CA mark requirements of the United Kingdom;
- Medical Device Quality Management System Requirements (ISO 13485:2016);
- Occupational Safety and Health Administration requirements;
- Federal Trade Commission requirements;
- health information privacy and security laws, including the Health Insurance Portability and Accountability Act of 1996, or HIPAA, as amended by the Health Information Technology for Economic and Clinical Health Act of 2009, or HITECH, and comparable state laws; and
- State of New Jersey Department of Health Services legal requirements.

Government regulation may impede our ability to conduct clinical trials and manufacture and sell our existing therapies and any future products. Government regulation also could delay our marketing of new products for a considerable period of time and impose costly procedures on our activities. For instance, the FDA and other regulatory agencies may not clear or approve our prescription therapies in additional therapeutic areas that we may pursue, on a timely basis, if at all. We have recently reduced resources in research and development which may delay our receipt of regulatory approvals for additional indications. Any delay in obtaining, or failure to obtain, such clearances or approvals could negatively impact our marketing of our prescription therapies and impede our ability to bring future products to market. Moreover, any reclassification, redesignation, or new regulatory treatment of our existing general wellness products in light of applicable law, nonbinding recommendations or other inferences resulting from complex legal analysis and interpretation of the existing regulatory framework governing wellness products and their relational position in the larger FDA scheme of enforcement may negatively impact our marketing and other activities in respect to our general wellness and human performance brands, and other future marketing and other activities in respect to future general wellness business ventures.

Even though 510(k) clearance from the FDA has been received to expand the label for prescription therapies for several indications, our prescription therapies will remain subject to strict regulatory controls on manufacturing, marketing, and use. We may be forced to modify or recall a product after release in response to regulatory action or unanticipated difficulties encountered in general use. Any such action could have a material effect on the reputation of our prescription gammaCore therapy and on our competitive and financial position.

The advertising, marketing, and labeling of medical devices are highly regulated by the FDA and FTC. Our efforts to promote our prescription therapies, including via direct-to-consumer marketing or social media initiatives, could subject us to additional scrutiny of our communication of risk information, benefits or claims, by the FDA, FTC, or both agencies. Our general wellness product activity is also subject to similar marketing and promotion risks.

In 2009, the FTC promulgated nonbinding Guides Concerning the Use of Endorsements and Testimonials in Advertising (or Endorsement Guides), which explained what endorsement practices the FTC views as being unfair or deceptive acts or practices. In 2020, the FTC sought public comments in connection with informal, notice and comment rulemaking on whether the Endorsement Guides should be amended in various ways. The last time the FTC sought similar public comments led to a major revision of the Endorsement Guides. Consequently, the FTC could bring an enforcement action based on practices that are possibly inconsistent with the current Endorsement Guides as the FTC considers any revisions. Under the current Endorsement Guides, advertisements that feature a consumer and convey his or her atypical experience with a product or service are required to clearly disclose the typical results that consumers can generally expect. We cannot be sure the FTC will not challenge our advertising or other operations in the future, which could have a material adverse impact on our business.

Furthermore, as a general matter, regulations may change, and any additional regulation could limit or restrict our ability to use any of our technologies, which could harm our business and prospects for growth. We could also be subject to new international, federal, state, or local regulations that could affect our research and development programs and harm our business in unforeseen ways. If this happens, we may have to incur significant costs to comply with such laws and regulations, which will harm our results of operations for an unknown period of time. Compliance obligations under the various domestic and foreign regulations are oftentimes complex and onerous, which contributes to a risk that we could be found to be not compliant with particular requirements. The risk of being found in violation of applicable domestic and foreign regulations, as a consequence of public law-based adjudicatory or other processes (such as administrative law hearings), is further increased by the fact that many of them have not been comprehensively interpreted by regulatory agencies or judicial authorities, particularly with respect to new and emerging technologies, and regulatory provisions are typically open to various interpretations and possible juridical doctrines in certain jurisdictions that imbue greater authority to interpret the law to regulatory authorities under certain conditions or standards.

Any significant developments in the FDA or foreign regulatory approval standards and processes, including both legal and policy changes, could also delay, or preclude, the clearance or approval of our products submitted for review. For example, in the United States, as part of the 21st Century Cures Act passed in 2016, Congress enacted several reforms that affect medical device regulation both pre- and post-approval, and FDA implementation and development of guidance in many areas are ongoing. In August 2017, Congress enacted the FDA Reauthorization Act of 2017 (or FDARA), which reauthorized the FDA to collect device user fees, including a new user fee for de novo classification requests, and contained substantive amendments to the device provisions of the FDCA. Among other changes, FDARA mandated that the FDA update and revise its processes for scheduling inspections of device establishments, communicating about those inspections with manufacturers, and providing feedback on the manufacturer's responses to Form 483s. The statute also mandated that the FDA study the impact of device servicing, including third-party services, and created a new process for device sponsors to request classification of accessory devices as part of the PMA application for the parent device or to request a separate classification of accessory devices. In addition, the FDA is reportedly in the process of reviewing the 510(k) approval process and criteria and has announced initiatives to improve the current pre- and post-market regulatory processes and requirements associated with infusion pumps and other home-use medical devices, for instance, and, as part of such review efforts, the FDA is evaluating adverse event reporting and recall processes for insulin pumps.

Generally, any change in the laws or regulations that govern the clearance and approval processes relating to our current and future products could make it more difficult and costly to obtain clearance or approval for new products, or to produce, market, and distribute existing products. The data contained in our submissions, including data drawn from our clinical trials, may not be sufficient to support clearance or approval of our products or additional or expanded indications. Medical device company stock prices have declined significantly in certain circumstances where companies have failed to meet expectations in regard to the timing of regulatory approval. If the FDA's response causes product approval delays, or is not favorable for any of our products, our stock price could decline substantially. It is uncertain how potential changes to FDA regulatory approval standards and processes may impact our ability to gain clearance or approval from FDA for our products in the future.

Our future success in part depends on our ability to develop, receive regulatory clearance or approval for, and introduce new products or product enhancements that will be accepted by the market in a timely manner.

It is important to our business that we build a pipeline of product offerings for treatment of our target indications. As such, our success will depend in part on our ability to develop and introduce new products. However, we may not be able to successfully develop and obtain regulatory clearance or approval for product enhancements, or new products, or these products may not be accepted by physicians or the payors who financially support many of the procedures performed with our products.

The success of any new product offering or enhancement to an existing product will depend on a number of factors, including our ability to:

- identify and anticipate physician and patient needs properly;
- develop and introduce new products or product enhancements in a timely manner;
- avoid infringing upon the intellectual property rights of third parties;
- demonstrate, if required, the safety and efficacy of new products with data from preclinical and clinical studies;
- obtain the necessary regulatory clearances or approvals for new products or product enhancements;
- comply fully with FDA and foreign regulations on marketing of new devices or modified products;
- provide adequate training to potential users of our products; and
- receive adequate coverage and reimbursement for procedures performed with our products.

If we do not develop new products or product enhancements in time to meet market demand, or if there is insufficient demand for these products or enhancements, or if our competitors introduce new products with functionalities that are superior to ours, our results of operations will suffer.

Our prescription therapies are subject to extensive government regulation, and our failure to comply with applicable requirements could cause our business to suffer.

The medical device industry is regulated extensively by governmental authorities, principally the FDA and corresponding state and foreign regulatory agencies and authorities, such as the European Commission and the EEA member states, competent authorities, and notified bodies. The FDA, FTC, and other U.S., EEA, and foreign governmental agencies and authorities regulate and oversee, 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;
- risk assessment, and management;
- marketing, sales and distribution;
- pre-market regulatory clearance and approval;
- conformity assessment procedures;
- record-keeping procedures;
- advertising and promotion;
- recalls and other field safety corrective actions, and in the case of the FDA, for example, if the FDA subsequently determines that a report was required for such recall or other field correction action that was not submitted, any subsequent related enforcement 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 studies; and
- product import and export.

The laws and regulations to which we are subject are complex and have tended to become more stringent over time. Legislative or 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.

Our failure to comply with U.S. federal and state regulations or EEA or other foreign regulations applicable in the countries where we operate could lead to the issuance of warning letters or untitled letters, the imposition of injunctions, suspensions or loss of regulatory clearance or approvals, product recalls, termination of distribution, product seizures, or civil penalties. In the most extreme cases, criminal sanctions or closure of our manufacturing facilities are possible. If any of these risks materialize, our business would be adversely affected.

gammaCore is also subject to extensive governmental regulation in foreign jurisdictions, such as Europe, and our failure to comply with applicable requirements could cause our business to suffer.

Outside the United States, we market gammaCore in the United Kingdom and, to a limited extent, in the European Economic Area (EEA) through distribution partners. Sales in these markets currently represent an immaterial portion of our total revenue. To market gammaCore in the EEA and U.K., we must comply with applicable medical device regulations and maintain CE Certificates of Conformity issued by a notified body. Our CE Certificates of Conformity allow us to affix the CE mark to gammaCore for sale in the EEA. In the United Kingdom, CE marked devices may currently be placed on the market until the earlier of expiration of the CE Certificate or June 30, 2028, after which we will need UKCA marking to continue sales in the U.K unless the U.K. implements the proposed amendments to the UK Medical Device Regulation (UK MDR) permitting the U.K. to indefinitely recognize devices that comply with the EU Medical Device Regulation (EU MDR).

The EU Medical Devices Regulation 2017/745 (MDR) replaced the prior Medical Devices Directive and imposes additional compliance requirements. The European Commission extended the MDR transition period until June 30, 2028 for Class IIa devices, which includes our gammaCore products. We have obtained the necessary certificates for MDR compliance through June 30, 2028. On December 16, 2025, the European Commission, or EC, published a proposal to revise the MDR. The proposal introduces several measures that would have a significant impact on the medical device industry, including:

- Amendments to classification rules, which may result in a lower risk classification for certain products, including medical device software. These changes could also reduce the number of AI-enabled medical devices classified as “high-risk” under the EU AI Act (Regulation (EU) 2024/1689);
- Clarification of the interplay with the AI Act, providing that most requirements applicable to high-risk AI systems under the AI Act would not apply to AI-based medical devices, in order to avoid regulatory overlaps;
- Extension of CE Certificate validity, by removing the current five-year maximum validity period for CE Certificates of Conformity issued by Notified Bodies.

The proposal will undergo the ordinary legislative procedure and be examined by the European Parliament and the Council, which may introduce amendments to the text proposed by the EC.

Following Brexit, U.K. medical device regulations are based on retained EU legislation, but may diverge in the future. These regulatory changes could add complexity and cost to our limited U.K. and EEA operations .

If we fail to maintain regulatory approvals and clearances, or are unable to obtain, or experience significant delays in obtaining FDA clearances, approvals or CE Certificates of Conformity for our future products or product enhancements, our ability to commercially distribute, market, and sell these products could suffer, and, if our general wellness products no longer fall under the scope of applicable FDA guidance, such products may be subject to additional and more comprehensive regulation and/or greater regulatory uncertainty, affecting our ability to commercially distribute, market, and sell such products in the ordinary course of business.

Any of our medical device products are subject to rigorous regulation by the FDA, notified bodies, and numerous other federal, state, and foreign governmental authorities. The process of obtaining regulatory clearances, approvals, or CE Certificates of Conformity to market a medical device can be costly and time consuming, and we may not be able to obtain these clearances or approvals on a timely basis, if at all. In particular, the FDA permits commercial distribution of a new medical device only after the device has received clearance under Section 510(k) of the FDCA, or is the subject of an approved PMA unless the device is specifically exempt from those requirements. The FDA will clear marketing of a lower risk medical device through the 510(k) process if the manufacturer demonstrates that the new product is substantially equivalent to a legally marketed “predicate” device.

For novel medical devices that are low to moderate risk and are not substantially equivalent to a predicate device, the FDA may determine that the “de novo” process is the appropriate route to market. The “de novo” process is more costly, time consuming, and uncertain than the traditional 510(k) process.

High risk devices deemed to pose the greatest risk, such as life-sustaining, life-supporting, or implantable devices, or devices not deemed substantially equivalent to a legally marketed “predicate” device, require the approval of a PMA. The PMA process is more costly, lengthy and uncertain than the 510(k)-clearance process. A PMA application must be supported by extensive data, including, but not limited to, technical, preclinical, clinical trial, manufacturing and labeling data, to demonstrate to the FDA’s satisfaction the safety and efficacy of the device for its intended use.

Our currently commercialized prescription therapies have been cleared through the 510(k) process or the “de novo” process. In the future, we may need to submit a PMA or continue to utilize the “de novo” process to expand our labeling claims to include certain indications, which likely will be more costly, time consuming and uncertain than the traditional 510(k) process.

Our general wellness products, which in the future may or may not be low risk general wellness products in light of applicability of, and potential, revisions to FDA guidance for such products, and which are not intended for medical use, and which we believe appropriately fall under the scope of current FDA guidance applicable to such products, are not normally subject to the rigorous regulatory processes described in the aforementioned paragraphs. Therefore, some of our products, or product features in certain circumstances, may not be subject to the aforesaid Section 510(k) process and/or other regulatory requirements in accordance with specific FDA guidance and policies. In addition, some of our products, or product features, may not be subject to statutory device prescription requirements pursuant to various provisions of the FDCA.

Section 3060(a) of the 21st Century Cures Act amended Section 520 of the FDCA on December 13, 2016, removing certain software functions, including those intended for maintaining or encouraging a healthy lifestyle that are unrelated to the diagnosis, cure, mitigation, prevention, or treatment of a disease or condition, from the definition of device in Section 201(h) of the FDCA. Section 520(o)(1)(B) of the FDCA states that software that is intended “for maintaining or encouraging a healthy lifestyle and is unrelated to the diagnosis, cure, mitigation, prevention, or treatment of a disease or condition” is not a device under section 201(h) of such enactment. In connection with the aforesaid legislative developments, the FDA has issued the aforementioned general wellness guidance in July 2016 and the reissued guidance in 2019, clarifying at each time the FDA’s interpretation of this provision and its application to general wellness products (as defined by the Center for Devices and Radiological Health, which for the purposes of the current guidance mean products that are intended for only general wellness use, as defined in the current general wellness guidance, and that present a low risk to the safety of users and other persons). We recognize that the FDA’s guidance documents, including the current general wellness guidance on low risk, general wellness products, do not create legal obligations. Instead, guidance documents describe the FDA’s contemporary thinking on a topic, which is subject to change, and should be viewed only as legally nonbinding recommendations, unless particular regulatory or statutory requirements are cited to the make the contrary inference. In light of this information, we also recognize that the current guidance does not change or otherwise rescind any legally enforceable requirements of the FDCA or any applicable regulations. Moreover, we acknowledge that the FDA’s general wellness guidance in this respect does not prohibit the FDA from consulting with the Consumer Product Safety Commission (or CPSC) as to whether or not a general wellness product is a consumer product under the CPSC’s authority or a device. The FDA may coordinate with other agencies and authorities, such as the CPSC, in ascertaining appropriate jurisdiction over products. If a product is a device under Section 201(h) of the FDCA, it is generally excluded from CPSC’s authority over “consumer products” as contemplated under the Consumer Product Safety Act, particularly under Section 2052(a)(5)(ii)(H). However, CPSC and the FDA may both assert jurisdiction over certain medical devices under other statutory authorities the CPSC is charged with implementing.

Subject to continuing analysis and review of considerations included in the FDA, general wellness guidance and any revisions to such guidance and other guidance, we have applied or otherwise made use of the guidance questions in Section 4 of the published FDA low risk, general wellness products guidance document, which assist in determining whether general wellness products are within the scope of such guidance, among other legal review. We acknowledge that such questions should be read in the context of the full written text of the guidance and represent, but do not constitute in and of themselves, the framework described in such guidance. Main considerations, including whether a product has an intended use that relates to maintaining or encouraging a general state of health or healthy activity, whether a product has an intended use that relates the role of healthy lifestyle with helping to reduce the risk or impact of certain chronic diseases or conditions, whether the product is low risk in that it is not invasive, and not implanted, and does not involve a technology that may pose a risk to the safety of users or other persons if specific regulatory controls are not applied, among other considerations, are particularly relevant to our business involving general wellness products. Descriptions of general wellness products in the aforementioned FDA guidance within Section 3 of the published document are also particularly relevant to our business involving general wellness products. We further acknowledge that the Center for Devices and Radiological Health's general wellness policy applies only to general wellness products that are deemed to be low risk. In considering whether a product of ours is low risk for purposes of the aforementioned FDA guidance, the FDA recommends the due consideration of whether the Center for Devices and Radiological Health actively regulates products of the same type as the product in question, and this consideration is important to our current and future general wellness market engagement.

Our business activities involving general wellness products may be subject to significant and possibly material and adverse consequences if revisions to FDA guidance or other guidance modify our reasoned beliefs and opinions regarding classification, other legal questions, and compliance with all applicable rules and regulations that apply to our business activities in various ways. Moreover, FDA may disagree with our assessment, potentially subjecting these products to regulation as medical devices. We and our legal advisors strive to regularly keep abreast of all relevant developments in the statutory, administrative, and decisional laws, on federal and, where applicable, state levels, that influence or inform our general wellness products-related development, marketing, promotion, distribution, and sale, among other activities. In light of the substantial complexity in such laws as well as their potential actual interactive Ness, or perceived overlap or conflict, with the application of the FDA's existing regulatory approval or clearance processes for medical device products as a result of either official agency changes to applicable general wellness guidance, our subsequent legal review of such guidance that differs substantially from earlier legal review of such guidance, or the FDA's disagreement with our determination regarding the regulatory status of our general wellness products, we may experience adverse and possibly material effects on our ability to commercialize our general wellness products, which could impact our financial condition, operating results, and prospects for growth. Separate and apart from our legal and compliance functions and external advisors, we maintain internal controls and policies and procedures that militate against compliance risk in our general wellness line of business and train and educate our sales agents and other personnel on subject matter pertinent to compliance with relevant law in various jurisdictions.

Our failure to comply with U.S. federal, state, and foreign governmental regulations could lead to the issuance of warning letters or untitled letters, the imposition of injunctions, suspensions or loss of regulatory clearance or approvals, product recalls, termination of distribution, product seizures, or civil penalties. In the most extreme cases, criminal sanctions or closure of our manufacturing facility are possible.

Foreign governmental authorities and notified bodies that regulate the manufacture and sale of medical devices have become increasingly stringent and, to the extent we market and sell our products internationally, we may be subject to rigorous international regulation in the future. In these circumstances, we would rely significantly on our foreign independent distributors to comply with the varying regulations, and any failures on their part could result in restrictions on the sale of our products in foreign countries.

Modifications to our products may require new regulatory clearances or approvals or may require us to recall or cease marketing our products until clearances or approvals are obtained.

Modifications to or expansion of our indications for use of our prescription gammaCore products may require new regulatory approvals or clearances, including 510(k) clearances or PMA approvals, or require us to recall or cease marketing the modified devices until these clearances or approvals are obtained. The FDA requires device manufacturers to initially make and document a determination of whether or not a modification requires a new approval, supplement, or clearance. A manufacturer may determine that a modification does not significantly affect safety or efficacy and does not represent a major change in its intended use, so that no new 510(k) clearance is not necessary. However, the FDA can review a manufacturer's decision and may disagree. The FDA may also on its own initiative determine that a new clearance or approval is required. We may make modifications to our products in the future that we believe do not or will not require additional clearances or approvals. If the FDA disagrees and requires new clearances or approvals for the modifications, we may be required to recall and to stop marketing our products as modified, which could require us to redesign our products and harm our operating results. In these circumstances, we may be subject to significant enforcement actions.

If a manufacturer determines that a modification to an FDA-cleared device could significantly affect its safety or efficacy or would constitute a major change in its intended use, then, the manufacturer must file for a new 510(k) clearance or possibly a PMA application. When we determine that modifications to our products require a new 510(k) clearance or PMA application, we may not be able to obtain those additional clearances or approvals for the modifications or additional indications in a timely manner, or at all. For those products sold in the EU, we must notify our notified body if significant changes are made to the products, or if there are substantial changes to our quality assurance systems affecting those products. Obtaining clearances and approvals can be a time-consuming process, and delays in obtaining required future 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.

There is no guarantee that the FDA will grant 510(k) clearance or PMA approval of our future products, and failure to obtain necessary clearances or approvals for any such future products would adversely affect our overall ability to grow our business.

Some of our new products or expanded indications for use will require FDA clearance of a 510(k) or may require FDA approval of a PMA. The FDA may not approve or clear these products for the indications that are necessary or desirable for successful commercialization. Indeed, the FDA may refuse our requests for 510(k) clearance or PMA of new products, new intended uses, or modifications to existing products. Failure to receive clearance or approval for our new products would have an adverse effect on our ability to expand our business.

Even if our products are cleared or approved by regulatory authorities, if we or our manufacturers, or suppliers fail to comply with ongoing FDA or other foreign regulatory authority requirements, or if we experience unanticipated problems with our products, these products could be subject to restrictions or withdrawal from the market.

Any product for which we obtain clearance or approval, and the manufacturing processes, reporting requirements, post-approval clinical data, and promotional activities for such product, will be subject to continued regulatory review, oversight, and periodic inspections by the FDA and other domestic and foreign regulatory bodies. In particular, we and our suppliers are required to comply with the FDA's QSR, and International Standards Organization (or ISO) regulations for the manufacture of our products and other regulations, which cover the methods and documentation of the design, testing, production, control, quality assurance, labeling, packaging, storage, and shipping of any product for which we obtain clearance or approval. Regulatory bodies, such as the FDA, enforce the QSR and other regulations through periodic inspections. The failure by us or one of our suppliers to comply with applicable statutes and regulations administered by the FDA and other regulatory bodies, or the failure to timely and adequately respond to any adverse inspectional observations or product safety issues, could result in, among other things, any of the following enforcement actions:

- untitled letters, warning letters, fines, injunctions, consent decrees, including FDA orders to repair, replace, or refund the cost of devices, and civil penalties;
- unanticipated expenditures to address or defend such actions;
- customer notifications for repair, replacement, refunds;
- recall, detention or seizure of our products; operating restrictions or partial suspension or total shutdown of production, or interruption of the supply of components from our key component suppliers;
- refusing or delaying our requests for 510(k) clearance or PMA approval of new products or modified products;
- operating restrictions;
- withdrawing 510(k) clearances on PMA approvals that have already been granted;
- refusal to grant export approval for our products; or
- criminal prosecution.

If any of these actions were to occur, it would harm our reputation and cause our product sales and profitability to suffer and may prevent us from generating revenue. Furthermore, our key component suppliers may not currently be or may not continue to be in compliance with all applicable regulatory requirements which could result in our failure to produce our products on a timely basis and in the required quantities, if at all.

Even if regulatory clearance or approval of a product is granted, such clearance or approval may be subject to limitations on the intended uses for which the product may be marketed and reduce our potential to successfully commercialize the product and generate revenue from the product. If the FDA determines that our promotional materials, labeling, training, or other marketing or educational activities constitute promotion of an unapproved use, it could request that we cease or modify our training or promotional materials or subject us to regulatory enforcement actions. It is also possible that other U.S. federal, state, or foreign enforcement authorities might take action if they consider our training or other promotional materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement.

In addition, we may be required to conduct costly post-market testing and surveillance to monitor the safety or effectiveness of our products, and we must comply with medical device reporting requirements, including the reporting of adverse events and malfunctions related to our products. We may also decide to recall a product voluntarily if we find a material deficiency, including unacceptable risks to health, manufacturing defects, design errors, component failures, labeling defects, or other issues. Recalls of our products could divert the attention of our management and have an adverse effect on our reputation, financial condition, and operating results. Later discovery of previously unknown problems with our products, including unanticipated adverse events or adverse events of unanticipated severity or frequency, manufacturing problems, or failure to comply with regulatory requirements, such as QSR, may result in changes to labeling, restrictions on such products or manufacturing processes, withdrawal of the products from the market, voluntary or mandatory recalls, a requirement to repair, replace or refund the cost of any medical device we manufacture or distribute, fines, suspension of regulatory clearances or approvals, product seizures, injunctions or the imposition of civil or criminal penalties which would adversely affect our business, operating results and prospects. With regard to QSR administration, the FDA may enforce this regulation through announced (through prior notification) or unannounced inspections that pertain to several facets of our methods and documentation processes of the design, testing, production, control, selection, and oversight of suppliers or contractors; quality assurance; labeling; packaging; storage; complaint handling; shipping; and servicing of our products.

The misuse or off-label use of our gammaCore therapy may harm our image in the marketplace, result in injuries that lead to product liability suits, which could be costly to our business, or result in costly investigations and sanctions from the FDA and other regulatory bodies if we are deemed to have engaged in off-label promotion.

gammaCore has been CE Marked in the EEA and cleared by the FDA for the acute treatment of eCH in adults, CH prevention, the preventive and acute treatment of migraine headache in the United States in adults and adolescents, and the treatment of Paroxysmal Hemicrania, or HC, in adults. We may only promote or market our gammaCore for its specifically approved or authorized indications as described on the approved or authorized label. We train our marketing and sales force against promoting our products for uses outside of the approved or authorized indications for use, known as “off-label uses.” We cannot, however, prevent a physician from prescribing our product off-label, when in the physician’s independent professional medical judgment, he or she deems appropriate. There may be increased risk of injury to patients if patients attempt to use our product off-label, whether prescribed by physicians or not. Furthermore, the use of our product for indications other than those cleared, approved or authorized by the applicable regulatory body may not effectively treat such conditions, which could harm our reputation in the marketplace among physicians and patients.

Patients may also misuse our product or use improper techniques if they are not adequately trained, potentially leading to injury and an increased risk of product liability. If our product is misused or used with improper technique, we may become subject to costly litigation by our customers or their patients. Product liability claims could divert management's attention from our core business, be expensive to defend, and result in sizable damage awards against us that may not be covered by insurance. In addition, if our products are approved for sale in the United States, and the FDA determines that our promotional materials or training constitute promotion of an off-label use, it could request that we modify our training or promotional materials or our educational, promotional, and marketing practices in various ways or subject us to regulatory or enforcement actions, including the issuance of an untitled letter, 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 if they consider our business activities to constitute promotion of an off-label use, which could result in significant penalties, including, but not limited to, criminal, civil and/or administrative penalties, damages, fines, disgorgement, exclusion from participation in government healthcare programs, and the curtailment of our operations. Further, our competitors could bring civil actions under relevant unfair competition and advertising laws should they believe our business activities and product promotional activities are improper. Any of these events could significantly harm our business and results of operations and cause our stock price to decline.

While certain U.S. courts have held that truthful, non-misleading, off-label information is protected under the First Amendment under certain circumstances, the FDA continues to take the position that off-label promotion is subject to possible enforcement action. It is also conceivable that other federal, state, or foreign enforcement authorities may take action if they consider our communications, including promotional or training materials, to constitute promotion of an uncleared or unapproved use. If not successfully defended, enforcement actions related to off-label promotion could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. In any such event, our reputation could be damaged, adoption of our products could be impaired and we could be subject to extensive fines and penalties.

Additionally, we must have adequate substantiation for the claims we make for our products. If any of our claims are determined to be false, misleading or deceptive, our products could be considered misbranded under the FDCA or in violation of the Federal Trade Commission Act. We could also face lawsuits from our competitors under the Lanham Act alleging that our marketing materials are false or misleading.

In some instances, in our advertising and promotion, we may make claims regarding our products relative to competing products, which may subject us to heightened regulatory scrutiny, enforcement risk, and litigation risks.

For instance, the FDA applies an elevated level of review to comparative claims when applying its statutory standards for advertising and promotion, particularly with regard to the requirement that promotional labeling be truthful and not misleading. Differing interpretations as to whether certain communications are consistent with a product's FDA-required labeling may be more likely in some cases than others, and so, the FDA customarily evaluates communications on a fact-specific basis.

In addition, making comparative claims may draw concerns from our competitors. Where a company makes a claim in advertising or promotion that its product is superior to the product of a competitor, or that the competitor's product is inferior, this creates legal risk in that the competitor has possible legal remedies under federal and state false advertising or unfair and deceptive trade practices law (and possibly also state libel law). Such litigation ordinarily implicates relief in equity, such as injunctive relief against further advertising, a court order directing corrective advertising, and compensatory and punitive damages where permitted by applicable law.

The advertising and promotion of our products is also subject to EEA member states' national laws implementing Directive 93/42/EEC on the approximation of the laws of the member states relating to medical devices, or the Medical Devices Directive and applying the Medical Devices Regulation, Directive 2006/114/EC concerning misleading and comparative advertising, and Directive 2005/29/EC on unfair commercial practices, as well as other EEA member state legislation governing the advertising and promotion of medical devices. EEA member state legislation may also restrict or impose limitations on our ability to advertise our products directly to the general public. In addition, voluntary E.U. and national codes of conduct provide guidelines on the advertising and promotion of our products to the general public and may impose limitations on our promotional activities with healthcare professionals.

Notwithstanding the risk of legal liability in connection with claims or actions alleging misleading or comparative advertising and promotion, in foreign jurisdictions, we can market a product only if we receive a marketing authorization in the first place and, in some cases, pricing approval, from the appropriate regulatory authorities. The marketing authorization procedures vary among countries and can involve additional testing, and the time required to obtain any required authorization or approval may differ from that required to obtain FDA marketing authorization(s). Foreign regulatory authorization or approval processes may include all of the risks associated with obtaining FDA marketing authorization(s) in addition to other risks. We may not obtain foreign regulatory authorizations or approvals on a timely basis, if at all. Obtaining a marketing authorization from the FDA does not ensure authorization or approval by regulatory authorities in other countries will follow, and authorization or approval by one foreign regulatory authority does not ensure authorization or approval by regulatory authorities in other foreign countries or by the FDA. In addition, in order to obtain the authorization to market our products in certain foreign jurisdictions, we may need to obtain a Certificate to Foreign Government from the FDA. The FDA may refuse to issue a Certificate to Foreign Government in certain instances, including without limitation, during the pendency of any outstanding warning letter. As a result, we may not be able to file for regulatory approvals or marketing authorizations and may not receive necessary approvals or authorizations to commercialize our products in any market outside the United States on a timely basis, or at all.

Our products may in the future be subject to notifications, recalls, or voluntary market withdrawals that could harm our reputation, business and financial results.

The FDA, EEA authorities and similar foreign governmental authorities have the authority to request or require the recall of commercialized products in the event of regulatory non-compliance or material deficiencies or defects in design or manufacture that could affect patient safety. In the case of the FDA, the authority to require a recall must be based on an FDA finding that there is a reasonable probability that the device would cause serious injury or death. In addition, foreign governmental bodies have the authority to require the recall of our products in the event of material deficiencies or defects in design or manufacture. Manufacturers may, under their own initiative, recall a product if any material deficiency in a device is found. A government-mandated or voluntary recall by us or one of our distributors could occur as a result of component failures, manufacturing errors, design or labeling defects or other deficiencies and issues. Recalls of any of our products would divert managerial and financial resources and have an adverse effect on our financial condition and results of operations. We must notify the FDA of all device recalls and corrections, and certain classifications of recalls and corrections require more extensive reporting within 10 working days after the recall is initiated. Companies are required to maintain certain records of recalls and corrections, even if they are not subject to more extensive reporting requirements. We may initiate voluntary market withdrawals or other market actions involving our gammaCore products in the future that we determine do not require notification of the FDA. If the FDA disagrees with our determinations, they could require us to report those actions as recalls. A future recall announcement could harm our reputation with customers and negatively affect our sales. In addition, the FDA could take enforcement action for failing to report the recalls or corrections when they were conducted. Consumer class action claims and/or product liability claims are a greater risk following a product recall or market withdrawal.

We are required to report certain malfunctions, deaths, and serious injuries associated with our products, which can result in voluntary corrective actions or agency enforcement actions.

Under the FDA MDR regulations, medical device manufacturers are required to submit information to the FDA when they receive a report or become aware that a device has or may have caused or contributed to a death or serious injury or has or may have a malfunction that would likely cause or contribute to death or serious injury if the malfunction were to recur. All manufacturers placing medical devices on the market in the EEA are legally bound to report incidents involving devices they produce or sell to the regulatory agency, or competent authority, in whose jurisdiction the incident occurred. Under the Directive 93/42/EEC on the approximation of the laws of the member states relating to medical devices or E.U. Medical Device Directive and the E.U. Medical Devices Regulation, an incident is defined as any malfunction or deterioration in the characteristics and/or performance of a device, as well as any inadequacy in the labeling or the instructions for use which, directly or indirectly, might lead to or might have led to the death of a patient, or user or of other persons or to a serious deterioration in their state of health.

Malfunction of our products could result in future voluntary corrective actions, such as recalls, including corrections, or customer notifications, or agency action, such as inspection or enforcement actions. If malfunctions do occur, we may be unable to correct the malfunctions adequately or prevent further malfunctions, in which case we may need to cease manufacture and distribution of the affected products, initiate voluntary recalls, and redesign the products. Regulatory authorities may also take actions against us, such as ordering recalls, imposing fines, or seizing the affected products. Any corrective action, whether voluntary or involuntary, will require the dedication of our time and capital, distract management from operating our business, and may harm our reputation and financial results.

Product recalls may materially and adversely affect consumer confidence in our brand and lead to decreased customer demand for our products. Product recalls, withdrawals, or seizures also may lead to increased scrutiny of our operations by federal, state, or international regulatory agencies and increased litigation. Both outcomes could have material adverse effects on our business, results of operations, and financial condition.

Legislative or regulatory reforms may make it more difficult and costly for us to obtain regulatory clearance of our product candidates and to manufacture, market, and distribute our products after clearance is obtained.

From time to time, legislation is drafted and introduced in Congress that could significantly change the statutory provisions governing the regulatory clearance, manufacture, and marketing of regulated products or the reimbursement thereof. 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 regulations or revisions or reinterpretations of existing regulations may impose additional costs or lengthen review times of future products. It is impossible to predict whether legislative changes will be enacted, or FDA regulations, guidance, or interpretations changed, and what the impact of such changes, if any, may be.

Political change as a result of elections, including presidential and congressional elections, could result in significant legislative and regulatory reforms impacting the FDA's regulation of our products. Any change in the laws or regulations that govern the clearance and approval processes relating to our current and future products could make it more difficult and costly to obtain clearance or approval for new products, or to produce, market, and distribute existing products. Significant delays in receiving clearance or approval, or the failure to receive clearance or approval for our new products would have an adverse effect on our ability to expand our business.

In the EU, on May 25, 2017, the new MDR was adopted, and it entered into application on May 26, 2020. The MDR has introduced substantial changes to the obligations with which medical device manufacturers must comply within the EU. High risk medical devices will be subject to additional scrutiny during the conformity assessment procedure.

We are subject to federal, state, and foreign healthcare laws and regulations, and a finding of failure to comply with such laws and regulations could have a material adverse effect on our business.

We are subject to healthcare fraud and abuse regulation and enforcement by federal, state, and foreign governments, which could significantly impact our business. In the United States, the laws that may affect our ability to operate include, but are not limited to:

- the federal Anti-Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, receiving, offering, or paying remuneration, directly or indirectly, in cash or in kind, in exchange for or to induce either the referral of an individual for, or the purchase, lease, order or recommendation of, any good, facility, item or service for which payment may be made, in whole or in part, under federal healthcare programs such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of this statute or specific intent to violate it in order to have committed a violation. Moreover, the government may assert that 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 federal civil False Claims Act. Violations of the federal Anti-Kickback Statute may result in significant civil monetary penalties for each violation, plus up to three times the remuneration involved. Civil penalties for such conduct can further be assessed under the federal False Claims Act. Violations can also result in criminal penalties, including criminal fines and imprisonment, and exclusion from participation in government healthcare programs, including Medicare and Medicaid;
- the Stark Law, in the event that third-party payors require us to be a durable medical equipment, or DME, supplier or we sell our products directly to providers who are DME suppliers that submit claims to such payors.
- The Stark Law prohibits a physician from making a referral for certain designated health services covered by the Medicare program or Medicaid program, including DME, if the physician or an immediate family member has a financial relationship with the entity providing the designated health services, and prohibits that entity from billing or presenting a claim for the designated health services furnished pursuant to the prohibited referral, unless an exception applies. Sanctions for violating the Stark Law include denial of payment, significant civil monetary penalties per claim submitted, and exclusion from the federal health care programs. Failure to refund amounts received as a result of a prohibited referral on a timely basis may constitute a false or fraudulent claim and may result in civil penalties and additional penalties under the FCA. The statute also provides for significant civil monetary penalties for a circumvention scheme. Various states also have corollary laws to the Stark Law, including laws that require physicians to disclose any financial interest they may have with a healthcare provider to their patients when referring patients to that provider. Both the scope and exceptions for such laws vary from state to state;
- the federal civil False Claims Act, which prohibits, among other things, knowingly presenting, or causing to be presented, false or fraudulent claims for payment of federal funds, knowingly making a false statement material to an obligation to pay or transmit money or property to the federal government, or knowingly concealing or knowingly and improperly avoiding or decreasing an obligation to pay or transmit money or property to the federal government. The federal civil False Claims Act can apply to manufacturers who provide information on coverage, coding, and reimbursement of their products to persons who bill third-party payors. Private individuals can bring False Claims Act “qui tam” actions, on behalf of the government and such individuals, commonly known as “whistleblowers,” may share in amounts paid by the entity to the government in fines or settlement. Penalties for a federal civil False Claims Act violation include three times the actual damages sustained by the government, plus significant mandatory civil penalties for each false claim, and the potential for exclusion from participation in federal healthcare programs. There are also federal criminal false claims and federal civil monetary penalty laws that carry significant monetary and other penalties for submissions of false or fraudulent claims and statements;
- HIPAA, as amended, which created federal criminal laws that prohibit, among other things, executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters. A person or entity does not need to have actual knowledge of these statutes or specific intent to violate them;
- HIPAA, as amended, and its implementing regulations, which impose requirements on certain covered healthcare providers, health plans and healthcare clearinghouses as well as their business associates, relating to the privacy, security and transmission of individually identifiable health information, including mandatory contractual terms as well as privacy and security standards and requirements. Failure to comply with the HIPAA privacy and security standards can result in civil monetary penalties, and, in certain circumstances, criminal penalties with fines. State attorneys general can also bring a civil action to enjoin a HIPAA violation or to obtain statutory damages on behalf of residents of his or her state;
- the federal Physician Payments Sunshine Act, implemented as the Open Payments program, which requires certain applicable manufacturers of drugs, devices, biologics, and medical supplies for which payment is available under Medicare, Medicaid or the Children’s Health Insurance Program, or CHIP, to report annually to CMS information related to payments and other transfers of value to physicians (defined to include doctors, dentists, optometrists, podiatrists and chiropractors), teaching hospitals, and, beginning in 2022, physician assistants, nurse practitioners, clinical nurse specialists, certified nurse anesthetists, and certified nurse-midwives; teaching hospitals, and ownership and investment interests held by physicians and their immediate family members. The government may impose significant civil monetary penalties for all payments, transfers of value or ownership or investment interests that are not timely, accurately, and completely reported in an annual submission; and
- FCPA and similar worldwide anti-bribery laws in non-U.S. jurisdictions generally prohibit companies and their intermediaries from making improper payments to non-U.S. officials for the purpose of obtaining or retaining business;
- state and foreign law equivalents of each of the above federal laws, such as state anti-kickback and false claims laws that may apply to items or services reimbursed by any third-party payor, including commercial insurers; state laws that require device and drug companies to comply with the industry’s voluntary compliance guidelines and the relevant 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 and drug manufacturers to report information related to payments and other transfers of value to physicians and other healthcare providers or marketing expenditures; and state and foreign laws governing the privacy and security of health information, such as the CCPA, many of which differ from each other in significant ways and often are not preempted by HIPAA or other federal privacy and security requirements.

These laws and regulations, among other things, constrain our business, marketing, and other promotional activities by limiting the kinds of financial arrangements we may have with physicians or other entities or individuals in a position to purchase, prescribe, or recommend our products. We have entered into consulting agreements and other arrangements with physicians, including some who have ownership interests in us and/or prescribe our products to patients. Compensation under some of these arrangements included the equity interests in our company. We could be adversely affected if regulatory agencies determine our financial relationships with such physicians to be in violation of applicable laws. 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.

The scope and enforcement of each of these laws are 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. Responding to investigations can be time-consuming and costly and can divert management's attention from the business. Additionally, as a result of these investigations, healthcare providers and entities may have to agree to additional onerous compliance and reporting requirements as part of a consent decree or corporate integrity agreement. Any such investigation or settlement could increase our costs or otherwise have an adverse effect on our business.

We have implemented policies and procedures designed to ensure compliance with applicable global laws and regulations, but there can be no assurance that we will be in continuous compliance with all relevant domestic and global regulations, given their multitude, complexity, and changeable nature. If our operations are challenged or found to be in violation of any of the laws described above or any other governmental regulations that apply to us now or in the future, we may be subject to penalties, including civil and criminal penalties; damages; fines; disgorgement; exclusion from governmental health care programs; and the curtailment or restructuring of our operations, any of which could adversely affect our ability to operate our business and our financial results.

Breakthrough Designation from the FDA may not actually lead to a faster development or regulatory review or approval process and does not assure FDA approval of our devices.

The FDA's Breakthrough Devices Program is a voluntary program for certain medical devices and device-led combination products that provide for more effective treatment or diagnosis of life-threatening or irreversibly debilitating diseases or conditions. The goal of the Breakthrough Devices Program is to provide patients and health care providers with timely access to these medical devices by speeding up their development, assessment, and review, while preserving the statutory standards for premarket approval, 510(k) clearance, and De Novo marketing authorization.

The Breakthrough Devices Program offers manufacturers an opportunity to interact with the FDA's experts through several different program options to efficiently address topics as they arise during the premarket review phase, which can help manufacturers receive feedback from the FDA and identify areas of agreement in a timely way. Manufacturers can also expect prioritized review of their submission.

While our prescription gammaCore nVNS device has received Breakthrough Designation from the FDA for the treatment of posttraumatic stress disorder, or PTSD, we may not experience a faster development process, review or approval compared to conventional FDA procedures. In addition, the FDA may withdraw Breakthrough Device designation if it believes that the Designation is no longer supported by data from our clinical development program.

Healthcare legislative reform measures may have a material adverse effect on us.

In the United States, there have been, and continue to be, a number of legislative initiatives to contain healthcare costs. In March 2010, the ACA was signed into law, which included, among other things, comparative effectiveness research initiatives and payment system reforms, including shared savings pilots, and other provisions. Since its enactment, there have been judicial and Congressional challenges to certain aspects of the ACA. On June 17, 2021, the U.S. Supreme Court dismissed a judicial challenge to the ACA without specifically ruling on the constitutionality of the ACA. Prior to the Supreme Court's decision, President Biden issued an executive order to initiate a special enrollment period from February 15, 2021 through August 15, 2021 for purposes of obtaining health insurance coverage through the ACA marketplace. The executive order also instructed certain governmental agencies to review and reconsider their existing policies and rules that limit access to healthcare, including, among others, reexamining Medicaid demonstration projects and waiver programs that include work requirements and policies that create unnecessary barriers to obtaining access to health insurance coverage through Medicaid or the ACA. It is unclear how other healthcare reform measures of the Biden administration or other efforts, if any, to challenge, repeal, or replace the ACA will impact the ACA or our business. Any new limitations on, changes to, or uncertainty with respect to the ability of individuals to enroll in governmental reimbursement programs or other third-party payor insurance plans could impact overall demand for our products.

In addition, other legislative changes have been proposed and adopted in the United States since the ACA was enacted. These changes included an aggregate reduction in Medicare payments to providers of 2% per fiscal year, which went into effect on April 1, 2013 and will remain in effect through 2031, with the exception of a temporary suspension from May 1, 2020 through December 31, 2022, unless additional Congressional action is taken. In addition, on January 2, 2013, the American Taxpayer Relief Act of 2012, was signed into law which, among other things, further reduced Medicare payments to certain providers, including hospitals. The Medicare Access and CHIP Reauthorization Act of 2015, enacted on April 16, 2015, repealed the formula by which Medicare made annual payment adjustments to physicians and replaced the former formula with fixed annual updates and a new system of incentive payments that began in 2019 that are based on various performance measures and physicians' participation in alternative payment models such as accountable care organizations.

We expect 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 our products or additional pricing pressures.

ESG matters, including those related to climate change and sustainability, may have an adverse effect on our business, financial condition, and operating results and may damage our reputation.

Companies across all industries are facing increasing scrutiny regarding their environmental, social, and governance practices. In particular, we expect many customers will continue to indicate preferences for buying products that are sustainably and responsibly grown and/or made. Changing and unpredictable preferences in this manner may result in increased interest in the sourcing or origin of our components, the recyclability of our products, and the environmental impact of our supply chain, among other areas of interest. Such preferences could require additional transparency, due diligence, and public reporting and could cause us to incur additional costs or to make changes to our business operations. We may also determine that certain changes are required in anticipation of further evolution of consumer preferences and demands. Increased focus on ESG matters may also result in investors reconsidering their investment decisions as a result of their particular assessments of a company's ESG practices. Moreover, concern over climate change and other environmental sustainability matters has resulted and may in the future result in new or elevated legal and regulatory requirements to reduce or mitigate against certain impacts to the environment, including greenhouse gas emissions regulations, alternative energy policies, and sustainability initiatives, such as single use plastics. Increased regulatory requirements may be more complex and detailed relative to any sustainability measures we may be currently undertaking or may consider implementing in the future and may cause disruptions in the supply and manufacture of our products or an increase in operating costs. If we fail to achieve any goals, targets, or objectives we may set with respect to ESG matters, if we do not comply with new regulations and laws or meet evolving consumer, investor, industry, or other stakeholder expectations and standards, including those related to potential reporting, or if we are perceived to have not responded appropriately to a growing concern for ESG matters, we may face public or private legal or regulatory actions; the imposition of fines, penalties, or other sanctions; adverse publicity; and decreased total demand from certain customers who may cease buying our products, and the price of our stock could decline. Any of these possible results could adversely and materially harm our reputation or have a materially significant effect on our business, financial condition, or operating results.

We are subject to an active FTC Consent Order that remains in effect and is monitored by the FTC.

We are currently, and may in the future be, subject to regulatory orders or consent decrees, including the consent order entered into between NURO and the U.S. Federal Trade Commission (FTC), which was settled in March 2020 and, among other things, required NURO to significantly modify its advertising. The FTC continues to monitor us and our compliance with the consent order. If we are unsuccessful in complying with the FTC's advertising requirements, we would be subject to significant limitations, including on our ability to launch new and modified products. Further, our failure to abide by the substantive requirements of the FTC Act and other consumer protection laws can result in administrative or judicial penalties, including civil penalties, or injunctions affecting the manner in which Quell could be marketed in the future.

Currently, replacement electrodes for our Quell OTC product are available over-the-counter which adds risks and significant considerations associated with design, labeling, and use.

The Company's labeling, advertising, promotional materials and user training materials must comply with the FDA and other applicable laws and regulations, including the prohibition of the promotion of a medical device for a use that has not been cleared or approved by the FDA. Obtaining 510(k) clearance or PMA approval only permits the Company to promote its products for the uses specifically cleared by the FDA. Use of a device outside its cleared or approved indications is known as 'off-label' use. Physicians and consumers may use the Company's Quell OTC product off-label because the FDA does not restrict or regulate a physician's choice of treatment within the practice of medicine nor is there oversight on patient use of Quell OTC. In that event, we would be subject to extensive fines and penalties and the Company's reputation could be damaged and adoption of the products would be impaired.

Any future U.S. federal government shutdown or any lapses in appropriations or related disruptions, could materially and adversely affect our sales, collections, operations, product development and regulatory timelines.

Beginning on October 1, 2025, and ending in November 2025, the U.S. government shutdown led to certain regulatory agencies, such as the FDA and the SEC, furloughing critical employees and curtailing their activities. Additionally, on October 10, 2025, the U.S. government implemented substantial layoffs and workforce reductions in connection with the ongoing federal government shutdown, which has resulted in the suspension or delay of various government-funded programs. Government shutdowns, lapses in appropriations, continuing resolutions, or related funding disruptions can delay, reduce, or suspend procurement activities, new orders, contract awards and modifications, and pricing or volume negotiations. They can also limit the availability of contracting officers and program personnel, impede access to government ordering portals, and result in stop-work or similar directives affecting us or our contracting parties. In addition, shutdowns and related constraints on federal operations can delay invoice processing and payment timing for delivered products and services. Even when shutdowns are relatively short, backlogs and operational bottlenecks can persist after normal operations resume; if prolonged or recurrent, the cumulative effects can be significant.

The VA is one of our largest customers, and we also sell our TAC-STIM product to the U.S. Air Force. Any disruptions relating to the government shut down could reduce or defer sales to the VA and the Air Force, negatively affect our visibility into demand, impair our ability to forecast and plan production and inventory, and adversely impact our revenues and margins. Shutdown-related delays in invoice processing and payment timing could increase our accounts receivable and days sales outstanding, reduce operating cash flows, and require us to draw on cash reserves, adjust working capital, extend supplier payment terms, or otherwise manage liquidity in ways that could be unfavorable to our business.

Sales cycles for government customers can be extended during and after shutdowns due to backlogs and competing priorities when operations resume. Program-level funding may be reallocated or reduced, and unit-level purchasing may be delayed or constrained even after appropriations are restored. For our TAC-STIM product sold to the U.S. Air Force, shutdowns may delay fielding and adoption, defer training or deployment within units, and slow the pace of follow-on or expansion orders, any of which could adversely affect near-term and future revenue from this program. Interruption in government operations may also delay or complicate renewals of existing contracts, on-ramping to new vehicles or schedules, and the ability to qualify for or participate in pilots or evaluations that are often a precursor to broader adoption within federal healthcare systems.

The ability of the FDA to review and approve new products, to provide feedback on clinical trials and development programs, to meet with sponsors and to otherwise review regulatory submissions can be affected by a variety of factors, including government budget and funding levels, reductions in workforce, ability to hire and retain key personnel, and statutory, regulatory and policy changes. In addition, there may be delays in necessary interactions with regulators, ethics committees and other important agencies and contractors due to limitations in employee resources or forced furlough of government or contractor personnel. Government shutdowns, if prolonged, can significantly impact the ability of government agencies upon which rely, such as the FDA and SEC, to timely review and process our regulatory submissions, which could have a material adverse effect on our business.

The duration and impact of any federal government shutdown or related disruption are inherently uncertain and outside our control. Even short shutdowns can create backlogs and operational bottlenecks that persist for an extended period after normal operations resume. If shutdowns are prolonged or recur, the cumulative effects on our government sales, receivable collections, product development and regulatory timelines could be significant and may materially and adversely affect our business, results of operations, cash flows and financial condition.

Risks Related to Our Common Stock

Failure to meet the continued listing requirements of Nasdaq could result in a delisting of our common stock, which could negatively impact the market price and liquidity of our common stock and our ability to access the capital markets.

Any Nasdaq action relating to failure to comply with Nasdaq's continued listing requirement including a formal delisting could have a negative effect on the price of our common stock, impair the ability to sell or purchase our common stock when persons wish to do so, and any such delisting action may materially adversely affect our ability to raise capital or pursue strategic restructuring, refinancing or other transactions on acceptable terms, or at all. Delisting or potential delisting from the Nasdaq Capital Market could also have other negative results, including the potential loss of institutional investor interest and fewer business development opportunities.

In the event of any delisting or potential delisting, we may attempt to take actions to restore our compliance with Nasdaq's listing requirements, but we can provide no assurance that any such action taken by us would allow our common stock to remain listed or be re-listed, stabilize the market price or improve the liquidity of our common stock, maintain a minimum closing bid price of \$1.00 per share as required for continued listing on the Nasdaq Capital Market pursuant to Nasdaq Listing Rule 5450(a)(1) or prevent future non-compliance with Nasdaq's listing requirements. If Nasdaq delists our shares of Common Stock from trading on its exchange for failure to meet Nasdaq's listing standards, we and our stockholders could face significant material adverse consequences including:

- a limited availability of market quotations for our securities;
- reduced liquidity for our securities;
- a determination that our Common Stock is a "penny stock" which will require brokers trading in our Common Stock to adhere to more stringent rules and possibly result in a reduced level of trading activity in the secondary trading market for our securities;
- a limited amount of news and analyst coverage; and
- a decreased ability to issue additional securities or obtain additional financing in the future.

In addition, the stock market in general, and the Nasdaq Capital Market, and biopharmaceutical companies in particular, frequently experiences extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. Broad market and industry factors, including potentially worsening economic conditions and other adverse effects or developments may negatively affect the market price of our common stock, regardless of our actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in this “Risk Factors” section, could have a dramatic and negative impact on the market price of our common stock.

Failure to meet Nasdaq’s continued listing standards could result in a delisting of our common stock, which could negatively impact the market price and liquidity of our common stock and our ability to access the capital markets.

Pursuant to Nasdaq Listing Rule 5550(b), in order to maintain our listing on Nasdaq, we are required to continue to meet one of the following continued listing standards: (i) net income from continuing operations (in the most recently completed fiscal year or in two of the three most recently completed fiscal years) of at least \$500,000 (the “Net Income Standard”); (ii) market value of listed securities of at least \$35 million (the “Market Value Standard”); or (iii) stockholders’ equity of at least \$2.5 million (the “Equity Standard”).

As of December 31, 2025, our stockholders’ equity was less than \$2.5 million and therefore less than the Equity Standard. As a result, if Nasdaq determines that we do not meet either of the Net Income Standard or the Market Value Standard, we may receive a deficiency letter from Nasdaq. Upon receipt of such deficiency letter, we will have a period of time to resolve such deficiency and, if necessary, will have the opportunity to present a plan to regain compliance.

There can be no assurance that Nasdaq will accept our plan to regain compliance or that we will meet the Equity Standard during any compliance period, if one is provided to us. If our common stock is de-listed from Nasdaq, it will have material negative impact on the actual and potential liquidity of our securities, as well as material negative impact on our ability to raise future capital.

If, for any reason, Nasdaq should delist our common stock from trading on its exchange and we are unable to obtain listing on another national securities exchange or take action to restore our compliance with the Nasdaq continued listing requirements, a reduction in some or all of the following may occur, each of which could have a material adverse effect on our stockholders:

- the liquidity of our common stock;
- the market price of our common stock;
- our ability to obtain financing for the continuation of our operations;
- the number of institutional and general investors that will consider investing in our common stock;
- the number of investors in general that will consider investing in our common stock;
- the number of market makers in our common stock;
- the availability of information concerning the trading prices and volume of our common stock; and
- the number of broker-dealers willing to execute trades in shares of our common stock.

We have broad discretion to determine how to use most of our financial resources and may use them in ways that may not enhance our operating results or the price of our common stock.

Our management has broad discretion over the use of most of our financial resources, including proceeds from financings, and we could spend such proceeds in ways our stockholders may not agree with or that do not yield a favorable return, if at all. If we do not invest or apply our financial resources, including the proceeds from such financings and such purchase agreement in ways that improve our operating results, we may fail to achieve expected financial results, which could cause our stock price to decline.

An active, liquid and orderly market for our common stock may not continue to be sustained, and our stockholders may not be able to resell their shares at a desired market price and could lose all or part of their investment.

Although our common stock is listed on the Nasdaq, we cannot assure you that an active, liquid trading market for our shares will continue to be sustained. A public trading market having the desired characteristics of depth, liquidity, and orderliness depends upon the presence in the marketplace and independent decisions of willing buyers and sellers of our common stock, over which we have no control. The lack of an active market may impair our stockholders' ability to sell their shares at the desired time or at a price that our stockholders consider reasonable. An inactive market may also impair our ability to raise capital by selling shares and may impair our ability to acquire other businesses or technologies or in-license new product candidates using our shares as consideration. We cannot offer any assurance that an active trading market for our common stock will be sustained or how liquid that market may become. As a result, relatively small trades may have a disproportionate impact on the price of our common stock, which may contribute to the price volatility of our common stock and could limit stockholders' ability to sell their shares. In addition, the stock market in general, and the market for smaller biotechnology companies in particular, have experienced extreme price and volume fluctuations that may be unrelated or disproportionate to the operating performance of these companies. Broad market and industry factors may negatively affect the market price of our common stock, regardless of our actual operating performance. The above factors could adversely affect the value of our common stock and cause you to lose all or part of your investment.

We have identified a material weakness in our internal control over financial reporting and determine that our disclosure controls were not effective. If we are unable to remediate such a material weakness, or if we experience additional material weaknesses in the future, we may not be able to accurately or timely report our financial condition or results of operations and investors may lose confidence in our financial reports and the market price of our common stock could be adversely affected.

As a public company, we are required to maintain effective disclosure controls and procedures and implement and maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting. Beginning with our second annual report following our IPO, for our fiscal year ended December 31, 2020, management has provided a report on internal control over financial reporting. The Sarbanes-Oxley Act also requires that our management report on internal control over financial reporting be attested to by our independent registered public accounting firm, to the extent we have annual revenues greater than \$100 million in the most recent fiscal year for which audited financial statements are available. We do not expect to have our independent registered public accounting firm attest to our management report on internal control over financial reporting for so long as we have annual revenues under \$100 million and we are not an accelerated filer or large accelerated filer due to surpassing the SEC's threshold of market capitalization greater than \$250 million. If and when we have to design and implement the internal control over financial reporting required to comply with this obligation, such process will be time consuming, costly, and complicated.

In preparation of our audited financial statements for the fiscal year ended December 31, 2025, we determined that a material weakness in our internal control over financial reporting existed relating to lease accounting, which weakness did not result in any identified material misstatement, nor any change to previously reported financial results. Management also determined that our disclosure controls were ineffective as of December 31, 2025 due to the existence of this material weakness.

Management is committed to the remediation of the material weakness. Management is actively engaged in the implementation of remediation efforts, as described in "Item 9A. Controls and Procedures" to this Annual Report, to address the material weakness. To remediate this material weakness, we have undertaken efforts that include but are not limited to, (a) enhancing processes and review procedures around lease accounting and any other non-routine transactions and (b) hired a new controller in September 2025 who management believes has the technical accounting skills and breadth of supervisory and review skills necessary to oversee the accounting function. For more details of the corrective actions, please refer to Item 9A Controls and Procedures. The material weakness will not be considered remediated until the applicable controls operate for a sufficient period of time and management has concluded, through testing, that controls are operating effectively. We can give no assurance that this implementation will remediate this material weakness in our internal control or that material weaknesses or significant deficiencies in our internal control over financial reporting will not be identified in the future.

If we are unable to remediate this material weakness, or if we experience additional material weaknesses in the future, or otherwise fail to maintain an effective system of internal controls, we may not be able to accurately or timely report our financial condition or results of operations and investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our common stock could be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources to identify, assess and correct any additional material weakness in disclosure or internal control and to otherwise comply with the internal and disclosure controls rules under Section 404 of the Sarbanes-Oxley Act, when applicable.

Provisions in our charter documents and under Delaware law could discourage a takeover that stockholders may consider favorable and may lead to entrenchment of management.

Our certificate of incorporation and bylaws, as amended and restated (the “bylaws”), contain provisions that could significantly reduce the value of our shares to a potential acquirer or delay or prevent changes in control or changes in our management without the consent of our board of directors. The provisions in our charter documents include the following:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- 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, which prevents stockholders from being able to fill vacancies on our board of directors;
- the required approval of at least 66 2/3% of the shares entitled to vote to remove a director for cause, and the prohibition on removal of directors without cause;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquiror;
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval;
- the required approval of at least 66 2/3% of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or repeal the provisions of our amended and restated certificate of incorporation regarding the election and removal of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president, or the board of directors, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our board of directors, or to propose matters to be acted upon at a stockholders’ meeting, which may discourage or deter a potential acquiror from conducting a solicitation of proxies to elect the acquiror’s own slate of directors, or otherwise attempting to obtain control of us.

In addition, these provisions would apply even if we were to receive an offer that some stockholders may consider beneficial.

We are also subject to the anti-takeover provisions contained in Section 203 of the Delaware General Corporation Law (or the DGCL). Under Section 203, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years, or, among other exceptions, the board of directors has approved the transaction.

Claims for indemnification by our directors and officers may reduce our available funds to satisfy successful third-party claims against us and may reduce the amount of money available to us.

Our certificate of incorporation and bylaws provide that we will indemnify our directors and officers to the fullest extent permitted by Delaware law.

In addition, as permitted by Section 145 of the DGCL, our amended and restated bylaws and our indemnification agreements that we have entered into with our directors and officers provide that:

- we will indemnify our directors and officers for serving us in those capacities, or for serving other business enterprises at our request, to the fullest extent permitted by Delaware law. Delaware law provides that a corporation may indemnify such person if such person acted in good faith and in a manner such person reasonably believed to be in or not opposed to the best interests of the registrant and, with respect to any criminal proceeding, had no reasonable cause to believe such person’s conduct was unlawful;
- we may, in our discretion, indemnify employees and agents in those circumstances where indemnification is permitted by applicable law;
- we are required to advance expenses, as incurred, to our directors and officers in connection with defending a proceeding, except that such directors or officers shall undertake to repay such advances if it is ultimately determined that such person is not entitled to indemnification;
- we will not be obligated pursuant to our amended and restated bylaws to indemnify a person with respect to proceedings initiated by that person against us or our other indemnitees, except with respect to proceedings authorized by our board of directors or brought to enforce a right to indemnification;
- we may not retroactively amend our amended and restated bylaw provisions to reduce our indemnification obligations to directors, officers, employees, and agents.

We do not currently intend to pay dividends on our common stock, and, consequently, your ability to achieve a return on your investment will depend on the price of our common stock.

We do not currently intend to pay any cash dividends on our common stock for the foreseeable future. We currently intend to invest our future earnings, if any, to fund our growth. Therefore, you are not likely to receive any dividends on your common stock for the foreseeable future. Since we do not intend to pay dividends, your ability to receive a return on your investment will depend on any future appreciation in the market value of our common stock. There is no guarantee that our common stock will appreciate or maintain the price at which our holders have purchased it.

Our amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware, or Chancery Court, and the federal district courts of the United States 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 certificate of incorporation provides that the Court of Chancery of the State of Delaware is 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 under the DGCL, our certificate of incorporation, or our bylaws; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine, in each case provided that the Chancery Court has subject matter jurisdiction. If the Chancery Court does not have subject matter jurisdiction, then, such actions may be brought in any state court located in the state of Delaware, or State Courts, or, if and only if the State Courts lack subject matter jurisdiction, in the federal district court for the District of Delaware.

This exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act, or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by such act or the rules and regulations promulgated thereunder.

Our certificate of incorporation further provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, although stockholders cannot waive compliance with the federal securities laws and the rules and regulations adopted thereunder. The enforceability of similar choice of forum provisions in some other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable.

The requirements of being a publicly traded company may strain our resources and divert management's attention.

As a publicly traded company, we have incurred, and will continue to incur, significant legal, accounting, and other expenses that we did not incur as a private company. In addition, the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act"), as well as rules subsequently implemented by the SEC and Nasdaq, have imposed various requirements on public companies. Shareholder activism, the current political environment, and the current high level of government intervention and regulatory reform may lead to substantial new regulations and disclosure obligations, which may lead to additional compliance costs and impact the manner in which we operate our business in ways we cannot currently anticipate. Our management and other personnel will need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. These rules and regulations may also make it more difficult and more expensive for us to obtain director and officer liability insurance.

Failure to comply with these public company requirements could subject us to enforcement actions by the SEC, divert management's attention, damage our reputation, and adversely affect our business, results of operations, or financial condition. In particular, if our independent registered public accounting firm is not able to render the attestation report on our internal control over financial reporting in future annual reports on Form 10-K when required under Section 404 of the Sarbanes-Oxley Act, or if we are unable to remediate any weakness in our internal control over financial reporting, it could result in a loss of investor confidence in the accuracy, reliability, and completeness of our financial reports. The loss of our "emerging growth company" status and compliance with these additional internal control and auditor attestation requirements will require management to expend additional time while also condensing the time frame available to comply with SEC reporting requirements, which may further increase our legal and financial compliance costs.

Our stock price may be volatile, and you may not be able to resell shares of our common stock at or above the price you paid.

The trading price of our common stock is highly volatile and could be subject to wide fluctuations in response to various factors, including factors which are beyond our control. These factors include those discussed in the other "Risk Factors" section of this Annual Report and others, such as:

- our operating results and financial position;
- announcements related to regulatory clearance to market gammaCore for the treatment of various conditions in the United States;
- results from, or any delays in, clinical trial programs relating to our product candidates;
- announcements by us or our competitors of new products;
- adverse actions taken by regulatory agencies with respect to our clinical trials, manufacturing supply chain, or sales and marketing activities for our products;
- changes or developments in laws or regulations applicable to our products;
- any adverse changes in our relationship with any manufacturers or suppliers;
- the success of our efforts to acquire or develop additional products;
- any intellectual property infringement actions in which we may become involved;
- announcements concerning our competitors or the medical device and general wellness industries in general;
- achievement of expected product sales and profitability;
- changes or developments in our commercial strategy and tactics;
- manufacture, supply, or distribution shortages;
- actual or anticipated fluctuations in our operating results;
- FDA or other U.S. or foreign regulatory actions affecting us or our industry, or other healthcare reform measures in the United States;
- changes in financial estimates or recommendations by securities analysts;
- trading volume of our common stock;
- sales of our common stock by us, our executive officers, directors, or stockholders;
- general economic, industry, political and market conditions including inflation, rising interest rates, new or ongoing health crises and geopolitical events such as the war between Ukraine and Russia, , and overall fluctuations in the U.S. equity markets; and
- the loss of any of our key scientific or management personnel.

In addition, the stock markets in general, and the markets for pharmaceutical and medical device stocks in particular, have experienced volatility. These broad market fluctuations may adversely affect the trading price or liquidity of our common stock. In the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer. If any of our stockholders were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit, and the attention of our management would be diverted from the operation of our business, which could seriously harm our financial position. Any adverse determination in litigation could also subject us to significant liabilities.

As a public company, we are subject to securities class action litigation, we would incur substantial costs and diversion of management's attention.

We may be at risk of securities class action litigation. In the past, medical device and wellness companies have experienced significant stock price volatility, particularly when associated with binary events such as product approvals, which can give rise to securities class action litigation. If any securities class litigation is brought against us, it could result in substantial costs, divert management's attention and resources, and have a material adverse effect on our business, operating results and prospects.

If securities or industry analysts cease publishing regular research or reports about our business or issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock is influenced by the research and reports that industry or securities analysts may publish about us or our business. If any of the analysts who cover us were to cease publishing research reports about our business or were to issue an adverse or misleading opinion regarding us, our business model, our intellectual property, our stock performance, or our stock price, if our operating results fail to meet the expectations of analysts, would likely decline. If one or more of these analysts cease coverage of us or fail to publish research reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

Sales of a substantial number of shares of our common stock in the public market could cause our stock price to fall.

If our existing stockholders sell, or indicate an intention to sell, substantial amounts of our common stock in the public market, the trading price of our common stock could decline. Shares that are held by our directors, executive officers, and other affiliates may be subject to restrictions under Rule 144 of the Securities Act, among other restrictions that make such shares not freely tradable in the United States. If these additional shares of common stock are sold pursuant to the applicable exemptions from such restrictions, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Our principal stockholders and management own a significant percentage of our stock and will be able to exert significant influence control over matters subject to stockholder approval.

As of December 31, 2025 our executive officers, directors, and holders of 5 or more of our capital stock and their respective affiliates owned approximately 29.6% of our outstanding common stock. As a result, these stockholders will continue to have a significant influence over all matters requiring stockholder approval. For example, these stockholders may be able to influence elections of directors, amendments of our organizational documents, or approval of any merger, sale of assets or other major corporate transactions. This may prevent or discourage unsolicited acquisition proposals or offers for our common stock that you may feel are in your best interest as one of our stockholders. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for our common stock.

Comprehensive U.S. federal income tax reform could adversely affect us.

New legislation or regulation that could affect our tax burden could be enacted by a governmental authority at any time. We cannot predict the timing or extent of such tax-related developments that could have a negative impact on our financial results. U.S. federal legislation affecting the tax laws was enacted in December 2017, in the Tax Cuts and Jobs Act; twice in March 2020, first in the Families First Coronavirus Response Act and again in the CARES Act; in December 2020 in the Consolidated Appropriates Act, 2021; and in March 2021 in the American Rescue Plan Act of 2021; in August 2022 in the Inflation Reduction Act of 2022; and in July 2025 in the One Big Beautiful Bill Act. The Tax Cuts and Jobs Act, among other things, included changes to U.S. federal tax rates, imposed significant additional limitations on the deductibility of interest, allowed for the expensing of capital expenditures, and puts into effect the migration from a “worldwide” system of taxation to a modified territorial system. There can be no assurance that the Tax Cuts and Jobs Act will not negatively impact our operating results, financial condition, or our future business operations.

Most recently, the One Big Beautiful Bill Act was enacted in July 2025 and represents the most significant federal tax legislation since the Tax Cuts and Jobs Act. Among other things, this legislation permanently extends the 21% corporate tax rate, restores 100% bonus depreciation for qualified property, permits full expensing of domestic research and experimentation expenditures, and modifies the business interest expense limitation under Section 163(j) of the Internal Revenue Code. The legislation also makes substantial changes to international tax provisions, including modifications to the global intangible low-taxed income and foreign-derived intangible income regimes, and terminates or accelerates the phase-out of certain clean energy tax credits that were enacted as part of the Inflation Reduction Act of 2022. Although we are not subject to U.S. federal income tax at the entity level, changes in federal tax law may affect the tax liability of our shareholders and, consequently, could affect the value of our common stock, the availability of capital, and our cost of capital. In addition, certain provisions of the One Big Beautiful Bill Act could affect our business operations or financial condition. The full impact of this legislation will depend on a number of factors, including the issuance of regulations and other guidance by the U.S. Department of the Treasury and the Internal Revenue Service interpreting the new provisions. There can be no assurance that future legislative or regulatory changes will not adversely affect us.

There is also uncertainty regarding the application and interpretation of tax laws and regulations. In June 2024, the U.S. Supreme Court’s decision in *Loper Bright Enterprises v. Raimondo* overturned the longstanding Chevron deference doctrine, which may affect the validity and enforceability of existing and future Treasury regulations. This decision could result in increased challenges to tax regulations and create additional uncertainty regarding our tax obligations.

This Annual Report does not discuss any such tax legislation or the manner in which it might affect purchasers of our common stock. We urge our stockholders to consult with their legal and tax advisors with respect to such legislation and the potential tax consequences of investing in our common stock.

Additionally, we use our best judgment in attempting to quantify and reserve for these tax obligations. However, a challenge by a taxing authority, our ability to utilize tax benefits, such as carryforwards or tax credits, or a deviation from other tax-related assumptions may cause actual financial results to deviate from previous estimates.

Our ability to use our net operating losses to offset future taxable income may be subject to certain limitations which could subject our business to higher tax liability.

Our ability to use our net operating losses, or NOLs, to offset future taxable income may be subject to certain limitations which could subject our business to higher tax liability. We may be limited in the portion of NOL carryforwards that we can use in the future to offset taxable income for U.S. federal and state income tax purposes, and federal tax credits to offset federal tax liabilities. Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and similar state law provisions, limit the use of NOLs and tax credits after a cumulative change in corporate ownership of more than 50% occurs within a three-year period. The statutes limit how much NOLs and tax credits a corporation can use in a tax year after a change in ownership. Avoiding an ownership change is generally beyond our control and even where within our control we may choose to experience an ownership change in connection with a financing or other transaction that might limit our use of NOLs and tax credits in the future. In addition, realization of deferred tax assets, including net operating loss carryforwards, depends upon our future earnings in applicable tax jurisdictions. If we have insufficient future taxable income in the applicable tax jurisdiction for any reason, including any future corporate reorganization or restructuring activities, we may be limited in our ability to utilize some or all of our net operating losses to offset such income and reduce our tax liability in that jurisdiction. See Note 13 “Income Taxes” to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K for additional information.

There is also a risk that due to regulatory changes or changes to federal or state law, such as suspensions on the use of NOLs, or other unforeseen reasons, our existing NOLs could expire or otherwise be unavailable either in whole or in part to offset future income tax liabilities. For example, under the Coronavirus Aid, Relief, and Economic Security Act of 2020, or CARES Act, which amended certain provisions of the Tax Cuts and Jobs Act of 2017, or TCJA, NOLs arising in taxable years beginning after December 31, 2017 and before January 1, 2021 may be carried back to each of the five taxable years preceding the tax year of such loss, but NOLs arising in taxable years beginning after December 31, 2020 may not be carried back. The TCJA, as amended by the CARES Act, also provides that NOLs from tax years that began after December 31, 2017 may offset no more than 80% of current taxable income annually for taxable years beginning after December 31, 2020.

Our business and stock price could be negatively affected as a result of actions of activist stockholders, and such activism could impact the trading value of our securities.

Stockholders may, from time to time, engage in proxy solicitations or advance stockholder proposals, or otherwise attempt to effect changes and assert influence on our board of directors and management. Activist campaigns that contest or conflict with our strategic direction or seek changes in the composition of our board of directors could have an adverse effect on our operating results and financial condition. A proxy contest would require us to incur significant legal and advisory fees, proxy solicitation expense and administrative and associated costs and require significant time and attention by our board of directors and management, diverting their attention from the pursuit of our business strategy. Any perceived uncertainties as to our future direction and control, our ability to execute on our strategy, or changes to the composition of our board of directors or senior management team arising from a proxy contest could lead to the perception of a change in the direction of our business or instability, which may result in the loss of potential business opportunities, make it more difficult to pursue our strategic initiatives, or limit our ability to attract and retain qualified personnel and business partners, any of which could adversely affect our business and operating results. If individuals are ultimately elected to our board of directors with a specific agenda, it may adversely affect our ability to effectively implement our business strategy and create additional value for our stockholders. We may choose to initiate, or may become subject to, litigation as a result of the proxy contest or matters arising from the proxy contest, which would serve as a further distraction to our board of directors and management and would require us to incur significant additional costs. In addition, actions such as those described above could cause significant fluctuations in our stock price based upon temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals and prospects of our business.

The terms of our Loan and Security Agreement with Avenue require us to meet certain operating covenants and place certain restrictions on our operating and financial flexibility. If we raise additional capital through debt financing, the terms of any new debt could further restrict our ability to operate our business.

On August 4, 2025 (the “LSA Closing Date”), we, and our wholly owned subsidiary, NURO, each as borrowers, entered the Loan and Security Agreement with Avenue, as administrative agent and collateral agent, and as lender, that is secured by a lien on substantially all of our assets, including a negative pledge on intellectual property, subject to limited exceptions, pursuant to the Loan and Security Agreement.

The Loan and Security Agreement contains customary affirmative and negative covenants and events of default. We could in the future incur additional indebtedness beyond our borrowings under the Loan and Security Agreement. If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility. These restrictions may include, among other things, limitations on the incurrence of additional debt and specific restrictions on the use of our assets, as well as prohibitions on our ability to create liens, pay dividends, redeem capital stock or make investments. If we default under the terms of the Loan and Security Agreement, Avenue 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 were to be liquidated, Avenue's rights to repayment would be senior to the rights of the holders of our common stock. Avenue could declare an event of default upon the occurrence of any circumstance or circumstances that could reasonably be expected to have a Material Adverse Effect (as defined under the Loan and Security Agreement). Any declaration by Avenue of an event of default could significantly harm our business and prospects and could cause the price of our common stock to decline.

Our existing or future debt could have significant adverse consequences, including:

- requiring us to dedicate a substantial portion of cash flow from operations or cash on hand to the payment of interest on, and principal of, our debt, which will reduce the amounts available to fund working capital, capital expenditures, product development efforts, and other general corporate purposes;
- subjecting us to restrictive covenants that may reduce our ability to take certain corporate actions or obtain further debt or equity financing; and
- limiting our flexibility in planning for, or reacting to, changes in our business and our industry; and placing us at a competitive disadvantage compared to our competitors that have less debt or better debt servicing options.

In order to satisfy our current and future debt service obligations, we will be required to raise funds from external sources. We may be unable to arrange for additional financing to pay the amounts due under our existing debt. Funds from external sources may not be available on acceptable terms, if at all. Our failure to satisfy our current and future debt obligations could adversely affect our financial condition and results of operations.

As a publicly traded company, we are subject to activist investors.

Activist investors and other stockholders who disagree with our management may attempt to affect changes in our strategic direction and how our company is governed or may seek to acquire control over our company. Some investors (commonly known as "activist investors") seek to increase short-term stockholder value by advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases, or even sales of assets or the entire company. Activist campaigns can also seek to change the composition of our board of directors, and campaigns that contest or conflict with our strategic direction could have an adverse effect on our results of operations and financial condition. Responding to proxy contests and other actions by activist shareholders can disrupt our operations, be costly and time-consuming, and divert the attention of our board of directors and senior management from the pursuit of our business strategies. In addition, perceived uncertainties as to our future direction that can arise from potential changes to the composition of our board of directors sought by activists may lead to the perception of a change in the direction of the business, its strategy, or leadership which could have a material adverse effect on our company.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Risk Management and Strategy

Managing Material Risks & Integrated Overall Risk Management

We have developed and continue to develop processes, including those intended to follow an internal Information Technology (IT) Security Policy, which seek to assess, identify, and manage material risks from cybersecurity threats to the IT systems and information that we create, use, transmit, receive, and maintain. We also seek to integrate these processes and policies into our overall enterprise risk management system and processes. We also maintain an evolving cybersecurity roadmap for our future cybersecurity plans. The processes for assessing, identifying, and managing material risks from cybersecurity threats, including threats associated with our use of third-party service providers, include our efforts to identify the relevant assets that could be affected, determine possible threat sources and threat events, assess threats based on their potential likelihood and impact, and identify controls that are in place or necessary to manage and/or mitigate such risks. In furtherance of our cybersecurity policies and procedures, our IT team has a monthly IT Steering committee meeting, chaired by our Chief Financial Officer ("CFO"), where all new IT projects include a cybersecurity component.

Engage Third-Parties on Risk Management

We engage a range of external experts, including consultants, auditors, and cybersecurity assessors, who assist us in evaluating and testing our cybersecurity systems and processes. These partnerships are intended to give us access to specialized knowledge and insights that can inform our cybersecurity strategies and processes, including as to industry-standard control frameworks and applicable regulations, laws, and standards.

Oversee Third-Party Risk

As part of our evolving cybersecurity roadmap, we plan to implement and conduct security assessments of all third-party service providers before engagement and maintain ongoing monitoring to ensure compliance with relevant cybersecurity standards.

Risks from Cybersecurity Threats

The Company does not believe that it has experienced any material cybersecurity incidents and the expenses we have incurred from any security incidents were immaterial. As a result, we do not believe that risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected us, our results of operations and financial condition. However, as discussed under “Risk Factors” in Part I, Item 1A of this Annual Report, cybersecurity threats pose multiple and potentially material risks to us, including potentially to our results of operations and financial condition. See also “Risk Factors — Failure to protect our information technology infrastructure against cyber-based attacks, network security breaches, service interruptions, or data corruption could significantly disrupt our operations and adversely affect our business strategy and operating results.” As cybersecurity threats become more frequent, sophisticated, and coordinated, it is reasonably likely that we may expend greater resources to continue to modify and enhance protective measures against such security risks.

Governance

Board of Directors Oversight

Our Board of Directors is responsible for exercising oversight of management’s identification and management of, and planning for, risks from cybersecurity threats. While the full Board has overall responsibility for risk oversight, the Board has delegated oversight responsibility related to risks from cybersecurity threats to the Board’s Audit Committee. The Audit Committee discusses with management not less than annually our major financial risk exposures, including those related to data privacy, data security and network security, and management’s program to monitor, assess and control such exposures, including our risk assessment and risk management policies. The Audit Committee reports to the Board as necessary with respect to its activities, including making such reports and recommendations to the Board as it deems necessary and appropriate.

Risk Management Personnel

Management’s role in assessing, monitoring and managing our material cybersecurity risks is primarily the responsibility of our CISO, reporting to our CFO. Both the CISO and CFO rely on third party experts, including consultants, auditors, and cybersecurity assessors regarding cybersecurity strategies and processes. The CISO manages vendor work related to cybersecurity, and has primary responsibility for the evolving cybersecurity roadmap, remediating known risks, and leading our employee training program, pursuant to which we provide annual privacy and security training for all employees. Our security training incorporates awareness of cyber threats (including but not limited to malware, ransomware and social engineering attacks), password hygiene, incident reporting process, as well as physical security best practices. Our management has also developed security policies and processes which include regular system updates and patches, employee training on cybersecurity and privacy requirements, incident reporting, and the use of encryption to secure sensitive information. In addition, we also regularly perform phishing tests of our employees and update our training plan at least annually. We maintain business continuity and disaster recovery capabilities to mitigate interruptions to critical information systems and/or the loss of data and services from the effects of natural or man-made disasters to our physical operations.

Monitor Cybersecurity Incidents

The CISO implements and oversees processes for the regular monitoring of our IT systems. This includes the deployment of security measures to identify potential vulnerabilities. In the event of a cybersecurity incident, the CISO runs an incident response plan. This plan includes actions to mitigate the impact and long-term strategies for remediation and prevention of future incidents.

Reporting to Board of Directors

The CISO regularly informs the Audit Committee and CFO of cybersecurity risks and incidents. Furthermore, significant cybersecurity matters, and strategic risk management decisions are escalated to the Board of Directors, which has oversight and may provide guidance on critical cybersecurity issues.

Management's Role Managing Risk

The role of the Chief Information Security Officer (CISO) has been assigned to our VP, Information Technology, who has more than 20 years of IT experience and reports to the CFO. The CISO and the CFO inform the Audit Committee on cybersecurity risks. They provide briefings to the Audit Committee on no less than an annual basis or on an ad hoc basis when needed. These briefings encompass:

- Evaluation of existing cybersecurity risks;
- Status of ongoing cybersecurity initiatives and strategies from the cybersecurity roadmap; and
- Incident reports and learnings from cybersecurity events.

Item 2. Properties

Our principal office is approximately 22,557 square feet of office, warehouse and assembly space in Rockaway, New Jersey pursuant to a lease that expires in 2034. Since the spring of 2020, many of our employees have conducted business remotely. Management believes our facilities in Rockaway are currently suitable for their intended use. We may in the future add new facilities or expand or relinquish existing facilities as our needs evolve, and we believe that should the need arise, suitable additional or substitute space will be available as needed to accommodate any expansion of our operations.

On February 6, 2024, the Company entered into an amendment to the lease agreement (the "Rockaway Amendment") to extend its Rockaway, New Jersey lease for an additional 10 years. The Rockaway Amendment was effective May 1, 2024, and expires on July 31, 2034, with a tenant option to renew for an additional five years. The increase in the term of the lease for the existing leased property was accounted for as a lease modification, and therefore, the associated operating lease right of use assets and operating lease liabilities for the existing space were remeasured as of February 6, 2024. The Rockaway Amendment also includes the expansion of leased property from 13,643 square feet to 22,557 square feet.

Item 3. Legal Proceedings

UAB Pulsetto v. electroCore, Inc.

On June 11, 2025, Pulsetto filed a declaratory judgment action against the Company in the United States District Court for the District of New Jersey, captioned *UAB Pulsetto v. electroCore, Inc., Civ. No. 25-10036 (D.N.J.)*, asserting that its non-invasive vagus nerve stimulation product does not infringe the Company's U.S. Patent No. 11,446,491 (the "491 Patent").

On July 16, 2025, the Company filed a responsive pleading, answering the complaint and asserting counterclaims, that Pulsetto's non-invasive vagus nerve stimulation product infringes the '491 Patent, as well as the Company's U.S. Patent Nos. 8,948,873, 9,339,653, 10,874,857, 8,843,210, 9,242,092, 11,623,078, and 10,441,780, as well as claims that Pulsetto's commercial conduct has infringed and continues to infringe the Company's Truvaga™ and gammaCore® trademarks, and committed acts of false advertising and unfair competition in violation of state and federal law. On September 5, 2025, Pulsetto requested leave to file a motion to dismiss the Company's counterclaims for lack of jurisdiction and/or insufficient pleadings. The Company has opposed that request, which has not yet been considered by the trial judge. On September 9, 2025, the court approved a schedule for discovery, and certain proceedings, filings, submissions, motions, reports and conferences. The parties have exchanged initial requests for the production of documents relevant to the dispute and have proceeded with exchanging their respective infringement and invalidity contentions, as the case may be. The parties are still in the early stages of discovery. The parties held an in-person settlement conference with a Judge Magistrate on March 4, 2026.

The Company believes that Pulsetto's claim is without merit and intends to defend vigorously against it and to pursue vigorously the Company's patent and non-patent counterclaims against Pulsetto. The Company expenses associated legal fees in the period they are incurred, and in light of, among other things, the preliminary stage of the litigation, the Company is unable to determine the reasonable probability of loss or a range of potential loss or gain or a range of potential gain. Accordingly, the Company has not established an accrual for potential losses or gains, if any, that could result from any unfavorable or favorable outcome, and there can be no assurance that these litigation matters will not result in substantial litigation costs and/or judgments or settlements that could adversely affect the Company's financial condition.

We are subject to various claims, complaints and legal actions in the normal course of business from time to time. The Company is not aware of any further currently pending litigation for which it believes the outcome could have a material adverse effect on its operations or financial position. The Company generally expenses associated legal fees in the period they are incurred.

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

Our common stock is traded on the Nasdaq Capital Market under the symbol "ECOR."

Stockholders

As of March 13, 2026, there were 304 stockholders of record, which excludes stockholders whose shares are held in nominee or street name by brokers.

Dividend Policy

We do not anticipate paying any cash dividends in the foreseeable future.

Equity Compensation Plans

The information required by Item 5 of Form 10-K regarding equity compensation plans is incorporated herein by reference to Item 12 of Part III of this Annual Report.

Issuer Purchases of Equity Securities

We did not purchase any of our registered equity securities during the period covered by this Annual Report.

Use of Proceeds from Registered Securities

Not applicable.

Item 6. [Reserved]

Not applicable.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes appearing elsewhere in this Annual Report. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors. We discuss factors that we believe could cause or contribute to these differences below and elsewhere in this Annual Report, including those set forth under Item 1A. "Risk Factors" and under "Forward-Looking Statements" in this Annual Report.

Overview

electroCore is a bioelectronic technology company whose mission is to improve health and quality of life through innovative non-invasive bioelectronic technologies. Our two leading commercial products are gammaCore non-invasive vagus nerve stimulation, or nVNS, and Quell Fibromyalgia, or Quell. We also sell our Truvaga and TAC-STIM products, which are handheld, personal-use consumer products, developed to promote general wellness and human performance.

We believe that our proprietary nVNS technology, which works through a variety of mechanistic pathways including the modulation of neurotransmitters, and Quell for chronic pain are designed to address many of the limitations of traditional non-invasive approaches.

Our business generates revenues from the sale of prescription medical devices and non-prescription wellness products in the United States and select overseas markets. We have two principal product categories:

- Personal use prescription medical devices for the management and treatment of certain medical conditions such as primary headache and fibromyalgia; and
- Personal use consumer products that promote general wellness and human performance.

Our goal is to be a leader in non-invasive bioelectronic technologies delivering better health. To achieve this, we offer multiple propositions:

- Prescription medical devices for the treatment of certain FDA cleared medical conditions such as gammaCore for primary headache and Quell Fibromyalgia for fibromyalgia;
- Nonprescription Truvaga for the support of general health and wellbeing; and
- Non-prescription TAC-STIM for human performance.
- FDA cleared Quell OTC for lower extremity pain.

Our two largest customers by revenue are the United States Department of Veterans Affairs and United States Department of Defense, or VA, and the United Kingdom National Health Service or NHS, both utilizing prescription products under qualifying agreements.

The United States Department of Veteran Affairs comprised 71.2% of our revenue during the year ended December 31, 2025. The majority of our 2025 sales were made pursuant to our qualifying Federal Supply Schedule, or FSS, contract which has an expiry date of June 14, 2030, as well as open market sales to individual facilities within the government channels. Our prescription gammaCore and Quell Fibromyalgia devices are also made available to the government channel through our relationship with Lovell and its qualifying FSS, GSA, DAPA, and ECAT contract.

Demand for prescription devices in the U.S. is driven by clinical data and our increased presence in the field. Our sales efforts are primarily in the government channel broadly, and specifically to our largest customer, the VA, pursuant to our FSS contract and/or through our relationship with Lovell and its qualifying FSS, GSA, DAPA, and ECAT contracts. Our sales force is comprised of an internal sales team of territory business managers who manage outside commission only sales agents and sub reps. In addition, we have a small team of dedicated resources seeking to accelerate adoption in managed care systems.

Sales to the NHS in the United Kingdom are made under the U.K. MedTech Funding Mandate, or MTFM, for cluster headache (CH) and comprised 4.4% of our revenue during the year ended December 31, 2025. In 2026, we plan on continuing to use this program.

Demand for prescription devices outside the U.S. is driven by similar factors, including the strength of our clinical and health economic data. Our sales efforts are primarily focused on headache specialists, and specifically, for cluster headache patients.

We sell our general wellness products direct-to-consumer through our ecommerce site, www.truvaga.com, and through select Truvaga retail and marketplace partners, including Best Buy and Rehabmart. We also partner with organizations such as Ben Greenfield Life, Perks at Work, True Medicine and a growing number of affiliates and influencers who promote Truvaga and support awareness and customer acquisition through promotional partnerships.

We sell the TAC-STIM headset for human performance as a COtS solution to active duty military and professional organizations. We are exploring strategies to make our TAC-STIM product available to other branches of the active-duty military, first responders, elite athletes and certain human performance professionals in the United States and abroad.

Truvaga and TAC-STIM are intended for general wellness in compliance with the FDA guidance document entitled “General Wellness: Policy for Low-Risk Devices; Guidance for Industry and FDA Staff, issued on September 27, 2019.” Truvaga and TAC-STIM headsets are not intended to diagnose, treat, cure, or prevent any disease or medical condition.

Quell OTC is a wearable neuromodulation technology FDA cleared for Over the Counter (OTC) sales direct-to-consumer for chronic lower extremity pain. Quell OTC is no longer commercially available; however, replacement electrodes continue to be sold to existing Quell OTC customers. Although we may choose to relaunch the Quell OTC product in the direct-to-consumer business channel in the future, there can be no assurance that we will do so successfully, or at all.

We face a variety of challenges and risks that we will need to address and manage as we pursue our strategies, including our ability to develop and retain an effective sales force, achieve market acceptance of our medical devices among clinicians, patients, and third-party payers, expand the use of our bioelectronic technology to additional therapeutic indications, and to develop our nascent wellness and human performance business including the continued commercialization of Truvaga Plus, our app-enabled device under the Truvaga brand, and direct-to-consumer Quell OTC, a non-prescription product for lower extremity pain.

Because of the numerous risks and uncertainties associated with our commercialization efforts, as well as research and product development activities, there may be uncertainty regarding our ability to achieve or maintain profitability. If we fail to become profitable or are unable to sustain profitability, then we may be unable to continue our operations at planned levels and be forced to reduce or terminate our operations.

Our expected cash requirements for the next 12 months and beyond are based on the commercial success of our products and our ability to control operating expenses. There are significant risks and uncertainties as to our ability to achieve these operating results. Due to these risks and uncertainties, we may need to reduce our activities significantly more than our current operating plan and cash flow projections assume in order to fund operations for the next 12 months. There can be no assurance that we will have sufficient cash flow and liquidity to fund our planned activities, which could force us to significantly reduce or curtail our activities and, ultimately, potentially cease operations. See also “Liquidity Outlook.”

Capital Activities

On September 30, 2025, we entered into securities purchase agreements with certain institutional and accredited investors (the “Private Agreements”), which collectively provided for the sale by us of 360,737 shares (the “Private Shares”) of common stock of the Company, par value \$0.001 per share. The Private Shares were issued at a price of \$5.145 per share in satisfaction of an aggregate of approximately \$1.856 million of legal services rendered or to be rendered to the Company by the investors. We did not receive cash proceeds in connection with the issuance of these shares.

The offerings described above closed on October 2, 2025. The Private Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder, for transactions not involving a public offering. On October 3, 2025, the Company filed a registration statement on Form S-3 (File No. 333-290713) with the SEC to cover the resale of the Private Shares, which registration statement became effective on October 22, 2025.

On July 24, 2025, our Form S-3 registration statement (File No. 333-284477), or the 2025 Shelf Registration Statement, was declared effective by the SEC. The 2025 Shelf Registration Statement relates to the potential offering and issuance from time to time of common stock, preferred stock, warrants, rights, debt securities and units, up to an aggregate amount of \$100.0 million. The proposed maximum offering price per unit and the proposed maximum aggregate offering price per class of security in any future offering under the 2025 Shelf Registration Statement will be determined from time to time by us in connection with the issuance by us of the securities registered under the 2025 Shelf Registration Statement. As of the date of this Annual Report, we have \$100.0 million remaining for potential issuance under the 2025 Shelf Registration Statement (including \$19.8 million under the Sales Agreement (as defined below)). As of the date of this Annual Report on Form 10-K, the aggregate market value of our securities held by non-affiliates may be below \$75 million, and until such time as the aggregate market value of our securities held by non-affiliates equals or exceeds \$75 million, the aggregate maximum offering price of all securities issued by us in any given 12-calendar month period pursuant the 2025 Shelf Registration Statement may not exceed one-third of the aggregate market value of our securities held by non-affiliates, and thus may be limited. If we raise additional funds by issuing equity or debt securities, either through the sale of securities pursuant to a registration statement or by other means, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders.

On August 4, 2025 (the “LSA Closing Date”), we, and our wholly owned subsidiary, NURO, each as borrowers, entered into a Loan and Security Agreement (the “Loan and Security Agreement”), with Avenue Venture Opportunities Fund II, L.P. (“Avenue”), as administrative agent and collateral agent, and as lender, that is secured by a lien on substantially all of our assets, including a negative pledge on intellectual property, subject to limited exceptions, pursuant to the Loan and Security Agreement. The Loan and Security Agreement provides for term loans in an aggregate principal amount of up to \$12.0 million (the “Loan Amount”) to be delivered in two tranches (the “Term Loans”). The tranches consist of (i) a term loan advanced to the Company on the LSA Closing Date in an aggregate principal amount of \$7.5 million (“Tranche 1”), and (ii) subject to the achievement of certain performance milestones set forth in the Loan and Security Agreement, a right of the Company to request that Avenue make additional term loan advances to the Company in an aggregate principal amount of up to \$4.5 million (“Tranche 2”), which right expired on December 31, 2025.

On November 29, 2024, we entered into the Sales Agreement with Wainwright. Under the Sales Agreement, the Company may offer and sell shares of its common stock, par value \$0.001 per share, from time to time having an aggregate offering price of up to \$20 million (the “ATM Shares”) during the term of the Sales Agreement through Wainwright, acting as sales agent. The Company has filed a prospectus supplement relating to the offer and sale of the Shares pursuant to the Sales Agreement. The ATM Shares will be issued pursuant to the Company’s previously filed and effective Registration Statement on Form S-3 (File No. 333-262223) (the “2022 Shelf Registration Statement”), which was initially filed with the Securities and Exchange Commission (the “SEC”) on January 18, 2022 and declared effective on January 25, 2022. The Company intends to use the net proceeds from any offering pursuant to the Sales Agreement to continue to fund sales and marketing, working capital and for other general corporate purposes. As of March 13, 2026, the Company had approximately \$19.8 million of ATM Shares remaining available for issuance under the Sales Agreement.

Critical Accounting Estimates

We prepare our consolidated financial statements in accordance with U.S. generally accepted accounting principles, which require our management to make estimates that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the balance sheet dates, as well as the reported amounts of revenues and expenses during the reporting periods. To the extent that there are material differences between these estimates and actual results, our financial condition or results of operations would be affected. We base our estimates on our own historical experience and other assumptions that we believe are reasonable after taking account of our circumstances and expectations for the future based on available information. We evaluate these estimates on an ongoing basis.

We consider an accounting estimate to be critical if: (1) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (2) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

Although there are items within our financial statements that require management to make accounting estimates, we do not believe them to be critical, as defined above.

Results of Operations

Comparison of the years ended December 31, 2025 and 2024

The following table summarizes our results of operations for the years ended December 31, 2025 and 2024 with the changes in those items in dollars.

<i>(in thousands)</i>	Years ended December 31,		Change
	2025	2024	
Net sales	\$ 32,032	\$ 25,182	\$ 6,850
Cost of goods sold	4,244	3,785	459
Gross profit	27,788	21,397	6,391
Gross margin	87%	85%	
Operating expenses:			
Research and development	2,735	2,360	375
Selling, general and administrative	38,206	31,199	7,007
Total operating expenses	40,941	33,559	7,382
Loss from operations	(13,153)	(12,162)	(991)
Other (income) expense:			
Interest and other income	(298)	(572)	274
Interest expense	590	389	201
Other expense	518	-	518
Total other (income) expense	810	(183)	993
Loss before income taxes	(13,963)	(11,979)	(1,984)
(Provision) benefit from income taxes	(3)	93	(96)
Net loss	\$ (13,966)	\$ (11,886)	\$ (2,080)

Net Sales

Net sales for the year ended December 31, 2025 increased 27% to \$32.0 million as compared to the year ended December 31, 2024. The increase of \$6.9 million is primarily due to an increase in net sales of prescription (Rx) gammaCore and Quell Fibromyalgia products sold to the VA and revenue from the sales of our nonprescription general wellness Truvaga products. We expect that the majority of 2026 fiscal year revenue will continue to come from the U.S. Department of Veterans Affairs. See above *Overview* for discussion regarding the Federal Supply Schedule.

The following table sets forth our net sales by channel:

Channel:	Full year ended December 31,	
	2025	2024
United States - Rx	\$ 24,073	\$ 19,307
TAC-STIM	422	1,197
Outside the United States	1,892	1,785
In-License / Other	96	82
General Wellness	5,549	2,811
Total Net Sales	\$ 32,032	\$ 25,182

Gross Profit

Gross profit increased \$6.4 million to \$27.8 million for the year ended December 31, 2025 compared to the year ended December 31, 2024. The increase in gross profit is attributable to the increased net sales and favorable product mix.

Research and Development

Research and development expense of \$2.7 million for the year ended December 31, 2025, increased by \$0.4 million compared to the prior year. This increase was primarily due to an increase in development costs associated with our gammaCore Emerald and next generation mobile application.

Selling, General and Administrative

Selling, general and administrative expense of \$38.2 million for the year ended December 31, 2025 increased by \$7.0 million compared to \$31.2 million for the previous year. Sales and marketing increased \$4.3 million from the prior year. The increase in sales and marketing was primarily driven by \$3.8 million of variable expenses, which contributed to a \$6.9 million increase in sales. General and administrative expense increased \$2.7 million from the prior year. This increase was primarily driven by \$0.8 million in legal fees primarily associated with business development activities, \$0.5 million in bad debt expense associated with one customer, \$0.3 million investment in IT systems, and \$0.2 million of increased transaction fees associated with increased sales.

Other (Income) Expense

Other (income) expense of \$0.8 million for the year ended December 31, 2025 increased \$1.0 million as compared to the full year ended December 31, 2024. The increase was primarily attributable to non-recurring expenses, including a \$0.5 million change in estimated liability payable to pre-closing shareholders of NURO pursuant to the CVR Agreement entered into in connection with our acquisition of NURO, and interest associated with the convertible term debt financing with Avenue. Other income for the year ended December 31, 2024 of \$0.2 million consisted primarily of interest income.

(Provision) Benefit from Income Taxes

The Company may be eligible, from time to time, to receive cash from the sale of our net operating losses under New Jersey's Department of the Treasury - Division of Taxation NOL Transfer Program. During the years ended December 31, 2025 and 2024, we received net cash payments of \$48,000 and \$0.1 million from the sale of our New Jersey state net operating losses, respectively.

Liquidity and Capital Resources

At December 31, 2025, our cash, cash equivalents, and marketable securities was \$11.6 million compared to \$12.2 million at December 31, 2024.

<i>(in thousands)</i>	December 31,	
	2025	2024
Net cash (used in) provided by		
Operating activities	\$ (8,187)	\$ (6,948)
Investing activities	\$ 3,877	\$ (8,519)
Financing activities	\$ 7,627	\$ 8,439

Operating Activities

Net cash used in operating activities was \$8.2 million and \$6.9 million for the years ended December 31, 2025 and 2024, respectively. The increase of \$1.3 million is primarily due to the increase in our net loss, partially offset by higher accounts payable.

Investing Activities

Net cash provided by investing activities was \$3.9 million and \$8.5 million for the years ended December 31, 2025 and 2024, respectively. During the year ended December 31, 2025, cash used in investing activities was related to the proceeds from the sale of marketable securities. During the year ended December 31, 2024, cash used in investing activities was related to the purchase of marketable securities.

Financing Activities

Net cash provided by financing activities for the year ended December 31, 2025 was \$7.6 million which was primarily attributable to the net proceeds from the convertible term debt financing with Avenue.

Net cash provided by financing activities for the year ended December 31, 2024 was \$8.4 million which was attributable to the Company entering into a registered direct offering and concurrent private placements, each of which closed on June 5, 2024, and proceeds from the exercise of warrants. Pursuant to a registered direct offering with an institutional and accredited investor, we issued and sold pre-funded warrants to purchase up to 225,000 shares of common stock. In a concurrent private placement, we issued and sold to the institutional and accredited investor warrants to purchase up to 112,500 shares of common stock. In a separate concurrent private placement with certain institutional and accredited investors and six of the Company's officers and directors, we issued and sold 438,191 shares of common stock, pre-funded warrants to purchase up to 770,119 shares of common stock, and warrants to purchase up to an aggregate of 604,150 shares of common stock. Each share of common stock was sold together with one-half of one warrant to purchase one share of common stock, at a combined offering price of \$6.4925 per share of common stock and related one-half of one warrant. Each pre-funded warrant was sold together with one-half of one warrant to purchase one share of common stock, at a combined offering price of \$6.4925 per pre-funded warrant and related one-half of one warrant. The common stock purchase warrants became exercisable immediately upon issuance at a price of \$6.43 per share and expire five years from the date of issuance. The pre-funded warrants became exercisable immediately upon issuance at a price of \$0.001 per share.

Liquidity Outlook

We have experienced significant net losses, and we expect to continue to incur net losses for the near future as we work to increase market acceptance of our products. We have never been profitable and we have incurred net losses and negative cash used in operations in each year since our inception. We incurred net losses of \$14.0 million and \$11.9 million, and used cash in our operations of \$8.2 million and \$6.9 million for the years ended December 31, 2025 and 2024, respectively.

We have historically funded our operations with the proceeds of equity and debt financings. During the year ended December 31, 2025, we received net proceeds of approximately \$0.2 million from sales of equity securities pursuant to the Sales Agreement and \$7.5 million which was advanced by Avenue pursuant to the Loan and Security Agreement. In addition, we entered into securities purchase agreements with certain institutional and accredited investors, which collectively provided for the sale by the Company of 360,737 shares of common stock of the Company. The shares were issued at a price of \$5.15 per share in satisfaction of an aggregate of approximately \$1.9 million of legal services rendered or to be rendered to the Company by the investors. The Company did not receive cash proceeds in connection with the issuance of these shares.

As of December 31, 2025, our cash, cash equivalents and marketable securities totaled \$11.6 million.

During the year ended December 31, 2025, we sold 14,265 shares of our common stock at a weighted average price of \$15.20 per share, net of issuance costs for \$0.2 million in net proceeds, pursuant to the Sales Agreement. Principal repayments under the Loan and Security Agreement are scheduled for \$2.5 million in 2027, \$3.0 million in 2028 and \$2.3 million in 2029 (inclusive of a final payment fee of 3.5% of the loan amount). See *Note 10 – Long-Term Debt* in the consolidated financial statements for additional details of our long-term debt.

The Company's expected cash requirements for the next 12 months from the date these financial statements are issued and beyond are largely based on the commercial success of its products. Notwithstanding the expected cash flow from operations and expected access to capital from existing and/or future debt and equity sources, the Company's currently forecasted cash is less than the requirements to fund its operating expenses and capital expenditure requirements, as currently planned, for at least the next 12 months from the date the accompanying consolidated financial statements are issued. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. There remain significant risks and uncertainties regarding the Company's business, financial condition and results of operations. Due to these risks and uncertainties, there can be no assurance that we will have sufficient cash flow and liquidity to fund our planned activities, which could force us to significantly reduce or curtail our activities and, ultimately, potentially cease operations. The accompanying consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Off-Balance Sheet Arrangements

We did not have during the periods presented, and we do not have any off-balance sheet arrangements, as defined in the rules and regulations of the SEC.

Impact of Recently Issued Accounting Standards

In the normal course of business, we evaluate all new accounting pronouncements issued by the FASB, SEC, or other authoritative accounting bodies to determine the potential impact they may have on our Consolidated Financial Statements. See Note 2 "Basis of Presentation" of the notes to our consolidated financial statements in this Annual Report for additional information about these recently issued accounting standards and their potential impact on our financial condition or results of operations.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We develop our products in the United States and sell those products into several countries. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets. Most of our sales in Europe are denominated in British Pound Sterling and our license agreement with Teijin is denominated in Japanese Yen. As our sales in currencies other than the U.S. dollar increase, our exposure to foreign currency fluctuations may increase. In addition, changes in exchange rates also may affect the end-user prices of our products compared to those of our foreign competitors, who may be selling their products based on local currency pricing. These factors may make our products less competitive in some countries.

If the U.S. dollar uniformly increased or decreased in strength by 15% relative to the foreign currencies in which our sales were denominated, our net income would have correspondingly increased or decreased by an immaterial amount for the year ended December 31, 2025.

Our exposure to market interest rate risk is confined to our cash and cash equivalents and marketable securities. The goals of our investment policy are preservation of capital, fulfillment of liquidity needs and fiduciary control of cash and investments. We also seek to maximize income from our investments without assuming significant risk. To achieve our goals, we may maintain a portfolio of cash equivalents and investments in a variety of securities of high credit quality. The securities in our investment portfolio, if any, are not leveraged, are classified as available for sale and are, due to their very short-term nature, subject to minimal interest rate risk. We currently do not hedge interest rate exposure. Because of the short-term maturities of our cash equivalents, we do not believe that an increase in market rates would have any material negative impact on interest income recognized in our statement of operations. We have no investments denominated in foreign currencies and therefore our investments are not subject to foreign currency exchange risk. We contract with investigational sites, suppliers and other vendors in Europe and internationally. In addition, our license agreement requires payments to us to be denominated in Japanese Yen. We are subject to fluctuations in foreign currency rates in connection with these agreements. We do not hedge our foreign currency exchange rate risk.

All of the potential changes noted above are based on sensitivity analyses performed on our financial position as of December 31, 2025.

Item 8. Financial Statements and Supplementary Data.

The financial statements required to be filed pursuant to this Item 8 are appended to this Annual Report. An index of those financial statements is found in Item 15.

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

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our reports under the Exchange Act, is recorded, processed, summarized and reported within the time periods specified in the rules and forms, and that such information is accumulated and communicated to us, including our Chief Executive Officer and Chief Financial Officer, as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, we recognize that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, as ours are designed to do, and we apply our judgment in evaluating whether the benefits of the controls and procedures that we adopt outweigh their costs.

As required by Rule 13a-15(b) of the Exchange Act, an evaluation as of December 31, 2025, was conducted under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Exchange Act). Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures, as of December 31, 2025, were not effective due to the material weakness described below.

Management's Report on Internal Control Over Financial Reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting as such term is defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed under the supervision and with the participation of our management including our Chief Executive Officer and Chief Financial Officer 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. Our internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets; (ii) provide reasonable assurance (a) transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting policies (b) our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (c) regarding the prevention or timely detection of the unauthorized acquisition use or disposition of assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

As of December 31, 2025, our management conducted an evaluation of the effectiveness of our internal control over financial reporting using the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission in Internal Control – Integrated Framework (2013). Based on this evaluation, our management concluded that, as of December 31, 2025 our internal control over financial reporting was not effective solely due to the material weakness described below.

In connection with the preparation of our annual consolidated financial statements for the year ended December 31, 2025, management identified a deficiency in its internal control over financial reporting related to the accuracy of its lease accounting. The Company previously recorded a lease modification in conjunction with the lease expansion of its Rockaway location in the second quarter of 2024. During the fourth quarter of 2025, the

Company discovered an error in the lease payments used in the initial calculations in conjunction with the lease modification. While the error did not result in a material misstatement or a restatement of the Company's consolidated financial statements, management concluded that there is a reasonable possibility that a material misstatement could have occurred without being prevented or detected on a timely basis, and therefore, the control deficiency was deemed to be a material weakness.

Management has initiated remediation measures designed to address the material weakness identified above. These measures include the implementation of an enhanced review control over the accounting for leases and any other significant non-routine transactions, including enhanced management review and approval procedures. In addition, the Company hired a new controller in September 2025 who management believes has the technical accounting skills and breadth of supervisory and review skills necessary to oversee the accounting function.

The material weakness will be considered remediated once the applicable controls have been fully implemented, have operated for a sufficient period of time, and have been tested for operating effectiveness which we believe will occur by the end of our second quarter of 2026.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, that occurred during the three months ended December 31, 2025 that has materially affected or is reasonably likely to materially affect our internal control over financial reporting.

Item 9B. Other Information

Director and Officer Trading Plans and Arrangements

During the three months ended December 31, 2025, none of our directors or officers adopted, made certain modifications or terminated a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as each term is defined in Item 408(a) of Regulation S-K.

Executive Officer Transition

As of March 17, 2026, Daniel S. Goldberger notified the Company of his intention to retire as our Chief Executive Officer effective April 1, 2026 (the “Separation Date”). Mr. Goldberger also resigned as a member of the Company’s Board effective March 17, 2026. In connection with Mr. Goldberger’s resignation as a member of the Company’s Board, the size of the Board was decreased by resolution of the Board from eight to seven members, effective on the date of Mr. Goldberger’s resignation from the Board.

Mr. Goldberger indicated to the Company that his decision to retire as Chief Executive Officer, and resign as a member of the Company’s Board, was not a result of any disagreement with the Company, the Board or the Company’s management on any matter relating to the Company’s operations, policies, or practices.

Effective as of March 17, 2026, the Company and Mr. Goldberger entered into a separation agreement pursuant to which Mr. Goldberger has agreed to provide advisory and transition services to the Company following the Separation Date for a period of one (1) year (the “Consulting Period”). Pursuant to and subject to the conditions set forth in the agreement, including execution of a customary release, effective as of the Separation Date, 20,305 restricted stock units (“RSUs”) previously granted to Mr. Goldberger shall vest on a prorated basis in accordance with the vesting provisions of the applicable award agreements. During the Consulting Period, an additional 43,200 RSUs that did not vest on a prorated basis as of April 1, 2026 shall continue to vest, subject to his continued consulting services under the agreement through the applicable vesting dates, in equal monthly installments of 3,600 RSUs per month.

Mr. Goldberger’s remaining unvested 30,306 RSUs shall be forfeited and cancelled without consideration as of the Separation Date. Additionally, pursuant to and subject to the terms and conditions of the agreement, the Company will pay all amounts comprising Mr. Goldberger’s Accrued Obligations as defined in our Executive Severance Policy, including Mr. Goldberger’s unpaid base salary earned through the Separation Date, any accrued and unused paid time off in accordance with Company policy, reimbursable business expenses reasonably incurred through the Separation Date, and any vested benefits under applicable benefit plans of the Company, in each case in accordance with applicable law and Company policy (the “Accrued Obligations”). Pursuant to the agreement, and in accordance with our Executive Severance Policy, Mr. Goldberger will also receive a cash severance payment of \$1,200,098, payable in installments over the 12-month period commencing on the Company’s first regular payroll date following the Separation Date. The agreement also provides Mr. Goldberger the right, but not the obligation, to invest on a pari passu basis to other investors in connection with any offering of the Company’s equity securities to third party investors for capital raising purposes through August 31, 2028, on the terms, conditions and limitations set forth in the agreement. The foregoing summary of the agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the agreement, which is filed herewith as Exhibit 10.30 and is incorporated by reference herein. The representations, warranties and covenants in the agreement were made only for purposes of such agreement and as of specific dates and were solely for the benefit of the parties to such agreement.

Effective April 1, 2026, Joshua S. Lev, the Company’s Chief Financial Officer, will assume the role of Interim President and will serve as the Company’s principal executive officer for purposes of the Company’s SEC filings while the Board conducts a search for a permanent Chief Executive Officer. Mr. Lev will continue to serve as our Chief Financial Officer. In connection with his appointment as Interim President, (i) Mr. Lev’s base salary was increased from \$433,675 to \$470,000, (ii) Mr. Lev’s annual target discretionary bonus was increased to 45% of his annual base salary and (iii) Mr. Lev was granted 45,000 RSUs. The shares of common stock issuable pursuant to such RSUs will vest on December 31, 2026, subject to Mr. Lev’s continued employment through such date. Such RSUs are also subject to potential acceleration of vesting upon a double-trigger change in control as defined in our Executive Severance Policy. Additionally, if Mr. Lev is removed as Interim President, the Company shall make a \$25,000 cash payment to Mr. Lev.

In addition, on March 13, 2026, the Company and Michael Fox entered into an offer letter (the “Fox Agreement”), pursuant to which Mr. Fox has agreed to serve as the Company’s Chief Operating Officer, effective April 17, 2026 or such other date as we shall mutually agree (the “Start Date”). The Fox Agreement provides for an annual base salary of \$505,000, less applicable withholding taxes and other deductions, paid semi-monthly in accordance with the Company’s customary payroll practices (subject to annual review, and as such amount may be adjusted from time to time at the Company’s discretion). In addition, Mr. Fox is entitled to receive, subject to employment on the applicable date of bonus payout, an annual target discretionary bonus of up to 40% of his annual base salary, payable at the discretion of the Board or the compensation committee. Pursuant to the Fox Agreement, Mr. Fox is also eligible for future equity grants under the Company’s long-term incentive equity program, healthcare benefits as may be provided from time to time to employees generally, to participate in the Company’s 401(k) plan, and paid time off annually in accordance with our policies in effect from time to time. The Fox Agreement also provides for an inaugural grant of 70,000 RSUs, which shall vest one-third on each anniversary of the Start Date (subject to Mr. Fox remaining employed in good standing by the Company on any applicable vesting date). Such RSUs are also subject to potential acceleration of vesting upon a double-trigger change in control as defined in the Executive Severance Policy. Such RSUs will be granted outside of the Company’s 2018 Omnibus Equity Incentive Plan, as an inducement material to Mr. Fox’s commencement of employment pursuant to Nasdaq Listing Rule 5635(c)(4). The Fox Agreement provides that Mr. Fox is covered by our Executive Severance Policy. Additionally, Mr. Fox and the Company have entered into the Company’s standard form of indemnification agreement for directors and executive officers. The foregoing summary of the Fox Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Fox Agreement, which is filed herewith as Exhibit 10.31 and is incorporated by reference herein. The representations, warranties and covenants in the Fox Agreement were made only for purposes of the Fox Agreement and as of specific dates and were solely for the benefit of the parties to the Fox Agreement.

Mr. Fox, age 59, has agreed to serve as the Company’s Chief Operating Officer, effective on the Start Date. From July 2023 to March 2026, Mr. Fox was the Chief Revenue Officer of ProMedTek, Inc., a privately held medical technology company. Prior to that, Mr. Fox was a rare diseases area business manager at Pfizer, Inc. from January 2019 to June 2023. Mr. Fox has held various other roles in the medical sales field. Mr. Fox began his career at Pfizer, Inc. where he served in various roles from 1990 to 2009. Mr. Fox has also been a medical consultant for V-Locity Medical Consulting since October 2019. Mr. Fox received a B.S. in Animal Science from Western Illinois University.

There are no arrangements or understandings between Mr. Fox and any other persons pursuant to which he will be appointed as Chief Operating Officer. There are also no family relationships between Mr. Fox and any director or executive officer of the Company, and he has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Directors, Executive Officers and Corporate Governance

Directors

Our Board is divided into three classes, and currently has seven members, who are generally elected for a three-year term. The classification results in staggered elections, with a different class of directors standing for election every year. Vacancies on the Board may be filled only by person(s) elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including a vacancy created by an increase in the number of directors, will serve the remainder of the term of that class until the director's successor is duly elected and qualified. Set forth below is the name, age as of March 18, 2026, and certain biographical information with respect to each of our current directors, by class.

As described herein, Daniel S. Goldberger, the Company's Chief Executive Officer resigned as a member of the Company's Board as of March 17, 2026. In connection with Mr. Goldberger's resignation as a member of the Company's Board, the size of the Board was decreased by resolution of the Board from eight to seven members, effective on the date of Mr. Goldberger's resignation from the Board. See also "Item 9B. Other Information - Executive Officer Transition."

Class II Directors (Terms Expiring in 2026)

Thomas J. Errico, M.D.

Thomas J. Errico, M.D., 74, is a founder of our company and has served as a member of the Board since 2005. Dr. Errico has been a board-certified orthopedic surgeon since 1986 and currently serves as a pediatric orthopedic spine surgeon at Nicklaus Children's Hospital. He also is an associate Professor of Orthopedic Surgery at the University of Miami School of Medicine. He previously served as the chief, Division of Spine Surgery in Orthopedics, at NYU Langone Health from 1997 until 2018. He currently serves on the board of Setting Scoliosis Straight, a nonprofit organization focused on advancing medical techniques in the treatment of spinal deformities and was an adjunct professor of the Department of Orthopedic Surgery at NYU Grossman School of Medicine. In addition, Dr. Errico is a member of the International Society for the Advancement of Spine Surgery and served as its president from 2010 to 2011. He is also an original member of the North American Spine Society and served as its president from 2003 to 2004. Dr. Errico has founded multiple companies in the healthcare industry, including Spinecore, Inc. in 2001, where he served as a director until it was sold to Stryker, Inc. in 2004. Dr. Errico was also a founding member of K2M Group Holdings, Inc. in January 2004. Dr. Errico holds a B.S. in zoology from Rutgers University and an M.D. from Rutgers Medical School, formerly the University of Medicine and Dentistry of New Jersey. The Board believes Dr. Errico is qualified to serve on the Board due to his long tenure as a practicing spine-surgeon and his leadership role with world-class medical institutions, as well as serving as a co-founder, director and investor in a number of successful early-stage healthcare companies.

James C. Theofilos

James C. Theofilos, 31, has been the Artificial Intelligence Capacity Go-to-Market ("GTM") Lead at Google Cloud since October 2025. In this role, Mr. Theofilos manages and drives various business functions, including GPU and TPU allocations, Google Gemini shipments and lifecycles, as well as general availability across the globe. From October 2023 to September 2025, Mr. Theofilos was a Senior Finance Manager within the Azure and artificial intelligence division of Microsoft Corporation ("Microsoft"). In this role at Microsoft, Mr. Theofilos was the GTM Finance Lead across Microsoft's AI Apps & Agents team, which includes all of Microsoft's AI models, GitHub Copilot, Copilot Studio, and other products. Previously, Mr. Theofilos held various finance positions at Microsoft including his position as the Finance Lead for Microsoft's Global Healthcare & Life Sciences Sales team, which included exposure to the Health Providers, Payors, Pharma and Med Tech industry verticals. Prior to that, Mr. Theofilos consulted as a Group Project Manager at VICI Properties Inc., a publicly traded Real Estate Investment Trust primarily engaged in the business of owning and acquiring gaming, hospitality, wellness, entertainment, and leisure destinations, based in New York City. Mr. Theofilos holds an M.S. in Finance and a B.S.B.A. in Finance from Washington University in Saint Louis. The Board believes that Mr. Theofilos' business experience, and his knowledge of the finance and technology industries, qualify him to serve on the Board.

Elena Bonfiglioli

Ms. Bonfiglioli, age 54, has been the Global Business Leader for Healthcare, Pharma Life Sciences of Microsoft Corporation (“Microsoft”) since January 2022. In this role, Ms. Bonfiglioli is responsible for go-to-market, commercial, pipeline development and strategic partnerships in artificial intelligence transformation across health providers, payors and life sciences’ organizations globally. Ms. Bonfiglioli has also been the Regional Business Leader for Health and Life Sciences of Microsoft’s Europe Middle East Africa (“EMEA”) region since August 2017. Previously, Ms. Bonfiglioli held other positions at Microsoft, including as Senior Director – Health Industry of the EMEA region. Since 2023, Ms. Bonfiglioli has been a member of the Drug Information Association (DIA) Pharma Advisory Council for EMEA. From time to time, Ms. Bonfiglioli has also served as an advisor to private biopharma and medtech organizations. She is on the Advisory Board of Kearney Women Health community initiative and sits in the Board of Care since July 2025.

Ms. Bonfiglioli holds a master’s degree in European economics from the College of Europe, a Laurea Degree in Business and Managerial Economics from the University of Moderna, and a Licentiate Degree in applied economics from the University of Montpellier. The Board believes that Ms. Bonfiglioli’s business experience, and her knowledge of the life sciences and technology industries, qualify her to serve on the Board.

Class III Directors (Terms Expiring in 2027)

John P. Gandolfo

John P. Gandolfo, 65, has served as a member of the Board since April 2020. He brings to the Board more than 30 years of financial leadership at both public and private companies across multiple industry sectors, including in expense control and cash flow optimization having retired in 2024 as chief financial officer of Eyenovia, Inc., a publicly held, late clinical stage biopharmaceutical company focusing on the development of ophthalmic drugs. Prior to Eyenovia, he served as chief financial officer of Xtant Medical Holdings, Inc., a publicly held orthopedic and spine medical device company with multiple operations throughout the United States from 2010 to 2017. He has served on the board of Oragenics, Inc, a development-stage company dedicated to fighting infectious diseases including coronaviruses and multidrug-resistant organisms, since September 2023. His prior healthcare-related experience includes roles as chief financial officer of Progenitor Cell Therapy LLC, Power Medical Interventions and Bioject, Inc., among others. Mr. Gandolfo’s experience also includes serving on the audit committees of the boards of multiple medical technology companies including Odyssey Health, Inc., a medical device company which he served as a director from 2019 to 2023. Mr. Gandolfo holds a B.A. in business administration from Rutgers University. The Board believes that these experiences, and his ability to serve as a financial expert on our audit committee, qualify him to serve on the Board.

Thomas M. Patton

Thomas M. Patton, 62, has served as a member of the Board since April 2020. He is a seasoned healthcare executive and board member with operational, financial, legal, and transactional experience, from start-ups to growth companies, both public and private. He currently is an operating partner advisor with the private equity firm SV Health Investors, is the executive chairman of the board of directors of Spineology, Inc., a privately held, therapeutic spinal fusion device corporation, and serves on the board of the Connecticut Port Authority. He also serves on the private company boards of directors of each of Packing Compliance Labs, Robling Medical, LLC and Miach Orthopedics, Inc. He was the chief executive officer and member of the board of directors of Ximedita, LLC, a private medical products outsource design and development company from August 2020 to May 2021. From 2015 to 2021, he also served on the board of Misonix, Inc., a publicly traded ultrasonic surgical tools and wound care company, and chaired that company’s audit committee, and served as president and chief executive officer of CAS Medical Systems, a publicly traded developer and distributor of patient monitoring equipment, from 2010-2019. His prior experience includes roles as co-founder and chief executive officer of QDx, Inc., a developer of unique micro-fluidic diagnostic technology, as president and chief operating officer of Novamatrix Medical Systems, Inc., and as chief executive officer of Wright Medical Technology, Inc. Mr. Patton has served on more than a dozen boards of directors for both public and private medical products and services companies. Mr. Patton holds a B.A. in economics and accounting from the College of the Holy Cross and a J.D. from Georgetown University Law Center. The Board believes that Mr. Patton’s business and financial experience, as well as his medical device industry expertise and ability to serve as an “audit committee financial expert,” qualify him to serve on the Board.

Class I Directors (Terms Expiring in 2028)

Julie A. Goldstein

Julie A. Goldstein, 67, has served on the Board since March 2022 and brings more than 30 years of senior leadership experience in marketing, media, and brand development across music, television, radio, and live entertainment. She was Vice President of Marketing and Development at JIVE Records, RCA Records, and Virgin Records, and Vice President of Marketing and Sales at NewsCorp's TV Guide Television Network, where she led major national and international marketing campaigns and contributed to RCA Records' successful turnaround, work later featured in a Harvard Business School case study

Earlier in her career, Ms. Goldstein was a founding member of the team that launched Live 105 in San Francisco, a pioneering alternative radio station. In early 2026, she was honored by the California Radio Society and the Bay Area Radio Museum and Hall of Fame with a Founding Member Legends / Lifetime Achievement recognition for her role in the station's creation and lasting impact. She is also a Broadway producer and has received multiple industry honors, including Billboard Magazine's Radio Promotion Director of the Year and the Bertelsmann Key Management Award. She holds a B.A. in Communications and Social Welfare from California State University, Chico.

Patricia Wilber

Patricia Wilber, 64, has served as a member of the Board since March 2022. Ms. Wilber has been a chief marketing officer, global business strategist, and board member who delivers organizational and cultural transformation for branding. She is a pioneer in new franchise models and branded partnerships. Ms. Wilber last served as the executive vice president, chief marketing officer, and managing director of partnerships, EMEA, the highest position in the marketing department at The Walt Disney Company from 2015 to 2018, where she drove growth for Disney's marquee brands by leading marketing and communications for Disney, Pixar, Star Wars, and Marvel. Additionally, she established and led EMEA's 40-country integrated marketing, franchise and partnership functions, including a major reorganization of the EMEA channels to boost growth and profitability by significantly reducing expenses. She currently serves on the board of Zapp Electric Vehicles Group Limited. She also serves on the board and is a member of the nominating and governance executive committee of Yale New Haven Hospital, a medical nonprofit organization, and chairs the nominating and governance committee, and on the patient safety committee of Yale New Haven Health System. She served on the boards of Euro Disney SCA from 2015 to 2018, Magical Cruise Company, more commonly known as the Disney Cruise Line, from 2013 to 2018, and Vibrant Emotional Health from 2022 to 2023. Ms. Wilber holds a B.A. in history from Brown University. The Board believes Ms. Wilber's strategic marketing expertise and public company board experience qualify her to serve on the Board.

Board Skills and Core Competencies



Demographic Background

The Board is committed to having diverse individuals from different backgrounds with varying perspectives, professional experience, education and skills serving as members of the Board. The Board believes that a diverse membership with a variety of perspectives and experiences is an important feature of a well-functioning board.



Executive Officers

Set forth below is the name, age as of March 18, 2026, and certain biographical information for our current executive officers.” See also “*Item 9B. Other Information - Executive Officer Transition.*”

Daniel S. Goldberger

Daniel S. Goldberger, 67, has served as our Chief Executive Officer since October 2019 and was a member of the Board from such time until March 17, 2026. Mr. Goldberger served as a director of Koru Medical Systems, a manufacturer of infusion pump systems, from April 2017 until May 2022 and he served as its executive chairman from August 2017 until September 2019. From January 2018 to September 2019, Mr. Goldberger served as the chief executive officer of Synergy Disc Replacement Inc., a private company commercializing a proprietary total disc implant for cervical spine therapy. From July 2017 to September 2017, Mr. Goldberger served as interim chief executive officer of Milestone Medical, Inc. Prior to this he served as the chief executive officer of Xtant Medical Holdings, Inc. from August 2013 to January 2017. He also served on the board and as the chief executive officer of Sound Surgical Technologies LLC from April 2007 to February 2013. Mr. Goldberger has also served on the boards of Xtant Medical Holdings, Inc., Sound Surgical, Xcorporeal. Theragen, Inc., and Glucon. Mr. Goldberger earned a B.S. in mechanical engineering from The Massachusetts Institute of Technology, and a M.S. in mechanical engineering from Stanford University.

Joshua S. Lev

Joshua S. Lev, 41, has served as our Chief Financial Officer since October 2024. Effective April 1, 2026, Mr. Lev is expected to also become Interim President. Mr. Lev served as the Chief Strategy Officer from January 2022 through October 2024, previously having served as Vice President of Business Development, Strategy and Financial Planning since February 2020. Prior to joining the Company, Mr. Lev had over 15 years of experience in the financial services industry as an investment banker and investor focusing on emerging growth companies. From 2011 to February 2020, Mr. Lev served as Director of Business Development at Wellfleet Partners, Inc. focusing on capital raising, M&A, strategic transactions and institutional client relations. From March 2014 through February 2020, he was also a co-founder of Aracle Capital, LLC, an investment firm with a focus on early-stage and emerging-growth companies. Mr. Lev received an M.B.A. from the University of North Carolina’s Kenan-Flagler Business School and a B.S. in Business & Management from the Sy Syms School of Business at Yeshiva University.

Executive officers serve at the pleasure of our Board of Directors.

Corporate Governance

Board Operating and Governance Guidelines

We have adopted Corporate Governance Guidelines to ensure that the Board has the necessary authority and practices in place to review and evaluate our business operations as needed and can make decisions that are independent of our management. The guidelines are also intended to align the interests of directors and management with those of our stockholders. The Corporate Governance Guidelines set forth the practices the Board intends to follow with respect to board composition and selection, board meetings and involvement of senior management, Chief Executive Officer performance evaluation and succession planning, and board committees and compensation. The Corporate Governance Guidelines, as well as the charters for each committee of the Board, are available on our website at www.electrocore.com.

Board Leadership Structure

The Board has an independent chairman, Dr. Errico, who has authority, among other things, to call and preside over the Board meetings, including meetings of the independent directors, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Board Chairman has substantial ability to shape the work of the Board. We believe that separation of the positions of Board Chairman and Chief Executive Officer reinforces the independence of the Board in its oversight of the business and affairs of us. In addition, we believe that having an independent Board Chairman creates an environment that is more conducive to objective evaluation and oversight of management’s performance, increasing management accountability and improving the ability of the Board to monitor whether management’s actions are in the best interests of our company and our stockholders. As a result, we believe that having an independent Board Chairman enhances the effectiveness of the Board as a whole.

There are no family relationships among any of our directors and executive officers nor have any of our executive officers or key employees been involved in a legal proceeding that would be required to be disclosed pursuant to Item 401(f) of Regulation S-K of the Exchange Act.

Role of the Board In Risk Oversight

One of the key functions of the Board is informed oversight of our risk management process. The Board does not have a standing risk management committee but rather administers this oversight function directly through the Board as a whole, as well as through various standing committees of the Board that address risks inherent in their respective areas of oversight. In particular, the Board is responsible for monitoring and assessing strategic risk exposure and our audit committee is responsible for considering and discussing our major financial risk exposures and our risk assessment and risk management policies (including those related to data privacy, data security and cybersecurity). Our audit committee also periodically reviews the general process for the oversight of risk management by the Board.

The nominating and governance committee monitors compliance with legal and regulatory requirements and the effectiveness of our corporate governance practices, including whether they are successful in preventing illegal or improper liability-creating conduct. Our nominating and governance committee is responsible for overseeing key aspects of our general risk management efforts, including the allocation of risk management functions among the Board and its committees. Our compensation committee is responsible for assessing and monitoring whether any of our compensation policies and programs has the potential to encourage excessive risk-taking.

Meetings of the Board Of Directors

The Board met seven times during 2025. Each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committee(s) on which he or she served during the portion of 2025 for which he or she was a director or committee member.

Nasdaq rules require that the non-management directors of the board meet at regularly scheduled executive sessions, without management present, in order to empower the non-management directors to serve as a more effective check on management. During 2025, our non-management directors met in executive session, without management present, at the end of regularly scheduled board meetings or during scheduled executive session calls. Through his departure from the Board in September 2025, Mr. F. Peter Cuneo our then Board Chairman, presided over the executive sessions. Since assuming the position of Board Chairman in September 2025, Dr. Errico presided over the executive sessions.

Nominating and Governance Committee

Our nominating and governance committee currently consists of three directors, Dr. Errico, Ms. Goldstein, and Ms. Wilber. Dr. Errico is the chairman of the nominating and governance committee.

In the opinion of the Board, the composition of our nominating and governance committee satisfies the applicable independence requirements under, and the functioning of our nominating and governance committee complies with the applicable requirements of Nasdaq. The Board also believes that each member of our nominating and governance committee satisfies the applicable independence requirements of Nasdaq. We will continue to evaluate and will comply with all future requirements applicable to our nominating and governance committee. The nominating and governance committee's responsibilities include:

- annually reviewing the list of director selection criteria contained in our corporate governance guidelines, and making recommendations to the Board regarding necessary or appropriate changes thereto;
- identifying, reviewing and evaluating candidates, including candidates submitted by stockholders, for election to the Board and recommending to the Board (i) nominees to fill vacancies or new positions on the Board and (ii) the slate of nominees to stand for election by our stockholders at each annual meeting of stockholders;
- annually recommending to the Board (i) the assignment of directors to serve on each committee; (ii) the chairman of each committee and (iii) the chairman of the Board or lead independent director, as appropriate; developing, recommending, overseeing the implementation of and monitoring compliance with, our corporate governance guidelines, and periodically reviewing and recommending any necessary or appropriate changes thereto; reviewing the adequacy of our certificate of incorporation and bylaws and recommending to the Board, as conditions dictate, amendments for consideration by the stockholders; and such other matters as directed by the Board.

The nominating and governance committee believes that candidates for director should have certain minimum qualifications, which are described in our Corporate Governance Guidelines. The nominating and governance committee also takes these minimum qualifications into account in identifying and evaluating director nominees, including nominees validly recommended by stockholders in accordance with applicable law and the provisions of our bylaws. In identifying director nominees, the nominating and governance committee strives for a diverse mix of backgrounds and expertise that enhances the ability of the directors collectively to understand the issues facing us and to fulfill the responsibilities of the Board and its committees.

Compensation Committee

Our compensation committee reviews and determines the compensation of our executive officers. Our compensation committee currently consists of three directors, Dr. Errico, Mr. Gandolfo and Ms. Goldstein, each of whom is a non-employee member of the Board as defined in Rule 16b-3 under the Exchange Act. Mr. Gandolfo is the chairman of the compensation committee. The Board is of the opinion that the composition and functioning of our compensation committee satisfies the applicable independence and other applicable requirements of Nasdaq and SEC rules and regulations. We intend to continue to evaluate and comply with the requirements applicable to our compensation committee. The principal duties and responsibilities of our compensation committee include:

- establishing, approving, and making recommendations to the Board regarding performance goals and objectives relevant to the compensation of our Chief Executive Officer, evaluating the performance of our Chief Executive Officer in light of those goals and objectives and recommending to the full Board for approval, the chief executive officer's compensation, including incentive-based and equity-based compensation, based on that evaluation;
- setting the compensation of our other executive officers, based in part on recommendations of the chief executive officer;
- reviewing, approving, and making recommendations to the Board regarding employment agreements, severance arrangements and change of control agreements for the Chief Executive Officer and other executive officers, as appropriate;
- exercising administrative authority under our stock plans and employee benefit plans;
- establishing policies and making recommendations to the Board regarding director compensation;
- review, approve and oversee the policies and procedures in connection with any compensation clawback policy;
- reviewing compensation plans, programs and policies; and
- handling other matters that are specifically delegated to the compensation committee by the Board from time to time.

The compensation committee meets regularly in executive session without management present. However, from time to time, various members of management and other employees as well as outside advisors or consultants may be invited by the compensation committee to make presentations, to provide financial or other background information or advice or to otherwise participate in compensation committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the compensation committee regarding his compensation or individual performance objectives. The charter of the compensation committee grants the compensation committee the authority to conduct or authorize investigations into any matters within the scope of its responsibilities as it will deem appropriate. In addition, under its charter, the compensation committee has the authority to select, retain and terminate, at our expense, advice and assistance from any consultants, independent legal counsel or other advisors.

The compensation committee also considers matters related to individual compensation, such as compensation for new executive hires, as well as high-level strategic issues, such as the efficacy of our compensation strategy, potential modifications to that strategy and new trends, plans or approaches to compensation, at various meetings throughout the year. For executives other than the Chief Executive Officer, the compensation committee solicits and considers evaluations and recommendations submitted to the compensation committee by the Chief Executive Officer with respect to individual employee performance. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the compensation committee with input from other independent Board members, which recommends to the Board any adjustments to his compensation as well as awards to be granted as part of its deliberations, the compensation committee may review and consider, as appropriate, materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director share ownership information, stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels and recommendations of a compensation consultant, including analyses of executive and director compensation paid at other companies identified by the consultant, or otherwise considered by the Committee, to be comparable to us. During the year ended December 31, 2025, and 2024, the compensation committee in its discretion did not engage a compensation consultant.

Audit Committee

Our audit committee reviews our internal accounting procedures and consults with and reviews the services provided by our independent registered public accountants. Our audit committee currently consists of four directors, Mr. Gandolfo, Mr. Patton, Ms. Wilber and Mr. Theofilos. Mr. Patton is the chairman of the audit committee, and it is the opinion of the Board that Mr. Gandolfo and Mr. Patton are each an “audit committee financial expert” as defined by SEC rules and regulations. The Board has determined that each of the members of our audit committee is independent under Nasdaq listing rules and under Rule 10A-3 under the Exchange Act. We intend to continue to evaluate and comply with the requirements applicable to the audit committee. The principal duties and responsibilities of our audit committee include:

- appointing, compensating, retaining, evaluating, terminating and overseeing our independent registered public accounting firm;
- discussing with our independent registered public accounting firm their independence from management and us;
- reviewing with our independent registered public accounting firm the scope and results of their audit;
- approving all audit and permissible non-audit services to be performed by our independent registered public accounting firm and related fees;
- overseeing the financial reporting process and discussing with management and our independent registered public accounting firm the interim and annual financial statements that we file with the SEC;
- reviewing and monitoring our accounting principles, accounting policies, financial and accounting controls and compliance with legal and regulatory requirements;
- establishing procedures for the confidential anonymous submission of concerns regarding questionable accounting, internal control or auditing matters;
- reviewing our code of business conduct and ethics and recommending any changes to the Board;
- reviewing and approving certain related party transactions; and
- discussing our major financial risk exposures (including those related to data privacy, cybersecurity data security and network security) and management’s program to monitor, assess and control such exposures, including our risk assessment and risk management policies.

Information Regarding Committees of the Board of Directors

The Board has three committees: an audit committee, a compensation committee and a nominating and governance committee. The following table provides membership and meeting information for 2025 for each of the Board committees.

Name	Audit Committee	Compensation Committee	Nominating and Governance Committee
Thomas J. Errico, M.D.		X	X*
John P. Gandolfo	X	X*	
Julie Goldstein		X	X
Thomas M. Patton	X*		
Charles S. Theofilos, M.D. (1)		X	X
Patricia Wilber	X		X
James C. Theofilos	X		
Number of meetings in 2025	6	5	5

*Committee Chair

(1) Dr. Theofilos resigned from the Board on February 24, 2025.

Director Nominating Procedures

The Nominating and Governance Committee assists our Board in identifying director nominees consistent with criteria established by our Board. Although the Nominating and Governance Committee does not currently have a specific policy with regard to consideration of director candidates validly recommended by stockholders, the Board and the Nominating and Governance Committee believe that the Nominating and Governance Committee generally would provide valid recommendations for the same consideration as other candidates. Any recommendation submitted by a stockholder to the Nominating and Governance Committee should include information relating to each of the qualifications outlined below concerning the potential candidate along with the other information required by the rules of the SEC, our Bylaws for stockholder nominations, and the Corporate Governance Guidelines available on our website.

Generally, nominees for director are identified and suggested to the Nominating and Governance Committee by our current directors or management using their business networks and evaluation criteria they deem important, which may or may not include diversity. While we do not have a specific policy regarding diversity and have not established minimum experience or diversity qualifications for director candidates, when considering the nomination of directors, the Nominating and Governance Committee does generally consider the diversity of its directors and nominees in terms of knowledge, experience, background, skills, expertise and other demographic factors. We do not impose any term limits on our directors.

Effective as of November 13, 2024, the Board approved and adopted our second amended and restated bylaws, which amend certain of the provisions of Article III, Sections 5(B)(1), (B)(4), (B)(5), (F), and (G). Among other things, the amendments (i) address provisions of the universal proxy rules adopted by the SEC, by clarifying that to comply with such rules, stockholders who intend to solicit proxies in support of a director nominee other than the Board's nominees must provide a notice to us that sets forth the information required by Rule 14a-19 under the Exchange Act, including with respect to applicable notice and solicitation requirements, and that we shall disregard any proxies or votes solicited for such stockholder's nominee(s) by any such stockholder who fails to comply with Rule 14a-19; (ii) specify the process and disclosure requirements for a stockholder submitting notice of a director nomination with respect to, among other things, (x) the dates of first contact between the proposed director and the stockholder nominee; (y) known financial supporters of the proposed director; and (z) a form of questionnaire and form of nominee's representation and agreement that must be delivered to us and requiring that such items, completed by the nominee, be delivered to us along with such notice of a director nomination; and (iii) require that a stockholder directly or indirectly soliciting proxies from other stockholders use a proxy card color other than white.

The foregoing summary is qualified in its entirety by reference to the text of the second amended and restated bylaws filed as Exhibit 3.1 to our Quarterly Report on Form 10-Q for the period ended September 30, 2024, as filed with the SEC on November 13, 2024.

Section 16(A) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires our directors and executive officers, and persons who own more than 10% of a registered class of our equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of our shares of common stock and other equity securities. Officers, directors and greater than 10% stockholders are required by SEC regulations to furnish us with copies of all Section 16(a) forms they file.

To our knowledge, based solely on a review of the copies of such reports furnished to it and written representations that no other reports were required, during the fiscal year ended December 31, 2024, all Section 16(a) filing requirements applicable to its officers, directors and greater than 10% beneficial owners were complied with.

Stockholder Communications With The Board Of Directors

Any interested party may communicate in writing with any particular director, including our chairman, any committee of the Board, or the directors as a group, by sending such written communication to our Corporate Secretary at our principal executive offices at 200 Forge Way, Suite 205, Rockaway, NJ 07866. Copies of written communications received at such address will be provided to the Board or the relevant director unless such communications are considered, in the reasonable judgment of our Corporate Secretary, to be of a purely marketing nature or inappropriate for submission to the intended recipient(s). The Corporate Secretary or his designee may analyze and prepare a response to the information contained in communications received and may deliver a copy of the communication to other Company staff members or agents who are responsible for analyzing or responding to complaints or requests. Communications concerning potential director nominees submitted by any of our stockholders will be forwarded to the chairman of the nominating and governance committee.

Code Of Business Conduct And Ethics For Employees, Executive Officers And Directors

We have adopted a Code of Business Conduct and Ethics, (the “Code of Conduct”) applicable to all of our employees, executive officers and directors. The Code of Conduct is available on our website at <https://investor.electrocore.com/static-files/363fd3ef-5be2-418c-89cd-30bb215b37ca>. The audit committee of the Board is responsible for overseeing the Code of Conduct and must approve any waivers of the Code of Conduct for executive officers and directors. We expect that any amendments to the Code of Conduct, or any waivers of its requirements, will be disclosed on our website. A copy of the Code of Conduct may be provided to any person without charge upon written request to: electroCore, Inc., Attn: Corporate Secretary, 200 Forge Way, Suite 205, Rockaway, NJ 07866.

Item 11. Executive Compensation

Named Executive Officers Summary Compensation Table

The Company is currently subject to the scaled reporting rules of the SEC applicable to smaller reporting companies. The following section and notes describe, under such scaled reporting rules, information for the fiscal years ended December 31, 2025 and 2024, concerning the compensation awarded to, earned by or paid to: (i) our principal executive officer during the fiscal year ended December 31, 2025, and (ii) the most highly compensated executive officer, other than the principal executive officer, during the fiscal year ended December 31, 2025 (collectively, the “NEOs”). Our only executive officers are our Chief Executive Officer (the “CEO”) and our Chief Financial Officer.

Summary Compensation Table

Name and Principal Position	Year	Salary (\$)	Bonus (\$) (1)	Stock Awards (\$) (2)	Non-equity incentive plan compensation (\$)	All Other Compensation (\$)(3)	Total (\$)
Daniel S. Goldberger	2025	668,708	152,198	788,198	-	27,583	1,636,687
Chief Executive Officer ⁽⁴⁾	2024	631,071	473,250	486,000	-	28,264	1,618,585
Joshua S. Lev	2025	415,000	86,320	178,580	-	27,580	707,480
Chief Financial Officer	2024	408,165	170,000	98,720	-	26,937	703,822

(1) Bonuses in this column represent discretionary cash bonuses approved by the Board and/or compensation committee of the Board for 2025 or 2024, as applicable.

(2) Stock awards in this column include RSUs granted in January 2025 and discretionary stock bonuses approved by the Board and/or compensation committee of the Board for 2025.

(3) These amounts consist of payments of health care premiums, contributions to health savings accounts, and employer 401(k) contributions.

(4) As described herein, as of March 17, 2026, Mr. Goldberger notified the Company of his intention to retire as Chief Executive Officer effective on April 1, 2026. See also "Item 9B. Other Information - Executive Officer Transition."

Executive Compensation Philosophy

We review compensation annually for all employees, including our NEOs. Our compensation philosophy is centered around two key tenets: (1) building long-term value for our stockholders, and (2) driving employee engagement. To that end, our executive compensation program is grounded in the following principles:

- **Attraction Engagement:** Enable us to attract highly-talented people with exceptional leadership capabilities and engage high-caliber talent.
- **Competitiveness:** Provide total compensation opportunity levels that are competitive with those being offered to individuals holding comparable positions at other companies with which we compete for business and leadership talent.
- **Stockholder Alignment:** Deliver majority of compensation through pay elements that are designed to create long-term value for our stockholders, as well as foster a culture of ownership.

The Decision-Making Process

In establishing NEO compensation (base salaries, bonuses and annual equity incentive awards), we consider the following:

- the relative importance of each NEO's role and responsibilities;
- how the NEO has performed relative to these roles and responsibilities;
- overall company performance; and
- compensation for comparable positions in the market (as defined by a combination of identified industry comparables and industry/size-specific survey data). The compensation committee oversees the executive compensation program for our NEOs. The committee may work closely with an independent consultant and management to examine the effectiveness of our executive compensation program throughout the year and seeks to ensure that the executive compensation program supports our business goals and aligns with stockholder interests.

Our compensation committee is responsible for the review and approval of compensation for all executive officers other than the CEO. Our compensation committee typically reviews and discusses management's proposed compensation with the CEO for all executives other than the CEO.

For the CEO, the compensation committee reviews and recommends to the Board for approval annual compensation elements, including bonus targets and associated performance goals. Based on those discussions and after receiving recommendations from the compensation committee, the Board, in its discretion and without members of management participating, ultimately sets compensation for the CEO.

Clawback Policy

We recently adopted a written compensation recovery policy in accordance with applicable Nasdaq rules, a copy of which is filed as an exhibit to this Annual Report on Form 10-K. The policy generally provides that we will seek to recover any incentive-based compensation erroneously awarded to any current or former executive officer due to material noncompliance with any financial reporting requirement under the securities laws during the three completed fiscal years immediately preceding the date we determine that an accounting restatement is required.

Annual Base Salary

For 2024, Mr. Goldberger received a base salary of \$631,071 per annum, which was increased to \$669,000 for 2025 and \$685,725 for 2026. As described herein, as of March 17, 2026, Mr. Goldberger notified the Company of his intention to retire as Chief Executive Officer effective on April 1, 2026. See also "*Item 9B. Other Information - Executive Officer Transition.*"

For 2024, Mr. Lev received a base salary of \$408,165 per annum. Effective as of October 4, 2024, Mr. Lev receives a base salary of \$415,000 per annum which he received through 2025. Mr. Lev's base salary was increased to \$433,675 for 2026, which was further increased to \$470,000 in connection with him becoming Interim President effective April 1, 2026. See also "*Item 9B. Other Information - Executive Officer Transition.*"

Annual Bonus

We offer our NEOs the opportunity to earn annual discretionary bonuses, as determined by the Board or the compensation committee annually at their discretion. The CEO makes recommendations to the compensation committee regarding annual bonus payouts for the executive officers including our other NEO and the CEO's other direct reports. With respect to the CEO's bonus, the compensation committee makes a recommendation to the Board, both of which act without the participation of management including the CEO as to his own salary, bonus, and equity incentive decisions.

For 2025, annual bonuses were based on such factors as the Board and the compensation committee deemed appropriate, including peer group data considered appropriate by the compensation committee and a variety of individual and company priorities, objectives and achievements relating to 2025, as well as the individual NEOs' performance as it related to their areas of responsibility.

Long-Term Incentives

Our equity-based incentive awards are designed to align our interests with those of our employees and consultants, including our executive officers. Our compensation committee is responsible for approving equity grants for executive officers other than the CEO. As noted above, CEO and CFO equity awards are recommended by the compensation committee for approval by the Board. Our executives generally are awarded an initial new hire grant upon commencement of employment.

Following our initial public offering, all employee equity awards have been granted pursuant to the 2018 Omnibus Equity Incentive Plan (the "2018 Plan"), or from time to time pursuant to inducement grants outside of the 2018 Plan under Nasdaq Listing Rule 5635(c)(4). All options are granted pursuant to the 2018 Plan, or from time to time pursuant to inducement grants outside of the 2018 Plan under Nasdaq Listing Rule 5635(c)(4) with a per share exercise price equal to no less than the closing price of the common stock on the Nasdaq Stock Market on or immediately prior to the date of grant. Our equity grants to employees generally vest over a three- or four-year period.

Equity Compensation

On January 18, 2025, Mr. Goldberger received an incentive award of 40,000 restricted stock units. One-third of the underlying shares of common stock vest on each of the first, second, and third anniversaries of the date of grant, subject to Mr. Goldberger's continued employment with us through the applicable vesting dates, and which restricted stock units are also subject to potential acceleration of vesting upon a double-trigger change in control as defined in our Executive Severance Policy.

On January 26, 2026, Mr. Goldberger received an incentive award of 26,000 restricted stock units. One-third of the underlying shares of common stock vest on each of the first, second, and third anniversaries of the date of grant, subject to Mr. Goldberger's continued employment with us through the applicable vesting dates, and which restricted stock units are also subject to potential acceleration of vesting upon a double-trigger change in control as defined in our Executive Severance Policy. In addition, on January 26, 2026, a portion of Mr. Goldberger's 2025 discretionary bonus was paid through issuance to him of 20,375 shares of common stock.

On January 15, 2025, Mr. Lev received an incentive award of 10,000 restricted stock units. One-third of the underlying shares of common stock vest on each of the first, second, and third anniversaries of the date of grant, subject to Mr. Lev's continued employment with us through the applicable vesting dates, and which restricted stock units are also subject to potential acceleration of vesting upon a double-trigger change in control as defined in our Executive Severance Policy.

On January 26, 2026, Mr. Lev received an incentive award of 25,000 restricted stock units. One-third of the underlying shares of common stock vest on each of the first, second, and third anniversaries of the date of grant, subject to Mr. Lev's continued employment with us through the applicable vesting dates, and which restricted stock units are also subject to potential acceleration of vesting upon a double-trigger change in control as defined in our Executive Severance Policy. In addition, on January 26, 2026, a portion of Mr. Lev's 2025 discretionary bonus was paid through issuance to him of 2,889 shares of common stock. In connection with his appointment to Interim President effective April 1, 2026, Mr. Lev was awarded 45,000 RSUs that will vest on December 31, 2026, subject to Mr. Lev's continued employment through such date. See also "*Item 9B. Other Information – Executive Officer Transition.*"

Other Compensation and Benefits

Our NEOs are eligible to participate in our employee benefit plans and programs, including medical and dental benefits and flexible spending accounts, to the same extent as our other full-time employees, subject to the terms and eligibility requirements of those plans. We also sponsor a 401(k) defined contribution plan in which NEOs may participate, subject to limits imposed by the Internal Revenue Code, to the same extent as its other full-time employees.

Retirement Policy

Our voluntary retirement policy provides eligible employees a one-time lump cash payment equal to one week of pay for each year of service to the Company as well as other benefits including potential acceleration of stock-based compensation. To be eligible for our retirement policy, an employee must attain a minimum age of 60 years old and eight minimum years of continuous service to our company.

Employment Agreements

Our current executive officers are not party to employment agreements with a fixed term. They are employed on an at-will basis, subject to the terms of (i) their respective employment offer letters, and (ii) the Executive Severance Policy described below.

Daniel S. Goldberger

Pursuant to his employment offer letter (the "Goldberger Agreement"), Mr. Goldberger was paid an annual base salary of \$669,000 for 2025, which was increased to \$685,725 for 2026. In addition, Mr. Goldberger is entitled to receive, subject to employment by us on the applicable date of bonus payout, an annual target discretionary bonus, payable at the discretion of the Board. In January 2025, on the recommendation of the compensation committee, Mr. Goldberger's target discretionary bonus opportunity for 2025 was adjusted to be 70% of his base salary with an additional 5% increase to be based upon the corporation achieving cash flow breakeven in the second half of 2025, which was not met. For 2026, Mr. Goldberger's target discretionary bonus opportunity was to have been 75% of his base salary. Pursuant to the Goldberger Agreement, Mr. Goldberger was also eligible to receive healthcare benefits as may be provided from time to time by us to our employees generally, to participate in our 401(k) plan and to receive paid time off annually in accordance with our policies in effect from time to time. As described herein, as of March 17, 2026, Mr. Goldberger notified the Company of his intention to retire as Chief Executive Officer effective on April 1, 2026. See also "*Item 9B. Other Information - Executive Officer Transition.*"

Pursuant to his amended employment offer letter (the “Lev Agreement”), effective October 4, 2024, Mr. Lev’s annual base salary was adjusted to \$415,000, which was increased to \$433,675 for 2026. In addition, Mr. Lev is entitled to receive, subject to employment on the applicable date of bonus payout, an annual target discretionary bonus of 40% of his annual base salary, payable at the discretion of the Board or the compensation committee. Pursuant to the Lev Agreement, Mr. Lev is also eligible to receive healthcare benefits as may be provided from time to time by us to our employees generally, to participate in our 401(k) plan and to receive paid time off annually in accordance with our policies in effect from time to time.

Outstanding Equity Awards at the End of 2025

The following table provides information about outstanding options, units and stock awards issued by us that were held by each of our NEOs as of December 31, 2025. None of our NEOs held any other equity awards from the Company as of December 31, 2025.

Name	Option Awards					Stock Awards		
	Number of Securities Underlying Unexercised Options Exercisable (#)	Number of Securities Underlying Unexercised Options Unexercisable (#)	Option Exercise Price (\$)	Option Award Grant Date	Option Expiration Date	Award Grant Date	Number of shares or units of stock that have not vested (#)	Market value of shares or units of stock that have not vested (\$) ⁽¹⁾
Daniel S. Goldberger ⁽²⁾	-	-	-	-	-	8/4/2023	16,667	\$ 74,835
	-	-	-	-	-	1/16/2024	50,000	224,500
	-	-	-	-	-	1/18/2025	40,000	179,600
Joshua S. Lev	6,666	-	11.55	1/14/2022	1/14/2032	-	-	-
	13,333	6,667	4.5	7/31/2023	7/30/2033	-	-	-
	-	-	-	-	-	1/12/2024	10,667	47,895
	-	-	-	-	-	1/15/2025	10,000	44,900

(1) Value in this column is based on the closing price of our common stock on Nasdaq on the last business day of fiscal 2025 (\$4.49).

(2) As described herein, as of March 17, 2026, Mr. Goldberger notified the Company of his intention to retire as Chief Executive Officer effective on April 1, 2026. See also “Item 9B. Other Information - Executive Officer Transition.”

Equity Compensation Policy

While we do not have a formal written policy in place with regard to the timing of certain equity awards in relation to the disclosure of material nonpublic information, our Board and the Compensation Committee do not seek to time equity grants to take advantage of information, either positive or negative, about our company that has not been publicly disclosed. It has been our practice generally to grant initial equity awards to our officers and non-employee directors in connection with their hiring or appointment to the Board, as applicable. We generally intend to issue equity awards to our officers at approximately the same time each year, typically in close proximity to the first regularly scheduled meeting of our Compensation Committee each fiscal year. In addition, non-employee directors receive automatic grants of initial and annual equity awards, at the time of a director’s initial appointment or election to the Board and at the time of each annual meeting of our stockholders, respectively, pursuant to our Non-Employee Director Compensation Policy, as further described under “Item 11. Executive Compensation – Director Compensation.” Option grants generally are effective on the date the award determination is made by the Compensation Committee or the Board, as the case may be, and the exercise price of options is typically based upon the Fair Market Value of our common stock as defined in our 2018 Plan.

For additional information, see our Non-Employee Director Compensation Policy, which is included as an exhibit to our Registration Statement on Form S-1, filed with the SEC on August 23, 2023. See also the 2018 Plan, which is included as an exhibit to our Quarterly Report on Form 10-Q for the period ended March 31, 2023, filed with the SEC on May 3, 2023.

During the fiscal year ended December 31, 2025, we did not award any equity awards to a named executive officer in the period beginning four business days before the filing of a periodic report on Form 10-Q or Form 10-K, or the filing or furnishing of a current report on Form 8-K that discloses material nonpublic information, and ending one business day after the filing or furnishing of such report.

Potential Payments upon Termination or Change in Control

Under our Executive Severance Policy, if we terminate an eligible member of our senior management team without “cause” or if the executive resigns for “good reason” (as those terms are defined below), we will provide the following severance benefits: (i) severance payment in an amount equal to six months of base salary (or (a) one year of base salary in the case of our Chief Executive Officer and Chief Financial Officer and (b) target bonus for the year in which the executive’s termination of employment occurred in the case of the Chief Executive Officer) payable in equal installments over the six-month or one-year period, as applicable, (ii) the accrued but unpaid annual incentive bonus, if any, for the year ended prior to the executive’s termination of employment payable at the same time such annual bonuses for such year to other members of the senior management team, (iii) an annual incentive bonus, if any, for the year in which the executive’s termination of employment occurred based on actual performance and pro-rated for the period of employment during such year through the executive’s termination of employment; provided that no such pro-rated bonus shall be payable unless the period of employment during such year exceeds six months and which will be payable at the same time annual incentive bonuses for such year are paid to other members of the senior management team, and (iv) reimbursement of COBRA premiums for group health continuation coverage paid by the terminated executive for the duration of the “severance period” (as defined below). If the termination without cause or resignation for good reason occurs within two years after a “change in control” we will provide the following severance benefits in lieu of the benefits provided in the previous sentence: (i) a lump sum severance payment in an amount equal to one year of base salary (or one and one-half (1.5) years of the sum of base salary and target bonus in the case of our Chief Executive Officer), and (ii) reimbursement of COBRA premiums for group health continuation coverage paid by the terminated executive for the duration of the severance period, and (iii) acceleration of vesting for all outstanding equity compensation and an extension of the period of time to exercise outstanding stock options and stock appreciation rights until the earlier of 150 days following the executive’s termination of employment or the original expiration date for such options or stock appreciation rights.

For purposes of the Executive Severance Policy, “cause” means any of the following: (a) the executive’s willful failure to fulfill, in any material respect, his or her duties and responsibilities to us (other than by reason of death, illness or disability); (b) the executive’s willful misconduct, gross negligence or willful acts of personal dishonesty in the performance of his or her duties to us that directly, materially and demonstrably impairs or damages our property, goodwill, reputation, business or finances; (c) the conviction of, or plea of nolo contendere by, the executive to, a felony or a crime involving moral turpitude that materially and demonstrably impairs or damages our property, goodwill, reputation, business or finances; (d) the executive’s commission of fraud or embezzlement against us; (e) the executive’s willful or intentional violation of any lawful policy that directly, materially and demonstrably impairs or damages our property, goodwill, reputation, business or finances; or (f) the executive’s breach of the terms of any confidentiality and assignment agreement, which contains restrictive covenants in favor of us.

For purposes of the Executive Severance Policy “good reason” means any of the following (a) any material reduction in the executives base annual compensation prior to a “change in control”; provided, however, that a reduction in the executives base annual compensation will not constitute “good reason” if we reduce the annual base compensation of all participants in the Executive Severance Policy on a substantially equivalent basis; (b) any material reduction in the executive’s base annual compensation during the period commencing on or after a “change in control” and ending on the second anniversary of a “change in control”; (c) any material diminution in the executive’s authority, duties, offices, title or responsibilities; or (d) a transfer of executive’s principal place of employment to a location that is more than 30 miles from the executive’s then current principal place of employment.

For purposes of the Executive Severance Policy, “severance period” means the number of months set forth in the table below based on the executive’s employment position at the time of his involuntary termination of employment that results in the executive’s termination for “good reason”:

Employment Position	Severance Period	
	Prior to a Change in Control or on or After the Second Anniversary of a Change in Control	Two-Year Period After a Change in Control
CEO:	12 months	18 months
All Other Participants:	6 months	12 months

In connection with the appointment of Mr. Lev as Chief Financial Officer effective October 2024, we agreed to increase (i) the severance period for Mr. Lev under the Executive Severance Policy from six months to 12 months, and (ii) the Severance Multiple (as defined in the Executive Severance Policy) payable to Mr. Lev from 0.5 to 1.0.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table shows information regarding our equity compensation plans as of December 31, 2025.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders	1,073,352	\$ 32.56	255,179
Equity compensation plans not approved by security holders	20,000	-	-
Total	1,093,352	\$ 32.56	255,179

In accordance with the terms of the 2018 Plan, effective January 1, 2026, the Board increased the number of shares available for issuance under the 2018 Plan increased by 459,078 shares of common stock, which was an amount equal to approximately 4% of the shares of common stock outstanding on a fully diluted basis as of December 31, 2025.

From time to time, the Company may issue inducement grants outside of the 2018 Plan under Nasdaq Listing Rule 5635(c)(4).

Director Compensation

Our Non-Employee Director Compensation Policy is intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors and to align our directors' interests with those of our stockholders.

Annual Director Cash Compensation

We pay each of our non-employee directors a cash retainer for service on the Board.

Effective October 1, 2023, the retainers payable to non-employee directors for service on the Board and for service on each standing committee of the Board on which the director is a member became as follows:

Annual Board Service Retainer

All non-employee directors (other than the Chairman of the Board)	\$	50,000
Non-executive Chairman of the Board	\$	80,000

Annual Committee Chair Service Retainer

Chair of the Audit Committee	\$	20,000
Chair of the Compensation Committee	\$	15,000
Chair of the Nominating & Governance Committee	\$	10,000

Annual Committee Member Retainer (other than Committee Chair)

Audit Committee	\$	10,000
Compensation Committee	\$	7,500
Nominating and Governance Committee	\$	5,000

These retainers are payable in quarterly installments on the 15th day of the second month of each calendar quarter, provided that no payment will be made to any director who is no longer serving as a non-employee member of the Board on the relevant payment date.

Each member of the Board is entitled to be reimbursed for reasonable travel and other expenses incurred in connection with attending meetings of the Board and any committee of the Board on which he or she serves.

Annual Director Equity Compensation

All non-employee director equity compensation set forth below is granted under the 2018 Plan. All stock options granted under this plan and the Non-Employee Director Compensation Policy are nonstatutory stock options, with an exercise price per share equal to 100% of the Fair Market Value (as defined in the 2018 Plan) of the underlying shares of common stock on the date of grant, and a term of 10 years from the date of grant (subject to earlier termination in connection with a termination of service as provided in the 2018 Plan).

Initial Equity Grant

Under the Non-Employee Director Compensation Policy each new non-employee director receives an inaugural equity grant valued at \$150,000. The inaugural grants vest in equal monthly increments over a three-year period from the grant date (subject to earlier vesting in the case of a change of control as defined in the 2018 Plan). James C. Theofilos and Elena Bonfiglioli received an initial equity award under the Non-Employee Director Compensation Policy in 2025.

Annual Equity Grant

On September 2, 2025, the date of our last annual meeting of stockholders, the Board approved annual equity awards valued at \$140,000 to the Chairman of the Board, and \$100,000 to each of the other five continuing non-employee directors. All such annual awards vest in 12 equal monthly installments on the next annual meeting of stockholders, subject to earlier vesting in the case of a change of control (as defined in the 2018 Plan).

Summary Compensation Table

The following table shows certain information with respect to the compensation of all our non-employee directors for the fiscal year ended December 31, 2025.

Name	Fees Earned or Paid in Cash (\$)	Stock Awards (\$)(1)(2)	All Other Compensation (\$)	Total (\$)
Elena Bonfiglioli ⁽³⁾	12,500	149,996	-	162,496
F. Peter Cuneo ⁽⁴⁾	60,000	-	-	60,000
Thomas J. Errico, M.D. ⁽⁵⁾	75,000	139,995	-	214,995
John P. Gandolfo ⁽⁵⁾	75,000	99,998	-	174,998
Julie A. Goldstein	62,500	99,998	-	162,498
Thomas M. Patton ⁽⁵⁾	70,000	99,998	-	169,998
Charles S. Theofilos, M.D. ⁽⁴⁾	15,625	-	-	15,625
James C. Theofilos ⁽³⁾	30,000	149,996	-	179,996
Patricia Wilber ⁽⁵⁾	65,000	99,998	-	164,998

- (1) Represents the grant date fair value of (i) annual equity awards, granted on September 2, 2025, of 19,011 shares to John P. Gandolfo, Thomas M. Patton, Charles S. Theofilos, M.D., and Patricia Wilber, and 26,615 shares to Dr. Errico., (ii) an inaugural equity award, granted on August 1, 2025, of 22,156 shares to James C. Theofilos (iii) an inaugural equity award, granted on September 10, 2025, of 30,549 shares to Elena Bonfiglioli. The awards were granted as either RSUs or deferred stock units (“DSUs”). Amounts in this column do not reflect the actual economic value that may be realized by the applicable non-employee director.
- (2) Amounts in this column do not reflect the actual economic value that may be realized by the applicable non-employee director.
- (3) Inaugural equity awards vest in 12 equal quarterly installments over a period of 36 months from the grant date, subject to the grantee’s continued service to us on the applicable vesting date and earlier vesting upon a change of control of our Company.
- (4) Mr. Cuneo served as the Chairman of the Board until the 2025 annual meeting of stockholders on September 2, 2025, at which he did not stand for reelection. Dr. Theofilos resigned from the Board on February 24, 2025.
- (5) Annual equity awards vest in 12 equal monthly installments from the grant date, provided that such grants shall become fully vested on (i) the one-year anniversary of the grant date and (ii) the close of business one business day prior to our next annual stockholder meeting following the grant date, whichever is earlier, subject to the grantee’s continued service to us on the applicable vesting date and earlier vesting upon a change of control of our Company.

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

The following table sets forth the beneficial ownership of our shares of common stock as of March 13, 2026 for:

- each person, or group of affiliated persons, who is known by us to beneficially own more than 5% of its shares of common stock;
- each of our named executive officers;
- each of our directors; and
- all of our current executive officers and directors as a group.

The percentage ownership information is based upon 8,083,558 of common stock outstanding as of March 13, 2026. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules include shares of common stock issuable pursuant to the exercise of stock options, restricted and deferred stock units, restricted stock awards or warrants that were outstanding on March 13, 2026, and which are exercisable on or before May 12, 2026, which is 60 days after March 13, 2026. These shares are deemed to be outstanding and beneficially owned by the person holding those options, restricted and deferred stock units, restricted stock awards or warrants for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the persons or entities identified in this table have sole voting and investment power with respect to all shares shown as beneficially owned by them, subject to applicable community property laws. Except as otherwise noted below, the address for persons listed in the table is c/o electroCore, Inc., 200 Forge Way, Suite 205, Rockaway, NJ 07866.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
Principal Stockholders:		
AMW Investment Company, Inc. ⁽¹⁾	509,100	5.9%
Charles S. Theofilos, M.D.; Kathryn Theofilos; and Happy Holstein Management, LLC. ⁽²⁾	820,744	9.9%
Hilve Holdings Ltd. ⁽³⁾	432,000	5.3%
Zhang Tianyi ⁽⁴⁾	734,638	9.1%
Named Executive Officers and Directors:		
Elena Bonfiglioli ⁽⁵⁾	5,092	*
F. Peter Cuneo ⁽⁶⁾	161,501	2.0%
Thomas J. Errico, M.D. ⁽⁷⁾	355,215	4.3%
John P. Gandolfo ⁽⁸⁾	81,761	1.0%
Daniel S. Goldberger ⁽⁹⁾	251,020	3.1%
Julie A. Goldstein ⁽¹⁰⁾	161,731	2.0%
Thomas M. Patton ⁽¹¹⁾	105,819	1.3%
Joshua S. Lev ⁽¹²⁾	32,555	*
James C. Theofilos ⁽¹³⁾	6,930	*
Patricia Wilber ⁽¹⁴⁾	69,453	*
Directors and named executive officers as a group (9 persons)	1,048,429	12.3%

*Denotes less than one percent.

1. Based on a Schedule 13G/A filed with the SEC on November 13, 2025. Represents 509,100 shares of common stock beneficially owned by AWM Investment Company, Inc., a Delaware corporation (“AWM”), as the investment adviser to Special Situations Cayman Fund, L.P., a Cayman Islands Limited Partnership (“Cayman”), and Special Situations Fund III QP, L.P., a Delaware limited partnership (“SSFQP” and, together with Cayman, SSFQP and the “AWM Funds”). David M. Greenhouse and Adam C. Stettner are the principal owners of AWM. Through their control of AWM, Messrs. Greenhouse and Stettner share voting and investment control over the portfolio securities of each of the AWM Funds. Includes 509,100 shares of common stock underlying warrants. AWM is subject to a 9.99% beneficial ownership limitation. The amounts set forth in the table above give effect to such beneficial ownership limitations. The address for AWM is c/o Special Situations Funds, 527 Madison Avenue, Suite 2600, New York, New York, 10022.
2. Based on a Schedule 13G/A filed with the SEC on July 9, 2025. Represents 757,044 shares of common stock beneficially owned by Charles S. Theofilos, M.D.; Kathryn Theofilos; and Happy Holstein Management, LLC (“HH Management”) as a group. Includes (i) 358,557 shares of common stock held directly by Dr. Theofilos, (ii) 85,973 shares of common stock held in a joint account between Dr. Theofilos and his wife, Kathryn Theofilos, (iii) 153,168 shares of common stock held by Happy Holstein, LLLP, of which HH Management is the general partner, of which Kathryn Theofilos is the manager, (iv) 790 shares of common stock held by MCKT, LLC, a Florida limited liability company of which Kathryn Theofilos is the manager, (v) 150,000 shares of common stock issuable upon exercise of presently exercisable warrants held by HH Management, and (vi) 8,556 shares of common stock held by Kathryn Theofilos. Excludes 1,401,777 shares of common stock issuable upon exercise of warrants held by HH Management due to a 9.99% beneficial ownership limitation.
3. Based on a Schedule 13G filed with the SEC on September 8, 2025.
4. Based on a Schedule 13G filed with the SEC on June 5, 2025.
5. Represents 5,092 shares of common stock.
6. Represents 8,497 shares of common stock, 150,172 options to purchase common stock and 2,832 warrants to purchase shares of common stock.
7. Represents 217,051 shares of common stock held directly by Dr. Errico, 1,296 shares of common stock held directly by a trust for the benefit of Dr. Errico’s family members and 11,000 shares owned by a trust for the benefit of Dr. Errico; 14,016 options to purchase shares of common stock; 69,797 deferred stock units; and 42,055 warrants to purchase shares of common stock held directly by Dr. Errico.
8. Represents 4,066 shares of common stock and 77,695 deferred stock units.
9. Represents 206,273 shares of common stock and 44,747 warrants to purchase shares of common stock. As described herein, as of March 17, 2026, Mr. Goldberger notified the Company of his intention to retire as Chief Executive Officer effective April 1, 2026. Mr. Goldberger also resigned as a member of the Company’s Board, as of March 17, 2026. See also “*Item 9B. Other Information - Executive Officer Transition.*”
10. Represents 72,376 shares of common stock, 45,834 options to purchase common stock, 22,674 deferred stock units and 20,847 warrants to purchase shares of common stock.
11. Represents 31,717 shares of common stock, 64,728 deferred stock units, and 9,374 warrants to purchase common stock.
12. Represents 3,889 shares of common stock, 19,999 options to purchase shares of common stock, and 8,667 restricted stock units.
13. Represents 5,084 shares of common stock and 1,846 restricted stock units.
14. Represents 53,314 shares of common stock, 12,674 restricted stock units and 3,465 warrants to purchase common stock.

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

Independence Of The Board Of Directors

The common stock is listed on the Nasdaq Capital Market. Under Nasdaq rules, independent directors must comprise a majority of our board of directors. Under Nasdaq rules, a director will only qualify as an “independent director” if, in the opinion of that company’s board of directors, that person does not have a relationship that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

The Board has undertaken a review of the independence of each director and considered whether each director has a material relationship with us that could compromise his or her ability to exercise independent judgment in carrying out his responsibilities. As a result of this review, the Board has determined that each of our directors are “independent directors” as defined under the applicable rules and regulations of the SEC and the listing requirements and rules of Nasdaq. In making these determinations, the Board has reviewed and discussed information provided by the directors and us with regard to each director’s business and personal activities and relationships as they may relate to us and its management, including the beneficial ownership of Company capital stock by each non-employee director, any relevant family relationships, and transactions involving directors, including those described in the section entitled “Certain Related Party Transactions.”

Related-Person Transactions Policy And Procedures

We have adopted a written Related Party Transaction Policy that set forth its procedures for the identification, review, consideration and approval or ratification of related person transactions. A related person includes directors, executive officers, beneficial owners of 5% or more of any class of our voting securities, immediate family members of any of the foregoing persons, and any entities in which any of the foregoing is an executive officer or is an owner of 5% or more ownership interest.

Under the policy, related person transactions with the scope of the policy must be reviewed and approved by our audit committee.

In considering related person transactions, our audit committee will take into account the relevant available facts and circumstances including, but not limited to:

- the related person’s interest in the related person transaction;
- the approximate dollar value of the amount involved in the related person transaction;
- the approximate dollar value of the amount of the related person’s interest in the transaction without regard to the amount of any profit or loss;
- whether the transaction was undertaken in the ordinary course of business;
- whether the transaction with the related person is proposed to be, or was, entered into on terms no less favorable to us than terms that could have been reached with an unrelated third party;
- the purpose of, and the potential benefits to us of, the transaction; and
- any other information regarding the related person transaction or the related person in the context of the proposed transaction that would be material to investors in light of the circumstances of the particular transaction.

The Related Party Transaction Policy requires that, in determining whether to approve, ratify or reject a related person transaction, the audit committee must review all relevant information available to it about such transaction, and that it may approve or ratify the related person transaction only if it determines that, under all of the circumstances, the transaction is in, or is not inconsistent with, our best interests. The review, approval or ratification of a transaction, arrangement or relationship pursuant to the Related Party Transaction Policy does not necessarily imply that such transaction, arrangement or relationship is required to be disclosed under Item 404(a) of Regulation S-K promulgated by the SEC.

Insider Trading Policy and Employee, Officer and Director Hedging

We have adopted a written insider trading policy governing the purchase, sale, and/or other dispositions of our securities by directors, officers and employees, which the Company believes is reasonably designed to promote compliance with insider trading laws, rules and regulations, and applicable Nasdaq listing standards. The insider trading policy prohibits subject individuals from purchasing financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds) that are designed to hedge or offset any decrease in the market value of our securities.

A copy of our insider trading policy (including our guidelines regarding 10b5-1 trading plans) is filed as Exhibit 19.1 to this Annual Report.

Certain Related Party Transactions

Except for the transactions described in this section, there have been no transactions since January 1, 2024 involving an amount in excess of \$120,000 to which we have been a participant and in which any of its directors, executive officers or holders of more than 5% of its share capital, or any members of their immediate family, had or will have a direct or indirect material interest, other than compensation arrangements which are described under “Executive Compensation” and “Director Compensation.”

In 2023, an executive of the Company co-founded the Vagus Nerve Society, a society dedicated to the ongoing education and training of scientists and clinicians and the power of the vagus nerve and its application in a broad spectrum of health-related conditions. During 2025, the Company agreed to provide an unrestricted educational grant of \$120,000 to the Vagus Nerve Society. We provided the Vagus Nerve Society \$100,000 of educational and directed research grants during 2025.

On July 11, 2024, the Company and a member of our Board entered into a consulting agreement for consulting and advisory services to the Company’s Chief Executive Officer for a one-year term as of the completion of his service on the Board, effective as of immediately prior to the Company’s 2025 annual meeting of stockholders held on September 2, 2025. The director will be paid an hourly or per diem fee for such services rendered, if any, and was granted a stock option to purchase 50,000 shares of common stock of the Company at an exercise price of \$6.43 per share, which shall vest and be exercisable in 12 equal monthly installments, subject to full vesting, if earlier, immediately prior to the Company’s 2025 annual meeting of stockholders or a change of control, in each case so long as the director remains in continuous service to the Company through such date. See also “Item 11. Executive Compensation - Director Compensation - Summary Compensation Table.” We provided \$3,000 of hourly per diem fees during 2025 under the foregoing consulting agreement.

On October 4, 2024, the Company and a former executive entered into a consulting agreement pursuant to which the former executive will provide financial and accounting consulting services to the Company on an hourly basis for 12 months after the effective date of his retirement, which has been extended and may be subject to additional extensions upon mutual agreement. See also “Item 11. Executive Compensation – Employment Agreements - Brian M. Posner.” We provided \$4,600 of hourly fees during 2025 under the foregoing consulting agreement.

On June 9, 2025, the Company entered into a license agreement with a Chinese company beneficially owned by Zhang Tiyani, a beneficial owner of greater than 5% of our share capital. The license agreement provides the Chinese company with access to develop products based on certain patents associated with our nVNS technology in certain territories. In consideration for the license, the Company shall receive a 10% royalty on the net sales generated by the licensor in the territory. During 2025, the Company did not receive any royalties under the license agreement.

Indemnification Agreements

Our bylaws contain provisions limiting the liability of directors and providing that we will indemnify each of our directors to the fullest extent permitted under the General Corporation Law of the State of Delaware or any other applicable law. Our bylaws also provide the Board with discretion to indemnify our officers and employees when determined appropriate by the Board.

In addition, we have entered and expect to continue to enter into agreements to indemnify our non-employee directors as determined by the Board. With specified exceptions, these agreements provide for indemnification for related expenses including, among other things, attorneys’ fees, judgments, fines and settlement amounts incurred by any of these individuals in any action or proceeding. We believe that these provisions in its governing documents and indemnification agreements are necessary to attract and retain qualified persons as directors. We also maintain customary directors’ and officers’ liability insurance.

Item 14. Principal Accountant Fees and Services

The following table represents aggregate fees billed to us for the fiscal year ended December 31, 2025 by CBIZ CPAs P.C., our principal accountant, and for the fiscal year ended December 31, 2024 by Marcum LLP, our former principal accountant.

	Year Ended December 31,	
	2025	2024
Audit Fees	\$ 380,215	\$ 346,858
Audit-Related Fees	—	—
Tax Fees	—	—
All Other Fees	—	—
Total Fees	\$ 380,215	\$ 346,858

All fees described above were pre-approved by the audit committee.

Audit Fees include fees billed for the fiscal year shown for professional services for the audit of our annual financial statements, quarterly reviews, and review of our registration statements and other SEC filings.

Pre-Approval Policies and Procedures

The audit committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by our independent registered public accounting firm. The audit committee generally pre-approves specified services in the defined categories of audit services, audit-related, tax and other services up to specified amounts. The terms and fees of the annual engagement of the independent auditor are also subject to the specific pre-approval of the audit committee. The pre-approval of services may be delegated to subcommittees consisting of one or more of the audit committee's members, but the decision must be reported to the full audit committee at its next scheduled meeting.

Change in Certifying Accountant

Based on information provided by Marcum, the independent registered public accounting firm of the Company for the fiscal year ended December 31, 2024, CBIZ CPAs acquired the attest business of Marcum, effective November 1, 2024. Marcum continued to serve as the Company's independent registered public accounting firm through April 1, 2025. On April 1, 2025, Marcum resigned as the Company's independent registered public accounting firm, and CBIZ CPAs was engaged to serve as the independent registered public accounting firm of the Company for the year ending December 31, 2025, effective immediately. The engagement of CBIZ CPAs was approved by the audit committee the Board. The services previously provided by Marcum will now be provided by CBIZ CPAs. Marcum audited our financial statements from 2020 until their resignation in 2025.

Prior to engaging CBIZ CPAs, the Company did not consult with CBIZ CPAs regarding (i) the application of accounting principles to a specified transaction, either completed or proposed, or the type of audit opinion that might be rendered on the Company's consolidated financial statements, or (ii) any matter that was either the subject of a disagreement (as described in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) or a reportable event (as described in Item 304(a)(1)(v) of Regulation S-K and the related instructions).

The reports of Marcum regarding the Company's consolidated financial statements for the fiscal years ended December 31, 2024 and 2023, did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope, or accounting principles.

During the years ended December 31, 2024 and 2023, and through April 1, 2025, the date of Marcum's resignation, there were (a) no disagreements (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions) between the Company and Marcum on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedures, which disagreements, if not resolved to the satisfaction of Marcum, would have caused Marcum to make reference to such disagreement in its reports and (b) no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K and the related instructions), except that, as reported in the Company's 10-Q for the fiscal period ended September 30, 2023, as of September 30, 2023, the Company determined there was a material weakness in its internal control over financial reporting due to a deficiency in its controls over vendor management. As previously reported, this material weakness has been remediated, did not result in any identified misstatement, and there were no changes to previously reported financial results.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a) The following documents are filed as part of this report:

(1) Financial Statements:

Report of Independent Registered Public Accounting Firm (PCAOB ID # 199)	F-2
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(2) Financial Statement Schedules:

All financial statement schedules have been omitted because they are not applicable, not required or the information required is shown in the financial statements or the notes thereto.

(3) Exhibits. The exhibits filed as part of this Annual Report on Form 10-K are set forth on the Exhibit Index immediately following Item 16. The Exhibit Index is incorporated herein by reference.

Item 16. Form 10-K Summary

Not applicable.

Exhibit Number	Description
3.1	<u>Certificate of Incorporation of electroCore, Inc. incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2018, as filed with the Commission on August 14, 2018.</u>
3.2	<u>Second Amended and Restated Bylaws of electroCore, Inc. incorporated by reference to the Company's Quarterly Report on Form 10-Q, as filed with Commission on November 13, 2024.</u>
3.3	<u>Certificate of Designation of the Series A Preferred Stock of the Company, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on December 27, 2022.</u>
3.4	<u>Certificate of Elimination of the Series A Preferred Stock of the Company, dated March 3, 2023, incorporated by reference to the Company's Annual Report on Form 10-K for the period ended December 31, 2022, as filed with the Commission on March 8, 2023.</u>
3.5	<u>Certificate of Amendment to the Certificate of Incorporation, filed February 13, 2023, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on February 14, 2023.</u>
4.1*	<u>Description of Securities.</u>
4.2	<u>Form of Pre-Funded Warrant, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on July 31, 2023.</u>
4.3	<u>Form of Common Warrant, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on July 31, 2023.</u>
4.4	<u>Form of Pre-Funded Warrant (Private), incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on June 3, 2024.</u>
4.5	<u>Form of Pre-Funded Warrant (Registered Direct), incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on June 3, 2024.</u>
4.6	<u>Form of Common Warrant, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on June 3, 2024.</u>
10.1†	<u>electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2023 as filed with the Commission on May 3, 2023.</u>
10.2*†	<u>Form of Employee Restricted Stock Unit Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan.</u>
10.3†	<u>Form of Non-qualified Stock Option Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Annual Report on Form 10-K for the period ended December 31, 2022, as filed with the Commission on March 8, 2023.</u>

- 10.4† [Form of Employee Restricted Stock Award Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.5† [Form of Non-Employee Director Inaugural Deferred Stock Unit Award Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.6† [Form of Non-Employee Director Inaugural Non-qualified Stock Option Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.7† [Form of Non-Employee Director Inaugural Restricted Stock Unit Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.8† [Form of Non-Employee Director Annual Deferred Stock Unit Award Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.9† [Form of Non-Employee Director Annual Non-qualified Stock Option Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.10† [Form of Non-Employee Director Annual Restricted Stock Unit Agreement for electroCore, Inc. 2018 Omnibus Equity Incentive Plan, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.11† [Form of Indemnification Agreement between the Registrant and each of its executive officers and directors, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.12† [electroCore, Inc. Executive Severance Policy, incorporated by reference to the Company's Quarterly Report on Form 10-Q for the period ended March 31, 2024, as filed with the Commission on May 8, 2024.](#)
- 10.13† [electroCore, Inc. Non-Employee Director Compensation Policy, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-274199, as filed with the Commission on August 24, 2023.](#)
- 10.14 [Form of Series A Warrant, incorporated by reference to the Company's Registration Statement on Form S-1, Registration No. 333-225084, as filed with the Commission on May 21, 2018.](#)
- 10.15† [Employment Offer Letter, dated as of September 26, 2019, between electroCore, Inc. and Daniel Goldberger, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on October 2, 2019.](#)
- 10.16 [Securities Purchase Agreement, dated as of July 31, 2023 \(Registered Direct\), incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on July 31, 2023.](#)

- 10.17 [Securities Purchase Agreement, dated as of July 31, 2023 \(Private\), incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on July 31, 2023.](#)
- 10.18† [Consulting Agreement by and between electroCore, Inc and Brian M. Posner, dated October 4, 2024, incorporated by reference to the Company's Quarterly Report on Form 10-Q, as filed with the Commission on November 13, 2024.](#)
- 10.19† [Offer Letter by and between the Company and Joshua Lev, dated as of January 29, 2020, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on September 6, 2024.](#)
- 10.20† [Amendment to the Offer Letter by and between the Company and Joshua Lev, dated as of September 3, 2024, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on September 6, 2024.](#)
- 10.21 [Form of Securities Purchase Agreement, dated as of June 3, 2024 \(Registered Direct\), incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on June 3, 2024.](#)
- 10.22 [Form of Securities Purchase Agreement, dated as of May 31, 2024 \(Private\), incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on June 3, 2024.](#)
- 10.23 [At The Market Offering Agreement, dated as of November 29, 2024, between H.C. Wainwright & Co., LLC and electroCore, Inc., incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on November 29, 2024.](#)
- 10.24 [Agreement and Plan of Merger dated December 17, 2024, by and among electroCore, Inc., Nexus Merger Sub Inc. and NeuroMetrix, Inc., incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on December 17, 2024.](#)
- 10.25 [Voting and Support Agreement, dated December 17, 2024, by and among electroCore, Inc., and the stockholders of NeuroMetrix, Inc. named therein, incorporated by reference to the Company's Current Report on Form 8-K, as filed with the Commission on December 17, 2024.](#)
- 10.26 [Consulting Agreement by and between electroCore, Inc. and F. Peter Cuneo, dated July 11, 2024, incorporated by reference to the Company's Current Report on Form 8-K, filed with the Commission on July 17, 2024.](#)
- 10.27# [Loan and Security Agreement by and among electroCore, Inc., NeuroMetrix, Inc., and Avenue Venture Opportunities Fund II, L.P., dated August 4, 2025, incorporated by reference to the Company's Quarterly Report on Form 10-Q, as filed with the Commission on August 6, 2025.](#)
- 10.28^ [Supplement to Loan and Security Agreement by and among electroCore, Inc., NeuroMetrix, Inc., and Avenue Venture Opportunities Fund II, L.P., dated August 4, 2025, incorporated by reference to the Company's Quarterly Report on Form 10-Q, as filed with the Commission on August 6, 2025.](#)
- 10.29^ [Subscription Agreement between electroCore, Inc. and Avenue Venture Opportunities Fund II, L.P., dated August 4, 2025, incorporated by reference to the Company's Quarterly Report on Form 10-Q, as filed with the Commission on August 6, 2025.](#)
- 10.30* [Separation and Release Agreement between the Company and Daniel S. Goldberger, dated as of March 17, 2026.](#)
- 10.31* [Offer Letter by and between the Company and Michael Fox, dated as of March 13, 2026.](#)

19.1	electroCore, Inc. Insider Trading Policy, incorporated by reference to the Company's Annual Report on Form 10-K, filed with the Commission on March 12, 2025.
21.1*	List of subsidiaries of electroCore, Inc.
23.1*	Consent of CBIZ CPAs P.C.
23.2*	Consent of Marcum LLP.
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
97.1	Clawback Policy, incorporated by reference to the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2023, as filed with the Commission on March 13, 2024.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Filed herewith.

** The certifications attached as Exhibits 32.1 and 32.2 that accompany this Annual Report are not deemed filed with the SEC and are not to be incorporated by reference into any filing of electroCore, Inc. under the Securities Act of 1933 or the Securities Exchange Act of 1934, whether made before or after the date of this Annual Report, irrespective of any general incorporation language contained in such filing.

† Indicates management agreement

Pursuant to Item 601(a)(5) of Regulation S-K, certain schedules and exhibits to this exhibit have been omitted from this Annual Report on Form 10-K and will be furnished to the Securities and Exchange Commission supplementally upon request.

^ Certain confidential portions of this exhibit have been redacted from the publicly filed document because such portions are (i) not material and (ii) would be competitively harmful if publicly disclosed.

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Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
electroCore, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of electroCore, Inc. and Subsidiaries (the “Company”) as of December 31, 2025, the related consolidated statements of operations, comprehensive loss, equity and cash flows for the year ended December 31, 2025, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025, and the results of its operations and its cash flows for the year ended December 31, 2025, in conformity with accounting principles generally accepted in the United States of America

Explanatory Paragraph – Going Concern

The accompanying financial statements have been prepared assuming that the Company will continue as a going concern. As more fully described in Note 3, the Company has incurred significant losses and needs to raise additional funds to meet its obligations and sustain its operations. These conditions raise substantial doubt about the Company’s ability to continue as a going concern. Management’s plans in regard to these matters are also described in Note 3. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Basis for Opinion

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

Critical Audit Matters

Critical audit matters are matters arising from the current period audit of the 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 financial statements and (2) involved our especially challenging, subjective, or complex judgments. We determined that there are no critical audit matters.

/s/ CBIZ CPAs P.C.

CBIZ CPAs P.C.

We have served as the Company’s auditor since 2020. (such date takes into account the acquisition of the attest business of Marcum LLP by CBIZ CPAs P.C. effective November 1, 2024).

Morristown, NJ
March 19, 2026

Report of Independent Registered Public Accounting Firm

To the Shareholders and Board of Directors of
electroCore, Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheet of electroCore, Inc. and Subsidiaries (the “Company”) as of December 31, 2024, the related consolidated statements of operations, comprehensive loss, equity and cash flows for the year ended December 31, 2024, and the related notes (collectively referred to as the “financial statements”). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024, and the results of its operations and its cash flows for the year ended December 31, 2024, in conformity with accounting principles generally accepted in the United States of America

Basis for Opinion

These financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s financial statements based on our audit. 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 audit 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 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 audit 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 audit included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audit also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audit provides a reasonable basis for our opinion.

/s/ Marcum LLP

Marcum LLP

We served as the Company’s auditor from 2020 to 2025

New York, NY
March 12, 2025

ELECTROCORE, INC. AND SUBSIDIARIES
Consolidated Balance Sheets
(in thousands, except share data)

	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 7,035	\$ 3,700
Marketable securities	4,576	8,519
Accounts receivable, net	1,027	1,367
Inventories	1,631	1,676
Prepaid expenses and other current assets	1,397	1,038
Total current assets	<u>15,666</u>	<u>16,300</u>
Property and equipment, net	382	158
Operating lease right-of-use assets, net	2,565	3,739
Other assets, net	54	274
Total assets	<u>\$ 18,667</u>	<u>\$ 20,471</u>
Liabilities and Equity		
Current liabilities:		
Accounts payable	\$ 2,712	\$ 1,827
Accrued expenses and other current liabilities	8,261	6,964
Current portion of operating lease liabilities	375	361
Total current liabilities	<u>11,348</u>	<u>9,152</u>
Noncurrent liabilities:		
Operating lease liabilities, noncurrent	2,421	3,775
Long-term debt	6,607	—
Total liabilities	<u>20,376</u>	<u>12,927</u>
Commitments and contingencies (see Note 16)	—	—
Stockholders' equity (deficit):		
Common Stock, par value \$0.001 per share; 500,000,000 shares authorized as of December 31, 2025 and 2024; 8,004,416 shares issued and outstanding at December 31, 2025, and 6,650,854 shares issued and outstanding at December 31, 2024	8	7
Additional paid-in capital	189,240	184,513
Accumulated deficit	(191,056)	(177,090)
Accumulated other comprehensive loss	99	114
Total stockholders' equity (deficit)	<u>(1,709)</u>	<u>7,544</u>
Total liabilities and stockholders' equity (deficit)	<u>\$ 18,667</u>	<u>\$ 20,471</u>

See accompanying notes to the consolidated financial statements.

ELECTROCORE, INC. AND SUBSIDIARIES
Consolidated Statements of Operations
(in thousands, except per share data)

	Years ended December 31,	
	2025	2024
Net sales	\$ 32,032	\$ 25,182
Cost of goods sold	4,244	3,785
Gross profit	27,788	21,397
Operating expenses:		
Research and development	2,735	2,360
Selling, general and administrative	38,206	31,199
Total operating expenses	40,941	33,559
Loss from operations	(13,153)	(12,162)
Other (income) expense:		
Interest and other income	(298)	(572)
Interest expense	590	389
Other expense	518	—
Total other expense (income)	810	(183)
Loss before income taxes	(13,963)	(11,979)
(Provision) benefit from income taxes	(3)	93
Net loss	\$ (13,966)	\$ (11,886)
Net loss per share of common stock - Basic and Diluted	\$ (1.65)	\$ (1.59)
Weighted average common shares outstanding - Basic and Diluted (see Note 12)	8,483	7,483

See accompanying notes to the consolidated financial statements.

ELECTROCORE, INC. AND SUBSIDIARIES
Consolidated Statements of Comprehensive Loss
(in thousands)

	<u>Years ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net loss	\$ (13,966)	\$ (11,886)
Other comprehensive income:		
Foreign currency translation adjustment	(15)	178
Other comprehensive income (loss)	(15)	178
Comprehensive loss	<u>\$ (13,981)</u>	<u>\$ (11,708)</u>

See accompanying notes to consolidated financial statements.

ELECTROCORE, INC. AND SUBSIDIARIES
Consolidated Statements of Equity
(in thousands)

	Stockholders' Equity					
	Common Stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total stockholders' equity (deficit)
	Shares	Amount				
Balances as of January 1, 2024	6,003	\$ 6	\$ 172,704	\$ (165,204)	\$ (64)	\$ 7,442
Net loss	—	—	—	(11,886)	—	(11,886)
Other comprehensive income	—	—	—	—	178	178
Sale of common stock and warrants	438	—	9,306	—	—	9,306
Equity issuance costs	—	—	(232)	—	—	(232)
Proceeds from the exercise of warrants	144	—	866	—	—	866
Issuance of common stock in connection with employee stock plans, net of forfeitures	66	1	(1)	—	—	—
Share based compensation	—	—	1,870	—	—	1,870
Balances as of January 1, 2025	6,651	7	184,513	(177,090)	114	7,544
Net loss	—	—	—	(13,966)	—	(13,966)
Other comprehensive income (loss)	—	—	—	—	(15)	(15)
Options exercised	22	—	98	—	—	98
Sale of common stock and warrants	14	—	217	—	—	217
Accounts payable settled through common stock	361	—	1,856	—	—	1,856
Equity issuance costs	—	—	(94)	—	—	(94)
Proceeds from the exercise of warrants	725	1	—	—	—	1
Issuance of common stock in connection with Avenue loan	106	—	720	—	—	720
Issuance of common stock in connection with employee stock plans, net of forfeitures	125	—	—	—	—	—
Share based compensation	—	—	1,930	—	—	1,930
Balances as of December 31, 2025	8,004	\$ 8	\$ 189,240	\$ (191,056)	\$ 99	\$ (1,709)

See accompanying notes to the consolidated financial statements.

ELECTROCORE, INC. AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(in thousands)

	Year ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net loss	\$ (13,966)	\$ (11,886)
Adjustments to reconcile net loss to net cash used in operating activities:		
Stock based compensation	1,930	1,870
Depreciation and amortization	501	760
Amortization of right of use assets	1,174	498
Amortization of debt discount	135	—
Write-down of licensed devices	150	—
Inventory reserve charge	41	—
Increase in provision for credit losses	523	51
Changes in operating assets and liabilities:		
Accounts receivable	(142)	(710)
Inventories	16	713
Prepaid expenses and other assets	(294)	102
Accounts payable	2,450	1,048
Accrued expense and other current liabilities	635	831
Operating lease liabilities	(1,340)	(225)
Net cash used in operating activities	<u>(8,187)</u>	<u>(6,948)</u>
Cash flows from investing activities:		
Purchase of property and equipment	(66)	—
Sale (purchase) of marketable securities	3,943	(8,519)
Net cash provided by (used in) investing activities	<u>3,877</u>	<u>(8,519)</u>
Cash flows from financing activities:		
Sale of common stock and warrants	217	8,300
Issuance of long-term debt	7,500	—
Debt issuance costs	(95)	—
Equity issuance costs	(94)	(232)
Proceeds from exercise of options	98	—
Proceeds from exercise of warrants	1	371
Net cash provided by financing activities	<u>7,627</u>	<u>8,439</u>
Effect of changes in exchange rates on cash and cash equivalents	18	147
Net decrease in cash and cash equivalents	<u>3,335</u>	<u>(6,881)</u>
Cash and cash equivalents – beginning of year	<u>3,700</u>	<u>10,581</u>
Cash and cash equivalents – end of year	<u>\$ 7,035</u>	<u>\$ 3,700</u>
Supplemental cash flows disclosures:		
Proceeds from sale of state net operating losses	\$ 48	\$ 122
Interest paid	397	13
Supplemental schedule of noncash activity:		
Insurance premium financing	452	359
Accounts payable settled through common stock and warrants	1,856	1,006
Accounts payable settled through the exercise of warrants	495	495
Non-cash debt issuance costs	213	—
Shares issued in connection with Avenue loan	720	—
Accrued purchases of property and equipment	203	—
Right-of-use asset and operating lease liability	—	3,316

See accompanying notes to consolidated financial statements.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements

Note 1. The Company

electroCore, Inc. and its subsidiaries (“electroCore” or the “Company”) is a bioelectronic technology company whose mission is to improve health and quality of life through innovative non-invasive bioelectronic technologies.

electroCore, headquartered in Rockaway, NJ, has three wholly owned subsidiaries: electroCore U.K. Ltd, electroCore Germany GmbH and NeuroMetrix, Inc. (“NURO”). The Company acquired NURO on May 1, 2025. The Company has paused operations in Germany, with sales into the country and the rest of Europe being managed by electroCore U.K. Ltd.

Note 2. Summary of Significant Accounting Policies

(a) Basis of Presentation

The accompanying consolidated financial statements were prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”), and the rules and the regulations of the Securities and Exchange Commission (“SEC”). The Company has reclassified certain prior period information to conform to the current period presentation. This reclassification had no effect on the reported results of operations.

(b) Principles of Consolidation

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

(c) Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include revenue, licensed products and loss contingencies.

(d) Revenue Recognition

The Company accounts for its revenue transactions under Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) Topic 606, *Revenue from Contracts with Customers* (“ASC Topic 606”). In accordance with ASC Topic 606, the Company recognizes revenues when its customers obtain control of its product for an amount that reflects the consideration it expects to receive from its customers in exchange for that product. To determine revenue recognition for contracts that are determined to be in scope of ASC Topic 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the Company satisfies the performance obligation.

The Company only applies the five-step model to contracts when it is probable that the Company will collect the consideration it is entitled to in exchange for the goods or services it transfers to the customer. Once the contract is determined to be within the scope of ASC Topic 606, the Company assesses the goods or services promised within each contract and determines those that are performance obligations and assesses whether each promised good or service is distinct. The Company then recognizes as revenue the amount of the transaction price that is allocated to the respective performance obligation when such performance obligation is satisfied, either upon shipment or receipt by the customer. Payment by the customer is unconditional once the performance obligations are met. Agreed upon payment terms with customers are within 30 days of shipment. Accordingly, contracts with customers do not include a significant financing component.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

The transaction price is based on the consideration that the Company expects to receive in exchange for its products and includes the fixed per-unit price of the product and variable consideration primarily in the form of rebates. The per-unit price is based on the Company's established price lists.

Rebates are discounts that are contingent upon a timely remittance of payment and are estimated based on historical experience. Damaged or defective products are replaced at no charge under the Company's standard warranty. A cash refund is allowed under specific circumstances for undamaged and non-defective returned products. For the years ended December 31, 2025 and 2024, rebates were immaterial.

(e) Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with an original maturity of three months or less when purchased.

As of December 31, 2025, cash equivalents represented funds held in an interest-bearing demand deposit account, U.S. treasury bills, and a money market account.

(f) Concentration of Credit Risk

Cash equivalents are financial instruments that potentially subject the Company to concentration of credit risk. As of December 31, 2025, the Company's cash equivalent securities were largely comprised of treasury funds. The Company has established guidelines relative to diversification and maturities that are designed to help ensure safety and liquidity. These guidelines are periodically reviewed to take advantage of trends in yields and interest rates. As of December 31, 2025, 94% of the Company's cash and cash equivalents were denominated in U.S. dollars. The balance of the Company's cash is denominated in British pound sterling and is subject to foreign exchange risk. The Company's cash accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000 per financial institution in the United States, and up to £85,000 by the Financial Services Compensation Scheme ("FSCS") per financial institution in the United Kingdom. The Company's cash equivalent securities are insured by the Securities Investor Protection Corp. ("SIPC") up to \$500,000 per account, with a limit of \$250,000 in cash.

(g) Marketable Securities

Marketable securities are carried at fair value, with unrealized gains and losses reported as accumulated other comprehensive income, except for losses from impairments which are determined to be other than temporary. Realized gains and losses and declines in value judged to be other-than-temporary are included in the determination of net loss and are included in interest and other income net. Fair values are based on quoted market prices at the reporting date. Interest and dividends on available-for-sale securities are included in Interest and other income. As of December 31, 2025, marketable securities amounted to \$4.6 million and consist of U.S. treasury bills. Unrealized gains or losses during 2025 and 2024 were not material.

(h) Accounts Receivable

Accounts receivable are recorded at the invoiced amount and do not bear interest. The Company maintains an allowance for credit losses for estimated losses inherent in its accounts receivable portfolio. Management considers an account receivable to be past due when it is not settled under its stated terms. In establishing the required allowance, management considers customer creditworthiness, past transaction history with the customer, current expectations of future economic and industry trends, changes in customer payment terms and other factors that may affect probability of collection. Account balances are charged off against the allowance after all means of collection have been exhausted and the potential for recovery is considered remote. During the year ended December 31, 2025, the Company's allowance for credit losses was \$0.6 million, of which the vast majority was associated with one customer. Prior to 2025, the Company's allowance for credit losses was immaterial. The Company does not have any off balance sheet credit exposure related to its customers.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

(i) Inventories

Inventory, which consists of raw materials, work-in-process and finished product, is stated at the lower of cost or net realizable value. Inventory is valued on a first-in first-out basis. Net realizable value is the estimated selling prices in the ordinary course of business, less reasonably predictable costs of completion, disposal, and transportation.

The Company's products are subject to strict quality control and monitoring which the Company performs throughout the manufacturing process. If certain units of product no longer meet quality specification or become obsolete, the Company records a charge to cost of goods sold to write down such unmarketable inventory to zero.

(j) Property and Equipment

Property and equipment are stated at historical cost. Depreciation is computed by the straight-line method based on the estimated useful lives of the respective assets, as discussed below. Amounts expended for maintenance and repairs are charged to expense as incurred.

Depreciation and leasehold improvement amortization is computed using the following estimated useful lives:

Machinery and equipment	3–15 years
Leasehold improvements	Lesser of estimated useful life or remaining term of lease
Furniture and fixtures	5–10 years
Computer equipment	5 years

(k) Leases

The Company accounts for leases in accordance with ASU 842, *Leases*, and its operating leases consist of manufacturing/warehouse space in Rockaway, New Jersey and office equipment. The Company elected not to recognize right of use assets and lease liabilities for short term leases, i.e., leases with a noncancelable period of 12 months or less.

The Company determines if an arrangement is a lease at inception. For each lease, the lease term is determined at the commencement date and includes renewal options and termination options when it is reasonably certain that the Company will exercise that option. The Company recognized the option to renew its manufacturing/warehouse space ("Rockaway space") as part of the right of use asset and the lease liability as the Company deemed that the renewal option was reasonably certain to be exercised. Operating leases with lease terms greater than one year are included in operating lease right-of-use ("ROU") assets and current and long-term operating lease liabilities in the Company's consolidated balance sheets.

Operating lease ROU assets represent the right to use an underlying asset for the lease term and lease liabilities represent the obligation to make lease payments arising from the lease. Operating lease liabilities are recognized at commencement date based on the present value of lease payments over the lease term using an estimated rate of interest the Company would have to pay to borrow equivalent funds on a collateralized basis at the lease commencement date. The operating lease ROU assets are based on the liability adjusted for any prepaid or deferred rent and lease incentives. The incremental borrowing rate was utilized to discount lease payments over the expected term given that the Company's operating leases do not provide an implicit rate. The Company estimates the incremental borrowing rate to reflect the profile of secured borrowing over the expected term of the leases based on the information available at the later of the date of adoption or the lease commencement date. Rent expense for the operating lease is recognized on a straight-line basis over the lease term.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

(l) Licensed Products

The Company licenses a portion of its devices through its cash pay channels. The cost of these licensed devices is capitalized and included in Other Assets in the accompanying Consolidated Balance Sheets at December 31, 2025 and December 31, 2024, and is being recognized as cost of goods sold on the straight-line method over the estimated 12-36 month useful life of the devices. If certain licensed devices are returned and no longer meet quality specifications or the carrying amount of certain licensed devices are no longer deemed to be recoverable, the Company records a charge to cost of goods sold to write down such licensed devices to zero. The net book value of these licensed devices at December 31, 2025 was \$0 following the \$150,000 write off of the net book value of these licensed devices as a result of changes in the program. The net book value of these licensed devices at December 31, 2024 was \$220,000. Prior to the write-off which is disclosed separately in the Statement of Cash Flows, changes in the value of these licensed devices in Other Assets is captured with inventories on the Statement of Cash Flows.

(m) Impairment of Long-Lived Assets

Long lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset or asset group be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by that asset or asset group to its carrying amount. If the carrying amount of the long-lived asset or asset group is not recoverable on an undiscounted cash flow basis, an impairment is recognized to the extent that the carrying amount exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

(n) Stock-based Compensation

The Company accounts for stock-based compensation in accordance with the ASC Topic 718, *Compensation – Stock Compensation*. The Company estimates the fair value of stock option awards using the Black-Scholes option pricing model on the date of the grant. Restricted stock unit awards and restricted stock awards without a market condition are valued based on the closing price of the Company's common stock on the date of the grant. Compensation expense reflects actual forfeitures and is primarily recognized on a straight-line basis over the requisite service period of the individual grants, which typically equals the vesting period.

(o) Income Taxes

The Company follows the asset and liability method of accounting for income taxes under ASC 740, "Income Taxes." Deferred tax assets and liabilities are recognized for the estimated future tax consequences attributable to differences between the financial statements carrying amounts of existing assets and liabilities and their respective tax bases. 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 income in the period that included the enactment date. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

ASC 740 prescribes a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax provisions taken or expected to be taken in a tax return. For those benefits to be recognized, a tax position must be more likely than not to be sustained upon examination by taxing authorities. The Company is currently not aware of any issues under review that could result in significant payments, accruals or deviation from its position during the next twelve months.

(p) Research and Development

Research and development costs are expensed as incurred. These costs include, but are not limited to, costs related to clinical trials, and compensation and related overhead for employees and consultants involved in research and development activities.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

(q) Foreign Currency Translation and Transactions

The functional currency of the Company's international operations has been determined to be the respective local currency. The Company translates functional currency assets and liabilities to their U.S. dollar equivalents at exchange rates in effect at the balance sheet date and translates functional currency income and expense amounts to their U.S. dollar equivalents at average exchange rates for the period. The U.S. dollar effects that arise from changing translation rates are recorded in other comprehensive loss. Foreign currency transaction gains and losses related to assets and liabilities that are denominated in a currency other than the functional currency are reported in the Consolidated Statements of Operations in the period they occur.

(r) 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), or decision-making group, in deciding how to allocate resources and in assessing performance. The Company views its operations and manages its business as one operating segment: Bioelectronic Innovations.

(s) Recent Accounting Pronouncements

In December 2023, the FASB issued Accounting Standards Update (ASU) No. 2023-09, *Income Taxes (Topic 740), Improvements to Income Tax Disclosures* which will require companies to make additional income tax disclosures. The pronouncement is effective for annual filings for the year ended December 31, 2025. We adopted ASU No. 2023-09 for the year ended December 31, 2025 and added the required disclosures on a prospective basis in Note 13, *Income Taxes*. There was no other impact to our financial statement disclosures as a result of adopting ASU No. 2023-09.

On November 2024, the FASB issued Accounting Standards Update (ASU) No. 2024-03, *Income Statement (Topic 220): Reporting Comprehensive Income - Expense Disaggregation Disclosures, Disaggregation of Income Statement Expenses*, which requires public companies to disclose, in interim and annual reporting periods, additional information about certain expenses in the financial statements. The amendments in this pronouncement will be effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted and is effective on either a prospective basis or retrospective basis. The Company is currently assessing the potential impacts of adoption on its consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments — Credit Losses*, which provides a practical expedient for estimating expected credit losses for current accounts receivable and current contract assets that arise from transactions accounted for under Topic 606, Revenue from Contracts with Customers. ASU 2025-05 is effective for annual periods beginning after December 15, 2025 and interim periods within those annual reporting periods and should be applied prospectively, with early adoption permitted. The Company is assessing the impact of adopting this standard.

In December 2025, the FASB issued ASU 2025-12, *Codification Improvements*, which clarifies various topics in the Accounting Standards Codification to improve consistency and address technical corrections. Key improvements include clarifying the calculation of diluted earnings per share (EPS) when a loss from continuing operations exists. The amendments in this update are effective for the Company beginning January 1, 2027, with early adoption permitted. The Company is assessing the impact of adopting this standard.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow Scope Improvements*. This update clarifies the applicability of interim reporting guidance and the form and content of interim financial statements. It also establishes a disclosure principle requiring an entity to disclose material events and changes occurring since the end of the last annual reporting period. ASU 2025-11 is effective for the Company for interim periods within annual reporting periods beginning after December 15, 2027, with early adoption permitted. The Company is assessing the impact of adopting this standard.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Note 3. Liquidity, Credit Risks and Going Concern

The Company has experienced significant net losses, and it expects to continue to incur net losses for the near future as it works to increase market acceptance of its prescription (Rx) products and general wellness and human performance products. The Company has never been profitable and has incurred net losses and negative cash used in operations each year since its inception. The Company incurred net losses of \$14.0 million and \$11.9 million and used cash in its operations of \$8.2 million and \$6.9 million for the years ended December 31, 2025 and 2024, respectively.

The Company has historically funded its operations with the proceeds of equity and debt financings. During the year ended December 31, 2025, the Company received net proceeds of approximately \$0.2 million from sales of equity securities pursuant to our Sales Agreement (as defined below) with H.C. Wainwright & Co., LLC (“Wainwright”) and \$7.5 million which was advanced by Avenue Opportunities Fund II, L.P. (“Avenue”) pursuant to the Loan and Security Agreement (as defined below). As of December 31, 2025, the Company’s cash, cash equivalents and marketable securities totaled \$11.6 million (“Cash Position”).

On July 24, 2025, our Form S-3 registration statement (File No. 333-284477), or the 2025 Shelf Registration Statement, was declared effective by the SEC. The 2025 Shelf Registration Statement relates to the potential offering and issuance from time to time of common stock, preferred stock, warrants, rights, debt securities and units, up to an aggregate amount of \$100.0 million. The proposed maximum offering price per unit and the proposed maximum aggregate offering price per class of security in any future offering under the 2025 Shelf Registration Statement will be determined from time to time by us in connection with the issuance by us of the securities registered under the 2025 Shelf Registration Statement. As of the date of this Annual Report, we have \$100.0 million remaining for potential issuance under the 2025 Shelf Registration Statement (including \$19.8 million under the Sales Agreement (as defined below)). As of the date of this Annual Report on Form 10-K, the aggregate market value of our securities held by non-affiliates may be below \$75 million, and until such time as the aggregate market value of our securities held by non-affiliates equals or exceeds \$75 million, the aggregate maximum offering price of all securities issued by us in any given 12-calendar month period pursuant to the 2025 Shelf Registration Statement may not exceed one-third of the aggregate market value of our securities held by non-affiliates, and thus may be limited. If we raise additional funds by issuing equity or debt securities, either through the sale of securities pursuant to a registration statement or by other means, our existing stockholders may experience dilution, and the new equity or debt securities may have rights, preferences and privileges senior to those of our existing stockholders.

On November 29, 2024, we entered into an At The Market Offering Agreement (the “Sales Agreement”) with Wainwright, whereby the Company may offer and sell shares of its common stock from time to time having an aggregate offering price of up to \$20 million by any method deemed to be an “at-the-market” offering (“ATM”) as defined in Rule 415 of the Securities Act, or any other method specified in the Sales Agreement. During the year ended December 31, 2025, the Company sold 14,265 shares of its common stock at a weighted average price of \$15.20 per share, net of issuance costs for \$0.2 million in net proceeds, pursuant to the Sales Agreement.

On August 4, 2025 (the “LSA Closing Date”), we, and our wholly owned subsidiary, NURO, each as borrowers, entered into a Loan and Security Agreement (the “Loan and Security Agreement”), with Avenue. The Loan and Security Agreement provides for term loans in an aggregate principal amount of up to \$12.0 million, \$7.5 million of which was advanced on the LSA Closing Date. See “Note 10 – Long-Term Debt” for further information regarding the Loan and Security Agreement, and related transactions.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

During 2026, we intend to continue to make targeted investments in sales and marketing to continue driving commercial activities. We have historically funded our operations from the sale of our common stock, and most recently the convertible term debt financing with Avenue, and may continue to do so through utilization of the at-the-market facility pursuant to the Sales Agreement, or other equity or debt transactions.

Notwithstanding the expected cash flow from operations and expected access to capital from existing and/or future debt and equity sources, the Company's currently forecasted cash is less than the requirements to fund its operating expenses and capital expenditure requirements, as currently planned, for at least the next 12 months from the date the accompanying consolidated financial statements are issued. These factors raise substantial doubt regarding the Company's ability to continue as a going concern. There remain significant risks and uncertainties regarding the Company's business, financial condition and results of operations. Due to these risks and uncertainties, there can be no assurance that we will have sufficient cash flow and liquidity to fund our planned activities, which could force us to significantly reduce or curtail our activities and, ultimately, potentially cease operations. The accompanying consolidated financial statements do not include any adjustment that might result from the outcome of this uncertainty.

Concentration of Revenue Risks

The Company earns a significant amount of its revenue in the United States from the VA channel pursuant to its qualifying contract under the Federal Supply Schedule, or FSS, and open market sales to individual VA facilities. For the years ended December 31, 2025 and 2024, the VA accounted for 71.2% and 70.6 of net sales, respectively.

Lovell Government Services, or Lovell, accounted for more than 10% of our VA net sales for the year ended December 31, 2025, and for more than 10% of our accounts receivable as of December 31, 2025. During the year ended December 31, 2025, no single facility accounted for more than 10% of the total VA net sales. For the year ended December 31, 2024, Lovell and Las Vegas VAMC each accounted for more than 10% of our VA net sales. During the years ended December 31, 2024, sales associated with one facility accounted for more than 10% of the total VA net sales.

Foreign Currency Exchange

The Company has foreign currency exchange risks related to revenue and operating expenses in currencies other than the local currencies in which it operates. The Company is exposed to currency risk from the potential changes in the functional currency values of its assets, liabilities, and cash flows denominated in foreign currencies.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Note 4. Revenue

The following tables represent product net sales disaggregated by Channel and Geographic Market (in thousands):

Channel:	Full year ended December 31,	
	2025	2024
United States - Rx	\$ 24,073	\$ 19,307
TAC-STIM	422	1,197
Outside the United States	1,892	1,785
In-License / Other	96	82
General Wellness	5,549	2,811
Total Net Sales	\$ 32,032	\$ 25,182

Geographic:	Years ended December 31,	
	2025	2024
Product revenue		
United States	\$ 30,075	\$ 23,332
United Kingdom	1,695	1,666
Other	197	119
License revenue		
Japan	65	65
Total Net Sales	\$ 32,032	\$ 25,182

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Note 5. Cash, Cash Equivalents and Marketable Securities

The following tables summarize the Company's cash, cash equivalents and marketable securities as of December 31, 2025 and December 31, 2024.

As of December 31, 2025

	<u>Amortized Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized (Loss)</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 7,035	\$ —	\$ —	\$ 7,035
Marketable Securities:				
U.S. Treasury Bills	4,576	—	—	4,576
Total marketable securities	4,576	—	—	4,576
Total cash, cash equivalents and marketable securities	<u>\$ 11,611</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 11,611</u>

As of December 31, 2024

	<u>Amortized Cost</u>	<u>Unrealized Gain</u>	<u>Unrealized (Loss)</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 3,700	\$ —	\$ —	\$ 3,700
Marketable Securities:				
U.S. Treasury Bills	8,519	—	—	8,519
Total marketable securities	8,519	—	—	8,519
Total cash, cash equivalents and marketable securities	<u>\$ 12,219</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,219</u>

Note 6. Fair Value Measurements

Financial assets and liabilities carried at fair value are classified and disclosed in one of the following three levels of the fair value hierarchy:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

A summary of the assets and liabilities carried at fair value in accordance with the hierarchy defined above is as follows:

December 31, 2025	Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 7,035	\$ 7,035	\$ —	\$ —
Marketable Securities:				
U.S. treasury bills	4,576	4,576	—	—
Total cash, cash equivalents and marketable securities	\$ 11,611	\$ 11,611	\$ —	\$ —

December 31, 2024	Fair Value Hierarchy			
	Total	Level 1	Level 2	Level 3
Assets				
Cash and cash equivalents	\$ 3,700	\$ 3,700	\$ —	\$ —
Marketable Securities:				
U.S. treasury bills	8,519	8,519	—	—
Total cash, cash equivalents and marketable securities	\$ 12,219	\$ 12,219	\$ —	\$ —

As of December 31, 2025 and 2024, the Company's marketable securities in the amount of \$4.6 million and \$8.5 million, respectively, were carried at fair value in accordance with Level 1 as described above. The Company recognizes transfers between levels of the fair value hierarchy as of the end of the reporting period. There were no transfers within the hierarchy during the December 31, 2025 and year ended December 31, 2024. The carrying amount of the Company's receivables and payables approximate their fair value due to their maturity.

Note 7. Inventory

As of December 31, 2025 and 2024, inventories consisted of the following:

(in thousands)	December 31,	
	2025	2024
Raw materials	\$ 1,278	\$ 923
Work in process	62	193
Finished goods	291	560
Total inventory	\$ 1,631	\$ 1,676

The reserve for obsolete inventory was \$0.3 million and \$0.6 million as of December 31, 2025 and 2024, respectively. The Company records charges for obsolete inventory in cost of goods sold. Inventory classified under the category "Work in process" consists of prefabricated assembled product.

Note 8. Leases

On February 6, 2024, the Company entered into The First Amendment to Lease Agreement (the "Rockaway Amendment") to extend its Rockaway, New Jersey lease for an additional 10 years. The Rockaway Amendment was effective May 1, 2024, and expires on July 31, 2034, with a tenant option to renew for an additional five years. The increase in the term of the lease for the existing leased property was accounted for as a lease modification, therefore, the associated operating lease right of use assets and operating lease liabilities for the existing space were remeasured as of February 6, 2024. The Rockaway Amendment also includes the expansion of leased property from 13,643 square feet to 22,557 square feet. The Company has accounted for the expansion space as an increase in lease right of use assets effective with the Rockaway Amendment commencement date of June 1, 2024.

In the fourth quarter of 2025, the Company discovered an error in the lease payments used in the initial calculations in conjunction with the lease modification. The error was not considered material and was corrected in the fourth quarter. This correction resulted in a decrease in operating lease right-of-assets of \$1.0 million, decrease in operating lease liabilities, current of \$0.1 million, decrease in operating lease liabilities, noncurrent of \$1.3 million and decrease in rent expense of \$0.4 million.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

For the years ended December 31, 2025 and 2024, the Company recognized lease expense of \$205,000 and \$535,000, respectively. This expense does not include non-lease components associated with the lease agreements as the Company elected not to include such charges as part of the lease expense.

Supplemental Balance Sheet Information for Operating Leases:

(in thousands)	December 31,	
	2025	2024
Operating leases:		
Operating lease right of use assets	\$ 2,565	\$ 3,739
Operating lease liabilities:		
Current portion of operating lease liabilities	375	361
Noncurrent operating lease liabilities	2,421	3,775
Total operating lease liabilities	\$ 2,796	\$ 4,136
Cash paid for amounts included in the measurement of lease liabilities:		
Operating cash flows	\$ 369	\$ 234
Weighted average remaining lease term (in years)	13.4	14.5
Weighted average discount rate	13.5%	13.5%

Future minimum lease payments under non-cancellable operating leases as of December 31, 2025:

Financial year (in thousands)	
2026	\$ 383
2027	397
2028	412
2029	417
2030	423
2031 and thereafter	4,479
Total future minimum lease payments	6,511
Less: Amounts representing interest	(3,715)
Total	\$ 2,796

Note 9. Accrued Expenses and Other Current Liabilities

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

(in thousands)	December 31,	
	2025	2024
Accrued professional fees	\$ 1,059	\$ 598
Accrued bonuses and incentive compensation	2,583	2,886
Accrued litigation legal fees expense	1,155	1,163
Accrued insurance expense	181	205
Accrued research and development expenses	655	655
Accrued vacation and other employee related expenses	1,000	781
Accrued tax expenses	524	382
Accrued purchases of inventory	86	11
Deferred revenue	50	78
Accrued acquisition related expenses	604	—
Other	364	205
	\$ 8,261	\$ 6,964

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Finance and Security Agreements

On July 7, 2025, the Company and First Insurance Funding entered into a Commercial Insurance Premium Finance Agreement (the “2025 Finance Agreement”). The 2025 Finance Agreement provides for a single borrowing of approximately \$452,000 with a ten-month term and an annual interest rate of 6.55%. The proceeds from this transaction were used to partially fund the premiums due under certain of the Company’s insurance policies. The amounts payable are secured by the Company’s rights under such policies. Beginning July 2025, the Company began paying monthly installments of approximately \$45,000.

On July 2, 2024, the Company entered into a Commercial Insurance Premium Finance and Security Agreement (the “2024 Agreement”). The 2024 Agreement provides for a single borrowing of approximately \$493,000 with a ten-month term and an annual interest rate of 8.75%. The proceeds from this transaction were used to partially fund the premiums due under certain of the Company’s insurance policies. The amounts payable are secured by the Company’s rights under such policies. Beginning July 2024, the Company began paying monthly installments of approximately \$51,000. As of December 31, 2025 and 2024, the remaining balance under the respective agreements was approximately \$181,000 and \$205,000.

During the years ended December 31, 2025 and 2024, the Company recognized \$14,900 and \$18,400 in aggregate interest expense, respectively, related to the Company’s finance and security agreements.

Note 10. Long-Term Debt

As of December 31, 2025, long-term debt consists of notes payable and convertible notes payable as follows:

(in thousands)	Non- Convertible Notes Payable	Convertible Notes Payable	Total
Principal Borrowed	\$ 5,000	\$ 2,500	\$ 7,500
Final Payment (3.50%)	175	87	262
Total Principal	\$ 5,175	\$ 2,587	\$ 7,762
Aggregate Debt Discount	\$ (769)	\$ (521)	\$ (1,290)
Debt Discount Amortization	80	55	135
Unamortized Debt Discount	\$ (689)	\$ (466)	\$ (1,155)
Total Principal	\$ 5,175	\$ 2,587	\$ 7,762
Unamortized Debt Discount	(689)	(466)	(1,155)
Balance Sheet - Net	\$ 4,486	\$ 2,121	\$ 6,607

The non-convertible notes payable and convertible notes payable balances as of December 31, 2025 are classified as long-term based on the interest-only period through February 28, 2027.

Avenue Loan and Security Agreement

On the LSA Closing Date, the Company and NURO entered into the Loan and Security Agreement with Avenue, as administrative agent and collateral agent, and as lender for term loans in an aggregate principal amount of up to \$12 million to be delivered in two tranches (the “Term Loans”). The tranches consist of (i) a term loan advanced to the Company on the LSA Closing Date in an aggregate amount of \$7.5 million (“Tranche 1”), and (ii) subject to the achievement of certain performance milestones set forth in the Loan and Security Agreement, a right of the Company to request that Avenue make additional term loan advances to the Company in an aggregate amount of \$4.5 million (“Tranche 2”), which right expired on December 31, 2025. The Term Loans mature on August 1, 2029 (the “Maturity Date”).

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Subject to certain exceptions, Avenue has the right to convert (the “Conversion Right”) an aggregate amount of up to \$2.5 million of the outstanding Loan Amount into shares of the Company’s common stock at a conversion price per share equal to \$8.4625, representing 125% of the lower of (i) the five-day volume-weighted average price of Company’s common stock as calculated on the day prior to the LSA Closing Date, or (ii) the closing price of Company’s common stock on the date prior to the LSA Closing Date (\$6.77). Therefore, the Company recorded the borrowings under Tranche 1 as Non-Convertible and Convertible Notes Payable, respectively. In the event the Company elects to prepay the Term Loans in full, the Company shall provide no less than five business days’ prior written notice to Avenue; provided, however, if Avenue has not yet exercised the Conversion Right, the Company shall provide written notice of prepayment at least 10 days in advance of the proposed prepayment date and Avenue shall have the option, with respect to the Conversion Right, to exercise the Conversion Right by delivering written notice to the Company at least two business days in advance of the proposed prepayment date.

The principal balance of the Term Loans bears interest at a variable rate per annum equal to the greater of (i) the sum of 5.0% and the prime rate as reported in *The Wall Street Journal*, provided that, in the event such prime rate of interest is less than zero, such rate shall be deemed to be zero, and (ii) twelve and one-half percent (12.50%) (the “Interest Rate”). Interest only shall be payable at the Interest Rate during the period following the LSA Closing Date and continuing until the first day of the first full calendar month following the 18 month anniversary of the LSA Closing Date, provided, however, that such period shall be extended for six months if as of the 18 month anniversary of the LSA Closing Date, the Company has achieved certain milestones, as provided in the Supplement to the Loan and Security Agreement dated August 4, 2025, by and among the Company, NURO and Avenue (the “Supplement”); provided, further, however, that the such interest only period shall not exceed 24 months. Thereafter, principal and interest of the Term Loans shall be fully amortized and paid, in equal, monthly principal installments, plus interest at the Interest Rate for such month, through the Maturity Date, subject to the terms and conditions of the Supplement. The Company will pay final payment at a fee of 3.5% of the Loan Amount, due upon the earlier of the Maturity Date or prepayment in full of the Term Loans, which is currently \$262,500 based on the borrowing under Tranche 1.

The Company may, at its option at any time, prepay the Term Loans in their entirety by paying the then outstanding principal balance and all accrued and unpaid interest on the Term Loans, subject to a prepayment fee equal to (i) 3.0% of the principal amount outstanding if the prepayment occurs on or prior to the first anniversary following the LSA Closing Date, (ii) 2.0% of the principal amount outstanding if the prepayment occurs after the first anniversary following the LSA Closing Date, but on or prior to the second anniversary following the LSA Closing Date, and (iii) 1.0% of the principal amount outstanding if the prepayment occurs after the second anniversary following the LSA Closing Date, but on or prior to the Maturity Date.

The Company incurred borrower commitment and legal fees of \$1,290,000, which are presented as debt discounts, of which \$719,996 was settled in the issuance of the Company’s common stock (discussed further below). During the year ended December 31, 2025, the Company recorded interest expense of \$390,625, which included amortization of debt discount of \$134,383. As of December 31, 2025, the interest rate on Tranche 1 is 12.5%.

The Loan and Security Agreement is collateralized by substantially all of the Company’s assets in which Avenue is granted a senior secured lien. The Company also grants Avenue a negative pledge on the Company’s intellectual property, subject to limited exceptions, pursuant to the Loan and Security Agreement. The Loan and Security Agreement contains customary representations, warranties and covenants, including covenants limiting certain additional indebtedness, liens (including a negative pledge on intellectual property and other assets, subject to limited exceptions), guaranties, substantial asset sales, investments and loans, certain corporate changes, transactions with affiliates and fundamental changes. The financial covenants include a minimum level of revenue and cash and cash equivalents.

The Loan and Security Agreement provides for events of default customary for term loans of this type, including but not limited to non-payment, breaches or defaults in the performance of covenants, insolvency, bankruptcy and the occurrence of a material adverse effect on the Company. After the occurrence of an event of default, Avenue may (i) accelerate payment of all obligations, impose an increased rate of interest, and terminate Avenue commitments under the Loan and Security Agreement and (ii) exercise any other right or remedy provided by contract or applicable law.

Avenue shall have the right, but not the obligation, to invest up to an aggregate of \$1 million in equity securities of the Company on the same terms, conditions, and pricing offered by the Company to other investors in connection with any offering of the Company’s equity securities to third party investors for capital raising purposes occurring after the Closing Date, on the terms and conditions set forth in the Supplement.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Maturities on long-term debt include:

(in thousands)	Amount
2026	\$ -
2027	2,500
2028	3,000
2029	2,262
Total	\$ 7,762

Avenue Subscription Agreement

In connection with the entry into the Loan and Security Agreement, the Company entered into a Subscription Agreement (the “Subscription Agreement”) between the Company and Avenue, pursuant to which the Company issued 106,351 shares (the “Subscription Shares”) of the Company’s common stock to Avenue for no additional consideration. The shares were valued at \$719,996 based on the Company’s stock price on the LSA Closing Date. The issuance of the Subscription Shares was made in reliance on the exemption from registration contained in Section 4(a)(2) of the Securities Act of 1933, as amended (the “Securities Act”), and Rule 506 of Regulation D thereunder, because the offer and sale of such securities does not involve a “public offering” as defined in Section 4(a)(2) of the Securities Act.

Pursuant to the Subscription Agreement, the Company filed with the SEC a registration statement on Form S-3 (File No. 333-290713) with the SEC to cover the resale of the Subscription Shares, and the shares of the Company’s common stock issuable upon the Conversion Right pursuant to the Loan and Security Agreement, which registration statement became effective on October 22, 2025.

The foregoing summary of the Subscription Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of Subscription Agreement, which is filed as Exhibit 10.3 to the Company’s Quarterly Report on Form 10-Q for the period ended June 30, 2025, and is incorporated by reference herein. The representations, warranties and covenants Subscription Agreement were made only for purposes of such agreement and as of specific dates and were solely for the benefit of the parties to such agreement.

Note 11. Shareholders’ Equity

October 2025 Private Placement Offering

On September 30, 2025, the Company entered into securities purchase agreements with certain institutional and accredited investors (the “Private Agreements”), which collectively provided for the sale by the Company of 360,737 shares (the “Private Shares”) of common stock of the Company, par value \$0.001 per share. The Private Shares were issued at a price of \$5.15 per share in satisfaction of an aggregate of approximately \$1.9 million of legal services rendered or to be rendered to the Company by the investors. The Company did not receive cash proceeds in connection with the issuance of these shares.

The offerings described above closed on October 2, 2025. The Private Shares were issued in reliance on the exemptions from registration provided by Section 4(a)(2) under the Securities Act and Regulation D promulgated thereunder, for transactions not involving a public offering. On October 3, 2025, the Company filed a registration statement on Form S-3 (File No. 333-290713) with the SEC to cover the resale of the Private Shares, which registration statement became effective on October 22, 2025.

At-the-Market Facility

On November 29, 2024, we entered into the Sales Agreement with Wainwright. Under the Sales Agreement, the Company may offer and sell shares of its common stock from time to time having an aggregate offering price of up to \$20 million during the term of the Sales Agreement through Wainwright, acting as sales agent. The Company intends to use the net proceeds from any offering pursuant to the Sales Agreement to continue to fund sales and marketing, working capital and for other general corporate purposes. During the year ended December 31, 2025 the company sold 14,265 shares of common stock for gross proceeds of approximately \$217,000. This amount has been offset by financing fees of approximately \$54,000.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Securities Purchase Agreements

On June 3, 2024, the Company entered into a securities purchase agreement (the “Registered Direct Purchase Agreement”) with an institutional accredited investor (the “Purchaser”) for the sale (the “Registered Direct Offering”) by the Company of pre-funded warrants (the “RD Pre-funded Warrants”) to purchase up to 225,000 shares of the Company’s common stock, par value \$0.001 per share (the “Common Stock”) (the “RD Pre-funded Warrant Shares”). In a concurrent private placement, the Company issued and sold to the Purchaser unregistered warrants to purchase up to 112,500 shares of Common Stock (the “PIPE Warrants” and shares of Common Stock underlying the PIPE Warrants, the “PIPE Warrant Shares”). Each RD Pre-funded Warrant in the Registered Direct Offering was sold together with one-half of one PIPE Warrant at a combined effective offering price of \$6.4925 per share. The PIPE Warrants became exercisable after the date of issuance at a price of \$6.43 per share and will expire on June 5, 2029.

In a separate private placement, on May 31, 2024, the Company entered into securities purchase agreements with certain institutional and accredited investors and directors of the Company (the “Private Agreements”), which collectively provided for the sale by the Company of (i) 438,191 shares of Common Stock (the “Private Shares”), (ii) pre-funded warrants (the “Private Pre-funded Warrants”) to purchase up to 770,119 shares of Common Stock and (iii) warrants (the “Private Warrants” and together with the PIPE Warrants, the “Warrants”) to purchase up to 604,150 shares of Common Stock (the “Private Warrant Shares”). Each share of Common Stock (or Private Pre-funded Warrant) in this private placement was sold together with one-half of one Private Warrant at a combined effective offering price of \$6.4925 per share. The Private Warrants will have the same terms as the PIPE Warrants sold to the Purchaser.

The Private Shares were sold at a purchase price of \$6.43 per share. The RD Pre-funded Warrants and Private Pre-funded Warrants were sold at a purchase price of \$6.43 minus \$0.001 per Pre-Funded Warrant, and are exercisable immediately at an exercise price of \$0.001 per share. The PIPE Warrants and Private Warrants are only exercisable for whole shares of Common Stock.

The net proceeds to the Company resulting in the sale of securities described above was approximately \$9.0 million, after deducting other offering expenses payable by the Company, and excluding the proceeds, if any, from the exercise of the warrants. Of the net proceeds, \$1 million came from the issuance of securities to the Company’s legal counsel. Upon issuance of the shares, certain of the Company’s financial obligations to its legal counsel were deemed paid and satisfied in full.

The company accounts for common stock warrants by first considering the criteria under ASC 480 for liability classification, then evaluating the indexation requirements and the scope exception in ASC 815-10, and finally assessing additional equity considerations under ASC 815-40-25 to determine if the warrants should be classified as equity. The Company determined that the warrants associated this financing qualified for equity classification.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Stock Purchase Warrants

The following table presents a summary of stock purchase warrants outstanding as of December 31, 2025:

	Number of Warrants (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, January 1, 2025	1,497	\$ 5.31	4.2	\$ 16,489
Stock Purchase Warrants *	—			
Exercised	(1)			
Expired	—			
Outstanding, December 31, 2025	<u>1,496</u>	<u>\$ 5.19</u>	<u>3.23</u>	<u>\$ 121</u>
Exercisable, December 31, 2025	<u>1,496</u>	<u>\$ 5.19</u>	<u>3.23</u>	<u>\$ 121</u>

* A total of 883,433 pre-funded warrants were excluded from this table, which reflect 725,000 pre-funded warrants issued during the year ended December 31, 2025.

Note 12. Net Loss Per Share

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding adjusted to give effect to potentially dilutive securities. Due to their nominal exercise price of \$0.001 per share, 883,433 and 1,608,433 pre-funded warrants are considered common stock equivalents during the years ended December 31, 2025 and 2024, respectively, and are included in weighted average shares outstanding in the accompanying consolidated statement of operations as of the closing date of the Company's July 2023 Securities Purchase Agreements. Restricted stock and unit awards, stock options, and warrants (other than the pre-funded warrants) have not been included in the diluted loss per share calculation as their inclusion would have had an anti-dilutive effect.

The potential common stock equivalents that have been excluded from the computation of diluted loss per share consist of the following:

(in thousands)	December 31,	
	2025	2024
Outstanding stock options	518	548
Restricted stock and unit awards	575	459
Debt conversion shares	295	-
Stock purchase warrants	1,496	1,496
	<u>2,884</u>	<u>2,503</u>

Note 13. Income Taxes

The benefit for income taxes for the years ended December 31, 2025 and 2024 consisted of foreign taxes, state minimum taxes and a benefit from the sale of state net operating losses.

Domestic and foreign components of the loss before provision for income taxes is as follows:

(in thousands)	December 31, 2025	December 31, 2024
Domestic	\$ (13,724)	\$ (11,338)
Foreign	(239)	(641)
Total	<u>\$ (13,963)</u>	<u>\$ (11,979)</u>

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

The income tax provision/(benefit) from continuing operations contains the following components:

(in thousands)	December 31, 2025	December 31, 2024
Federal	\$ —	\$ —
State	(21)	(116)
Foreign	24	23
Total current expense (benefit)	3	(93)
Total deferred	—	—
Total income tax provision (benefit)	<u>\$ 3</u>	<u>\$ (93)</u>

The Company has evaluated the available evidence supporting the realization of its deferred tax assets, including the amount and timing of future taxable income, and has determined that it is more likely than not that its net deferred tax assets will not be realized in the United States and certain foreign jurisdictions. Due to uncertainties surrounding the realization of the deferred tax assets, the Company maintains a full valuation allowance against all of its net deferred tax assets. When the Company determines that it will be able to realize some portion or all of its deferred tax assets, an adjustment to its valuation allowance on its deferred tax assets would have the effect of increasing net income in the period such determination is made. The net change in the valuation allowance for the years ended December 31, 2025 and 2024 was an increase of \$9.8 million and \$3.7 million, respectively.

The significant components of the Company's deferred income tax assets and liabilities after applying enacted corporate tax rates are as follows:

(in thousands)	Year ended December 31,	
	2025	2024
Deferred tax assets		
Net operating loss carryforwards	\$ 46,378	\$ 35,856
Accrued expenses	500	429
Fixed assets	42	-
Intangibles	2,889	2,634
Inventory	171	158
Inventory reserve	60	-
Allowance for credit losses	139	12
Charitable contributions	-	10
R&D credit	2,683	2,074
Lease liabilities	668	1,033
Stock compensation	1,503	3,251
Deferred tax assets	55,083	45,457
Less valuation allowance	(54,143)	(44,310)
Total deferred tax assets	890	1,147
Prepaid expenses	(277)	(207)
Other	-	(6)
Right of use asset	(613)	(934)
Total deferred tax liabilities	(890)	(1,147)
Deferred tax assets, net	<u>\$ —</u>	<u>\$ —</u>

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

A reconciliation of the income tax benefit computed at the U.S. federal statutory income tax rate of 21% and the reported income tax provision for the year ended December 31, 2025 after the adoption of ASU 2023-09 is as follows:

(in thousands)	Year ended December 31, 2025	
	Amount	Rate
U.S. federal statutory rate	\$ (2,932)	(21.0)%
Current state and local income taxes, net of federal income tax effect (1)	21	0.2
Deferred state and local income taxes	-	-
Foreign tax effect:		
Germany:		
Statutory tax rate difference	(1)	(0.0)
Changes in valuation allowance	3	0.0
United Kingdom:		
Statutory tax rate difference	(3)	(0.0)
Foreign eliminations	(163)	(1.2)
Tax credits:		
Research and development tax credits	(364)	(2.6)
Other	480	3.4
Changes in valuation allowance	8,127	58.2
Nontaxable or nondeductible items		
IRC 162(m)	138	1.0
Meals and entertainment	33	0.2
Stock based compensation	1,530	11.0
Sale of New Jersey NOL and R&D tax credits	(38)	(0.3)
Other:		
Acquisition of Nuro	(6,881)	(49.3)
Other	53	0.4
Income tax provision	\$ 3	0.0%

(1) The state and local jurisdictions that contribute to the majority (greater than 50%) of the tax effect in this category is Texas.

A reconciliation of the income tax benefit computed at the U.S. federal statutory income tax rate of 21% and the reported income tax benefit for the year ended December 31, 2024 before the adoption of ASU 2023-09 is as follows:

	Year ended December 31, 2024
Statutory rate	(21.0)%
State tax recovery, net of federal benefit	(5.8)
State tax rate change	(1.5)
Stock compensation	1.1
State tax NOL sale	(0.8)
Nondeductible expenses	0.4
Credits	(4.0)
Change in valuation allowance for deferred tax assets	30.8
Income tax benefit	(0.8)%

As of December 31, 2025 and 2024, the Company had accumulated Federal net operating losses totaling \$184.5 million and \$143.6 million, respectively. Also, as of December 31, 2025 and 2024, the Company had post-apportioned net operating losses totaling \$90.3 million and \$61.2 million, respectively. The net operating losses may be available to carry forward and offset future years' taxable income. U.S. federal losses can be carried forward indefinitely, and state losses expire in various amounts beginning in 2026. The Company also had accumulated losses totaling \$4.3 million for each of the years ended December 31, 2025 and 2024, respectively, in Germany which can be carried forward indefinitely.

However, the NOL carryforwards may be, or become subject to, an annual limitation in the event of certain cumulative changes in the ownership interest of significant stockholders over a three year period in excess of 50%, as defined under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, as well as similar state tax provisions. This could limit the amount of NOLs that the Company can utilize annually to offset future taxable income or tax liabilities. The amount of the annual limitation, if any, will be determined based on the value of the Company immediately prior to an ownership change. Subsequent ownership changes may further affect the limitation in future years. If and when the Company utilizes the NOL carryforwards in a future period, it will perform an analysis to determine the effect, if any, of these loss limitation rules on the NOL carryforward balances.

The Company may be eligible, from time to time, to receive cash from the sale of its net operating losses under New Jersey's Department of the Treasury - Division of Taxation NOL Transfer Program. During the year ended December 31, 2025 and 2024, the Company sold New Jersey NOL carry forwards, resulting in the receipt of net cash payments of \$0.05 million and \$0.1 million, respectively. There can be no assurance as to the continuation or magnitude of this program in the future.

As of December 31, 2025, the Company had an aggregate of Federal, New Jersey and Massachusetts research and development credits of \$2.2 million. The Federal R&D credits can be carried forward 20 years and will begin to expire in 2038. The Massachusetts R&D tax credit can be carried forward indefinitely. The New Jersey R&D credits can be carried forward seven years and will begin to expire in 2031.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

The amount of cash income taxes paid by the Company were as follows:

(in thousands)	December 31, 2025
Federal	\$ -
State	11
Foreign	-
Cash tax payments	<u>\$ 11</u>

The amount of cash income taxes paid by the Company during the year ended December 31, 2024 was approximately \$6,000.

Uncertain Tax Positions

The Company has adopted certain provisions of ASC 740, “Income Taxes”, which prescribes a recognition threshold and measurement attribute for the recognition and measurement of tax positions taken or expected to be taken in income tax returns. The provisions also provide guidance on the de-recognition of income tax assets and liabilities, classification of current and deferred income tax assets and liabilities, and accounting for interest and penalties associated with tax positions.

The Company files income tax returns in the U.S. federal jurisdiction, and in various state and foreign jurisdictions. The Company’s tax returns are subject to tax examinations by U.S. federal and state tax authorities, or examinations by foreign tax authorities until the expiration of the respective statutes of limitation. The Company’s U.S. federal and state net operating losses have occurred since inception in 2018 and as such, tax years subject to potential tax examinations could apply from that date because the utilization of net operating losses from prior years opens the relevant year to audit by the IRS and/or state taxing authorities. The Company currently has no tax years under examination.

As of December 31, 2025, the Company does not have an accrual relating to uncertain tax positions. Interest and penalties, if any, as they relate to income taxes assessed, are included in the income tax provision. It is not anticipated that unrecognized tax benefits would significantly increase or decrease within 12 months of the reporting date.

Note 14. Stock Based Compensation

All common stock share and per share data reflects the reverse stock split effective February 15, 2023.

On June 21, 2018, the Company adopted the 2018 Omnibus Equity Incentive Plan (“Plan”). This plan reserved 0.4 million shares with an increase to be added annually beginning in 2019 through 2028 up to 4% of the total number of shares of common stock issued and outstanding on a fully diluted basis as of the end of the immediately preceding fiscal year, provided that the aggregate number of additional shares shall not exceed a total of 3.0 million shares, and a maximum of 2.7 million shares pursuant to the exercise of stock options. As of December 31, 2025, the number of shares reserved under the Plan was approximately 0.26 million. Subsequent to December 31, 2025, the number of shares reserved under the Plan increased by 0.5 million. The Company’s policy is to issue new shares of its common stock upon the exercise of stock options, new grants of restricted stock awards, and settlement of restricted stock units. Stock options issued under the plan have a contractual life of 10 years and are generally forfeited upon separation from the Company.

The following table presents stock compensation expense recognized by the Company for the years ended December 31, 2025 and 2024. Total unrecognized compensation cost related to equity awards as of December 31, 2025 was \$2.2 million and is expected to be recognized over the next 1.7 years.

(in thousands)	Year ended December 31,	
	2025	2024
Selling, general and administrative	\$ 1,838	\$ 1,729
Research and development	31	98
Cost of goods sold	61	43
Total expense	<u>\$ 1,930</u>	<u>\$ 1,870</u>

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

The following table presents a summary of stock option award activity during the year ended December 31, 2025:

	Number of Options (in thousands)	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in thousands)
Outstanding, January 1, 2025	548	\$ 31.39	6.7	\$ 510
Granted	—			
Exercised	(22)	4.5		
Cancelled	(4)	22.97		
Expired	(4)	33.60		
Outstanding, December 31, 2025	518	\$ 32.56	5.9	\$ 1
Exercisable, December 31, 2025	475	\$ 35.09	5.8	\$ 1

The intrinsic value is calculated as the difference between the fair market value at December 31, 2025 and the exercise price per share of the stock option. The options granted to employees generally vest over a three-year period.

The following table provides additional information about stock options that are outstanding and exercisable at December 31, 2025:

Exercise Price	Options Outstanding (in thousands)	Options Outstanding Weighted Average Remaining Contractual Life (Years)	Options Exercisable (in thousands)
\$4.05 - \$4.85	179	7.6	136
\$4.86 - \$12.98	184	6.0	184
\$12.99 - \$225.00	155	3.8	155

The following table presents a summary of restricted and deferred stock unit (“Unit” or “Units”) activity during the year ended December 31, 2025:

	Number of Shares (in thousands)	Weighted Average Grant Date Fair Value
Nonvested, January 1, 2025	459	\$ 6.86
Granted	290	8.49
Vested	(125)	6.56
Cancelled	(49)	6.98
Nonvested, December 31, 2025	575	\$ 7.73

In general, Units granted to employees vest over two to four-year periods.

Immediately following the Company’s annual meeting of stockholders, the Company generally grants each non-employee director an equity award that vests over a 12-month period. Upon a non-employee director’s initial appointment or election to the board of directors, the Company grants such non-employee director an equity award subject to vesting over a 36-month period.

Valuation Information for Stock-Based Compensation

The Company did not grant any stock options during the year ended December 31, 2025. The fair value of each stock option award during the year ended December 31, 2024 was estimated on the date of grant using the Black-Scholes model. Expected volatility was based 100% on the Company’s historical common stock volatility. The risk-free interest rate was based on the average U.S. Treasury rate that most closely resembled the expected life of the related award. The expected term of the award was calculated using the simplified method. No dividend was assumed as the Company does not pay regular dividends on its common stock and does not anticipate paying any dividends in the foreseeable future.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

The weighted average assumptions used in the Black-Scholes option pricing model in valuing stock options granted in the year ended December 31, 2024 are summarized in the table below.

	2024	
Fair value at grant date	\$	4.31
Expected volatility		101.9%
Risk-free interest rate		4.0%
Expected holding period, in years		4.0
Dividend yield		—

The fair value of each Stock Unit is the market close price of the Company's common stock on the trading day immediately preceding the date of grant.

Note 15. Segment Reporting

The Company views its operations and manages its business as one operating segment: Bioelectronic Innovations. Our CODM is our Chief Executive Officer. The CODM uses loss from operations, as reported on our Consolidated Statements of Operations, including the breakdown of expenses presented below, in evaluating the performance of the Bioelectronic Innovations segment and in determining how to allocate resources to the Company as a whole. The CODM does not review assets in evaluating the results of the Bioelectronic Innovations segment, and therefore, such information is not presented below.

The following table provides the GAAP operating financial results of the Bioelectronic Innovations segment:

	Years ended December 31,			
	2025		2024	
Net sales*	\$	32,032	\$	25,182
Cost of goods sold		4,244		3,785
Gross profit		27,788		21,397
Operating expenses:				
Research and development		2,735		2,360
Variable sales and marketing		11,607		7,845
Fixed sales and marketing		9,455		8,948
General and administrative		17,144		14,406
Total operating expenses		40,941		33,559
Loss from operations	\$	(13,153)	\$	(12,162)

* See Note 4 Revenue for geographical and disaggregation information.

Note 16. Commitments and Contingencies

The Company may be a party to various legal proceedings and claims arising out of the ordinary course of its business. Although the final results of all such matters and claims cannot be predicted with certainty, the Company currently believes that there are no current proceedings or claims pending against it the ultimate resolution of which would have a material adverse effect on its financial condition or results of operations. However, should the Company fail to prevail in any legal matter, including the Pulsetto litigation referenced in "Note 17 – Legal Proceedings", or should several legal matters be resolved against the Company in the same reporting period, such matters could have a material adverse effect on the Company's operating results and cash flows for that particular period. In all cases, at each reporting period, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under ASC 450, "Contingencies." Legal costs are expensed as incurred.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

Purchase Commitments

The Company enters into contracts in the normal course of business with contract research organizations for its clinical trials, contract manufacturing organizations for the manufacture and supply of its clinical and commercial product needs and other vendors for other research and development and commercial activities, as well as services and products for operating purposes. The Company's agreements generally provide for termination with notice. Such agreements that are cancelable contracts are not included as purchase commitments. The Company has included as purchase obligations its commitments under agreements to the extent they are quantifiable and are not cancelable. The Company has no material purchase obligations as of December 31, 2025.

2025 CVR Agreement

On May 1, 2025 (the "NURO Closing Date"), the Company completed its previously announced acquisition of NURO (following consummation of the Merger, the "Surviving Corporation"), pursuant to the terms of the Agreement and Plan of Merger dated as of December 17, 2024 (the "Merger Agreement") by and among the Company, NURO, and Nexus Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of the Company ("Merger Sub").

Pursuant to the Merger Agreement, on the NURO Closing Date, Merger Sub merged with and into NURO, with NURO surviving as a wholly-owned subsidiary of the Company (the "Merger").

Immediately prior to the effective time (the "Effective Time") of the Merger, the Company entered into a contingent value rights agreement (the "CVR Agreement") with a rights agent (the "Rights Agent"), pursuant to which the holders (each, a "Holder") of (i) shares of common stock, par value \$0.0001 per share, of NURO (the "NURO Common Stock") outstanding immediately prior to the Effective Time, (ii) outstanding awards of restricted stock with respect to shares of NURO Common Stock, outstanding at the Effective Time, (iii) NURO restricted stock units outstanding at the Effective Time, (iv) all issued and outstanding shares of NURO's preferred stock, par value \$0.001 per share, outstanding at the Effective Time, and (v) each stock option granted by NURO to purchase NURO Common Stock, outstanding immediately prior to the Effective Time, may become entitled to contingent cash payments (each, a "Contingent Payment") that net of certain transaction expenses, will equal (1) 8% of the Quell Net Sales (as defined in the CVR Agreement) during the first 12-month period after the NURO Closing Date, in an amount up to \$500,000 (the "First Quell Net Sales Payment"), but if 8% of the Quell Net Sales during such period is less than \$25,000, the First Quell Net Sales Payment shall be zero; (2) 6% of the Quell Net Sales during the second 12-month period after the NURO Closing Date, an amount up to \$500,000 minus the amount of the First Quell Net Sales Payment (the "Second Quell Net Sales Payment"), but if 6% of the Quell Net Sales during such second period is less than \$25,000, the Second Quell Net Sales Payment shall be zero; (3) the amounts received by the Company after the Effective Time pursuant to any Disposition Agreement (as defined in the CVR Agreement) signed prior to the Effective Time with respect to the disposition of NURO's DPNCheck® Business; (4) an amount equal to \$125,000 less any funds used by the Company as of July 1, 2025 out of a reserve of \$250,000 for payment of potential expenses of the Company that were reserved against NURO's net cash balance (as determined pursuant to the Merger Agreement); and (5) the balance of the funds remaining in the reserve as of May 1, 2027.

In October 2025, after giving effect to a deduction for certain transaction expenses of the Rights Agent, the Company distributed approximately \$0.105 per contingent value right to the former holders of common stock of NURO, representing an aggregate distribution of approximately \$221,000. In addition, the Company distributed approximately \$22,000 to the former holders of NURO restricted stock units and participants in the NURO's management incentive rights plan, in accordance with the terms of the CVR Agreement.

Under the CVR Agreement, the Rights Agent has, and Holders of at least 20% of the CVRs then-outstanding have, certain rights to audit and enforcement on behalf of all Holders of the CVRs. The Company shall cause NURO to use commercially reasonable efforts to consummate transactions contemplated by any Disposition Agreement, as such efforts are further described in the CVR Agreement.

ELECTROCORE, INC. AND SUBSIDIARIES
Notes to Consolidated Financial Statements — Continued

The CVR Agreement has a term commencing on the Effective Date and ending on the earlier of (a) December 31 of the calendar year in which Company shall have caused to be paid to the Holders pursuant to the terms of the CVR Agreement all Distributions (as defined in the CVR Agreement) with respect to all payments (including any contingent payments) contemplated to be made by the applicable buyer pursuant to any Disposition Agreement, and (b) December 31, 2030.

See “Note 18 – Acquisitions” for additional information about the Merger.

Note 17. Legal Proceedings

UAB Pulsetto v. electroCore, Inc.

On June 11, 2025, UAB Pulsetto (“Pulsetto”) filed a declaratory judgment action against the Company in the United States District Court for the District of New Jersey, captioned *UAB Pulsetto v. electroCore, Inc., Civ. No. 25-10036 (D.N.J.)*, asserting that its non-invasive vagus nerve stimulation product does not infringe the Company’s U.S. Patent No. 11,446,491 (the “491 Patent”).

On July 16, 2025, the Company filed a responsive pleading, answering the complaint and asserting counterclaims, that Pulsetto’s non-invasive vagus nerve stimulation product infringes the ‘491 Patent, as well as the Company’s U.S. Patent Nos. 8,948,873, 9,339,653, 10,874,857, 8,843,210, 9,242,092, 11,623,078, and 10,441,780, as well as claims that Pulsetto’s commercial conduct has infringed and continues to infringe the Company’s Truvaga™ and gammaCore® trademarks, and committed acts of false advertising and unfair competition in violation of state and federal law. On September 5, 2025, Pulsetto requested leave to file a motion to dismiss the Company’s counterclaims for lack of jurisdiction and/or insufficient pleadings. The Company has opposed that request, which has not yet been considered by the trial judge. On September 9, 2025, the court approved a schedule for discovery, and certain proceedings, filings, submissions, motions, reports and conferences. The parties have exchanged initial requests for the production of documents relevant to the dispute and have proceeded with exchanging their respective infringement and invalidity contentions, as the case may be. The parties are still in the early stages of discovery. The parties held an in-person settlement conference with a Judge Magistrate on March 4, 2026.

The Company believes that Pulsetto’s claim is without merit and intends to defend vigorously against it and to pursue vigorously the Company’s patent and non-patent counterclaims against Pulsetto. The Company expenses associated legal fees in the period they are incurred, and in light of, among other things, the preliminary stage of the litigation, the Company is unable to determine the reasonable probability of loss or a range of potential loss or gain or a range of potential gain. Accordingly, the Company has not established an accrual for potential losses or gains, if any, that could result from any unfavorable or favorable outcome, and there can be no assurance that these litigation matters will not result in substantial litigation costs and/or judgments or settlements that could adversely affect the Company’s financial condition.

Note 18. Acquisitions

On the NURO Closing Date, the Company completed its previously announced acquisition of NURO, pursuant to the terms of the Merger Agreement by and among the Company, NURO, and Nexus Merger Sub Inc., a Delaware corporation and a wholly owned subsidiary of the Company.

Pursuant to the Merger Agreement, on the Closing Date, Merger Sub merged with and into NURO, with NURO surviving as a wholly-owned subsidiary of the Company.

See “Note 16 – Commitments and Contingencies” for additional information.

Note 19. Related Party Transactions

In 2023, an executive of the Company co-founded the Vagus Nerve Society, an academic society dedicated to the ongoing education and training of scientists and clinicians and the power of the vagus nerve and its application in a broad spectrum of health-related conditions. During the twelve months ended December 31, 2025 and December 31, 2024, the Company incurred aggregate expenses of \$150,000 and \$150,000, respectively, for unrestricted and directed educational grants to the Vagus Nerve Society.

Consulting Agreements

On October 4, 2024, the Company and a former executive entered into a consulting agreement pursuant to which the former executive will provide financial and accounting consulting services to the Company on an hourly basis for 12 months after the effective date of his retirement, which was subsequently extended to a monthly basis upon mutual agreement. The Company paid the former executive approximately \$4,600 for consulting services during 2025.

On July 11, 2024, the Company and a member of its board of directors entered into a consulting agreement pursuant to which the board member is expected to begin providing consulting and advisory services to the Company’s Chief Executive Officer for a one-year term as of the completion of his service on the Board, effective as of immediately prior to the Company’s 2025 Annual Meeting of Stockholders. The director will be paid an hourly or per diem fee for such services rendered, if any, and was granted a stock option to purchase 50,000 shares of common stock of the Company at an exercise price of \$6.43 per share, which shall vest and be exercisable in 12 equal monthly installments, subject to full vesting, if earlier, immediately prior to the 2025 Annual Meeting of Stockholders or a Change of Control so long as the director remains in continuous service to the Company through such date. The Company paid the former board member approximately \$3,000 for consulting services during 2025.

Note 20. Subsequent Event

As of March 17, 2026, Daniel S. Goldberger notified the Company of his intention to retire as Chief Executive Officer effective April 1, 2026 (the “Separation Date”). Mr. Goldberger also resigned as a member of the Company’s Board effective March 17, 2026. Pursuant to and subject to the terms and conditions of Mr. Goldberger’s separation agreement, and in accordance with our Executive Severance Policy, he will receive a cash severance payment of \$1,200,098, payable in substantially equal installments over the 12-month period commencing on the Company’s first regular payroll date following the

Separation Date. Subsequent to December 31, 2025, the Company recorded a liability for the severance amount upon the execution of the separation agreement.

DESCRIPTION OF SECURITIES

The following description summarizes important terms of our common stock, which is the sole class of securities registered under Section 12 of the Securities Exchange Act of 1934. For a complete description, you should refer to our certificate of incorporation and bylaws, which are incorporated by reference as exhibits to the Annual Report on Form 10-K of which this exhibit is a part, as well as the relevant portions of the Delaware General Corporation Law (the "DGCL").

General

As of the date of this Annual Report on Form 10-K, we have authorized 500 million shares of common stock, par value \$0.001 per share. As of March [], 2026, there were [] shares of common stock outstanding. We also have 10 million authorized shares of preferred stock, par value \$0.001 per share, which may be issued in one or more series as may be designated by our Board of Directors. No such shares of preferred stock are issued or outstanding as of the date of this Annual Report on Form 10-K.

Voting Rights

Each holder of our common stock is entitled to one vote for each share on all matters submitted to a vote of the stockholders, including the election of directors. Under our certificate of incorporation and our 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 are able to elect all of the directors standing for election, if they should so choose.

Dividend Rights

Subject to preferences that may be applicable to any then-outstanding preferred stock, holders of common stock are not entitled to receive ratably those dividends, if any, as may be declared from time to time by the Board out of legally available funds.

Liquidation Rights

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.

Other Rights and Preferences

Holders of our 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 rights of the holders of shares of any series of preferred stock that we may designate in the future.

Anti-Takeover Provisions

The provisions of Delaware law, and our certificate of incorporation and our bylaws could have the effect of delaying, deferring or discouraging another person from acquiring control of our company. These provisions, which are summarized below, may have the effect of discouraging takeover bids. They are also designed, in part, to encourage persons seeking to acquire control of us to negotiate first with our Board. We believe that the benefits of increased protection of our potential ability to negotiate with an unfriendly or unsolicited acquirer outweigh the disadvantages of discouraging a proposal to acquire us because negotiation of these proposals could result in an improvement of their terms.

Section 203 of the DGCL

We are subject to Section 203 of the DGCL, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, with the following exceptions:

- before such date, the board of directors of the corporation approved either the business combination or the transaction that resulted in the stockholder becoming an interested stockholder;
- upon completion of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction began, excluding for purposes of determining the voting stock outstanding, but not the outstanding voting stock owned by the interested stockholder, those shares owned (i) by persons who are directors and also officers and (ii) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- on or after such date, the business combination is approved by the board of directors and authorized at an annual or special meeting of the stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock that is not owned by the interested stockholder.

In general, Section 203 defines a “business combination” to include the following:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to specified exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits by or through the corporation.

In general, Section 203 defines an “interested stockholder” as an entity or person who, together with the person’s affiliates and associates, beneficially owns, or within three years prior to the time of determination of interested stockholder status did own, 15% or more of the outstanding voting stock of the corporation.

Our Certificate of Incorporation and Bylaws

Our certificate of incorporation and bylaws include a number of provisions that could deter hostile takeovers or delay or prevent changes in control of our company, including the following:

- ***Classified Board.*** Our certificate of incorporation provides for our Board to be divided into three classes with staggered three-year terms. Only one class of directors is elected at each annual meeting of our stockholders, with the other classes continuing for the remainder of their respective three-year terms. Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the shares of common stock outstanding is able to elect all of our directors. Our certificate of incorporation and our bylaws also provide that directors may be removed by the stockholders only for cause upon the vote of 66 2/3% or more of our outstanding common stock. Furthermore, the authorized number of directors may be changed only by resolution of the board of directors, and vacancies and newly created directorships on the board of directors may, except as otherwise required by law or determined by the board, only be filled by a majority vote of the directors then serving on the board, even though less than a quorum.
- ***Special Meetings of Stockholders and Stockholder Action by Written Consent.*** Our certificate of incorporation and bylaws provide that all stockholder actions must be effected at a duly called meeting of stockholders and eliminate the right of stockholders to act by written consent without a meeting. Our bylaws also provide that only our chairman of the board, Chief Executive Officer (or if there is no Chief Executive Officer, the President) or the board of directors pursuant to a resolution adopted by a majority of the total number of authorized directors may call a special meeting of stockholders.
- ***Advance Notice Requirements for Stockholder Proposals.*** Our bylaws provide that stockholders seeking to present proposals before a meeting of stockholders, including the nomination of director candidates, must provide timely advance notice in writing, and specifies requirements as to the form and content of a stockholder's notice.
- ***Amendment to Certificate of Incorporation and Bylaws.*** Our certificate of incorporation and bylaws provide that the stockholders cannot amend the provisions described above except by a vote of 66 2/3% or more of our outstanding common stock.

The combination of these provisions makes it more difficult for our existing stockholders to replace our Board as well as for another party to obtain control of us by replacing our Board. Since our Board 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 to issue preferred stock with voting or other rights or preferences that could impede any attempt to effect a change of control of our company.

These provisions are intended to enhance the likelihood of continued stability in the composition of our Board 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 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 certificate of incorporation provides that the Court of Chancery of the state of Delaware (the "Chancery Court") is the exclusive forum for: (i) any derivative action or proceeding brought on our behalf; (ii) any action asserting a breach of fiduciary duty; (iii) any action asserting a claim against us arising pursuant to the DGCL, our certificate of incorporation or our bylaws; (iv) or any action asserting a claim against us that is governed by the internal affairs doctrine, in each case provided that the Chancery Court has subject matter jurisdiction. If the Chancery Court does not have subject matter jurisdiction, then such actions may be brought in any state court located in the state of Delaware (the "State Courts") or, if and only if the State Courts lack subject matter jurisdiction, in the federal district court for the District of Delaware.

This exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. To the extent that any such claims may be based upon federal law claims, Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder.

Our certificate of incorporation further provides that the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, although stockholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. The enforceability of similar choice of forum provisions in some other companies' certificates of incorporation has been challenged in legal proceedings, and it is possible that, in connection with any action, a court could find the choice of forum provisions contained in our certificate of incorporation to be inapplicable or unenforceable.

In March 2020, the Delaware Supreme Court issued a decision in *Salzburg et al. v. Sciabacucchi*, which found that an exclusive forum provision similar to the one in our certificate of incorporation providing for claims under the Securities Act to be brought in federal court is facially valid under Delaware law. We intend to enforce the federal forum selection provision in our certificate of incorporation, but we do not know whether courts all in all jurisdictions will agree with the *Sciabacucchi* decision or enforce it.

Limitation of Liability and Indemnification

Our certificate of incorporation provides that no director will be personally liable for monetary damages for breach of any fiduciary duty as a director, except with respect to liability:

- for any breach of the director's duty of loyalty to us or our stockholders;
- for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- under Section 174 of the DGCL (governing distributions to stockholders); or
- for any transaction from which the director derived any improper personal benefit.

If the DGCL is amended to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of our directors will be eliminated or limited to the fullest extent permitted by the DGCL, as so amended. The modification or repeal of this provision of our certificate of incorporation will not adversely affect any right or protection of a director existing at the time of such modification or repeal.

Our bylaws also provide that we will, to the fullest extent permitted by law, indemnify our directors and officers against all liabilities and expenses in any suit or proceeding or arising out of their status as an officer or director or their activities in these capacities. We will also indemnify any person who, at our request, is or was serving as a director, officer, employee, agent or trustee of another corporation or of a partnership, limited liability company, joint venture, trust or other enterprise. We may, by action of our Board, provide indemnification to our employees and agents within the same scope and effect as the foregoing indemnification of directors and officers.

Transfer Agent and Registrar

The transfer agent and registrar for our common stock is Broadridge Corporate Issuer Solutions, Inc.
51 Mercedes Way, Edgewood, New York 11717.

**RESTRICTED STOCK UNIT AGREEMENT
UNDER THE ELECTROCORE, INC.
2018 OMNIBUS EQUITY COMPENSATION PLAN**

Pursuant to the electroCore, Inc. 2018 Omnibus Equity Compensation Plan (the “Plan”), electroCore, Inc., a Delaware corporation (together with all successors thereto, the “Company”), hereby enters into this Restricted Stock Unit Agreement with the undersigned employee (the “Grantee”), pursuant to which the Company will issue the number of Shares (as defined in Section 1) equal to the number of Restricted Stock Units (“RSUs”) granted hereunder in accordance with the terms set forth in this agreement (the “Agreement”).

Notwithstanding anything in this Agreement to the contrary, the grant of the RSUs pursuant to this Agreement and the issuance of Shares in settlement of such RSUs shall be subject to, and governed by, all the terms and conditions of the Plan. To the extent there is any inconsistency between the terms of the Plan and of this Agreement, the terms of the Plan shall control.

All capitalized terms used in this Agreement and not otherwise defined shall have the respective meanings given such terms in the Plan.

<i>Number of RSUs Granted:</i>	<input type="text"/>
<i>Grant Date:</i>	<input type="text"/>

1. **General.** Each RSU represents a right to receive one share of the Company’s common stock (a “Share”) in accordance with and subject to the terms and conditions of this Agreement and the Plan. By execution of this Agreement, the Grantee agrees to be bound by all of the terms and provisions of the Plan, the rules and regulations under the Plan adopted from time to time, and the decisions and determinations of the Committee made from time to time.

2. **Account for Grantee.** The Company shall maintain a bookkeeping account for the Grantee (the “Account”) reflecting the number of RSUs then credited to the Grantee hereunder as a result of such grant of RSUs.

3. **Nontransferability.** The Grantee may not transfer RSUs or any rights hereunder to any third party other than by will or the laws of descent and distribution.

4. **Vesting and Forfeiture.** Subject to such further limitations as are provided in the Plan and as set forth herein, the RSUs shall vest . Additionally, if Grantee is covered by the Company’ Executive Severance Policy (the “Policy”) as in effect from time to time, Grantee may be entitled to accelerated vesting in accordance with, and subject to the terms, limitations, and conditions set forth in, the Policy.

5. **Settlement - Delivery of Shares.** The Company shall issue the Shares underlying the portion of the RSUs granted hereunder that have vested pursuant to Section 4 to the Grantee (or to the Grantee’s designated beneficiary if the Grantee has died) in settlement of the Grantee’s vested RSUs as soon as reasonably practicable after the Vesting Date; provided, however, that if the date of settlement would occur within any Quarterly Trading Period or Event-Specific Restricted Period (as defined in the Company’s Insider Trading Policy) applicable to the Employee, then upon the written election of the Employee received by the Company prior to the original settlement date for such RSUs, such shares will be issued in settlement of such RSUs as soon as practicable following the expiration of such Quarterly Trading Period or Event-Specific Restricted Period.

6. **Withholding Taxes.** The Grantee agrees to make appropriate arrangements with the Company (or the appropriate Affiliate that employed the Grantee) for the satisfaction of all applicable Federal, state, local and foreign income and employment tax withholding requirements arising in connection with the vesting of the RSUs and issuance of Shares in settlement of such vested RSUs. The Grantee acknowledges and agrees that the Company may refuse to deliver Shares if the Grantee does not deliver or make arrangements to deliver such required withholding amounts to the Company at the time the RSUs vest.

7. **Miscellaneous.**

(a) **Change and Modifications.** This Agreement may not be orally changed, modified or terminated, nor shall any oral waiver of any of its terms be effective. This Agreement may be changed, modified or terminated only by an agreement in writing signed by the Company and the Grantee.

(b) **Notices.** All notices, requests, consents and other communications shall be in writing and be deemed given when delivered personally, by telex or facsimile transmission or when received if mailed by first class registered or certified mail, postage prepaid. Notices to the Company or the Grantee shall be addressed as set forth underneath their signatures below, or to such other address or addresses as may have been furnished by such party in writing to the other.

(c) **Clawback; Recoupment; Restrictive Covenants.** The Award and any Shares or other amounts delivered in settlement thereof shall be subject to forfeiture, recovery or recoupment by the Company to the extent required under applicable laws, regulations, stock exchange listing standards, and the Company’s clawback or recoupment policies as in effect from time to time, including any policy adopted to comply with Section 10D of the Securities Exchange Act of 1934 and the rules thereunder.

(d) **Governing Law.** Consistent with the Plan, this Agreement shall be governed by and construed in accordance with the laws of the State of Delaware, without regard to principles of conflicts of law,

(e) **Counterparts.** For the convenience of the parties and to facilitate execution, this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same document. Signatures delivered electronically (including via click-through acceptance) or by facsimile or other electronic transmission shall be deemed original signatures and shall have the same legal effect as manual signatures.

[SIGNATURE PAGE FOLLOWS]

The foregoing Agreement is hereby accepted and the terms and conditions thereof hereby agreed to by the undersigned as of the date first above written.

ELECTROCORE, INC.

By:

The undersigned hereby acknowledges receiving and reviewing a copy of the Plan and understands that the RSUs granted herein are subject to the terms of the Plan and of this Agreement. This Agreement is hereby accepted, and the terms and conditions thereof and of the Plan hereby agreed to, by the undersigned as of the date first above written.

GRANTEE:

By:

SEPARATION AND RELEASE AGREEMENT

This Separation and Release Agreement (this “Agreement”) is entered into as of March 17, 2026 (the “Agreement Date”) by and between electroCore, Inc., a Delaware corporation (the “Company”), and Dan Goldberger (“Executive,” and together with the Company, the “Parties”).

RECITALS

Executive and the Company are parties to that certain employment agreement dated September 26, 2019 (the “Employment Agreement”) and that certain Employee Confidentiality and Assignment Agreement dated October 1, 2019 (the “Employee Confidentiality Agreement,” also referred to in the Severance Policy (as defined below) as the “Restrictive Covenants Agreement”). Executive also participates in the electroCore, Inc. Executive Severance Policy, as amended and restated effective May 3, 2024 and as in effect on the Agreement Date (the “Severance Policy”). The Company and Executive desire to set forth the terms of Executive’s retirement and separation from employment and service as a member of the Company’s Board of Directors (the “Board”).

AGREEMENT

In consideration of the mutual covenants set forth below, the sufficiency of which is acknowledged, the Parties agree as follows:

1. Separation of Employment; Titles; Board Service.

1.1 Employment Separation Date. Executive’s last day of employment with the Company will be April 1, 2026 (the “Separation Date”), which shall constitute the date of Executive’s Termination of Employment (as defined in Section 2.25 of the Severance Policy) and Separation from Service within the meaning of Section 409A of the Internal Revenue Code and the Company’s 2018 Omnibus Equity Incentive Compensation Plan. Through the Separation Date, Executive will continue to perform such transition duties as are reasonably requested by the Board, consistent with his current role. For the avoidance of doubt, Executive will not be re-employed by the Company or any subsidiary during the Severance Period and any services provided during the Consulting Period shall be solely as an independent contractor.

1.2 Board and Other Roles; No Disagreement. Effective as of the Agreement Date, Executive hereby resigns from the Board. Effective as of the Separation Date, Executive resigns from all positions as an officer, director, or manager of the Company and its subsidiaries and affiliates. Executive agrees to execute any documents reasonably requested to effectuate such resignations. Executive’s decision to resign from the Board and separate from employment is not due to any disagreement with the Company, the Board, or the Company’s management on any matter relating to the Company’s operations, policies, or practices. A resignation letter in the form attached as Exhibit A shall be signed and delivered by Executive to the Company together with this Agreement concurrently with the execution of this Agreement. Such resignation letter shall be read together with, and form an integral part of, this Agreement. The Company will, to the extent reasonably practicable, reflect the foregoing “no disagreement” statement in its initial public disclosure regarding Executive’s departure (by press release and/or Form 8-K).

1.3 Final Wages and Accrued Obligations. Regardless of whether Executive signs this Agreement or revokes it, the Company will pay all amounts comprising Executive's Accrued Obligations as defined in Section 2.01 of the Severance Policy, including Executive's unpaid base salary earned through the Separation Date, any accrued and unused paid time off in accordance with Company policy, reimbursable business expenses reasonably incurred through the Separation Date, and any vested benefits under applicable benefit plans of the Company, in each case in accordance with applicable law and Company policy (the "Accrued Obligations"). Executive acknowledges that the Accrued Obligations are not in any way consideration for this Agreement.

2. Severance Benefits. The payments and benefits described in this Section 2 (other than the Accrued Obligations, which are payable regardless of whether Executive executes this Agreement or the Supplemental Release) shall constitute "Severance Benefits" as defined in Section 2.22 of the Severance Policy (i.e., Severance Pay and other benefits payable pursuant to Article IV of the Severance Policy). Executive acknowledges that Severance Benefits are and shall remain subject to forfeiture under Section 4.08 of the Severance Policy upon breach of the Employee Confidentiality Agreement. This Agreement is intended to fully comply with and satisfy all requirements of the Severance Policy. By signing this Agreement, Executive and the Company acknowledge and agree that the Severance Benefits provided herein meet or exceed the benefits required under the Employment Agreement and the Severance Policy and that this Agreement constitutes the entire understanding between the Parties regarding severance. Accordingly, this Agreement supersedes and negates any other rights or obligations under the Employment Agreement and the Severance Policy or any prior severance-related arrangement.

2.1 Eligibility; Release Effective Date. Provided that (a) Executive timely executes and does not revoke this Agreement, including the general release of claims in Section 5, (b) Executive timely executes and does not revoke the Supplemental Release required by Section 5.4, and (c) Executive continues to comply with this Agreement and with his continuing obligations under the Employee Confidentiality Agreement and any other applicable restrictive covenant agreements, Executive will be entitled to the Severance Benefits set forth in this Section 2. For purposes of payment timing, the "Release Effective Date" means the eighth calendar day after Executive signs this Agreement, provided Executive has not revoked it. Notwithstanding the foregoing, any Severance Benefits remaining unpaid as of the Separation Date shall be subject to Executive's timely execution and non-revocation of the Supplemental Release as provided in Section 5.4. The Company shall deliver an executable form of the Supplemental Release on the Separation Date. No Severance Benefit payment otherwise due and payable shall be delayed as a result of the Company's failure to timely provide such Supplemental Release.

2.2. Cash Severance. Subject to Executive's timely execution and non-revocation of the releases set forth in Sections 5.1 and 5.4 and the other conditions set forth in Section 2.1, and in accordance with and subject to the Severance Policy, the Company will pay Executive cash severance in an aggregate amount equal to 100% of Executive's "Base Compensation" (as defined in Section 2.03(a) of the Severance Policy). Based on the base salary and target bonus approved by the Board for 2026, this amount equals \$1,200,018.75 (the "Severance Amount"). The Severance Amount will be paid in substantially equal installments over the twelve (12) months commencing on the Company's first regular payroll date following the Separation Date, in accordance with the Company's normal payroll schedule and subject only to applicable tax withholdings. Any installment not paid within ten (10) business days of its scheduled payroll date shall accrue interest at the lesser of one percent (1.0%) per month or the maximum rate permitted by law until paid. The Severance Amount shall not be subject to mitigation, offset, or reduction (other than required withholdings).

2.3. COBRA Premium Reimbursement. If Executive timely elects continuation coverage under the Consolidated Omnibus Budget Reconciliation Act (“COBRA”) for the group health plan coverage in which Executive and eligible dependents participated immediately prior to the Separation Date, then, consistent with Section 4.02 of the Severance Policy, the Company will reimburse Executive for monthly COBRA premiums actually paid by Executive for such coverage until the earlier of (a) the end of the Severance Period or (b) the expiration of Executive’s COBRA continuation coverage (the “COBRA Premium Period”). Reimbursements will commence on the first regular payroll date following the Separation Date and will be made promptly after Executive provides reasonable proof of premium payment. Executive remains solely responsible for electing and paying COBRA premiums when due. Notwithstanding anything to the contrary, the Company’s provision of such COBRA Premium benefits will immediately cease if, during the COBRA Premium Period, Executive becomes eligible for group health insurance coverage through a new employer or Executive ceases to be eligible for COBRA continuation coverage for any reason, including plan termination. In the event Executive becomes covered under another employer’s group health plan or otherwise ceases to be eligible for COBRA during the COBRA Premium Period, Executive must immediately notify the Company of such event. At the conclusion of the COBRA Premium Period, if eligible, Executive shall be entitled to continued COBRA coverage for the remainder of the COBRA eligibility period, if any, at Executive’s sole expense. Notwithstanding the foregoing, if the Company determines, in its sole discretion, that it cannot pay the COBRA premiums on a pre-tax basis without potentially incurring financial costs or penalties under applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company shall report the applicable COBRA premiums as compensation includible in Executive’s gross income for the remainder of the COBRA Premium Period. For the avoidance of doubt, nothing herein prohibits the Company from maintaining Executive on active group health plan coverage during the Severance Period with applicable employee-share premiums deducted via payroll, in which case COBRA shall become available upon cessation of such active coverage.

2.4. 2026 Bonus. Executive is not entitled to any additional annual bonus for fiscal year 2026.

2.5. Equity Awards. Except as provided with respect to the Prorated RSUs and the Consulting RSUs (as such terms are defined in Sections 3.1 and 3.2, respectively), Executive’s outstanding equity awards, including those issued pursuant to the Company’s 2018 Omnibus Equity Incentive Compensation Plan, and the award agreements evidencing such awards (collectively, the “Equity Documents”), are deemed to be terminated and canceled as of the Separation Date. For the avoidance of doubt, because no Change in Control (as defined in Section 2.07 of the Severance Policy) has occurred on or before the Agreement Date, no acceleration of vesting of equity has or will occur under the Equity Documents or Section 4.03 of the Severance Policy.

3. Prorated RSUs; Consulting RSUs; Consulting; Cooperation.

3.1. Prorated RSUs. Subject to Executive's timely execution and non-revocation of the releases set forth in Sections 5.1 and 5.4 and the other conditions set forth in Section 2.1, notwithstanding anything to the contrary in this Agreement, and as a negotiated term, effective as of the Separation Date, based upon pro rata vesting of Executive's restricted stock units ("RSUs") of the common stock of the Company outstanding and unvested as of immediately prior to the Separation Date, 16,666 RSUs with an initial grant date of August 4, 2023 and 3,070 RSUs with an initial grant date of January 16, 2024 (collectively, the "Prorated RSUs") will vest in full and, subject to tax withholding and the Equity Documents, will be settled in accordance with the terms of the Equity Documents. This pro rata acceleration is an exception to the Severance Policy and is approved by the Board and the Compensation Committee. Subject to tax withholding, vested Prorated RSUs shall be settled no later than the first regular payroll date that is at least five (5) business days after the Subsequent Release Effective Date, by delivery of a net number of shares after share-withholding (unless Executive timely elects cash withholding if permitted by plan rules).

3.2 Consulting RSUs. Subject to Executive's timely execution and non-revocation of the releases set forth in Sections 5.1 and 5.4 and the other conditions set forth in Section 2.1, notwithstanding anything to the contrary in this Agreement, and as a negotiated term, effective as of the Separation Date, 43,200 of Executive's RSUs outstanding and unvested as of immediately prior to the Separation Date, comprised of 21,930 RSUs with an initial grant date of January 16, 2024, and 21,070 RSUs with an initial grant date of January 18, 2025 (the "Consulting RSUs") will remain outstanding and be deemed to be modified to vest in monthly increments of 3,600 RSUs for so long as Executive provides the Consulting Services (as defined in Section 3.3); provided that all outstanding and previously unvested Consulting RSUs shall vest immediately if the Company terminates provision of the Consulting Services without Cause (as defined in Section 3.3) prior to completion of the Consulting Period. This modification to the terms of such RSUs is an exception to the Severance Policy and is approved by the Board and the Compensation Committee. It is acknowledged that the Company's Clawback Policy as in effect on the Separation Date shall continue to apply to Executive's Incentive Compensation (as defined in the Clawback Policy) including the Prorated RSUs and Consulting RSUs in accordance with its terms. "Good Reason" means, without Executive's consent (i) a material breach of this Agreement by the Company; or (ii) a material adverse change to the vesting schedule of the Consulting RSUs; in each case, after written notice by Executive and a ten (10) business day cure period. For purposes of "Cause" under this Section, the Company must provide written notice specifying the conduct alleged to constitute Cause, and Executive shall have ten (10) business days to cure where curable; no forfeiture of unvested Consulting RSUs shall occur unless Cause is determined by the arbitrator pursuant to Section 10.1. If the Company asserts Cause but Cause is not ultimately determined by the arbitrator under Section 10.1, all unvested Consulting RSUs shall be deemed vested as of the date notice of termination was given.

3.3. Consulting Period. Beginning on the day after the Separation Date and continuing for 12 months thereafter (the “Consulting Period”), Executive will serve as a non-employee consultant to the Company to provide up to an average of 10 hours per week of transitional services reasonably requested by the Chairman of the Board, including support for investor, regulatory, commercial, and product initiatives, assistance in transitioning Executive’s Company-related relationships, and otherwise with respect to matters about which Executive has knowledge by virtue of Executive’s employment, including but not limited to litigation, investigations, audits, financing, M&A, or other corporate transactions (the “Consulting Services”). The sole consideration for the Consulting Services during the Consulting Period shall be the potential vesting of the Consulting RSUs in accordance with the terms of Section 3.2. The Consulting Services shall not exceed an average of ten (10) hours per week and will be reasonably scheduled with at least three (3) business days’ advance notice, taking into account Executive’s other professional obligations. The Consulting Period may be terminated by Executive or the Company at any time upon 10 days’ written notice for any or no reason; provided that the Company may at any time terminate the Consulting Period for “Cause” immediately by written notice. “Cause” shall mean Executive’s material breach of the Continuing Obligations (as defined in Section 6.1), willful misconduct, gross negligence, personal dishonesty, or failure to fulfill, in any material respect, his duties and responsibilities to the Company. The Company will reimburse pre-approved, documented out-of-pocket expenses within fifteen (15) days of invoice. Executive acknowledges and agrees that during the Consulting Period he shall be an independent contractor and not an employee, agent, partner, or joint venturer of the Company for any purpose. Executive shall not be entitled to participate in any employee benefit plans, programs, or arrangements of the Company during the Consulting Period, and Executive shall be solely responsible for all taxes arising from or related to the Consulting Services, including self-employment taxes. Executive agrees not to hold himself out as an employee of the Company following the Separation Date and shall not seek to be treated as an employee for tax, benefits, or any other purpose. For the avoidance of doubt, Executive’s rights under the Indemnification Agreement dated October 1, 2019 and applicable D&O insurance coverage shall continue to apply with respect to the Consulting Services to the fullest extent of their terms.

3.4. Post-Separation Cooperation. Following the Separation Date, Executive will, upon request of the Chairman of the Board, or the Chief Executive Officer or the President of the Company, cooperate reasonably with the Company, upon reasonable notice and considering Executive’s other professional obligations, in connection with matters about which Executive has knowledge by virtue of Executive’s employment, including but not limited to litigation, investigations, audits, regulatory matters, financing, M&A, or other corporate transactions. The Company will reimburse reasonable, pre-approved documented out-of-pocket expenses incurred in providing such cooperation. For cooperation requested under this Section 3.4 in excess of *de minimis* levels following the expiration of the Consulting Period, the Company will compensate Executive at \$500 per hour or, for daily commitments in excess of six hours, \$3,000 per diem, upon submission of reasonable and customary documentation. Unless otherwise agreed in writing by the Chairman of the Board, no additional compensation shall be payable for cooperation provided during the Consulting Period, which is compensated solely through the potential vesting of the Consulting RSUs as provided in Section 3.2.

3.5. Right to Invest. Subject to Executive’s timely execution and non-revocation of the releases set forth in Sections 5.1 and 5.4 and the other conditions set forth in Section 2.1, subject to the Beneficial Ownership Limitation (as defined below), and subject to compliance with applicable securities laws and the prior review and approval of the Audit Committee of the Board (or such other committee of the Board designated to review related person transactions) in accordance with the Company’s Related Party Transaction policy then in effect, Executive shall have the right, but not the obligation, to invest in equity securities of the Company on the same terms, conditions, and pricing offered by the Company to other investors in connection with any offering of the Company’s equity securities to third-party investors for capital-raising purposes occurring after the Agreement Date (a “Subsequent Financing”); provided, however, that (i) if the Subsequent Financing is a public offering (other than an Underwritten Offering (as defined below)) pursuant to a registration statement under the Securities Act of 1933, as amended (the “Securities Act”) (a “Registered Offering”), the Company shall use reasonable efforts to provide Executive with the opportunity to invest in such Subsequent Financing (if it is lawful and practicable to do so under applicable laws and regulations and applicable stock exchange rules without requiring stockholder approval and without, in the Company’s reasonable judgment, materially delaying, impairing, or adversely affecting the terms or completion of such Subsequent Financing) on the same terms, conditions, and pricing afforded to other investors participating in such Subsequent Financing; and (ii) if the Subsequent Financing is an underwritten public offering pursuant to a registration statement under the Securities Act (an “Underwritten Offering”), the Company shall use reasonable efforts to cause the underwriters for such offering to offer Executive an allocation of securities in such offering (if it is lawful and practicable to do so under applicable laws and regulations and applicable stock exchange rules without requiring stockholder approval and without, in the Company’s reasonable judgment, materially delaying, impairing, or adversely affecting the terms or completion of such offering), on the same terms, conditions, and pricing afforded to other investors participating in such offering, it being understood that the underwriters shall have sole discretion with respect to allocation and that the Company shall have no liability if the underwriters decline or reduce any such allocation.

For the avoidance of doubt, nothing in this Section 3.5 shall entitle Executive to (a) a seat on the Board, observer rights, or any special information, governance, consent, or approval rights of any kind, even if such rights are offered to other investors in a Subsequent Financing, or (b) any registration rights with respect to securities acquired pursuant to this Section 3.5, unless expressly agreed in a separate written agreement approved by the Board.

Notwithstanding anything to the contrary in this Section 3.5, the Company shall not be deemed to have breached or violated any obligation under this Section 3.5 if the Company, acting in good faith, determines that there is a reasonable basis to exclude Executive from participation in any Subsequent Financing, in whole or in part, including, without limitation, where such participation would be impracticable under the circumstances, would conflict with the terms or conditions imposed by underwriters, placement agents, or other third parties involved in such Subsequent Financing, would give rise to legal, regulatory, or stock exchange compliance concerns, would require disclosure that the Company reasonably determines to be premature or inadvisable, or would otherwise be inconsistent with the Company's legitimate business interests as determined by the Board or the Audit Committee in its reasonable discretion. Any exclusion shall be consistent with the objective standards set forth above.

Notwithstanding anything to the contrary herein, Executive shall not be entitled to participate in any Subsequent Financing to the extent that such participation would result in Executive, together with Executive's Affiliates and Associates, beneficially owning in excess of 9.9% of the then-outstanding shares of Common Stock (the "Beneficial Ownership Limitation"). For purposes of this Section 3.5, (a) "beneficial ownership" shall be determined in accordance with Rule 13d-3 promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and shall include, without limitation, (i) all shares of Common Stock that Executive or any of Executive's Affiliates or Associates has the right to acquire (whether or not such right is exercisable immediately or only after the passage of time or upon the satisfaction of conditions) pursuant to any agreement, arrangement, or understanding, or upon the exercise of conversion rights, exchange rights, rights associated with warrants, options, or otherwise, (ii) all shares of Common Stock that Executive or any of Executive's Affiliates or Associates has or shares the right to vote or dispose of, directly or indirectly, whether pursuant to any agreement, arrangement, or understanding or otherwise, and (iii) all shares of Common Stock that are the subject of any derivative or synthetic arrangement, swap, hedge, or similar transaction entered into by Executive or any of Executive's Affiliates or Associates, the purpose or effect of which is to give Executive or any of Executive's Affiliates or Associates economic benefit or risk similar to ownership of such shares; (b) "Affiliate" shall have the meaning ascribed to such term in Rule 12b-2 promulgated under the Exchange Act; and (c) "Associate" shall have the meaning ascribed to such term in Rule 12b-2 promulgated under the Exchange Act. Executive shall provide the Company with such information as the Company may reasonably request to verify compliance with the Beneficial Ownership Limitation, and the Company shall be entitled to rely on any representation made by Executive regarding Executive's beneficial ownership. The Company shall have no obligation to permit Executive to participate in any Subsequent Financing if, in the Company's reasonable judgment, such participation would result in a violation of the Beneficial Ownership Limitation, and the Company shall have no liability for any good faith determination regarding Executive's beneficial ownership.

The investment right set forth in this Section 3.5 shall not apply to (i) any issuance of equity securities pursuant to an “at-the-market” offering program, equity line of credit, or similar continuous or ongoing offering facility; (ii) any placement of equity securities with a strategic partner, joint venture participant, commercial counterparty, or charitable or educational institution; (iii) the issuance of equity securities as consideration for goods, services, intellectual property, or technology, including, without limitation, issuances to legal advisors, financial advisors, and other consultants; (iv) the issuance of equity securities in settlement or satisfaction of obligations to third parties, including litigation settlements, vendor obligations, or similar arrangements; (v) any issuance of equity securities pursuant to employee benefit plans, equity incentive plans, or similar compensatory arrangements; (vi) any issuance of equity securities in connection with a merger, acquisition, business combination, or strategic transaction; or (vii) any other issuance of equity securities where, in the reasonable judgment of the Board or the Audit Committee, Executive’s participation would be impracticable or inadvisable under the circumstances.

Notwithstanding the foregoing, Executive’s right to invest as set forth in this Section 3.5 shall automatically terminate on the earlier of termination of the Consulting Period for Cause and August 31, 2028, regardless of whether any Subsequent Financing occurs on or after such date. For the avoidance of doubt, the right set forth in this Section 3.5 is personal to Executive and may not be assigned, transferred, or delegated to any other person or entity. The Company shall use reasonable efforts to provide Executive with written notice of each Subsequent Financing (to the extent applicable under this Section 3.5) reasonably in advance of the anticipated closing thereof; provided, that the failure to provide such notice shall not constitute a breach of this Section 3.5 if such failure results from the confidential nature of the transaction, the pace of the offering process, or other circumstances that make such notice impracticable or inadvisable in the Company’s reasonable judgment. Executive must elect to participate by delivering written notice to the Company within five (5) business days of receipt of such notice (or such shorter period as may be required by the circumstances of the offering), failing which Executive shall be deemed to have irrevocably waived his right to participate in such Subsequent Financing.

4. No Other Compensation or Benefits. Other than the Accrued Obligations and the consideration specifically provided in this Agreement, Executive acknowledges that no other compensation, wages, bonuses, equity, benefits, or other remuneration is due or will be due from the Company or any of its subsidiaries or affiliates. Notwithstanding anything to the contrary in this Agreement or the Severance Policy, the Clawback Policy shall continue to apply to Executive’s Incentive Compensation (as defined therein) in accordance with its terms. For the avoidance of doubt, nothing in this Section 4 limits Executive’s rights under the Indemnification Agreement or applicable D&O insurance coverage.

5. General Release of Claims; OWBPA.

5.1. Release.

5.1.a. In exchange for the Severance Benefits, Executive, on behalf of himself and his heirs, executors, administrators, and assigns, irrevocably and unconditionally releases and forever discharges the Company and its past and present parents, subsidiaries, affiliates, and benefit plans, and their respective officers, directors, shareholders, members, employees, agents, fiduciaries, successors, and assigns (the “Released Parties”) from any and all claims, demands, causes of action, obligations, damages, and liabilities of any kind, whether known or unknown, suspected or unsuspected, arising out of or related to any act, omission, or event occurring up to and including the date Executive signs this Agreement, including but not limited to claims arising out of or related to Executive’s employment with, compensation or benefits from, or separation from the Company, and any alleged violation of federal, state, or local law. This release satisfies the requirement of Section 3.01(b) of the Severance Policy that Executive execute a Release (as defined in Section 2.20 of the Severance Policy) to be eligible for Severance Benefits. This release includes, without limitation, claims under Title VII of the Civil Rights Act, the Age Discrimination in Employment Act of 1967, as amended (“ADEA”), the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, the New Jersey Law Against Discrimination, the New Jersey Conscientious Employee Protection Act, the New Jersey Wage and Hour Law, the New Jersey Wage Payment Law, and any other federal, state, or local statute, regulation, or common law.

5.1.b Effective as of the Supplemental Release Effective Date, the Company, on behalf of itself and its subsidiaries and affiliates, hereby releases and forever discharges Executive solely from those claims that are both (x) actually known, as of the Supplemental Release Effective Date, to the members of the Board or the Chief Financial Officer of the Company, and (y) arise out of or relate to Executive’s employment with the Company or the termination thereof, in each case only to the extent the Company has the legal right and power to release such claims. For the avoidance of doubt, this release by the Company does not extend to, and expressly preserves, all of the following: claims arising after the Supplemental Release Effective Date; claims that cannot be waived or released as a matter of law or public policy; any claims based on or involving fraud, willful misconduct, gross negligence, bad faith, intentional wrongdoing, breach of fiduciary duty, violation of federal, state, or local law (including securities laws, rules, or regulations), breach of Sections 6 or 7 of this Agreement or of the Continuing Obligations or any other agreement with the Company; the Company’s rights of setoff, recoupment, forfeiture, clawback, or recovery under any Company policy (including the Company’s Clawback Policy) or applicable law (including Section 304 of the Sarbanes-Oxley Act of 2002 and Rule 10D-1 under the Securities Exchange Act of 1934, and any related Nasdaq listing standard and Company policy); cooperation with, or disclosures to, any governmental or regulatory authority; any matter that is the subject of any pending or threatened investigation, audit, inquiry, charge, arbitration, or litigation as of the Supplemental Release Effective Date; any claim that belongs to the Company’s stockholders derivatively or to any other person or entity that is not a party hereto; and the Company’s rights to enforce this Agreement. Nothing in this Section 5.1(b) limits or affects Executive’s rights, if any, to indemnification, advancement, or insurance coverage under the Company’s organizational documents, the Indemnification Agreement dated October 1, 2019, applicable insurance policies, or applicable law.

5.2 OWBPA. To satisfy the requirements of the Older Workers' Benefit Protection Act, 29 U.S.C. section 626(f), Executive acknowledges and agrees that: (a) Executive has read and understands the terms of this Agreement; (b) this Agreement includes a release of claims under the Age Discrimination in Employment Act of 1967, as amended ("ADEA"); (c) the releases and waivers of rights set forth in this Agreement are in exchange for consideration that exceeds what Executive would otherwise be entitled to receive under the Company's existing benefits programs, and such consideration is specifically contingent upon Executive's consent to the releases and waivers contained herein; (d) Executive is advised to consult with an attorney prior to signing this Agreement; (e) Executive has 21 days to consider this Agreement, and Executive agrees that any changes to this Agreement, whether material or immaterial, shall not restart the 21-day consideration period; (f) Executive may revoke this Agreement within seven days after signing by delivering written notice of revocation received by the Company's Chief Financial Officer at 200 Forge Way, Suite 205, Rockaway, NJ 07866 with copies by email transmission to (or such other address(es) the Company designates in writing), and this Agreement will not become effective or enforceable until the expiration of that seven-day revocation period (i.e., the "Release Effective Date"); (g) Executive will not be entitled to be paid any Severance Benefits until after the seven-day revocation period has expired; and (h) this Agreement does not waive or release any rights or claims Executive may have under the ADEA that arise after Executive signs this Agreement.

5.3. Carve-Outs. Notwithstanding the foregoing, this release does not waive: (a) claims arising after the date Executive signs this Agreement; (b) rights to enforce this Agreement by either Party; (c) rights to vested benefits under ERISA-governed plans, consistent with plan terms; (d) rights to indemnification and D&O insurance coverage, consistent with the Company's Amended Certificate of Incorporation, Second Amended and Restated By-laws as in effect on the Agreement Date, and applicable law; (e) claims for workers' compensation or unemployment benefits; and (f) rights to file a charge or complaint with, or communicate with, any government agency, including the SEC, EEOC, NLRB, or OSHA, and to receive any statutorily available award in connection therewith. Executive waives any right to recover damages or other individual relief in connection with any charge or complaint, except where such waiver is prohibited by law.

5.4. Supplemental Release. Because Executive's employment continues beyond the date this Agreement is signed, on or within five business days after the Separation Date, Executive shall execute and deliver to the Company a Supplemental Release in the form attached as Exhibit B (the "Supplemental Release"), which shall release all claims arising from acts, omissions, or events occurring during the period from the day after Executive signs this Agreement through and including the Separation Date. The Supplemental Release shall become effective on the eighth calendar day after Executive signs it, provided Executive has not revoked it within the seven-day revocation period set forth therein (the "Supplemental Release Effective Date"). Executive acknowledges and agrees that timely execution and non-revocation of the Supplemental Release is an express condition to Executive's receipt of any Severance Benefits that have not yet been paid as of the Supplemental Release Effective Date, and failure to execute or revocation of the Supplemental Release shall result in immediate cessation and forfeiture of all remaining unpaid Severance Benefits.

6. Confidentiality; Company Property; Trade Secrets.

6.1. **Confidentiality of Company Information.** Executive reaffirms Executive's continuing obligations under the Employee Confidentiality Agreement and any other confidentiality, invention assignment, and restrictive covenant agreements with the Company (collectively, the "Continuing Obligations"), which remain in full force and effect and continue to apply during the Consulting Period. Nothing in this Agreement or in any of the Continuing Obligations restricts Executive from making disclosures protected by the Defend Trade Secrets Act, 18 U.S.C. § 1833(b), or other applicable law.

6.2. **Return of Property.** By the Separation Date or as otherwise agreed in writing, Executive will return to the Company all Company property, equipment, documents, and electronically stored information in Executive's possession or control, and Executive will not retain any copies. Executive agrees to cooperate in good faith to certify deletion of confidential information of the Company, its subsidiaries, and affiliates (as well as any information of third parties held by them in confidence) residing on personal devices or cloud accounts. Notwithstanding the foregoing, Executive may retain (i) documents of a personal nature (such as personal contacts, personal calendars, and documents related to compensation, equity awards, benefits, and tax), (ii) documents that are publicly available, and (iii) documents and communications exclusively between Executive and Executive's personal legal counsel, in each case to the extent such materials do not disclose the Company's trade secrets or competitively sensitive information.

7. Non-Disparagement; References.

7.1. **Executive Non-Disparagement.** Executive represents and agrees that, except as otherwise required by law or permitted by this Agreement, Executive shall not criticize, ridicule, or make any statement externally that disparages or is derogatory of the Company or any subsidiary or affiliate thereof, or any of their respective officers, directors, agents or employees, or any of their products or services, whether or not such disparaging or derogatory statements are true. The Company shall not make any false, disparaging, or defamatory statements concerning Executive, and shall use reasonable efforts to cause its directors and executive officers not to make any such statements, whether acting in their official capacity or personal capacity. In the event of an alleged breach of this Section 7.1, the nonbreaching Party shall provide written notice and a reasonable opportunity to cure, including issuance of a corrective written statement where appropriate. Nothing in this Section 7.1 shall apply to any statements made by either party: (i) in connection with any action to enforce any written agreements between Executive and the Company; or (ii) in connection with any legal process or order (including, but not limited to, government inquiries or investigations) or as otherwise required by law. The obligations in this Section pertain to statements, whether orally or in writing, including online (including, without limitation, on any social media, networking, or employer review site) or otherwise, to any person or entity, including, but not limited to, any media outlet, industry group, key opinion leader, financial institution, research analyst or current or former employee, board member, consultant, shareholder, client or customer of the Company or any subsidiary or affiliate thereof, regarding the Company or any subsidiary or affiliate thereof, or regarding the business, strategies, approaches, prospects, or financial condition of the Company or any subsidiary or affiliate thereof. Nothing in this Agreement shall prohibit or restrict any person from testifying truthfully regarding the Company or any subsidiary or affiliate thereof in any hearing or legal proceeding pursuant to a subpoena, other court order, or written request from an administrative agency or a legislature. Nothing in this Agreement prevents any person from discussing or disclosing information about unlawful acts in the workplace, such as harassment or discrimination or any other conduct that such person believes to be unlawful. Further, nothing in this Agreement prevents or restricts disclosure of factual information related to a claim filed in a civil action or a complaint filed in an administrative action regarding sexual assault, sexual harassment, workplace harassment or discrimination, failure to prevent an act of workplace harassment or discrimination, or an act of retaliation against a person for reporting or opposing harassment or discrimination.

7.2. **References.** The Company will provide a neutral employment reference limited to dates of employment and last position held, directing inquiries to the Company's Human Resources department.

8. **No Admission; No Pending Actions.** This Agreement is not an admission of liability by any Party. Executive represents that, as of the date he signs this Agreement, he has not filed or caused to be filed any lawsuit, charge, or complaint against any Released Party concerning matters released herein.

9. Restrictive Covenants; Governance Documents; Priority of Terms.

9.1. **Continuing Obligations.** Executive reaffirms that all Continuing Obligations, including confidentiality, non-solicitation, non-interference, invention assignment, and similar provisions in the Employment Agreement, the Employee Confidentiality Agreement, and other agreements, remain in effect following the Separation Date, in accordance with their terms and applicable law. Pursuant to Section 4.08 of the Severance Policy, breach of these obligations will result in forfeiture of unpaid Severance Benefits.

9.2. **Priority/Conflicts.** In the event of any conflict between this Agreement and the Severance Policy with respect to severance benefits, COBRA reimbursements, release mechanics, or Severance Policy-related dispute resolution, this Agreement shall control unless this Agreement expressly provides otherwise. In the event of a conflict between this Agreement and the Employee Confidentiality Agreement with respect to restrictive covenants and confidentiality, the Employee Confidentiality Agreement will control unless this Agreement expressly states an exception.

10. Dispute Resolution; Governing Law; Venue.

10.1. **Policy-Related Arbitration.** Any dispute, claim, or controversy arising out of or relating to this Agreement, the Employee Confidentiality Agreement, the Severance Policy, the Clawback Policy, the Indemnification Agreement dated October 1, 2019 between Executive and the Company (the "Indemnification Agreement"), and the Equity Documents, or the breach, termination, enforcement, or interpretation thereof, will be resolved exclusively by final and binding arbitration in accordance with the provisions of Section 6.03 of the Severance Policy as if they applied to this Agreement and the foregoing agreements and policies *mutatis mutandis*. Nothing herein limits either Party's right to seek temporary restraining orders or preliminary injunctive relief to preserve the status quo pending arbitration with respect to alleged breaches of Sections 6 or 7.

10.2. **Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of New Jersey, without regard to its conflict of laws rules, consistent with Section 8.04 of the Severance Policy, except to the extent preempted by ERISA with respect to the Severance Policy.

11. Tax Matters; Section 409A; Unemployment Benefits.

11.1. **Withholding.** All payments under this Agreement will be subject to applicable tax withholding and payroll deductions. Executive shall be responsible for all applicable taxes on the payments and benefits hereunder. Executive's indemnity obligation to the Company for taxes, interest, or penalties shall apply only to the extent arising from Executive's willful misconduct, fraud, or material misrepresentation regarding Executive's own tax status or withholding elections.

11.2. **Section 409A.** It is intended that payments and benefits provided under this Agreement be exempt from, or comply with, Section 409A of the Internal Revenue Code ("Section 409A"), consistent with Section 4.05 of the Severance Policy. This Agreement will be interpreted and administered consistent with that intent. Each installment payment is intended to be a separate payment for purposes of Section 409A. Any reimbursements shall be made on or before the last day of the calendar year following the year in which the expense is incurred, and no right to reimbursement or a tax gross-up is provided except as expressly stated herein. If, at the time of separation, Executive is a "specified employee" within the meaning of Section 409A(a)(2)(B)(i) of the Code and any payment hereunder is subject to Section 409A and not otherwise exempt, such payment will be delayed until the first business day after the six-month anniversary of the Separation Date (or, if earlier, Executive's death), as required by Section 4.05 of the Severance Policy.

11.3. **Application for Unemployment Benefits.** The Company will not contest Executive's application for unemployment insurance benefits, should he choose to make such application following the end of the Consulting Period; provided, however, that the Company will answer any required questions posed by the state unemployment agency truthfully. Executive understands and acknowledges that the agency, not the Company, will determine Executive's eligibility for such benefits.

12. **Required Disclosures.** Nothing herein prevents the Company from making public disclosures as required by applicable law, stock exchange rules, or regulation, including any SEC filings.

13. **Public Disclosure.** Following the Separation Date and for one year after the Consulting Period, where reasonably practicable, the Company will provide Executive reasonably in advance with draft language that pertains to Executive in its SEC filings and any related press release. Executive will provide any comments within one business day (or a shorter deadline specified by the Company if earlier filing or release is required). The Company will consider timely comments in good faith but retains final decision-making authority with respect to its disclosures, and failure to provide an advance draft when impracticable will not constitute a breach. The Company shall not be required to provide language in advance to Executive to the extent it reasonably believes the disclosure will be reasonably similar to prior disclosures. Nothing herein limits the Company's ability to make disclosures it deems required or advisable. Where applicable, the Company will use good-faith efforts to include language substantially consistent with Section 1.2 (no disagreement) in its initial disclosure of Executive's departure.

14. Entire Agreement; Amendment; Severability; Assignment.

14.1. **Entire Agreement; Termination of Employment Agreement.** This Agreement, together with the Severance Policy (as in effect on the Agreement Date), the Employee Confidentiality Agreement, the Clawback Policy, the Indemnification Agreement, and the Equity Documents, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior or contemporaneous agreements and understandings to the extent inconsistent herewith. Effective as of the Separation Date, the Employment Agreement is hereby terminated and shall be of no further force or effect; provided, however, that the Employee Confidentiality Agreement shall remain in full force and effect in accordance with its terms and shall survive the termination of the Employment Agreement. Nothing in this Agreement shall supersede, limit, or modify Executive's rights under the Indemnification Agreement, which shall remain in full force and effect in accordance with its terms.

14.2. **Amendment; Waiver.** No amendment or waiver of any provision of this Agreement will be effective unless in writing and signed by both Parties.

14.3. **Severability; Blue-Penciling.** If any provision of this Agreement is held invalid or unenforceable, the remaining provisions will remain in full force, and the invalid provision will be reformed to the minimum extent necessary to be enforceable and to effect the Parties' intent.

14.4. **Successors; Assignment.** This Agreement is binding upon and inures to the benefit of the Parties and their respective successors and assigns. The Company may assign this Agreement to a successor. Executive may not assign his rights or obligations hereunder.

15. **Notices.** Any notice under this Agreement must be in writing, may be delivered by email and shall be deemed given upon transmission, provided that an overnight courier copy is sent the same day (or next business day if after 5 p.m. Eastern) to the addresses below (or to such other address as a Party may designate by notice): If to the Company: Chief Financial Officer, electroCore, Inc., 200 Forge Way, Suite 205, Rockaway, NJ 07866 with copies by email transmission to. If to Executive (with a copy, which shall not constitute notice, to Executive's personal counsel at an email address to be designated by Executive in writing).

16. **Acknowledgments; Voluntariness.** Executive acknowledges that he has read this Agreement carefully, understands all its terms, has been advised to consult with counsel, and enters into it knowingly and voluntarily.

17. **Counterparts; Electronic Signatures.** This Agreement may be executed in counterparts, each of which is deemed an original, and all of which together constitute one instrument. Signatures delivered electronically or by PDF shall be deemed effective.

Signature Page Follows

Agreed and Accepted:

ELECTROCORE, INC.

By: /s/ Joshua S. Lev

Name: Joshua S. Lev

Title: Chief Financial Officer

Dated: March 17, 2026

EXECUTIVE:

/s/ Dan Goldberger

Name: Dan Goldberger

Dated: March 18, 2026

Exhibit A

Form of Board and Officer Resignation Letter

Joshua S. Lev, Secretary
electroCore, Inc.
200 Forge Way, Suite 205
Rockaway, NJ 07866

March 17, 2026

Re: Resignation

Mr. Lev,

Effective as of the date hereof, I hereby resign as a member of the Board of Directors of electroCore, Inc. (the "Company"). Effective as of April 1, 2026, I hereby resign from all positions as an officer or employee of the Company, and as an officer, director, or manager of the subsidiaries and affiliates of the Company. Such resignations are not the result of any disagreement with the Company on any matter relating to the Company's operations, policies, or practices.

Sincerely,

Dan Goldberger

Exhibit B

Supplemental Release and Reaffirmation

This Supplemental Release and Reaffirmation (this “Supplemental Release”) is entered into by Dan Goldberger (“Executive”) as of the date set forth on the signature page below, pursuant to Section 5.4 of that certain Separation and Release Agreement dated March 17, 2026 (the “Agreement”) between Executive and electroCore, Inc. (the “Company”). Capitalized terms used but not defined herein have the meanings set forth in the Agreement.

1. **Reaffirmation of Agreement.** Executive hereby reaffirms all his obligations, representations, and acknowledgments set forth in the Agreement, which remain in full force and effect.

2. **Supplemental Release of Claims.** In exchange for the consideration provided in the Agreement, Executive, on behalf of himself and his heirs, executors, administrators, and assigns, irrevocably and unconditionally releases and forever discharges the Released Parties (as defined in the Agreement) from any and all claims, demands, causes of action, obligations, damages, and liabilities of any kind, whether known or unknown, suspected or unsuspected, arising out of or related to any act, omission, or event occurring during the period from the day after Executive signed the Agreement through and including the Separation Date (as defined in the Agreement), including but not limited to claims arising out of or related to Executive’s employment with, compensation or benefits from, or separation from the Company, and any alleged violation of federal, state, or local law. This release includes, without limitation, claims under Title VII of the Civil Rights Act, the Age Discrimination in Employment Act of 1967, as amended (“ADEA”), the Older Workers Benefit Protection Act, the Americans with Disabilities Act, the Equal Pay Act, the Family and Medical Leave Act, the New Jersey Law Against Discrimination, the New Jersey Conscientious Employee Protection Act, the New Jersey Wage and Hour Law, the New Jersey Wage Payment Law, and any other federal, state, or local statute, regulation, or common law.

3. **OWBPA Compliance.** To satisfy the requirements of the Older Workers’ Benefit Protection Act, 29 U.S.C. section 626(f), Executive acknowledges and agrees that: (a) Executive has read and understands the terms of this Supplemental Release; (b) this Supplemental Release includes a release of claims under the ADEA arising during the gap period; (c) Executive is advised to consult with an attorney prior to signing this Supplemental Release; (d) Executive has 21 days from the date he is first presented this Supplemental Release to consider and sign it; (e) Executive may revoke this Supplemental Release within seven days after signing by delivering written notice of revocation received by the Company’s Chief Financial Officer at 200 Forge Way, Suite 205, Rockaway, NJ 07866 with copies by email transmission to, and this Supplemental Release will not become effective until the expiration of that seven-day revocation period; and (f) this Supplemental Release does not waive or release any rights or claims Executive may have under the ADEA that arise after Executive signs this Supplemental Release.

4. **Carve-Outs.** The carve-outs set forth in Section 5.3 of the Agreement are incorporated herein by reference and shall apply to this Supplemental Release, *mutatis mutandis*; provided that as so incorporated, Section 5.3(a) shall be read to apply to claims arising after the date Executive signs this Supplemental Release rather than claims arising after the date Executive signs the Agreement.

5. **Condition to Severance Benefits.** Executive acknowledges and agrees that timely execution and non-revocation of this Supplemental Release is an express condition to Executive's receipt of any Severance Benefits (as defined in the Agreement) that have not yet been paid as of the Supplemental Release Effective Date. Failure to execute or revocation of this Supplemental Release shall result in immediate cessation and forfeiture of all remaining unpaid Severance Benefits.

6. **Miscellaneous.** This Supplemental Release shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to its conflict of laws rules. This Supplemental Release may be executed in counterparts. Signatures delivered electronically or by PDF shall be deemed effective.

EXECUTIVE:

Dated: _____



200 Forge Way, Suite 205
Rockaway, NJ 07866
Phone: 973-290-0097

March 13, 2026

Mr. Michael Fox

Dear Mr. Fox,

On behalf of ElectroCore, Inc., a Delaware corporation (the "Company"), I am pleased to offer you a position as Chief Operating Officer effective as of April 17, 2026 or such other date as we shall mutually agree ("Start Date"). This offer and your employment are subject to the successful completion of the Company's standard background check. In this role, you will report to the Board of Directors (the "Board") of the Company and to any executive officer(s) of the Company designated by the Board.

This letter, when signed by you, will constitute our agreement (the "Agreement") concerning your role as an employee of the Company.

1. Duties; Termination. During the term of this Agreement, you hereby agree to serve in the capacity noted above (or such other capacity as we shall mutually hereafter agree) and to perform such services as are customarily required of such position and as are assigned to you by the Board [and any executive officer(s) of the Company designated by the Board.]

As of the Start Date, and through the remainder of your term of employment with the Company, you shall devote your full business time to your duties to the Company or its affiliates and you shall not engage in any other business activities without the prior written consent of the Company. Either party may terminate this Agreement at any time by providing the other with written notice of such termination.

2. Compensation. As full compensation for your service to the Company hereunder and in consideration of the other covenants contained herein, you shall receive:

(a) during the term of your employment, an annual salary of \$505,000 less applicable withholding taxes and other deductions, paid semi-monthly in accordance with the Company's customary payroll practices (subject to annual review, and as such amount may be adjusted from time to time at the Company's discretion);

(b) an annual discretionary bonus, targeted at 40% of your base salary, based on your individual performance as well as the performance of the Company. Such bonus shall be paid, if at all, at the discretion of the Board or the Compensation Committee (the "Compensation Committee") if delegated thereto by the Board, and you must be employed with the Company on the bonus payment date to receive any such bonus;

(c) during the term of your employment, your benefits package will include:

(i) medical, dental and vision insurance per the Company plans;

(ii) 401(k) plan eligibility on the first of the second month of service;

(iii) vacation accruals at a rate of four weeks per year, scheduled in advance, subject to the business needs of the Company, and otherwise in accordance with the employee handbook as in effect from time to time ("Employee Handbook");

(iv) paid sick time, per the Employee Handbook (currently seven days annually);

(v) paid floating holidays, per the Employee Handbook (currently four days annually); and

(vi) paid Company holidays, per the Employee Handbook (currently eight days annually).

(d) during the term of your employment, eligibility for future equity grants under the Company's long-term incentive equity program, subject to the discretion of the Board or the Compensation Committee if delegated thereto by the Board; and

(e) subject to the approval by the Board on or prior to the Start Date, 70,000 Restricted Stock Units (the "RSUs") of the common stock, par value \$0.001 per share, of the Company, which shall vest one-third on each anniversary of the Start Date (subject to your remaining employed in good standing by the Company on any applicable vesting date). Such RSUs will be granted outside of the Company's 2018 Omnibus Equity Incentive Plan, as an inducement material to your commencement of employment pursuant to Nasdaq Listing Rule 5635(c)(4).

3. At-Will Employment. You acknowledge and agree that your employment with the Company is "at will," meaning that either you or the Company (acting through its Board or an officer authorized to so act) may terminate your employment with the Company at any time and for any reason (or no reason) upon written notice to the other party; provided that you agree to provide at least 30 days' prior written notice of termination of your employment to the Board, during which period you shall continue to perform your duties and cooperate in transitioning your responsibilities.

The Company agrees that you shall be covered by the Company's Executive Severance Policy (the "Policy"). A copy of the Policy, as currently in effect, has been provided to you. In addition, to the extent applicable, eligibility for Severance Benefits (as defined in the Policy) is contingent upon your execution of a general release of claims against the Company and your compliance with the terms of the Employee Confidentiality and Assignment Agreement referenced in Section 4.

4. Confidential Information and IP Assignment. You hereby agree to execute and be bound by the Company's standard Employee Confidentiality and Assignment Agreement, which includes non-compete and non-solicitation provisions, a copy of which has been provided to you. You acknowledge that any breach of the Employee Confidentiality and Assignment Agreement could result in the forfeiture of any unpaid Severance Benefits under the Policy and an obligation to return any Severance Benefits previously received.

5. Employee Representations, Warranties, and Covenants. You represent and warrant to the Company as follows:

(a) Non-Solicitation of Employees. You have not, in connection with seeking or accepting employment with the Company, solicited, recruited, encouraged, or induced any employee, officer, director, consultant, or independent contractor of your former employer ("Former Employer") to leave, terminate or modify their employment or engagement with Former Employer or to accept employment or engagement with the Company or any of its affiliates. You acknowledge that the Company independently identified and recruited you without any solicitation, recruitment, or inducement by you of any other current or former employee of Former Employer.

(b) Non-Solicitation of Customers and Business Relationships. You have not, in connection with seeking or accepting employment with the Company, solicited, diverted, or taken away, or attempted to solicit, divert, or take away, any customer, client, account, or business relationship of Former Employer for the benefit of the Company or any of its affiliates.

(c) Independent Contractors. You have not, in connection with seeking or accepting employment with the Company, solicited, recruited, encouraged, or induced any independent contractor engaged by Former Employer to terminate or modify their engagement with Former Employer or to accept engagement with the Company or any of its affiliates.

(d) No Conflict; No Restrictive Covenants. Your entering into this Agreement and your employment with the Company will not conflict with or result in any breach or violation of, or constitute a default under, any agreement or arrangement, whether written or oral, to which you are a party or by which you are bound, including any agreement or arrangement with any prior or current employer or any other third party. Except as previously disclosed in writing to the Company, you are not subject to any noncompetition, non-solicitation, or other restrictive covenant or agreement that would prohibit or restrict you from performing your duties hereunder.

(e) Compliance with Prior Agreements. You represent that you have provided the Company with true and complete copies of all agreements with Former Employer that contain restrictive covenants, including non-solicitation, non-competition, confidentiality, or intellectual property assignment provisions. You represent that you have reviewed such agreements and understand the obligations imposed thereby. You agree to comply with all lawful obligations under such agreements during the term of your employment with the Company.

(f) No Breach. Your acceptance of employment with the Company and performance of your duties hereunder will not breach any agreement with Former Employer or any other third party and will not require you to disclose or use any confidential information or trade secrets of Former Employer.

(g) No Use of Confidential Information. You will not bring to the Company or use in the performance of your duties any confidential or proprietary information, trade secrets, documents, or materials belonging to any prior or current employer, including Former Employer, or any other third party without proper authorization. You shall not use or disclose any confidential information, trade secrets, or proprietary information of Former Employer in connection with your employment with the Company.

(h) No Limitations. You are not aware of any hiring practices, solicitation restrictions, or intellectual property obligations that would in any way limit or affect your ability to perform your duties for the Company.

(i) Indemnification. You agree to indemnify, defend, and hold harmless the Company and its officers, directors, employees, agents, successors, and assigns from and against any and all claims, damages, losses, costs, and expenses (including reasonable attorneys' fees) arising out of or relating to (A) any breach by you of any representation, warranty, or covenant set forth in this Section 5; (B) any breach by you of any agreement with Former Employer or any other third party; or (C) any claim by Former Employer or any other third party that your employment with the Company violates any agreement between you and such party.

6. Miscellaneous. This Agreement, together with the documents referred to herein, contains the entire agreement of the parties with respect to the subject matter hereof and may be amended only by a written instrument signed by you and the Company. Because of the personal nature of the services to be rendered by you under this Agreement, you may not assign this Agreement without the prior written consent of the Company. Any provision of this Agreement, which 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 hereof or affecting the validity or enforceability of such provision in any other jurisdiction.

7. Notices. Any notices provided hereunder must be in writing and such notices or any other written communication shall be deemed effective upon the earlier of personal delivery (including personal delivery by email) or the third day after mailing by first class mail, to the Company at its primary office location and to you at the address as listed in the Company's payroll records.

8. Severability. Whenever possible, each provision of this Agreement will be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement is held to be invalid, illegal or unenforceable in any respect under any applicable law or rule in any jurisdiction, such invalidity, illegality or unenforceability will not affect any other provision or any other jurisdiction, but this Agreement will be reformed, construed and enforced in such jurisdiction as if such invalid, illegal or unenforceable provisions had never been contained herein.

9. Headings. Headings are inserted for convenience only and shall not be deemed to constitute a part hereof nor to affect the meaning thereof.

10. Successors and Assigns. This Agreement is intended to bind and inure to the benefit of and be enforceable by you and the Company, and their respective successors, assigns, heirs, executors and administrators; provided, however, that you may not assign any of your duties hereunder and you may not assign any of your rights hereunder without the written consent of the Company.

11. Governing Law; Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of New Jersey, without regard to its conflicts of law principles. The parties hereto consent to the exclusive jurisdiction of the state and federal courts located in the State of New Jersey for all disputes arising pursuant to this Agreement.

[Signature Page Follows]

If you are in agreement with the foregoing terms, please indicate such agreement by signing the enclosed duplicate original of this letter in the space provided and returning it to the Company.

Very truly yours,

ElectroCore, Inc.

By: /s/ Joshua S. Lev

Joshua S. Lev
Chief Financial Officer

Acknowledged and agreed.

/s/ Michael Fox

Michael Fox

electroCore, Inc.
Employee Confidentiality and Assignment Agreement

In consideration and as a condition of my employment or continued employment by electroCore, Inc. and its affiliates (collectively, the “Company”), I agree as follows:

Proprietary Information. I agree that all information, whether or not in writing, concerning the Company’s business, technology, business relationships or financial affairs which the Company has not released to the general public (collectively, “Proprietary Information”) is and will be the exclusive property of the Company. By way of illustration, Proprietary Information may include information or material which has not been made generally available to the public, such as: (a) *corporate information*, including plans, strategies, methods, policies, resolutions, negotiations or litigation; (b) *marketing information*, including strategies, methods, customer identities or other information about customers, prospect identities or other information about prospects, or market analyses or projections; (c) *financial information*, including cost and performance data, debt arrangements, equity structure, investors and holdings, purchasing and sales data and price lists; and (d) *operational and technological information*, including plans, specifications, manuals, forms, templates, software, designs, methods, procedures, formulas, discoveries, inventions, improvements, concepts and ideas; and (e) *personnel information*, including personnel lists, reporting or organizational structure, resumes, personnel data, compensation structure, performance evaluations and termination arrangements or documents. Proprietary Information also includes information received in confidence by the Company from its customers or suppliers or other third parties.

Recognition of Company’s Rights. I will not, at any time, without the Company’s prior written permission, either during or after my employment, disclose any Proprietary Information to anyone outside of the Company, or use or permit to be used any Proprietary Information for any purpose other than the performance of my duties as an employee of the Company. I will cooperate with the Company and use my best efforts to prevent the unauthorized disclosure of all Proprietary Information. I will deliver to the Company all copies of Proprietary Information in my possession or control upon the earlier of a request by the Company or termination of my employment. I will not, under any circumstances, (a) remove any source code of the Company from the premises of the Company or (b) remotely access any source code of the Company.

Rights of Others. I understand that the Company is now and may hereafter be subject to non-disclosure or confidentiality agreements with third persons which require the Company to protect or refrain from use of Proprietary Information. I agree to be bound by the terms of such agreements in the event I have access to such Proprietary Information.

Commitment to Company; Avoidance of Conflict of Interest. While an employee of the Company, I will devote my full-time efforts to the Company’s business and I will not engage in any other business activity that conflicts with my duties to the Company. I will advise the president of the Company or his or her nominee at such time as any activity of either the Company or another business presents me with a conflict of interest or the appearance of a conflict of interest as an employee of the Company. I will take whatever action is requested of me by the Company to resolve any conflict or appearance of conflict which it finds to exist.

Developments. I will make full and prompt disclosure to the Company of all inventions, discoveries, designs, developments, methods, modifications, improvements, processes, algorithms, databases, computer programs, formulae, techniques, trade secrets, ideas, concepts, methodologies, graphics or images, and audio or visual works and other works of authorship (collectively “Developments”), whether or not patentable or copyrightable, that are created, made, conceived or reduced to practice by me (alone or jointly with others) or under my direction during the period of my employment. I acknowledge that all work performed by me is on a “work for hire” basis, and I hereby do assign and transfer and, to the extent any such assignment cannot be made at present, will assign and transfer, to the Company and its successors and assigns all my right, title and interest in all Developments that (a) relate to the business of the Company (including any Developments that relate or could relate to the more generalized industry in which the Company operates or is proposing to operate, whether or not it is directly applicable to the business of the Company) or any customer of the Company or any of the products or services being researched, developed, manufactured or sold by the Company or which may be used with such products or services; or (b) result from tasks assigned to me by the Company; or (c) result from the use of premises or personal property (whether tangible or intangible) owned, leased or contracted for by the Company (“Company-Related Developments”), and all related patents, patent applications, trademarks and trademark applications, copyrights and copyright applications, and other intellectual property rights in all countries and territories worldwide and under any international conventions (“Intellectual Property Rights”).

To preclude any possible uncertainty, I have set forth on Exhibit A attached hereto a complete list of Developments that I have, alone or jointly with others, conceived, developed or reduced to practice prior to the commencement of my employment with the Company that I consider to be my property or the property of third parties and that I wish to have excluded from the scope of this Agreement (“Prior Inventions”). If disclosure of any such Prior Invention would cause me to violate any prior confidentiality agreement, I understand that I am not to list such Prior Inventions in Exhibit A but am only to disclose a cursory name for each such invention, a listing of the party(ies) to whom it belongs and the fact that full disclosure as to such inventions has not been made for that reason. I have also listed on Exhibit A all patents and patent applications in which I am named as an inventor, other than those which have been assigned to the Company (“Other Patent Rights”). If no such disclosure is attached, I represent that there are no Prior Inventions or Other Patent Rights. If, in the course of my employment with the Company, I incorporate a Prior Invention into a Company product, process or machine or other work done for the Company, I hereby grant to the Company a nonexclusive, royalty-free, paid-up, irrevocable, worldwide license (with the full right to sublicense) to make, have made, modify, use, sell, offer for sale and import such Prior Invention. Notwithstanding the foregoing, I will not incorporate, or permit to be incorporated, Prior Inventions in any Company-Related Development without the Company’s prior written consent.

This Agreement does not obligate me to assign to the Company any Development which, in the sole judgment of the Company, reasonably exercised, is developed entirely on my own time and does not relate to the business efforts or research and development efforts in which, during the period of my employment, the Company actually is engaged or reasonably would be engaged, and does not result from the use of premises or equipment owned or leased by the Company. However, I will also promptly disclose to the Company any such Developments for the purpose of determining whether they qualify for such exclusion. I understand that to the extent this Agreement is required to be construed in accordance with the laws of any state which precludes a requirement in an employee agreement to assign certain classes of inventions made by an employee, this paragraph 5 will be interpreted not to apply to any invention which a court rules and/or the Company agrees falls within such classes. I also hereby waive all claims to any moral rights or other special rights which I may have or accrue in any Company-Related Developments.

Documents and Other Materials. I will keep and maintain adequate and current records of all Proprietary Information and Company-Related Developments developed by me during my employment, which records will be available to and remain the sole property of the Company at all times.

All files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Proprietary Information, whether created by me or others, which come into my custody or possession, are the exclusive property of the Company to be used by me only in the performance of my duties for the Company. Any property situated on the Company's premises and owned by the Company, including without limitation computers, disks and other storage media, filing cabinets or other work areas, is subject to inspection by the Company at any time with or without notice. In the event of the termination of my employment for any reason, I will deliver to the Company all files, letters, notes, memoranda, reports, records, data, sketches, drawings, notebooks, layouts, charts, quotations and proposals, specification sheets, program listings, blueprints, models, prototypes, or other written, photographic or other tangible material containing Proprietary Information, and other materials of any nature pertaining to the Proprietary Information of the Company and to my work, and will not take or keep in my possession any of the foregoing or any copies.

Enforcement of Intellectual Property Rights. I will cooperate fully with the Company, both during and after my employment with the Company, with respect to the procurement, maintenance and enforcement of Intellectual Property Rights in Company-Related Developments. I will sign, both during and after the term of this Agreement, all papers, including without limitation copyright applications, patent applications, declarations, oaths, assignments of priority rights, and powers of attorney, which the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. If the Company is unable, after reasonable effort, to secure my signature on any such papers, I hereby irrevocably designate and appoint each officer of the Company as my agent and attorney-in-fact to execute any such papers on my behalf, and to take any and all actions as the Company may deem necessary or desirable in order to protect its rights and interests in any Company-Related Development. I hereby waive and irrevocably quitclaim to the Company or its designee any and all claims, of any nature whatsoever, which I now or hereafter have for infringement of any and all proprietary rights assigned to the Company or such designee.

Non-Solicitation; Non-Competition. Except as may be prohibited by law, during the Restricted Period (as defined below), I will not, directly or indirectly, in any manner, other than for the benefit of the Company, (a) solicit, divert or take away any of the customers or business of the Company or any of its suppliers, or request or cause any of the above to cancel or terminate any part or their relationship with the Company or refuse to enter into any business relationship with the Company, (b) solicit, entice or attempt to persuade any employee, agent or consultant of the Company to leave the services of the Company for any reason or take any other action that may cause any such individual to terminate his or her employment with, or otherwise cease his or her relationship with, the Company, or assist in such hiring or engagement by another person or business entity, and/or (c) own, operate, manage, control, engage in, participate in, invest in, permit my name to be used by, act as a consultant or advisor to, render services for (alone or in association with any other person or entity), or otherwise assist any person or entity that engages in or owns, invests in, operates, manages or controls any venture or enterprise which, directly or indirectly, wholly or partly, competes with the Company. For purposes of this Agreement, the term "Restricted Period" shall mean the period of time during which I am employed by the Company and a period of twelve (12) months immediately following the termination of my employment with the Company. In the event that I violate any of the provisions of this paragraph 8, I agree that the running of the Restricted Period will be extended by the time during which I engaged in such violation(s).

Government Contracts. I acknowledge that the Company may have from time to time agreements with other persons or with the United States Government or its agencies which impose obligations or restrictions on the Company regarding inventions made during the course of work under such agreements or regarding the confidential nature of such work. I agree to comply with any such obligations or restrictions upon the direction of the Company. In addition to the rights assigned under paragraph 0, I also assign to the Company (or any of its nominees) all rights which I have or acquired in any Developments, full title to which is required to be in the United States under any contract between the Company and the United States or any of its agencies.

Prior Agreements. I hereby represent that, except as I have fully disclosed previously in writing to the Company, I am not bound by the terms of any agreement with any previous employer or other party to refrain from using or disclosing any trade secret or confidential or proprietary information in the course of my employment with the Company or to refrain from competing, directly or indirectly, with the business of such previous employer or any other party. I further represent that my performance of all the terms of this Agreement as an employee of the Company does not and will not breach any agreement to keep in confidence proprietary information, knowledge or data acquired by me in confidence or in trust prior to my employment with the Company. I will not disclose to the Company or induce the Company to use any confidential or proprietary information or material belonging to any previous employer or others.

Remedies Upon Breach. I understand that the restrictions contained in this Agreement are necessary for the protection of the business and goodwill of the Company and I consider them to be reasonable for such purpose. Any breach of this Agreement is likely to cause the Company substantial and irrevocable damage and therefore, in the event of such breach, the Company, in addition to any other available remedies, shall be entitled to injunctive relief without the necessity of proving actual damages.

Use of Voice, Image and Likeness. I give the Company permission to use my voice, image or likeness, with or without using my name, for the purposes of advertising and promoting the Company, or for other purposes deemed appropriate by the Company in its reasonable discretion, except to the extent expressly prohibited by law.

Publications and Public Statements. I will obtain the Company's written approval before publishing or submitting for publication any material that relates to my work at the Company and/or incorporates any Proprietary Information. To ensure that the Company delivers a consistent message about its products, services and operations to the public, and further in recognition that even positive statements may have a detrimental effect on the Company in certain securities transactions and other contexts, any statement about the Company which I create, publish or post during my period of employment and at any time thereafter, on any media accessible by the public, including but not limited to electronic bulletin boards and Internet-based chat rooms, must first be reviewed and approved by an officer of the Company before it is released in the public domain.

No Employment Obligation. I understand that this Agreement does not create an obligation on the Company or any other person to continue my employment. I acknowledge that, unless otherwise agreed in a formal written employment agreement signed by an authorized officer of the Company, my employment with the Company may be terminated by the Company or me at any time and for any reason.

Return of Company Property. Upon termination of my employment with the Company, or at any time the Company requests, I will deliver immediately to the Company, will not delete or destroy, and will not keep in my possession, recreate, or deliver to anyone else, any and all property belonging to the Company, including any and all Proprietary Information in any form, stage or development or media, as well as devices and equipment belonging to the Company, Company credit cards, electronic data, and any other documents and property. I acknowledge that any of my non-work emails or information on the Company's devices and equipment belong to the Company and I have the right to copy such information at any time prior to termination.

Survival and Assignment by the Company. I understand that my obligations under this Agreement will continue in accordance with its express terms regardless of any changes in my title, position, duties, salary, compensation or benefits or other terms and conditions of employment. I further understand that my obligations under this Agreement will continue following the termination of my employment regardless of the manner of such termination and will be binding upon my heirs, executors and administrators. The Company will have the right to assign this Agreement to its affiliates, successors and assigns. I expressly consent to be bound by the provisions of this Agreement for the benefit of the Company or any parent, subsidiary or affiliate to whose employ I may be transferred without the necessity that this Agreement be re-signed at the time of such transfer.

Disclosure to Future Employers. I will provide a copy of this Agreement to any prospective employer, partner or coventurer prior to entering into an employment, partnership or other business relationship with such person or entity in order to apprise such person or entity of the restrictions hereunder this Agreement.

Severability. In case any provisions or portions thereof contained in this Agreement shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect the other provisions of this Agreement, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. If one or more of the provisions contained in this Agreement shall for any reason be held to be excessively broad as to duration, geographical scope, activity or subject, it shall be construed by limiting and reducing it, so as to be enforceable to the maximum extent permissible under applicable law.

Interpretation; Governing Law. This Agreement shall in all respects be interpreted, enforced and governed under the laws of the state where I will perform or have performed most of my services for the Company. This Agreement contains the full and complete understanding of the parties with respect to the subject matter hereof and supersedes all prior agreements, representations, and understandings, whether oral or written, with respect to the subject matter hereof. This Agreement shall be governed in accordance with the laws of the State of New Jersey. The parties hereto consent to the jurisdiction of the federal and state courts in the State of New Jersey for all disputes arising pursuant to this Agreement.

I UNDERSTAND THAT THIS AGREEMENT AFFECTS IMPORTANT RIGHTS. BY SIGNING BELOW, I CERTIFY THAT I HAVE READ IT CAREFULLY AND AM SATISFIED THAT I UNDERSTAND IT COMPLETELY.

IN WITNESS WHEREOF, the undersigned has executed this agreement as a sealed instrument as of the date set forth below.

Signed: /s/ Michael Fox

(Employee's full name)

Type or print name: Michael Fox

Current Home Address:

Date: March 13, 2026

Private E-mail Address:

EXHIBIT A

To: electroCore, Inc.

From: Michael Fox

Date:

SUBJECT: **Prior Inventions**

The following is a complete list of all inventions or improvements relevant to the subject matter of my employment by the Company that have been made or conceived or first reduced to practice by me alone or jointly with others prior to my engagement by the Company:

- No inventions or improvements
- See below:

- Additional sheets attached

The following is a list of all patents and patent applications in which I have been named as an inventor:

- None
- See below:

List of Subsidiaries of electroCore, Inc.

<u>Subsidiary</u>	<u>Jurisdiction of Incorporation or Organization</u>
electroCore Germany GmbH	Germany
electroCore UK Ltd.	United Kingdom
NeuroMetrix, Inc.	Delaware

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in the Registration Statement on Forms S-1 (No. 333-274199 and 333-280742), Forms S-3 (No. 333-238721, 333-284477, and 333-290713), and Forms S-8 (No. 333-225864, 333-237498, 333-254171, 333-263675, 333-270362, 333-277901, and 333-285752), of our report dated March 19, 2026, with respect to the consolidated financial statements of electroCore, Inc. and Subsidiaries included in this Annual Report on Form 10-K for the year ended December 31, 2025.

/s/ CBIZ CPAs P.C.

Morristown, NJ
March 19, 2026

INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM'S CONSENT

We consent to the incorporation by reference in the Registration Statement on Forms S-1 (No. 333-274199 and 333-280742), Forms S-3 (No. 333-238721, 333-284477 and 333-290713), and Forms S-8 (No. 333-225864, 333-237498, 333-254171, 333-263675, 333-270362, 333-277901, and 333-285752) of our report dated March 12, 2025 relating to the financial statements appearing in the Annual Report on Form 10-K of electroCore, Inc and Subsidiaries for the year ended December 31, 2025

/s/ Marcum LLP

Morristown, NJ
March 19, 2026
