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 001-37918

iRhythm Holdings, Inc.

(Exact name of Registrant as specified in its Charter)

Delaware	**41-3421287**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
699 8th Street, Suite 600 San Francisco, California	**94103**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (415) 632-5700

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, Par Value $.001 Per Share	**IRTC**	**The Nasdaq Stock Market**

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 and post such files). Yes ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definition of "large accelerated filer", "accelerated filer", "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

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

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

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

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

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

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates of the Registrant, based on the closing price of the shares of common stock on The Nasdaq Stock Market LLC on June 30, 2025, was approximately $4.9 billion.

The number of shares of Registrant's Common Stock outstanding as of February 12, 2026, was 32,316,760.

DOCUMENTS INCORPORATED BY REFERENCE:

Portions of the information called for by Part III of this Form 10-K is hereby incorporated by reference from the definitive Proxy Statement for our 2026 annual meeting of stockholders, which will be filed with the Securities and Exchange Commission not later than 120 days after December 31, 2025.

Table of Contents

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements contained in this Annual Report on Form 10-K other than statements of historical fact, including statements concerning our plans, objectives, and expectations for our business, operations, and financial performance and condition, are forward-looking statements. In some cases, you can identify forward-looking statements by terminology such as "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would," and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology. These forward-looking statements include, but are not limited to, statements about:

- the expected impact of global business, political, and macroeconomic conditions, including inflation, interest rate volatility, cybersecurity events, potential instability in the global banking system, volatile market conditions, the impact of tariffs, the impact of any significant political and regulatory developments, global events, including public health crises, and ongoing geopolitical conflicts, such as the war in Ukraine and conflicts in the Middle East and Venezuela, on our business, operations, and financial results;
- the impact of supply chain disruptions on our operations and financial results;
- the impact of inflationary costs on our operations and financial results;
- plans to conduct further clinical studies, including any clinical trials initiated by third parties;
- our plans to modify our current systems and services, or identify and develop, or acquire, new products or services, to address additional indications;
- the expected growth of our business and our organization;
- our expectations regarding government and third-party payor coverage and reimbursement or other regulatory actions or decisions;
- our compliance with all applicable laws, rules, and regulations, including those of the U.S. Food and Drug Administration;
- our expectations regarding the size of our sales organization and expansion of our sales and marketing efforts, including in international geographies;
- our expectations regarding revenue, cost of revenue, cost of service per device, operating expenses, including research and development expense, sales and marketing expense, general and administrative expenses and gross margin;
- our ability to retain and recruit key personnel, including the continued development of a sales and marketing infrastructure;
- our ability to obtain and maintain intellectual property protection for our systems and services;
- the outcome of any litigation or investigations;
- our estimates of our expenses, ongoing losses, future revenue, capital requirements, and our needs for, or ability to obtain, additional financing;
- our financial performance; and
- developments and projections relating to our competitors or our industry.

We believe that it is important to communicate our future expectations to our investors. However, there may be events in the future that we are not able to accurately predict or control and that may cause our actual results to differ materially from the expectations we describe in our forward-looking statements. These forward-looking statements are based on management's current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or development and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this Annual Report on Form 10-K may turn out to be inaccurate. Factors that may cause actual results to differ materially from current expectations include, among other things, those listed under "Risk Factors" and elsewhere in this Annual Report on Form 10-K. Potential investors are urged to consider these factors carefully in evaluating the forward-looking statements. These forward-looking statements speak only as of the date of this Annual Report on Form 10-K. We assume no obligation to update or revise these forward-looking statements for any reason after the date of this Annual Report on Form 10-K to conform these statements to actual results or to changes in our expectations, even if new information becomes available in the future.

You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur.

You should read this Annual Report on Form 10-K and the documents that we reference in this Annual Report on Form 10-K and have filed with the Securities and Exchange Commission (the “SEC”) as exhibits to the Annual Report on Form 10-K with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect.

On January 12, 2026, iRhythm Technologies, Inc. ("iRhythm Technologies"), implemented a corporate holding company structure whereby iRhythm Holdings, Inc. (“iRhythm Holdings”) became the parent company of, and the successor issuer and registrant to, iRhythm Technologies (the “Holding Company Transaction”). The new holding company has no independent assets or operations and its sole ownership interest is iRhythm Technologies. Unless expressly indicated or the context requires otherwise, the terms “iRhythm,” “we” or “us,” refers to iRhythm Holdings and its consolidated subsidiaries.

Summary of Risk Factors

Our business is subject to numerous risks and uncertainties, including those risks more fully described below. These risks include, among others, the following, which we consider our most material risks:

- Reimbursement by Medicare is highly regulated and subject to change, and our failure to comply with applicable regulations, including regulations not designed for remote diagnostic tests like our iRhythm Services (as defined below), could prevent us from receiving reimbursement under the Medicare program and some commercial payors, subject us to penalties, and adversely affect our reputation, business, and results of operations.
- If reimbursement or other payment for our iRhythm Services is reduced or modified in the United States ("U.S.") or in our international markets, including through cost containment measures or changes to policies with respect to coding, coverage, and pricing, our business could suffer.
- If we are unable to expand the number of third-party commercial payors with which we contract or expand coverage for existing third-party commercial payors, our commercial success could be impacted.
- Our revenue relies on our iRhythm Services, which are currently our only offerings. If our iRhythm Services or future service offerings fail to gain, or lose, market acceptance, our business will suffer.
- The market for remote cardiac monitoring solutions is highly competitive. If our competitors are able to develop or market monitoring devices and services that are more effective, or gain greater acceptance in the marketplace, than any services and related devices we develop, our commercial opportunities will be reduced or eliminated.
- Billing for our iRhythm Services is complex and highly regulated, and we must dedicate substantial time and resources to the billing process. Failure to comply with legal, regulatory, or contractual requirements applicable to our billing and collection activities could subject us to penalties, and adversely affect our reputation, business and results of operations.
- Audits or denials of our claims by government agencies or payors could expose us to recoupment, regulatory scrutiny, and penalties.
- Although our current products are comprised of medical devices that have received FDA marketing authorization (510(k) clearance) as well as, with respect to certain devices, regulatory certifications in the European Union ("EU"), Japan, Switzerland and the United Kingdom ("UK"), we may regularly engage in exploring and implementing product enhancements and in iterative changes to existing products, as well as seek to develop new technology or use of technology for new indications for use. These medical device developments may trigger further regulatory reviews and the results of those reviews are unpredictable.
- We are subject to extensive compliance requirements for the quality, design, safety, performance, and post-market surveillance of the medical devices we manufacture for use in our iRhythm Services, and for vigilance on complaint-handling, escalation, assessment, and reporting of adverse events and malfunctions. A wide range of quality, risk, regulatory, or safety matters could trigger enforcement action by regulatory authorities, the need for a recall, a hold on the distribution of the marketed product, or other corrective actions to marketed product, and such matters have the potential to escalate to judicial actions that involve the United States Department of Justice ("DOJ").

- Because of the patient populations for which our services are provided and the complexity of the healthcare environment in which we operate, a high degree of medical and clinical input may be necessary to evaluate complaints and adverse events, and in some cases, there may be disagreement over whether our services or the medical devices used in our services may have caused or contributed to an adverse event.
- International expansion of our business exposes us to market, regulatory, political, operational, financial, and economic risks associated with doing business outside of the United States.
- We may face risks associated with acquisitions of companies, products, and technologies and our business could be harmed if we are unable to address these risks.
- Our use of third-party service providers or company resources located outside the United States to support certain customer care, clinical, and other operations of our independent diagnostic testing facilities ("IDTFs") may present challenges, and if we are ineffective in limiting work performed by these service providers or company resources consistent with applicable regulations or our contractual agreements with commercial payors, we may be subject to penalties or experience loss of revenue.
- If we fail to comply with medical device, healthcare, and other governmental regulations, we could face substantial penalties and our business, results of operations, and financial condition could be adversely affected.
- Changes in applicable laws or regulations or the interpretation or enforcement policies of regulators governing our medical devices, IDTFs and iRhythm Services may constrain or require us to restructure our operations or adapt certain business strategies, which may harm our revenue and operating results.
- Our business relies on orders from licensed healthcare providers, and the continuing clinical acceptance and adoption of our iRhythm Services depends upon strong working relationships with healthcare providers, including physicians. These relationships, interactions, and arrangements are subject to a high degree of scrutiny by government regulators and enforcement bodies.
- Our communications with healthcare stakeholders – physicians and other healthcare professionals, payors, and similar entities, as well as patients and lay caregivers – are subject to a high degree of scrutiny for compliance with a wide range of laws and regulations. Continuing or increasing our sales and marketing and other external communication efforts may expose us to additional risk of being alleged or deemed to be non-compliant by regulators, enforcement authorities, or competitors.
- In the future we may identify material weaknesses or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.
- Our financial results may fluctuate significantly from quarter-to-quarter and may not fully reflect the underlying performance of our business.
- We are subject to legal proceedings and government investigations that could adversely affect our business, financial condition, and results of operations.
- We are subject to complex and evolving United States and foreign laws and regulations and other requirements regarding privacy, data protection, security, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in customer growth or engagement, or otherwise harm our business.
- If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.
- Our stock price is highly volatile and investing in our stock involves a high degree of risk, which could result in substantial losses for investors.

PART I

ITEM 1: BUSINESS

Company Background

iRhythm is a leading digital healthcare company that creates trusted solutions that detect, predict, and prevent disease. Our principal business is the design, development, and commercialization of device-based technology to provide ambulatory cardiac monitoring services that we believe allow clinicians to diagnose certain arrhythmias quicker and with greater efficiency than other services that rely on traditional technology.

Each iRhythm product offering combines a wire-free, patch-based, 14-day wearable biosensor (United States Food and Drug Administration (“FDA”)-cleared, Conformité Européenne (“CE”)-marked and Japan Pharmaceuticals and Medical Devices Agency ("PMDA")-approved, as applicable) that continuously records electrocardiogram ("ECG") data with a proprietary cloud-based data analytic software (also FDA-cleared, CE-marked and Japan PMDA-approved, as applicable) (such biosensor and software together, an "iRhythm ACM System") to help physicians monitor patients and diagnose arrhythmias.

Since first receiving clearance from FDA for our technology in 2009, we have supported physician and patient use of this technology and provided ambulatory cardiac monitoring ("ACM") services from our Medicare-enrolled independent diagnostic testing facilities (“IDTFs”) with our qualified technicians. We have provided ambulatory cardiac monitoring services, including long-term continuous monitoring (“LTCM”) services ("LTCM Services"), short-term continuous monitoring, and mobile cardiac telemetry (“MCT”) monitoring services ("MCT Services" and collectively, the “iRhythm Services”), using the iRhythm ACM System. LTCM services and MCT Services are medical procedures typically ordered by physicians for patients not suspected of having life-threatening arrhythmias, but who are suspected of having infrequent, difficult-to-detect, or asymptomatic arrhythmias. Since receiving FDA clearance, we have provided iRhythm Services via more than twelve million patient reports and have collected almost three billion hours of curated heartbeat data.

iRhythm Technologies was incorporated in the state of Delaware in September 2006 and its successor registrant iRhythm Holdings was incorporated in the state of Delaware in December 2025. Our principal executive offices are located at 699 8th Street, Suite 600, San Francisco, California 94103, and our telephone number is (415) 632-5700. Our common stock is listed on The Nasdaq Global Select Market under the symbol “IRTC,” and we employ approximately 2,400 regular full-time employees as of December 31, 2025.

Our website address is https://www.irhythmtech.com, and our investor relations website is located at https://investors.irhythmtech.com. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to reports filed pursuant to Sections 13(a) and 15(d) of the Exchange Act are available free of charge on our investor relations website as soon as reasonably practicable after we file such material with the SEC.

iRhythm investors and others should note that we announce material information to the public about our company, products, and services, and other issues through a variety of means – including via our website, our investor relations website, press releases, SEC filings, and public conference calls – to achieve broad, non-exclusionary distribution of information to the public and to comply with our disclosure obligations under Regulation FD. We encourage our investors and others to review the information we make public in these locations as such information could be deemed material. Please note that this information may be updated from time to time.

Cardiac Arrhythmias and the Ambulatory Cardiac Monitoring Market

Every year, millions of patients experience symptoms potentially associated with cardiac arrhythmias, a condition in which the electrical impulses that coordinate heartbeats do not occur properly, causing the heart to beat too quickly, too slowly, or irregularly. There are many different types of arrhythmias which are typically categorized based on where in the heart they originate - in either the atria or ventricles - and their speed - tachycardia for fast rhythms, bradycardia for slow rhythms. The causes of arrhythmias are diverse, and they can be triggered by conditions such as heart disease, high blood pressure, electrolyte imbalances, drug use, or stress. Some arrhythmias may not show symptoms, while others may lead to dizziness, shortness of breath, fainting, or chest pain. The Centers for Medicare and Medicaid Services' ("CMS") Hierarchical Condition Categories (HCC 96) defines actionable arrhythmias as abnormal heart rhythms detected via monitoring that require clinical intervention, such as medication adjustment, anticoagulation, catheter ablation, or device implantation.

Cardiac arrhythmias affect approximately 1.5% to 5% of the global population, with atrial fibrillation ("Afib") being the most common. Afib causes the upper chambers of the heart to beat irregularly and blood not to flow properly to the lower chambers of the heart. It is estimated that more than 50 million patients worldwide have Afib with at least one-third of these patients presenting as asymptomatic at the time of their diagnosis. This condition contributes to an estimated 350,000 deaths globally each year. In the United States, the prevalence of Afib is estimated to be approximately 4.5% of people, or approximately 10.6 million adults diagnosed with Afib in 2019, and more than 450,000 hospitalizations occur each year in the United States because of Afib. Because Afib is more common among people over the age of 60, these numbers are expected to increase as the U.S. population ages. In Europe, the prevalence of arrhythmias is also expected to continue to rise with Afib affecting approximately 12.9 million people in the EU in 2021, and projections indicating the number could double by 2050–2060.

Atrial Fibrillation and Stroke

Early detection of heart rhythm disorders, such as Afib and other clinically relevant arrhythmias, supports appropriate medical intervention and can help avoid more serious downstream medical events, including stroke. In 2021, it was estimated that the age-adjusted US stroke death rate as an underlying cause of death was approximately 41.1 per 100,000, and there were approximately 7.4 million deaths attributable to stroke worldwide. Afib is the leading risk factor for stroke because Afib can cause blood to collect in the heart and potentially form a clot, which can then travel to the brain possibly resulting in an ischemic stroke. While individuals with Afib are approximately five times more likely to suffer a stroke, the American Stroke Association (“ASA”) estimated in 2022 that up to 80% of second clot-related strokes may be preventable. According to the American Heart Association ("AHA"), stroke costs the United States an estimated $34.5 billion each year in healthcare costs and lost productivity and is a leading cause of serious long-term disability. Between 15% and 20% of people who have strokes also have Afib.

We believe early detection of Afib is critical to optimizing patient care, delivering earlier treatment to help avoid further adverse clinical events, managing symptoms caused by Afib, and reducing the total public health burden of treating stroke. The AHA and ASA have published treatment guidelines for patients diagnosed with Afib to manage heart rhythm and rate and to support stroke prevention. These early treatments include medications such as oral anticoagulants, treatment with anti-arrhythmic drugs, and interventions such as cardiac ablation therapy to help control heart rhythm and rate.

Afib burden, or the amount of time a patient spends in Afib during the period of time the patient is wearing a heart monitor, has been identified in the clinical community as a clinically relevant measure for helping to determine appropriate and effective therapeutic interventions to manage patients with Afib and for assessing stroke risk. We believe the calculated Afib burden is only as good as the data available for analysis during the monitoring period. Since the most common type of Afib occurs intermittently, we believe that long-term continuous monitoring with patch-based technology, such as with our monitor technology that is part of our iRhythm ACM Systems, can more accurately measure Afib burden as it captures the patient’s heartbeat data is captured continuously through the wear period.

Ambulatory Cardiac Monitoring Overview

The ACM market is well-established in the United States with an estimated 6.9 million diagnostic tests performed in 2025 with meaningful expansion anticipated in the coming years due to an aging population, a rising number of heart-related disorders globally, and broader acceptance of innovative medical technologies. Traditional ambulatory cardiac monitoring devices used by physicians for diagnosing patients with suspected arrhythmias – such as traditional, 24-to-48-hour Holter and cardiac event monitors – are constrained by short-term monitoring times, non-continuous data collection and reporting, cumbersome equipment, and/or lower patient compliance. For example, patients often remove traditional monitors when sleeping, showering, or exercising, which can lead to a failure to capture critical data and result in incomplete diagnoses and repeat testing, which in turn can result in suboptimal patient care and higher costs to the health system.

Arrhythmia symptoms are generally monitored either in a physician’s office or healthcare facility, or with the ambulatory cardiac monitoring services. Typically, physicians will administer a resting ECG test in their offices to record and analyze the electrical impulses of patients’ hearts. If physicians determine that patients require monitoring for a longer wear period to generate a diagnosis, they have historically prescribed an ambulatory cardiac monitoring device such as a traditional Holter monitor, which is a non-invasive, battery-powered device that typically records data continuously for 24 to 48 hours. For longer term (i.e., up to 30 days) event driven monitoring, physicians may prescribe ambulatory cardiac event monitoring services, including MCT services, which record ECG data upon auto-detection (i.e., asymptomatic events) and/or patient activation (i.e., symptomatic events) and may transmit such data wirelessly to a monitoring center like an IDTF. Physicians may also prescribe implantable loop

recorders, which are implanted underneath the patient's skin in a minimally invasive, hospital-based procedure and record ECG data similar to cardiac event monitors but are intended for monitoring up to 3 years.

If the diagnosis is not definitive following the first monitoring period, physicians may prescribe a repeat traditional, 24-to-48-hour Holter monitoring test or, alternatively, event monitoring services, MCT, or implantable loop recorders. Physicians use frequency and acuity of symptoms to determine which monitoring device to prescribe. Some physicians own their own ambulatory cardiac monitoring devices and provide ambulatory monitoring services directly to their patients, while others outsource these services to third-party providers, including IDTFs.

Opportunities in Monitoring for Undiagnosed Arrhythmias

A substantial portion of patients with clinically actionable arrhythmias, including atrial fibrillation, remain undiagnosed due to the intermittent and often asymptomatic nature of these conditions. We estimate that in 2025 approximately 27 million individuals in the United States may be at elevated risk for undiagnosed arrhythmias. Undiagnosed and untreated arrhythmias may result in significantly higher healthcare resource utilization and cost, potentially avoidable serious medical events, and poorer outcomes. Real-world evidence across Medicare and commercially-insured populations indicates that patients with arrhythmias experience higher rates of emergency department visits, inpatient hospitalizations, readmissions, and overall healthcare expenditures compared to similar patients without arrhythmias, particularly among those with comorbid conditions such as type 2 diabetes ("T2D"), chronic obstructive pulmonary disease ("COPD"), chronic kidney disease, and others.

Clinical studies and guideline updates support the use of extended ambulatory monitoring to improve detection of arrhythmias compared to short-duration monitoring modalities. Evidence from randomized trials and real-world claims analyses suggests that earlier identification of arrhythmias using long-term continuous monitoring is associated with fewer acute care events and a shift toward more appropriate outpatient management over time. We believe iRhythm is uniquely positioned to address this opportunity through our scalable service model, long-term continuous monitoring capabilities, extensive clinical evidence base, and proprietary artificial intelligence. Our services are increasingly utilized by innovative, value-based and risk-bearing care organizations seeking to proactively identify arrhythmias within defined patient populations, particularly those with elevated clinical risk.

Furthermore, peer-reviewed real-world evidence demonstrates that proactive ACM generates meaningful healthcare cost savings, particularly in high-risk populations. Studies published in 2024 and 2025 examining patients with T2D and COPD found that patients who developed arrhythmias incurred 1.6–1.8x higher annual costs of care — up to $46,484 versus $30,802 for patients with both T2D and COPD — driven by hospitalization and emergency department visit rates more than two times higher than matched controls. Importantly, T2D patients monitored with ambulatory ECG devices experienced 70% fewer hospitalizations, 44% fewer 30-day readmissions, and nearly 50% fewer emergency department visits compared to unmonitored patients, while monitored COPD patients with arrhythmia saw approximately 30% lower hospitalization incidence and related costs, demonstrating that earlier detection meaningfully bends the cost curve in these patient cohorts.

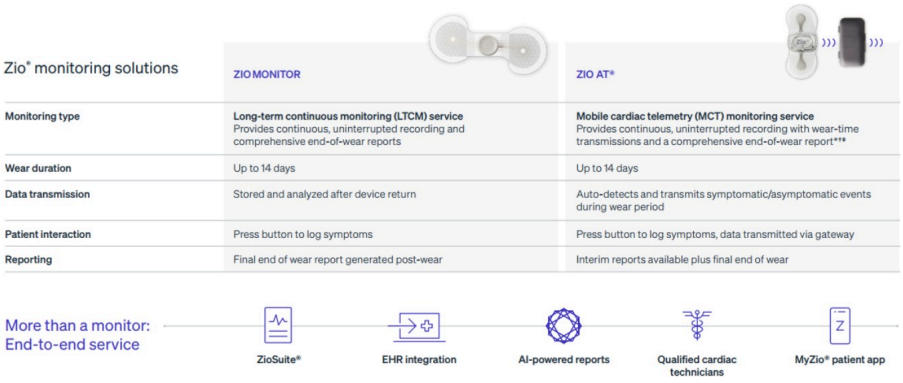
However, not all monitoring modalities deliver equivalent value. The Cardiac Ambulatory Monitor EvaLuation of Outcomes and Time to Events ("CAMELOT") study of 287,789 Medicare beneficiaries and the Assessment of Variation in AmbuLatory Cardiac MONitoring ("AVALON") study of 428,707 commercially insured patients found that LTCM with Zio achieved the highest diagnostic yield, the shortest time to diagnosis, and the lowest total healthcare expenditures, while Holter monitors were 50% less likely, event monitors 42% less likely to detect a specified arrhythmia, and LTCM competing devices 1.4x to 4.3x more likely to require costly retesting. CAMELOT further demonstrated that long-term continuous monitoring was associated with 180 fewer emergency department visits, 80 fewer inpatient hospitalizations, and 920 fewer outpatient visits per 1,000 patients compared to Holter. As the market leader delivering more than 70% of LTCM services in the United States as of 2025, we believe our Zio platform is uniquely positioned to deliver this value as payers increasingly prioritize diagnostic accuracy and first-test resolution to reduce total cost of care.

Over time, we intend to support targeted, evidence-based monitoring strategies that leverage data-driven risk stratification and integrate seamlessly into existing clinical workflows. These efforts are designed to expand access to care, improve clinical outcomes, and inform future growth opportunities, while remaining aligned with our disciplined approach to investment, commercialization, and regulatory compliance.

Our Products and Services

Our iRhythm ACM Systems deliver a proprietary, patient-friendly design that enables between 98%-99% patient compliance with minimal ECG data noise or artifact, and the iRhythm Services thereby potentially deliver high clinical accuracy to enable physicians diagnosing arrhythmias and reducing the cost of care for healthcare systems by avoiding costly downstream adverse events. We currently offer three iRhythm ACM System options — the Zio monitor System, the Zio XT System, and the Zio AT System.

ACM monitors are designed to provide high-quality, accurate data with patient compliance for up to 14 days of wear time.[1-6]



MKT1915.01. 1. Data on file. iRhythm Technologies; 2022-2023. 2. Data on file. iRhythm Technologies; 2019. 3. Data on file. iRhythm Technologies; 2022. 4. Zio XT Clinical Reference Manual, iRhythm Technologies. 5. Zio AT Clinical Reference Manual. iRhythm Technologies. 6. Zio monitor Instructions for Use. iRhythm Technologies. *Continuous, uninterrupted refers to the recording of ECG data. Zio AT Gateway transmissions may be impacted by a variety of factors. See Product Labeling for more information. †Zio AT is contraindicated for critical care patients. ‡Do not use Zio AT for patients with symptomatic episodes where variations in cardiac performance could result in immediate danger to the patient or when real-time or in-patient monitoring should be prescribed. Refer to the Zio AT labeling and Clinical Reference Manual for full contraindications.

The Zio Monitoring Solutions

The Zio monitor System is a prescription-only, remote ECG monitoring system that consists of a patch ECG monitor (“Zio monitor”) that records the electric signal from the heart continuously for up to 14 days and the Zio ECG Utilization Software (“ZEUS”), which supports the capture and analysis of ECG data recorded by the Zio monitor at the end of the wear period, including specific arrhythmia events detected by ZEUS. The Zio XT System is the previous generation of the Zio monitor System and is a prescription-only, remote ECG monitoring system that consists of a patch ECG monitor (“Zio XT”) that records the electric signal from the heart continuously for up to 14 days and ZEUS, which supports the capture and analysis of ECG data recorded by the Zio XT at the end of the wear period, including specific arrhythmia events detected by ZEUS.

Zio monitor is 72% smaller, 62% lighter, and 23% thinner than Zio XT, attributes which have contributed to a positive impact on patient experience, including improved patient satisfaction, and associated improvement in device wear times. Furthermore, Zio monitor incorporates a breathable adhesive construct, which enhances the patient experience by removing moisture otherwise captured next to the patient’s skin, as well as Bluetooth communication capabilities and improved processing efficiency.

Zio monitor Device and Zio XT Device

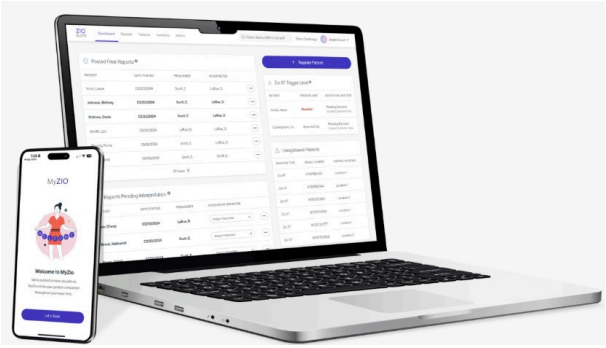
The Zio AT System is a prescription-only, remote ECG monitoring system that similarly consists of a patch-based ECG monitor ("Zio AT") that records the electric signal from the heart continuously for up to 14 days and ZEUS, but which also incorporates the Zio AT wireless gateway that provides connectivity between Zio AT and ZEUS during the patient wear period. The wireless gateway, slightly larger than a smart phone, is provided to the patient at the time of Zio AT application on the patient and collects and transmits data from the Zio AT to the cloud via a long-term evolution ("LTE") cellular protocol.

Zio AT and Wireless Gateway

We support physician and patient use of our iRhythm ACM Systems through our Medicare-enrolled IDTF and qualified technicians, who perform the technical monitoring services associated with a physician's order for long-term continuous monitoring or MCT monitoring services. Long-term continuous monitoring services (the "Zio LTCM Service") and MCT services (the "Zio MCT Service") are diagnostic medical procedures typically ordered by physicians for patients not suspected of having life-threatening arrhythmias, but who are suspected of having infrequent, difficult-to-detect, or asymptomatic arrhythmias. When physicians order long-term continuous monitoring services with our iRhythm ACM System, our biosensor technology collects an uninterrupted, long-term continuous recording of ECG data for up to 14 days and delivers a comprehensive end-of-wear report, which includes specific arrhythmia events detected by the ZEUS algorithm upon return of Zio monitor or Zio XT (and with Zio AT, each, a "Zio patch") and analysis of the stored data by qualified technicians. A Zio patch typically collects approximately 1.5 million heartbeats of data for each patient during a single wear period of up to 14 consecutive days.

After we receive a Zio monitor device at our IDTF, the ECG data is uploaded to our secure cloud and preliminary findings are generated by our proprietary FDA-cleared deep learning algorithms. Each report is then validated by qualified technicians and sent to the patient's prescribing physician who may access the Zio report on our proprietary, web-based portal, referred to as ZioSuite, and also through our Electronic Health Record ("EHR") connections or ZioSuite mobile apps. Our technicians also notify physicians of certain potentially clinically actionable arrhythmias according to the ordering physician's specified notification criteria.

ZioSuite Web Portal Via Desktop or Mobile Application



For the Zio MCT Services, Zio AT and its wireless gateway also offer the additional capability of providing actionable transmissions during the wear period to assist physicians in diagnosing and treating patients in situations where their physician has determined that there is a medical need to receive more clinically actionable information during wear. For the Zio MCT Services, physicians will receive daily reports, routine reports, and notifications from qualified technicians if there are clinically actionable events that meet predetermined and physician-specified notification criteria.

While wearing a Zio patch, patients can mark when symptoms occur by pressing a trigger button on the device and separately recording contextual data like activities and circumstances in a written symptom diary or digitally via the myZio application. This allows physicians to match symptoms and activity with ECG-based findings. The Zio patch monitors are not available for sale outside of use with our iRhythm Services. The Zio patch monitors include the following features:

- patented clear, flexible, lightweight, wire-free design;
- unobtrusive and inconspicuous profile;
- proprietary adhesive backing designed to keep the patch-based monitor device securely in place for the duration of the prescribed wear period;
- water-resistant functionality, allowing patients to shower, sleep, and perform normal daily activities, including moderate exercise;
- hydrogel electrodes and a compliant mechanical design to deliver a clear ECG with minimal artifact from movement;
- large symptom button, or patient trigger, that is easy to find and press;
- indicated single application wear period of up to 14 days (for longer prescribed wear periods for MCT services, additional Zio ATs and gateways can be provided); and
- sufficient battery power for the entire wear period, without the need to recharge or replace batteries.

Clinical-grade Wearables

We believe that there is a clinical need and an opportunity to expand our products and services with clinical-grade wearables to detect and characterize arrhythmias while integrating with clinicians' workflows. As part of this expansion strategy, we have developed proprietary photoplethysmography ("PPG") algorithms designed to be integrated into a wearable device and utilized with our clinically integrated ZEUS System, a solution that is intended to be incorporated into clinical care delivery and assist healthcare providers in identifying and monitoring Afib. We

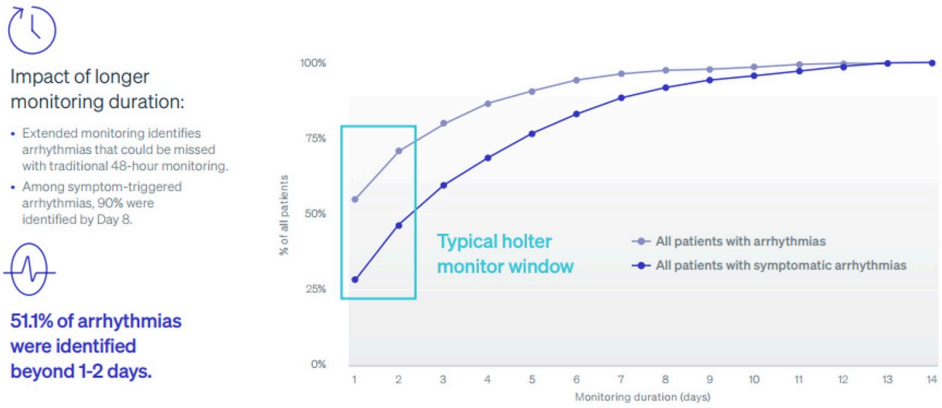
are evaluating potential opportunities to leverage our PPG algorithms and ZEUS System with PPG-based wearables, and we intend to further pursue development opportunities on a wearable platform in the future.

The iRhythm Difference

We believe there are strong benefits offered by our 14-day wear time, by the diagnostic yield possibly achieved through our technology, and by the clinical accuracy of our Zio report as enabled by our proprietary deep-learned artificial intelligence that can help to reduce inaccuracies in computerized ECG interpretations and improve the efficiency of expert human ECG interpretation. This is supported by more than 135 original scientific research manuscripts and a robust, growing body of clinical evidence by third-party researchers.

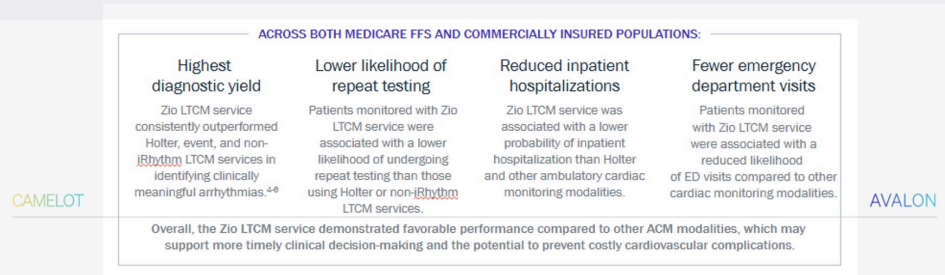
Among this compendium of clinical evidence are multiple studies which demonstrate significant increases in arrhythmia detection through a 14-day monitoring time such as with Zio LTCM Services, as compared to shorter-term 24- to 48-hour monitoring, such as performed as with standard Holter devices. Longer monitoring times with a consistent ECG signal of consistent quality permit detection of infrequent arrhythmias. Other publications illustrate high patient compliance with a 14-day prescribed wear time and low ECG signal artifact, with wear times routinely above 13 days and percent analyzable time above 95%. Additionally, data from the Zio LTCM Service has been used in development of proprietary artificial intelligence, including a deep-learned neural network model which has been shown to meet or exceed the performance of cardiologists in detection of 12 arrhythmia types. In clinical settings, we believe that this approach could reduce the number of misdiagnosed computerized ECG interpretations and improve the efficiency of expert human ECG interpretation by accurately triaging or prioritizing the most urgent conditions.

Long-term, continuous monitoring maximizes diagnostic yield[1]



MKT1915.01. 1, Turakhia MP, Hoang DD, Zimetbaum P, et al. Diagnostic utility of a novel leadless arrhythmia monitoring device. Am J Cardiol. 2013;112(4):520-524. doi:10.1016/j.amjcard.2013.04.017

Taken together, we believe that these elements are differentiators for iRhythm's Services in the diagnosis and treatment of cardiac arrhythmias and can lead to improved clinical outcomes, enhanced patient experience, high physician and healthcare staff satisfaction, and reduced cost of care to healthcare systems. This was demonstrated by the results from the CAMELOT and AVALON studies which evaluated over 700,000 diagnostic-naive patients across Medicare fee-for-service ("FFS") and commercial populations through two landmark real-world studies. The CAMELOT and AVALON studies offered robust insight into the iRhythm ACM Systems' effectiveness in detecting meaningful arrhythmias in first-time monitoring patients, demonstrating that our LTCM Service had the highest arrhythmia diagnostic yield, lower likelihood of repeat testing, reduced inpatient hospitalizations, fewer emergency department visits, and overall lower healthcare resource utilization compared to all other monitoring services.



MKT1915.01. 1. Reynolds et al. Comparative effectiveness and healthcare utilization for ambulatory cardiac monitoring strategies in Medicare beneficiaries. Am Heart J. 2024;269:25-34. doi: 10.1016/j.ahj.2023.12.002 2. Russo et al. Assessment of variation in ambulatory cardiac monitoring among commercially insured patients. Am J Manag Care. Published online August 13, 2025. doi:10.37765/ajmc.2026.89782 3. Zio LTCM service refers to Zio XT and Zio monitor service. 4. The Zio service facilitates a diagnosis as determined by a physician. 5. In AVALON, arrhythmias were defined by a panel of clinical experts and study investigators. 6. In CAMELOT, A specified arrhythmia refers to an arrhythmia encounter diagnosis as per Hierarchical Condition Categories (HCC) 96.

Our Strategy

Our mission is to boldly innovate to create trusted solutions that detect, predict, and prevent disease. We execute this mission through a focused strategy that builds on our leadership in ambulatory cardiac monitoring, expands access to care, and selectively extends our platform into adjacent clinical opportunities, while maintaining operational discipline and scalability.

- **Leading and Expanding Within the Core Ambulatory Cardiac Monitoring Market.** iRhythm is a leading provider of ambulatory cardiac monitoring services in the United States, with approximately 40% penetration of the core ambulatory cardiac monitoring market. Our strategy is anchored in our products' continued leadership in long-term continuous monitoring, which we believe offers high diagnostic yield, clinical accuracy, and efficiency compared to short-duration or event-based monitoring modalities.

  We intend to further penetrate the core market by expanding utilization within cardiology and electrophysiology practices while increasing adoption across additional clinical specialties and settings, including primary care. We believe our differentiated combination of patient-friendly, long-term wearable biosensors, proprietary FDA-cleared artificial intelligence algorithms, and integrated digital workflows enables physicians to obtain diagnostic certainty in a single test, improving patient care while reducing downstream healthcare utilization.

  Marketing, physician education, and continued publication of peer-reviewed clinical evidence remain central to this strategy. We also continue to expand EHR integrations to streamline ordering, reporting, and clinical decision-making, which we believe supports sustained growth within existing and new accounts.

- **Unlocking Market Expansion Through Access, Evidence, and Artificial Intelligence.** We believe the ambulatory cardiac monitoring market extends well beyond traditionally symptomatic patients and that significant opportunity exists to expand access earlier in the care pathway. Capacity constraints in cardiology, coupled with a growing prevalence of arrhythmias and an aging population, are driving increased adoption of monitoring solutions in primary care and integrated delivery networks.

  Our strategy emphasizes expanding adoption in primary care and other non-cardiology settings by positioning our services as a rule-in and rule-out diagnostic tool that enables efficient triage and referral. We believe this approach improves access to care, reduces unnecessary specialist visits, and supports more timely diagnosis and treatment.

  In parallel, we are pursuing proactive monitoring strategies focused on patients at risk for undiagnosed arrhythmias. With an estimated 27 million individuals as of 2025 in the United States potentially at elevated risk for undiagnosed arrhythmias, we believe iRhythm is uniquely positioned to support population health initiatives through scalable, evidence-based monitoring programs.

  Our extensive repository of curated ECG data, combined with external data sources and advanced artificial intelligence, underpins our efforts to improve identification, prediction, and stratification of arrhythmia risk. We believe these capabilities differentiate our platform and enable more targeted, efficient monitoring strategies over time.

- **Pursuing international expansion opportunities.** While the United States remains our primary market, we are selectively expanding internationally in geographies with established regulatory pathways, reimbursement potential, and unmet clinical need. Our international strategy prioritizes disciplined investment, local clinical evidence generation, and reimbursement progression.

  We have established a commercial presence in the United Kingdom, selected European countries, and Japan, which collectively represent an estimated three million existing ambulatory cardiac monitoring services performed annually. We intend to scale these markets deliberately over the medium to long term, focusing on embedding our services into clinical practice and pursuing reimbursement pathways that support long-term sustainability, and we intend to evaluate additional market opportunities in the future.
- **Extend the Zio Platform Into Adjacent Clinical Opportunities.** We are selectively investing in opportunities that have the potential to extend our core platform into adjacent clinical areas where arrhythmias intersect with other chronic conditions and where our existing capabilities can be leveraged efficiently. These include:
  - Obstructive sleep apnea patients, with an estimated prevalence of approximately 40 million in the United States. Based on a systematic literature review of original clinical studies published between January 2019 and December2024, approximately 50% of patients with Afib may also have sleep apnea and there is a large prevalence of patients with undiagnosed sleep apnea.
  - Heart failure patients, with an estimated prevalence of over 8.5 million in the United States by the year 2030. Atrial fibrillation and heart failure share many antecedent risk factors, and approximately 40% of people with either Afib or heart failure will develop the other condition. Total costs for heart failure in the U.S. are expected to reach $70 billion by 2030.
  - Patients with hypertension, with an estimated prevalence of over 120 million in the United States in 2020. Up to 90% of patients with Afib may also have hypertension.

  Our approach to adjacent markets is deliberate and evidence driven. We intend to prioritize opportunities that integrate naturally with existing physician workflows, leverage our data and artificial intelligence capabilities, and align with our long-term focus on scalable, disciplined growth. We have initiated focused pilots and development efforts that are intended to inform future investment decisions.
- **Advance Our Product Portfolio and Technology Platform.** We continue to invest in advancing our system portfolio and digital platform to address evolving clinical needs. This includes ongoing innovation in our wearable biosensors, data analytics, and reporting capabilities, as well as the development of next-generation mobile cardiac telemetry solutions.

  Our next-generation MCT device, for which a 510(k) application was submitted to FDA in the third quarter of 2025, is designed to enhance patient and physician experience through improved form factor, extended wear duration, enhanced detection algorithms, and richer clinical insights. We also continue to evaluate opportunities to incorporate additional sensing modalities and wearable technologies where they complement our core platform.

Sales and Marketing

We directly market our iRhythm Services in the United States to healthcare professional through our internal organization comprised of sales representatives, field billing specialists, and customer experience representatives. Our sales team focuses on initial introduction of our iRhythm Services to those participants that are instrumental to the decision-making process for ambulatory cardiac monitoring, which include physician practices and healthcare systems. We also focus on continuing efforts to ensure healthcare professionals are knowledgeable about the clinical benefits and economic value of the iRhythm Services. We continue to invest in our sales force and focus on ensuring we optimize the structure of our U.S. sales organization to expand the current customer account base and support adoption of the iRhythm Services.

We market our iRhythm Services to a variety of physician specialties including general cardiologists, electrophysiologists, primary care physicians, neurologists, and other physician specialists who diagnose and manage care for patients with arrhythmias. We have found success focusing on integrated delivery networks (“IDNs”), in which large networks of facilities and providers work together to offer a continuum of care to a specific geographic area or market, as well as with risk-bearing entities as our iRhythm ACM Systems become a key tool in population health management. Focusing on sales to these customer programs gives us the opportunity to conduct a holistic sale for health systems interested in making value-based purchasing decisions.

In January 2021, we established a small direct sales and clinical infrastructure in Bagshot, Surrey in England to service the UK market. We have since focused efforts on the introduction of our iRhythm Services using the Zio XT System into new accounts and market access efforts, in particular through orders made by NHS Trusts and Hospitals. Additionally, in Europe, we have built a small sales force covering Switzerland, Austria, and the Netherlands, have entered into a relationship with a vendor in the Netherlands to distribute our products in European countries other than Spain and to fulfill customer orders and process returns of devices from European customers. In addition, we have entered into a distributor relationship with a vendor in Spain to distribute our products in Spain. In Japan, we utilize the services of a third-party distributor to market and sell our products and services, to fulfill customer orders, and to process returns of devices from Japanese customers.

Competition

The market for remote cardiac monitoring is competitive, characterized by rapid change resulting from technological advances, scientific discoveries, and other market activities of industry participants.

In providing our iRhythm Services, we compete with BioTelemetry, Inc. (acquired by Royal Philips), Preventice Solutions, Inc. (acquired by Boston Scientific, Inc.), and Bardy Diagnostics, Inc. (acquired by Hill-Rom Holdings, Inc. now part of Baxter International, Inc.) ("BardyDx") to offer remote cardiac monitoring technology and also function as diagnostic service providers. We also compete with companies that sell traditional, 24-to-48-hour Holter monitors, including GE Healthcare, Philips Healthcare, and Spacelabs Healthcare Inc., as well as Welch Allyn Holdings, Inc. ("Welch Allyn") and Mortara Instrument, Inc. (both acquired by Hill-Rom Holdings, Inc. now part of Baxter International, Inc.).

Many of our competitors have substantially greater financial, manufacturing, marketing, and technical resources than we do. Furthermore, many of our competitors have well-established brands, widespread distribution channels, broader product offerings, and an established customer base.

These competitors have also developed patch-based cardiac monitors that have received FDA and foreign regulatory clearances. We are also aware of small start-up companies entering the patch-based cardiac monitoring market. Large medical device companies may continue to acquire or form alliances with these smaller companies to diversify their product offering and participate in the digital health space. These competitors and potential competitors may introduce new products and services that directly or indirectly compete with our iRhythm Services and iRhythm ACM Systems.

Future competition may also come from manufacturers of wearable fitness products or large information technology companies focused on general health and wellness. For example, in 2021 and 2022, Apple Inc. and Fitbit each respectively added capabilities on their watch platform to measure non-continuous ECG and to alert users to the potential presence of irregular heartbeats suggestive of asymptomatic Afib.

We believe the principal competitive factors in our market include:

- ease of use, comfort, and unobtrusiveness of the device for the patient;
- quality and clinical validation of the deep-learned algorithms used to detect arrhythmias;
- concise and comprehensive reports supporting efficient physician interpretation;
- ease of use of service workflow for physicians and supporting clinicians;
- digital tools for data management, including the myZio mobile app, website tools, and EHR integration;
- contracted rates with third-party payors;
- government reimbursement rates associated with our iRhythm Services and supporting iRhythm ACM Systems;
- quality of clinical data and publications in peer-reviewed journals;
- size, experience, knowledge, and training of sales and marketing teams;
- availability and reliability of sales representatives and customer support services;
- workflow protocols for solution implementation in existing care pathways;
- reputation of existing device manufacturers and diagnostic service providers; and
- relationships with physicians, hospitals, administrators, and other third-party payors.

Manufacturing and Quality Assurance

We currently manufacture our iRhythm ACM Systems, including the Zio monitor System and Zio AT System, in our leased facility in Cypress, California. This facility is approximately 69,000 square feet (of which 34,000 square feet is used for manufacturing) and provides space for our manufacturing and production operations, including inspection, assembly, testing, packaging, labeling, storage, and shipping. We believe this manufacturing facility has the capacity to meet our manufacturing needs for at least the next five years.

Outside suppliers are the source for components and sub-assemblies in the production of the iRhythm ACM Systems. Any significant supplier of a critical component, such as the circuit boards for the iRhythm ACM Systems provided by contract electronic manufacturers, is managed through our manufacturing team that is focused on reducing supply chain risk. These suppliers are evaluated, approved, and monitored by our quality team to ensure conformity with the specifications, policies, and procedures applicable to our devices.

Our manufacturing operations are subject to regulatory requirements of FDA (including those in its implementing regulations of the Food, Drug, and Cosmetic Act, the Quality System Regulation, which amendments took effect February 2, 2026, with the updated regulations referred to as the Quality Management System Requirements or "QMSR"), the Medical Devices Regulation 2017/745 of the European Parliament and of the Council (“EU MDR”), the UK Medical Device Regulations 2002 (“UK MDR”), and the Japanese medical device Quality Management System ("QMS"). We are also subject to applicable requirements relating to the environment, waste management, and health and safety matters, including measures relating to the release, use, storage, treatment, transportation, discharge, disposal, sale, labeling, collection, recycling, treatment, and remediation of hazardous substances.

We purchase certain components and materials used in manufacturing from single sources due to quality considerations, costs, or constraints resulting from regulatory or other requirements. As of December 31, 2025, those single sources include suppliers of application-specific integrated circuits used in our transmitters, seals used for the applicators, and certain polymers used to synthesize polymeric membranes for our sensors.

Our manufacturing facilities are also ISO certified (EN ISO 13485:2016). We have registered our device establishments with FDA and with the UK’s Medicines & Healthcare products Regulatory Agency (“MHRA”). Additional EU registrations may be sought in EU member states in the future by our EU authorized representative as appropriate.

Third-Party Reimbursement

We receive revenue for the iRhythm Services primarily from third-party payors, which include commercial payors and government agencies, such as the CMS. Third-party payors require us to identify the service for which we are seeking reimbursement by using a Current Procedural Terminology (“CPT”) code set maintained by the American Medical Association (“AMA”). These CPT codes are subject to periodic change and update, which will impact the reimbursement rates for our iRhythm Services.

For the year ended December 31, 2025, we received approximately 83% of our revenue through third-party payors, which includes approximately 24% of our total revenue from the Medicare program. As we continue to contract with more commercial payors and the patient population ages into eligibility for the Medicare Advantage program, we believe more of our revenue will convert to commercial payor billing.

Our clinical centers are enrolled in the Medicare program as IDTFs, which allows us to bill CMS directly for our iRhythm Services. To maintain enrollment, we must meet the CMS IDTF supplier standards, including having an independent medical director for oversight and qualified technicians who support the analysis of ECG data captured by the Zio patches as part of our iRhythm Services.

For additional information on third-party reimbursement, please see our Risk Factor titled “If reimbursement or other payment for our iRhythm Services is reduced or modified in the United States, including through cost containment measures or changes to policies with respect to coding, coverage, and pricing, our business could suffer.”

Research and Development

We focus our research and development efforts on the ongoing development and expansion of patch-based monitoring devices and related services in alignment with our strategy. We employ engineering and research and development staff to focus on sustaining achieved improvements as well as delivering future innovations. Our research and development activities are focused on:

- **Continuous improvement and extensions to existing products and services.** We are continuously working to improve our devices and services to increase patient comfort, improve product quality and operational scalability, and enhance security.
- **International expansion.** We are working on expanding our infrastructure and ensuring global regulatory compliance as we identify appropriate opportunities for international growth.
- **Advancing our technology offering.** Our product portfolio includes patch-based solutions (utilized in our existing Zio monitor System, Zio AT System, and Zio XT System) and is planned to include the pending Zio MCT device for which we submitted an application to FDA in 2025. We continue to explore wearable solutions as well as patch-based sensors with additional parameters beyond ECG, but these solutions are in development and will require future FDA clearances and other approvals.
- **Customer workflow optimization.** We have initiatives that aim to increase customer productivity by optimizing workflow through easier patient enrollment, report access, and interpretation, in addition to integrating the reports from our iRhythm Services directly into EHRs.
- **Data analytics.** We are focused on improving and enhancing our back-end, deep-learning analytic platform, building on our core competency in data analytics to drive improved speed and accuracy.
- **Developing clinical evidence**. We frequently provide support to third parties conducting clinical studies that further support the benefits of the iRhythm ACM Systems, including clinical research in areas such as obstructive sleep apnea, hypertension, predictive features, and patient wearables.
- **Continuing to solidify our footprint in digital healthcare.** Using our repository of ambulatory ECG patient data, as well as our partnerships in the broader chronic disease space, we will continue to look for ways to create value-driving opportunities in digital healthcare, such as expansion of indications for the iRhythm ACM Systems, new therapeutic discoveries, development of an analytical engine for ambulatory consumers, other medical data and payor and provider decision support, and the potential for more complete system integration with large health systems.

We have supported clinical studies conducted by leading physicians and clinicians to explore and develop new techniques and applications for our iRhythm ACM Systems, and other clinical and research activities, including healthcare economic outcomes research.

Our research and development activities consist of software development, algorithm and product development, regulatory affairs, and clinical research. Our research and development expenses (excluding acquired in-process research and development) were $84.6 million, $71.5 million, and $60.2 million for the years ended December 31, 2025, 2024, and 2023, respectively.

Technology License Agreement with BioIntelliSense, Inc.

On August 30, 2024, iRhythm Technologies entered into a Technology License Agreement (as subsequently amended, the “License Agreement”) with BioIntelliSense, Inc. (“BioIS”), pursuant to which (i) iRhythm Technologies will receive a perpetual fully paid up license to certain of BioIS’ intellectual property, technology and products for research, development and commercialization of potential next generation products and services in certain fields of use, including (x) an exclusive license to develop and commercialize pulse oximetry, accelerometry, and trending non-invasive blood pressure technologies for use within our ambulatory cardiac monitoring products and services and (y) a limited, non-exclusive license to develop and commercialize products and services for use in unattended, home-based diagnostic testing and assessment of sleep apnea, and (ii) iRhythm Technologies and BioIS agreed to negotiate in good faith a supply agreement for pulse oximetry hardware.

Under the terms of the License Agreement, iRhythm Technologies paid BioIS an upfront fee of $15.0 million in cash consideration in acceptance of the initial transfer of certain licensed technologies and data following the execution of the License Agreement. In connection with the License Agreement, iRhythm Technologies also purchased an aggregate of $40.0 million of convertible promissory notes from BioIS (the “Convertible Notes”), of which $20.0 million (“Milestone Notes”) were designated for satisfaction of our regulatory milestone payment obligations. The Milestone Notes, plus accrued and unpaid interest, if any, shall be cancelled, if outstanding, upon the achievement of these regulatory milestones up through December 31, 2026. In June 2025, BioIS achieved the first of two regulatory milestones. As of December 31, 2025, we and BioIS are in the process of completing all required contractual conditions to cancel $10.0 million in Milestone Notes plus accrued and unpaid interest.

Intellectual Property

To establish and protect our proprietary and other intellectual property rights, we rely on a combination of trademark, copyright, patent, trade secret, and other intellectual property laws, and employment, non-disclosure and invention assignment agreements, and other protective contractual provisions with our employees, contractors, consultants, suppliers, partners, outside scientific collaborators, and advisors, and other third parties. In addition, we have entered into licenses in the ordinary course of business relating to a wide array of technologies or other intellectual property rights or assets.

We hold patents and pending patent applications in the United States and other parts of the world which, in aggregate, we believe to be of importance in the operation of our business. As of December 31, 2025, we owned, or retained an exclusive license to, 59 issued patents from the U.S. Patent Office (“USPTO”) (comprised of 55 Utility patents and 4 Design patents), 16 issued patents from the Japanese Patent Office, seven issued patents from the Australian Patent Office, five issued patents from the Canadian Patent Office, seven issued patents from the European Patent Office (validated and providing protections in the countries of Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, Luxembourg, Netherlands, Norway, Spain, Sweden, Switzerland, the UK, and the Unitary Patent Court), seven issued patents from the Korean Patent Office, four issued patents from the Chinese Patent Office, and one issued patent from the Indian Patent Office. Our U.S. issued patents as of December 31, 2025, are set to expire over a range of years, from November 2028 to August 2041, subject to any extensions. As of December 31, 2025, we had 65 pending patent applications globally, including 22 non-provisional applications in the United States, eight applications in the European Patent Office, six applications in Japan, twelve Patent Cooperation Treaty ("PCT") International applications, four applications in Korea, three applications in each of China and India, two applications in Canada, and one application in Australia.

Our patents and patent applications seek to protect aspects of our core technologies and our product concepts for ambulatory cardiac monitoring. We believe that our patent position provides us with sufficient rights to protect our current and proposed commercial products and services. However, our patent applications may not result in issued patents, and any patents that have been issued or might be issued may not protect our intellectual property rights. We are currently party to patent litigation initiated by Welch Allyn and BardyDx as further described under "Legal Proceedings" and we cannot predict the outcome of such litigation. We also rely on trade secrets, technical know-how, and continuing innovation to develop and maintain our competitive position.

As of December 31, 2025, our trademark portfolio contained (i) U.S. trademark registrations for the marks IRHYTHM, KNOW YOUR RHYTHM, ZIO, MYZIO, ZIO SUITE, and ZIO AT and one pending U.S. trademark application for the mark ZIO MCT, (ii) registered trademarks for the mark IRHYTHM in the EU, Australia, Austria, Canada, China, Denmark, Finland, France, Germany, Italy, Japan, Norway, Sweden, Switzerland, and the UK, (iii) trademark registrations for the mark ZIO in the EU, Australia, Canada, China, Japan, Norway, Switzerland, and the UK, (iv) trademark registrations for the mark MYZIO in the EU, Canada, the UK, (v) trademark registrations for the mark ZIO MCT in the EU, Japan, Switzerland, and the UK, and (vi) trademark registrations for the mark ZIOSUITE in the EU and the UK.

Regulation

Based on the nature of the services we provide, the medical devices used to deliver our services, and the ways in which payment is available for our services, we are subject to a complex spectrum of intersecting laws and regulatory frameworks.

Our facilities in Illinois, California, and Texas are enrolled in the Medicare program as IDTFs, defined by CMS as entities independent of a hospital or physician’s office in which diagnostic tests are performed by licensed or certified non-physician personnel under appropriate physician supervision. CMS has set certain performance standards that every IDTF must meet in order to obtain or maintain its billing privileges.

We are also regulated as a medical device manufacturer because of our role in the design, development, and manufacturing of the iRhythm ACM Systems used in our iRhythm Services.

The United States has historically been the primary focus of the delivery of our services, but based on our operations we are subject to a range of laws and regulations outside the United States, and we expect the complexity of the global regulatory landscape to which we are subject to continue to increase.

U.S. Fraud and Abuse Laws and Other Healthcare Compliance Requirements

Medicare is a federal healthcare program administered by CMS that is available to individuals age 65 or over, and certain other individuals. The Medicare program provides, among other things, healthcare benefits that cover most medically necessary care for such individuals, subject to certain deductibles and co-payments. CMS has established guidelines for the coverage and reimbursement of certain products, supplies, and services, including ambulatory cardiac monitoring services. In general, Medicare will only reimburse ambulatory cardiac monitoring services, such as our iRhythm Services, that are reasonable and necessary for the diagnosis or treatment of patients. CMS also administers the Medicaid program, a cooperative federal/state program that provides medical assistance benefits to qualifying low income and medically needy persons. State participation in Medicaid is optional, and each state is given discretion in developing and administering its own Medicaid program, subject to certain federal requirements. All CMS programs are subject to statutory and regulatory changes, retroactive and prospective rate adjustments, administrative rulings, interpretations of policy, intermediary determinations, and government funding restrictions, all of which may materially increase or decrease the rate of program payments to healthcare facilities and other healthcare providers, including those paid for our iRhythm Services.

Because of the significant federal funding involved, the government actively enforces a number of laws and regulations to eliminate fraud and abuse in federal healthcare programs. Our business is subject to compliance with these laws. The most significant of these laws for our business include the federal Anti-Kickback Statute (the "AKS") and the federal False Claims Act (the "FCA").

Anti-Kickback Laws

Under the AKS, it is a criminal offense to knowingly and willfully offer, pay, solicit, or receive any remuneration to induce, or in return for purchasing, ordering, or recommending, or arranging for, the purchase or order of items or services (or referrals of the same) reimbursable by a federal healthcare program. The AKS imposes criminal liability for both the party that provides or offers such remuneration and the party that receives or solicits such remuneration. Courts and enforcement agencies interpret the AKS broadly, such that it may be implicated whenever anything of value is provided to a party in a position to generate federal healthcare program business where any one purpose of an arrangement involving remuneration is to induce referrals. Penalties for violations include criminal penalties and civil sanctions such as fines, imprisonment, and possible exclusion from Medicare, Medicaid, and other federal healthcare programs. Many states have adopted laws similar to the AKS. Some of these state prohibitions apply to referral of recipients for healthcare products or services reimbursed by any source, not only CMS programs. The Physician Payments Sunshine Act requires transparency around certain transfers of value and ownership interests that may raise parallel scrutiny of the appropriateness of financial relationships. Notably, some kickback allegations are also interpreted as violations of the FCA.

False Claims Act

The FCA prohibits: (i) knowingly presenting, or causing to be presented, a false or fraudulent claim for payment or approval and (ii) knowingly making, using, or causing to be made or used a false record or statement material to a false or fraudulent claim. Importantly, the FCA provides for "whistleblower" or qui tam actions, which allow a private individual to bring actions on behalf of the federal government alleging that the defendant has violated the FCA and to share in any monetary recovery. The federal government has used the FCA to assert liability on the basis of inadequate care, kickbacks, and other improper referrals, and improper use of CMS billing numbers, as well as allegations of off-label promotion of products, and activities relating to the reporting of discount and rebate information. The FCA is the federal government's preferred enforcement vehicle for addressing a variety of alleged misconduct and provides for treble damages and civil money penalties ranging from $14,308 to $28,619 per claim as of July 3, 2025. Individuals and entities can also face exclusion from participation in federal healthcare programs and potential criminal penalties, including imprisonment and criminal fines. Additionally, as part of any settlement, the government will occasionally require the entity to enter into a corporate integrity agreement, which imposes certain ongoing compliance, certification, and reporting obligations. In addition, various states have enacted false claims laws analogous to the FCA, and many of these state laws apply where a claim is submitted to any third-party payor and not only a federal healthcare program.

Healthcare Reform

Changes in healthcare policy could increase our costs and subject us to additional regulatory requirements that may interrupt commercialization of our current and future solutions. The Affordable Care Act ("ACA") substantially changed the way healthcare is financed by both governmental and private insurers, and significantly impacts our industry. Any changes to, or repeal of, the ACA may have a material adverse effect on our results of operations.

Additionally, for out-of-network or cash pay patients, we may be subject to state and federal surprise billing laws that impose limits on amounts that can be charged to such patients and/or the amount we can receive for out-of-network services from commercial payors. One such law, the federal No Surprises Act, requires covered providers to provide "good faith estimates" to patients and establishes a detailed and potentially costly independent dispute resolution process governing fee disputes with those patients. These laws and regulations may change, and additional implementation regulations are expected for the No Surprises Act, and we anticipate these requirements may apply to our business in the future.

We are subject to risks related to U.S. and international fraud and abuse laws and other healthcare compliance requirements described above, as well as others that are or may be adopted in future. For further details on these risks, see "Risk Factors," below.

U.S. Food and Drug Administration

Because we develop and manufacture the medical device technology used in the iRhythm Services (the hardware and software elements that FDA regulates as "devices"), we are subject to extensive and ongoing regulation by FDA under the Federal Food, Drug, and Cosmetic Act ("FD&C Act") and its implementing regulations, as well as other federal and state regulatory bodies in the United States. The laws and regulations govern, among other things, product design and development, preclinical and clinical testing, manufacturing, packaging, labeling, storage, recordkeeping and reporting, clearance or approval, marketing, distribution, promotion, import and export, and post-marketing surveillance and associated regulatory reporting.

Most Class II devices, including Zio monitor, Zio AT, Zio XT, ZEUS and the Zio MCT device for which we are seeking marketing authorization, require 510(k) clearance from FDA in order to be marketed in the United States. A 510(k) submission must demonstrate that the device is substantially equivalent to a device legally in commercial distribution in the United States. After clearance, changes made to devices must be evaluated on an ongoing basis and may trigger the need for additional 510(k) clearances or – depending on the nature of the change – might require a higher level of FDA review (through the de novo premarket approval or ("PMA") process). To date, our product changes have been managed within the 510(k) framework.

After a device is placed on the market, numerous regulatory requirements continue to apply. These include:

- FDA's QMSR, which requires manufacturers, including their suppliers, to follow stringent design, testing, control, documentation, and other quality assurance procedures during all aspects of the product lifecycle, including the manufacturing process;
- labeling regulations and FDA prohibitions against the promotion of products for uncleared, unapproved, or off-label uses, including parameters around manufacturer communications with payors and healthcare professionals;
- medical device reporting regulations, which require that manufacturers report to FDA if their device may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur;
- medical device recalls, which require that manufacturers report to FDA any recall of a medical device, provided the recall was initiated to either reduce a risk to health posed by the device, or to remedy a violation of the FD&C Act caused by the device that may present a risk to health; and
- post-market surveillance regulations, which apply when necessary to protect the public health or to provide additional safety and effectiveness data for the device.

After a device receives 510(k) clearance or PMA, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, performance, or functionality may require a new clearance or approval. FDA requires each manufacturer to make this determination initially, but FDA can review any such decision and can disagree with a manufacturer's determination. If FDA disagrees with the determination not to seek a new 510(k) clearance or PMA approval, FDA may retroactively require a new 510(k) clearance or PMA approval. FDA could also require a manufacturer to cease marketing and distribution and/or recall the modified device until 510(k) clearance or PMA approval is obtained. Also, in these circumstances, the manufacturer may be subject to significant regulatory fines, penalties, and other enforcement actions, such as warning letters.

We have registered appropriate facilities with FDA as a medical device specification developer, manufacturer, or designated complaint handling unit. We have also obtained a manufacturing license from the California Department of Public Health ("CDPH"). FDA and the CDPH have broad post-market and regulatory enforcement powers. We are subject to unannounced inspections by FDA and the Food and Drug Branch of CDPH to determine our compliance with FDA's QMSR and other regulations, and these inspections may include the manufacturing facilities of our suppliers.

Failure to comply with applicable regulatory requirements can result in enforcement action by FDA, which may include any of the following sanctions:

- warning letters, fines, injunctions, consent decrees, and civil penalties;
- repair, replacement, refunds, recall, or seizure of our products;
- operating restrictions, partial suspension, or total shutdown of production;
- refusing our requests for 510(k) clearance or PMA approval of new products, new intended uses, or modifications to existing products;
- withdrawing 510(k) clearance or PMA approvals that have already been granted; and
- criminal prosecution.

For further details on these risks, see “Risk Factors” below. The manner in which these risks present may also be impacted by the changing enforcement landscape, including in relation to reorganization under current administration policies. For example, DOJ has used both criminal and civil mechanisms to enforce the FD&C Act through the Consumer Protection Branch (“CPB”) of DOJ. Following dissolution of the CPB, on September 25, 2025, DOJ announced a restructuring under which the Civil Division’s litigation work would be consolidated into a new Enforcement & Affirmative Litigation Branch, and the Health and Safety Unit housed within the Fraud Section of DOJ’s Criminal Division is now charged with criminal enforcement of the FD&C Act.

Privacy and Security Regulation

Our business is subject to foreign, federal, and state privacy and security laws concerning the collection, use, analysis, retention, storage, protection, transfer, disclosure, and/or disposal of individually identifiable information including, without limitation, the General Data Protection Regulation (“GDPR”), the Health Insurance Portability and Accountability Act of 1996, as amended by the final regulations promulgated pursuant to the Health Information Technology for Economic and Clinical Health Act (“HITECH”), found in the American Recovery and Reinvestment Act of 2009 (collectively, “HIPAA”), the Telephone Consumer Protection Act, the CAN-SPAM Act, and state privacy, consumer protection, and breach notification laws.

We are subject to risks related to privacy and security regulation. For further details on these risks, see “Risk Factors,” below.

European Union and United Kingdom

In the European Union, the system of regulating medical devices operates by way of a certification for each medical device. Each certified device is marked with the CE mark which shows that the device has a certificate of conformance under the EU MDR. Since May 2021, the EU MDR has been the relevant regulatory framework for devices in the EU, replacing the prior Medical Device Directive. The Zio monitor System and ZEUS are currently marked in the EU under our CE mark under the EU MDR issued by the British Standards Institution ("BSI") in December 2023.

National competent authorities in each member state of the EU oversee the implementation of the EU MDR within their jurisdiction, typically through so-called notified bodies which are certification organizations designated by a member state to conduct third-party conformity assessments (the “Notified Bodies”). The means for achieving the requirements for the CE mark vary according to the nature of the device. Devices are classified in accordance with their perceived risks, similarly to the U.S. system. The class of a product determines the conformity assessment required before the CE mark can be placed on a product. Conformity assessments for our products are carried out as required by Notified Bodies. If a Notified Body of one member state has issued a CE mark, the device can be distributed throughout the EU without further conformance tests being required in other member states, although certain member states may require in-country device registrations after the issuance of the CE mark. The CE mark is contingent upon continued compliance with the applicable regulations and the quality system requirements of the ISO 13485 standard.

Due to UK’s departure from the EU, the MHRA has issued requirements associated with the UK Conformity Assessed (“UKCA”) mark. The UKCA marking is a new UK product marking that is used for goods being placed on the market in Great Britain. It covers most goods which previously required the CE marking, including medical devices. The UKCA requirement became effective on January 1, 2021, and we have obtained a UKCA mark with the BSI, which also serves as our UK Approved Body, for Zio XT and ZEUS. We are also registered with the UK’s Care Quality Commission to carry out diagnostic and screening procedures.

Additionally, the EU Notified Body and UK Approved Body regularly audit our manufacturing, design, and operational facilities to ensure ongoing ISO 13485 and EU MDR compliance and periodically audit technical design files in accordance with the EU MDR in order to maintain our CE mark or issue a CE mark or UKCA mark for new or updated devices.

Japan

Regulatory authorities in Japan include the Ministry of Health, Labor and Welfare ("MHLW"), which defines policy, issues medical device approvals and enforces regulations; and the PMDA which reviews device applications, conducts scientific assessments and monitors post-market device safety. The Act on Securing Quality, Efficacy and Safety of Products Including Pharmaceuticals and Medical Devices (the "PMD Act") is the principal legislation in Japan governing Medical Devices that provides a comprehensive regulatory framework such as marketing authorization, business licenses, labeling and advertising regulations. Devices are classified in accordance with their perceived risks, similarly to the U.S. and EU systems. Zio monitor and ZEUS (known in Japan as Zio ECG Recording and Analysis System) were approved by MHLW in September 2024 and Zio monitor is currently marketed in Japan.

In addition to product approval, we and other foreign manufacturers must appoint a Japan-based Designated Marketing Authorization Holder ("DMAH") to be the Regulatory and Quality Management System ("QMS") representative to MHLW for pre- and post-market activities. MHLW Ordinance No. 169 governs QMS requirements, largely aligned with ISO 13485:2016 with other Japan-specific provisions and has been incorporated into iRhythm's internal quality management system.

Anti-Bribery and Anti-Corruption Laws

The U.S. Foreign Corrupt Practices Act (“FCPA”) and similar laws in foreign jurisdictions generally prohibit any U.S. corporations and their representatives from offering, promising, authorizing, or making payments, gifts, or transfers of value, directly or indirectly, to any foreign official, political party, or candidate for the purpose of influencing any act or decision of the foreign entity in order to obtain or retain business. The scope of the FCPA includes interactions with certain healthcare professionals and hospital administrators in many countries.

In addition, in Europe, various countries have adopted anti-bribery laws providing for severe consequences in the form of criminal penalties and significant fines for individuals or companies committing a bribery offense. Violations of these anti-bribery laws, or allegations of such violations, could have a negative impact on our business, results of operations, and reputation. For instance, in the UK, under the U.K. Bribery Act 2010, a bribery occurs when a person offers, gives, or promises to give a financial or other advantage to induce or reward another individual to improperly perform certain functions or activities, including any function of a public nature. Bribery of foreign public officials also falls within the scope of the U.K. Bribery Act 2010. An individual found in violation of the U.K. Bribery Act 2010 faces imprisonment of up to 10 years. In addition, the individual can be subject to an unlimited fine, as can commercial organizations for failure to prevent bribery.

Sustainability

To best serve our various stakeholders – including patients, caregivers, employees, investors, and communities – we believe in operating in a sustainable manner according to five core values. These principles guide how we accomplish our mission to drive the success of our business and enable long-term value creation.

- **Lead with integrity.** We believe that building trust, holding ourselves to the highest standards of ethics, acting with transparency, and being accountable forms the foundation of who we are as a company.
- **Solve for the patient.** Improving the lives of patients is our passion, so with everything we do, we put patients first, aim to deliver high-quality results, and consider customer needs.
- **Think big, go fast.** Achieving our vision requires bold action without compromising quality. This is why we strive to be open to new ideas, take intelligent risks, act with a sense of urgency, and learn from failure.
- **Collaborate to win.** Prioritizing collective success delivers astounding results, so we aim to think holistically and strategically, develop relationships proactively, and work as one team.
- **Strive for better.** We believe that immense possibility exists at iRhythm, so we are open to embracing change and pursuing opportunities for growth, and we seek diverse perspectives in that pursuit.

In accordance with these values, we believe that effectively managing sustainability risks and opportunities drives business success and that, when fully integrated into the business, sustainability can provide a competitive advantage. In 2024, we refreshed our sustainability priority assessment to ensure we are aligning with the issues that matter most to our business and stakeholders and, in 2025, we released a refreshed corporate sustainability report to highlight our progress against these priorities.

We made significant progress in many aspects of our sustainability strategy, including:

- Enhancing our quality systems, improved customer experience through EHR integration and innovative product launches, and securing strategic technology licensing agreements to advance connected patient care;
- Refreshing our core values to define the culture we would like to shape going forward;
- Receiving regulatory approval from the PMDA for the Zio fourteen-day, long-term continuous ECG monitoring system in Japan, the world's second largest market for ambulatory cardiac monitoring (ACM) in 2025;
- Completing our Scope 3 greenhouse gas emissions inventory and achieving 89.5% landfill waste diversion;
- Improving access by launching in Austria, the Netherlands, Spain and Switzerland; and,
- Revising our code of conduct to provide employees with the resources and guidance needed to operate with unquestionable integrity.

Human Capital

As of December 31, 2025, we had approximately 2,400 employees globally. We believe in creating a flexible, productive, and globally connected dispersed workforce. Our work model is comprised of employees spanning remote, hybrid, and fully onsite work arrangements. Work arrangements are determined based on the needs of the role, nature of work, and regulatory requirements. Our approach is designed to empower our global workforce, fostering flexibility and productivity while maintaining a strong company culture.

Inclusion and Belonging

We are committed to being an equal opportunity employer and we prohibit all forms of unlawful discrimination in accordance with applicable law. We believe in the richness and quality of a working environment that is informed by people from all walks of life and strive to create a genuinely inclusive environment. To build on our commitment to inclusion and belonging, we have various initiatives led by our Chief Risk Officer to foster a work environment where everyone feels valued, respected, and empowered to contribute.

Board and Management Oversight

The compensation and human capital management committee of our board of directors has oversight of our culture and human capital management, including our approach to talent recruiting, development, progression and retention, culture, human health and safety, and total rewards. We are committed to nurturing our workforce and have also established a Global Leadership Forum that is led by our Executive Leadership Team to ensure broader alignment across our organization's leadership on key corporate initiatives, company culture, and transformation objectives.

Health and Safety

We believe that to date we have materially complied with applicable health, safety, and environmental laws as well as related company policies and procedures and provide necessary training as appropriate by role and location. In 2023, we published internally our Environmental, Health, and Safety Policy Statement demonstrating our ongoing commitment to the highest standards of environmental, health, and safety performance. We consistently track and evaluate recordable incident rates associated with our various facilities locations. We believe that by integrating sound environmental, health, and safety management practices into all elements of our business and operations, we will consistently deliver innovative and trusted solutions for the patients that we serve, as well as sustain higher standards of employee safety.

Total Rewards

We believe that we employ a fair and merit-based total compensation system, and we evaluate our compensation programs regularly to help ensure that our employees are compensated fairly for their work while fostering a pay-for-performance culture that is aligned with the interests of our stockholders.

We believe that we offer our employees competitive benefits that follow industry standards and support physical, mental, and financial wellness. We offer health benefits, a 401(k) plan with company match, paid time off and family leave, an Employee Stock Purchase Plan for employees in the United States and the United Kingdom, which allows them to purchase our stock at a discount, and an employee wellness program that is generally available to employees and their families globally with a variety of support services.

Workforce Development

The growth and success of our employees is one of our top priorities as it impacts our overall company performance. We are investing heavily to build in-house tools and resources to support managers and employees. Our core competencies are the foundation for programs and tools being developed to identify top talent, prepare future managers and leaders, and provide equal access to growth opportunities.

We offer a variety of training opportunities, whether focused on building vocational, management, or leadership skills. We facilitate sessions around our core competencies, interview skills, and coaching practices, and we offer a toolbox on our intranet with resources for employees and managers across the employee lifecycle.

ITEM 1A. RISK FACTORS

Our short and long-term success is subject to numerous risks and uncertainties, many of which involve factors that are difficult to predict or beyond our control. Before making a decision to invest in, hold, or sell our common stock, stockholders and potential stockholders should carefully consider the risks and uncertainties described below, in addition to the other information contained in or incorporated by reference into this Annual Report on Form 10-K, as well as the other information we file with the SEC. If any of the following risks are realized, our business, financial condition, results of operations, and prospects could be materially and adversely affected. In that case, the value of our common stock could decline and stockholders may lose all or part of their investment. Furthermore, additional risks and uncertainties of which we are currently unaware, or which we currently consider to be immaterial, could have a material adverse effect on our business, financial condition, and results of operations. Refer to our disclaimer regarding forward-looking statements at the beginning of "Management's Discussion and Analysis of Financial Condition and Results of Operations" in Part II, Item 7 of this Annual Report on Form 10-K.

Risks Related to Our Industry, Business and Operations

Reimbursement by Medicare is highly regulated and subject to change, and our failure to comply with applicable regulations, including regulations not designed for remote diagnostic tests like our iRhythm Services, could prevent us from receiving reimbursement under the Medicare program and some commercial payors, subject us to penalties, and adversely affect our reputation, business, and results of operations.

During the year ended December 31, 2025, we received approximately 24% of our total revenue from the Medicare program through CMS. The Medicare program is administered by CMS, which imposes extensive and detailed requirements on diagnostic services providers, including IDTFs. These requirements include, but are not limited to, rules that govern how we structure our relationships with physicians, how we operate our IDTFs and market our iRhythm Services, when we may perform diagnostic tests, and how and when we submit reimbursement claims. Our failure to comply with the applicable Medicare rules and requirements could result in discontinuation of our reimbursement under the Medicare program, a requirement to return funds already paid to us, civil monetary penalties, criminal penalties, and/or exclusion from the Medicare program, which would have a material adverse impact on our reputation, business, and results of operations.

CMS has acknowledged that the IDTF regulations were designed for "traditional" IDTFs that administer tests to patients in-person, at a single point in time, and from a single location, and only recently has CMS initiated changes to the regulations to address IDTFs like ours that furnish "indirect tests" that do not require in-person interaction and involve technicians performing computer analyses offsite or at another location. The changes, however, do not address all gaps identified by CMS relating to IDTF operations and the Medicare billing requirements. For example, CMS has not addressed billing for remote diagnostic tests that are performed from one or more IDTF or other remote locations. Our failure to comply with the applicable Medicare regulations, or regulators' disagreement with our interpretation of the regulations as applied to indirect tests, such as the iRhythm Services, could result in the discontinuation of our reimbursement under the Medicare program, a requirement to return funds already paid to us, civil monetary penalties, criminal penalties, and/or exclusion from the Medicare program.

In addition, many commercial payors require our IDTFs to maintain enrollment with the Medicare program as well as accreditation and certification with the Joint Commission. If we fail to obtain and maintain IDTF enrollment or accreditation and certification, our iRhythm Services may no longer be reimbursed by those commercial payors, which could have a material adverse impact on our reputation, business, and results of operations.

If reimbursement or other payment for our iRhythm Services is reduced or modified in the United States or in our international markets, including through cost containment measures or changes to policies with respect to coding, coverage, and pricing, our business could suffer.

We receive a substantial portion of our revenue from Medicare and third-party commercial payors with which we contract, and we cannot predict whether and to what extent existing reimbursement rates will continue to be available. If CMS or any of our key commercial payors reduce reimbursement rates for our iRhythm Services, our business, operating results, and prospects would be adversely affected.

CMS updates the reimbursement rates for diagnostic tests performed by IDTFs annually via the Medicare Physician Fee Schedule. Effective January 1 of each year, CMS updates the national payment rates for the CPT codes we use to report our cardiac monitoring services: CPT code 93247 (ECG recording conducted over a period of greater than 7 days and up to 15 days), CPT code 93243 (ECG recording conducted over a period of greater than 48 hours and up to 7 days), and CPT code 93229 (mobile cardiovascular telemetry). New rates were published effective January 1, 2026, which reflect an increase in the national payment amount for CPT codes 93247, 93243, and 93229 as compared to calendar year 2025. However, there is no guarantee that these year-over-year increases will be sustained, or that payment rates will keep pace with the costs to provide our iRhythm Services in the future.

Because remote cardiac monitoring technology, including the iRhythm ACM System, is rapidly evolving, there is a continuing risk that relative value units assigned, and reimbursement rates set, by CMS may not adequately reflect the value and expense of this technology and associated monitoring services. Further, CMS may reduce the rates for the CPT codes assigned to our services in the future, which would adversely affect our financial results, particularly to the extent commercial payors with which we contract follow suit.

In addition, our agreements with commercial payors typically allow either party to terminate the contract at any time by providing prior written notice, in accordance with the agreement, to the other party, which means our commercial payors may elect to terminate their contracts with us for any reason. A commercial payor who terminates or does not renew their contract with us may, or may not, alter their coverage for the type of services we provide. In the event any of our key commercial payors terminate their agreements with us, elect not to renew or enter into new agreements with us upon expiration of their current agreements, or do not renew or establish new agreements on terms as favorable as are currently contracted, our business, operating results, and prospects would be adversely affected.

Finally, government and commercial payors have and may, in the future, consider healthcare policies and proposals intended to limit or reduce perceived increases in healthcare costs, including those that could significantly affect reimbursement for healthcare products such as our systems and services. These policies have included, and may in the future include: basing reimbursement policies and rates on clinical outcomes, the comparative effectiveness, and costs, of different treatment technologies and services, changes in risk adjustment weights or the criteria required to support risk adjustment eligible diagnoses in Medicare Advantage, as well as other measures. For example, from time to time CMS or Medicare Administrative Contractors may develop National Coverage Determinations, Local Coverage Determinations (“LCDs”), or similar policies dictating the conditions for coverage and reimbursement of our iRhythm Services. For instance, in September 2025, Noridian Healthcare Solutions, LLC, Palmetto GBA, LLC, and CGS Administrators, LLC each published proposed LCDs regarding “Temporary Nontherapeutic Ambulatory Cardiac Monitoring Devices.” These proposed LCDs seek to outline the circumstances in which ambulatory cardiac monitoring is considered reasonable and necessary for Medicare purposes, device requirements, and associated coverage limitations. The proposed LCDs were subject to a public comment period that concluded in November 2025, in which iRhythm and other stakeholders had the opportunity to inform consideration of whether, and in what form, the LCDs might be adopted. The adoption of the proposed LCDs, or any other developments in the Medicare coverage policies on which the industry has come to rely, could necessitate changes to our business model, methods of operation, billing processes, and related compliance controls. Future significant changes in the healthcare systems in the United States or elsewhere could also have a negative impact on the demand for our current and future products and services. These include changes that may limit coverage or reduce reimbursement rates for our products and changes that may be proposed or implemented by the current or future laws or regulations.

If we are unable to expand the number of third-party commercial payors with which we contract or expand coverage for existing third-party commercial payors, our commercial success could be impacted.

There is significant uncertainty concerning third-party reimbursement of any new service until a contracted rate is established for that service with the commercial payor. Reimbursement by a commercial payor may depend on several factors, including, but not limited to, a payor’s determination that the ordered service is not experimental or investigational, medically necessary and appropriate for the specific patient, cost effective, supported by peer-reviewed publications, and accepted and used by physicians and other clinicians within their provider network.

Since each payor decides whether to establish a policy concerning reimbursement or to contract with us to set the price of reimbursement, seeking reimbursement on a payor-by-payor basis is a time-consuming and costly process to which we dedicate substantial resources. If we do not dedicate sufficient resources to establishing contracts with commercial payors and supporting payors' reimbursement determinations by demonstrating the clinical value of our iRhythm Services through studies and physician adoption, we may encounter several adverse consequences that could compromise the commercial success of our business. Such adverse consequences may include an inability to secure additional contracts with commercial payors, reluctance by physicians to order our iRhythm Services due to concerns that patients may face significant out-of-pocket expenses associated with an out-of-network IDTF, a decline in the amount that we are reimbursed for our services, less predictable revenue, and an increase in the efforts and resources necessary to obtain reimbursement for our services on a claim-by-claim basis.

Additionally, for our out-of-network or cash pay patients, we may be subject to state and federal surprise billing laws that impose limits on amounts that can be charged to such patients and/or the amount we can receive for out-of-network services from commercial payors as well as penalties for noncompliance. One such law, the federal No Surprises Act, requires covered providers to provide "good faith estimates" to uninsured and self-pay patients of their out-of-pocket responsibility and establishes a detailed and potentially costly independent dispute resolution process governing fee disputes between our IDTFs and payors. These laws and regulations may change and we anticipate these evolving, highly technical requirements may apply to our business in the future and could necessitate the dedication of additional resources to ensure compliance.

We report to third party payors the technical components of the remote cardiac monitoring services that are performed with our Zio monitor, Zio XT, and Zio AT devices using CPT codes established by the AMA. These CPT codes are manufacturer- and technology-agnostic but describe general technical features required to support the diagnostic medical procedures represented by these billing codes. Given the nature of CPT codes, there is always some degree of risk for an entity that bills for its services that regulators or other third parties could assert that the CPT codes utilized were not appropriate, and recent regulatory developments have the potential to increase the risk of questions or inquiry regarding our use of a specific CPT code.

The CPT codes used to report remote cardiac monitoring services, including those used to report our iRhythm Services, were drafted by the AMA in a manufacturer- and specific technology-agnostic manner. Regulators' evolving understandings and definitions of certain cardiac monitoring modalities could result in assertions that our technology does not support certain diagnostic procedures described by the CPT codes that we currently use to report our iRhythm Services. For example, although FDA "Product Codes" are created and assigned by FDA to support the agency's responsibility for regulating medical devices in the framework of device classifications designated under 21 C.F.R. Parts 862-892, Product Codes have the potential to raise questions about expectations for devices. In November 2023, FDA established a new Product Code QYX for "Outpatient Cardiac Telemetry" and retrospectively assigned Product Code QYX to several devices, including Zio AT. FDA's "Definition" of the "Outpatient Cardiac Telemetry" devices within this Product Code references monitoring data being "transmitted to the prescribing clinician during the monitoring period by a 24/7 attended analysis center after review by a qualified individual," which may be read as incorporating activities of an IDTF into the device. If our IDTF capabilities and performance do not align with FDA's interpretation and expectations for Product Code QYX, a regulator or other third party could assert that the Zio AT cannot support MCT services. Any such assertion could jeopardize our ability to obtain clearances with indications and labeling that provide for the scope we planned, and our ability to submit claims for reimbursement for services utilizing Zio AT and may require us to evaluate whether we have received any overpayments that must be reported and returned to third-party payors.

Our revenue relies on our iRhythm Services, which are currently our only offerings. If our iRhythm Services or future service offerings fail to gain, or lose, market acceptance, our business will suffer.

Our current revenue is dependent on orders for our iRhythm Services, and we expect that reimbursement for our iRhythm Services will account for substantially all our revenue for the foreseeable future. We are in various stages of research and development for other diagnostic and/or screening solutions and new indications for our technology and our iRhythm Services; however, there can be no assurance that we will be able to successfully develop and commercialize any new services and related devices. Any new services may not be accepted by physicians or may merely replace revenue generated by our iRhythm Services and not generate additional revenue. If we have difficulty launching new services, our reputation may be harmed and our financial results adversely affected. In order to substantially increase our revenue, we will need to target physicians other than cardiologists, such as emergency room doctors, primary care physicians, and other physicians with whom we have had little contact and who may require a different type of marketing effort. If we are unable to increase orders for our iRhythm Services, expand reimbursement for our iRhythm Services, or successfully develop and commercialize new services and related devices, our revenue and our ability to achieve and sustain profitability would be impaired.

The market for remote cardiac monitoring solutions is highly competitive. If our competitors are able to develop or market monitoring devices and services that are more effective, or gain greater acceptance in the marketplace, than any services and related devices we develop, our commercial opportunities will be reduced or eliminated.

The market for remote cardiac monitoring products and services is competitive, characterized by rapid change resulting from technological advances, scientific discoveries, and other market activities of industry participants. Our iRhythm Services compete with a variety of products and services that provide alternatives for remote cardiac monitoring, including traditional, short-term Holter monitors and event monitors. Our industry is highly fragmented and characterized by a small number of large manufacturers and a large number of smaller regional service providers. These third parties compete with us in marketing to payors and ordering physicians, recruiting and retaining qualified personnel, acquiring technology, and developing products and services that compete with our iRhythm Services and related devices, and enhancing their product offerings with differentiating features. Our ability to compete effectively depends on our ability to distinguish our company and our iRhythm Services from our competitors and their products and services, and includes such factors as safety and effectiveness; acute and long-term outcomes; ease of use; price; physician, hospital, and clinic acceptance; and third-party reimbursement.

Our industry is subject to rapid change and is significantly affected by new product introductions, results of clinical research, corporate combinations, and other factors. Large competitors in the remote cardiac market include companies that sell standard Holter monitors including GE Healthcare, Philips Healthcare, Mortara Instrument, Inc., Spacelabs Healthcare Inc. and Welch Allyn. Additional competitors, such as BioTelemetry, Inc. (now part of Royal Philips), Preventice Solutions, Inc. (now part of Boston Scientific, Inc.), and BardyDx manufacture remote cardiac monitoring devices and also offer monitoring services. These companies have also developed other patch-based cardiac monitors that have received FDA and foreign regulatory clearances. There are also several small start-up companies trying to compete in the patch-based cardiac monitoring space, as well as several entering the patch-based cardiac monitoring market.

We have also seen a trend in the market for large medical device companies to acquire, invest in, or form alliances with these smaller companies in order to diversify their product offerings and participate in the digital health space. Future competition could come from makers of wearable fitness products or large information technology companies focused on improving healthcare. For example, Apple, Fitbit and Samsung, among others, have added capabilities on their platforms to measure non-continuous ECG and to alert customers to the potential presence of irregular heartbeats suggestive of asymptomatic Afib. These competitors and potential competitors may introduce new products and services that more directly compete with our iRhythm Services and related devices.

Billing for our iRhythm Services is complex and highly regulated, and we must dedicate substantial time and resources to the billing process. Failure to comply with legal, regulatory, or contractual requirements applicable to our billing and collection activities could subject us to penalties, and adversely affect our reputation, business and results of operations.

Billing for diagnostic services is complex, highly regulated, time-consuming, and expensive, and failure to comply with legal or contractual requirements applicable to our billing and collection activities could subject us to penalties, and adversely affect our reputation, business and results of operations. Depending on the billing arrangement and applicable law, we bill several types of entities and payors, including federal healthcare programs, third-party commercial payors, healthcare providers, and healthcare institutions, which may have different billing

requirements, coverage criteria, procedures, or expectations. We also bill insured patients for co-payments, co-insurance, and deductible amounts, as well as bill self-pay patients directly.

Several factors make the billing and collection process uncertain, including differences between the submitted claim price for our iRhythm Services and the reimbursement rates of payors; compliance with complex federal and state regulations related to billing the Medicare and Medicaid programs and collecting co-payments, co-insurance, and deductible amounts from patients and other guarantors; the effect of patient co-payments, co-insurance, and deductible amounts, which may vary depending on the timing of the claim relative to the insured's annual policy year; differences in coverage policies, criteria, and billing requirements among payors; and incorrect or missing patient history, indications, or billing information and delays in verifying and resolving the same. We also face risk in our collection efforts, including potential write-offs of doubtful accounts and long collection cycles, which could adversely affect our business, financial condition, and results of operations. We may also be adversely affected by the growth in patient responsibility accounts, as a result of increases in the adoption of plan structures, due to evolving health care policy and insurance landscapes, that shift greater responsibility for care to individuals through greater exclusions, prior authorizations, and co-payment and deductible amounts.

Additionally, our billing activities require us to implement compliance procedures and oversight, train and monitor our employees, subcontractors, and agents, and undertake internal review procedures to evaluate compliance with applicable laws, regulations, and internal policies. These activities require a tremendous dedication of resources and, as a result, we have engaged third-party vendors to undertake certain components of our billing and collections operations. While common in the healthcare industry, the outsourcing of billing and collections activities to third-party vendors requires diligent monitoring and oversight to ensure the completeness, accuracy, and propriety of the claims submitted to federal healthcare programs and other third-party commercial payors for our iRhythm Services. We may be held responsible by our regulators or payors for any acts, errors, or omissions by the third-party vendors engaged to perform billing and collections activities on our behalf.

The complexities we face related to billing for our iRhythm Services, and the related uncertainty in obtaining payment for our iRhythm Services, could negatively affect our revenue and cash flow, our ability to achieve profitability, and the consistency and comparability of our results of operations.

Audits or denials of our claims by government agencies or payors could expose us to recoupment, regulatory scrutiny, and penalties.

As an IDTF, we submit claims directly to, and receive reimbursement from, federal healthcare programs, including Medicare, as well as other third-party commercial payors for tests ordered by unaffiliated healthcare providers. These programs and payors, including contractors on their behalf, may conduct pre- and post-payment audits and reviews of claims submitted for reimbursement, including audits and reviews focused on the appropriateness of unaffiliated healthcare providers' decisions to order a particular test furnished by our IDTF, which impact our claims. Further, the federal healthcare programs may impose suspensions on both payment and participation in response to allegations of fraud or other noncompliance.

Other controls imposed by CMS and commercial payors designed to reduce costs, commonly referred to as "utilization review," may also affect our operations. Federal law contains numerous provisions designed to ensure that services rendered to CMS patients meet professionally recognized standards and are medically necessary, appropriate for the specific patient, and cost-effective. These provisions include a requirement that a quality improvement organization review a sampling of claims for Medicare beneficiaries to assess the quality of care and appropriateness of the services provided. These quality improvement organizations may deny payment for services or assess fines and have the authority to recommend to CMS that a provider in substantial noncompliance with applicable Medicare requirements and quality standards be excluded from participation in the Medicare program. CMS also engages Medicare Administrative Contractors, Comprehensive Error Rate Testing Contractors, Recovery Audit Contractors, and Unified Program Integrity Contractors to conduct a variety of pre- and post-payment reviews of healthcare providers' claims, and any aberrant practices or findings from such reviews may result in referrals to the Office of Inspector General, Department of Justice ("DOJ"), or other law enforcement agencies for further investigation and follow-up. As a provider enrolled in federal healthcare programs, we expect to be subject to such audits and claims reviews in the future, which may result in suspensions or other restrictions on our ability to submit claims for our services, payment delays, overpayment recoupments, and claims denials, which would negatively impact our business, financial condition, and results of operations, and may jeopardize our participation in these federal healthcare programs.

We have continued to evolve our revenue cycle management function in response to increased audit risk of our billing practices by government and commercial payers who are utilizing AI to review our bills. As part of that evolution, we utilize third-party service providers to support certain activities and these activities involve significant time and resources on our part to train and monitor such third parties. Our failure, or the failure of these third-party service providers, to execute our or their activities efficiently and effectively may cause our revenue and accounts receivable to be delayed or reduced and could have an adverse effect on our business and cause reputational harm.

We have continued to evolve our revenue cycle management function in response to the increased audit risk of our billing practices as a result of enhanced use of AI by government and commercial payers. As part of that evolution, we utilize third-party service providers to support certain activities and these activities involve significant time and resources on our part to train and monitor such third parties. The success of our efforts to evolve our revenue cycle management function depends on the ability of our service providers to deliver timely and accurate services that will continue to support our business as we scale our operations to facilitate growth opportunities, without adversely affecting current revenues and accounts receivable. If we are not able to successfully achieve these objectives, the anticipated benefits of these efforts may not be realized fully or at all or may take longer to realize than expected. In addition, there is a significant degree of difficulty and management distraction inherent in the process of managing and working with third-party service providers. These difficulties include challenges supporting certain operations and activities with more than one service provider, integrating technologies (including IT systems and processes, procedures, policies and operations), and retaining key personnel. These activities are complex and time-consuming and can involve delays or additional and unforeseen expenses. The process of transitioning to any new or additional providers, the integration process, and other disruptions may also disrupt our ongoing businesses or cause inconsistencies in standards, controls, procedures, and policies that could adversely affect our relationships with payors, patients, employees, and others. Our failure, or the failure of these third-party service providers, to execute our or their activities efficiently and effectively may cause our revenue and accounts receivable to be delayed or reduced and could have an adverse effect on our business and cause reputational harm.

Although our current iRhythm ACM Systems are comprised of medical devices that have received FDA marketing authorization (510(k) clearance) as well as, with respect to certain devices, regulatory certifications or approvals in the EU, Japan, Switzerland and the UK, we may regularly engage in exploring and implementing product enhancements and in iterative changes to existing products, as well as seek to develop new technology or use of technology for new indications for use. These medical device developments may trigger further regulatory reviews, and the results of those reviews are unpredictable.

Before a new medical device or a new intended use for a medical device can be marketed in the United States, a company must first submit an application and receive either 510(k) clearance, De Novo marketing rights, or premarket approval from FDA, unless an exemption applies. All of these processes can be expensive, lengthy, and unpredictable. Changes in agency personnel and resources can add to the unpredictability of this process. We may not be able to obtain the clearances or approvals we seek or may be unduly delayed in doing so, which could harm our business. Even if we are granted regulatory clearances or approvals, they may include significant limitations on the indicated uses for the product, which may limit the market for the product. Although we have obtained 510(k) clearances to market our iRhythm ACM Systems, our clearances can be revoked if safety, efficacy, or significant regulatory compliance problems develop. Even planned changes and improvements to devices and their uses can trigger the need for a new submission. FDA requirements dictate that we must evaluate potential changes and document our decision-making regarding the need for additional submissions and clearances or approvals. Unless effectively planned for in advance, our desired commercial timeline may be impacted.

Significant changes or modifications in design, components, method of manufacture, or the intended use or technological characteristics of our iRhythm ACM Systems may require new or modified FDA marketing authorization, CE Mark certification in the EU, UKCA Mark certification, Swiss Medical Devices Ordinance (“MedDO”) marketing authorization or Japanese PMDA marketing authorization. In some instances, we have identified a need for, and sought and obtained new regulatory approvals for these changes or modifications.

As permitted by applicable law, FDA allows device manufacturers to internally analyze and document a decision that a new clearance or approval is viewed by the manufacturer as unnecessary. Accordingly, we have made certain changes and modifications to our iRhythm ACM Systems in the past that we believe did not require additional clearances or approvals by FDA.

Such internal decisions are, however, subject to review by FDA, and may require additional action in the event FDA questions earlier internal decision-making. For example, FDA raised questions in the warning letter issued on May 25, 2023 regarding certain changes and modifications to Zio AT for which we did not make 510(k) submissions, and rather documented our analysis in letters to file. We have recently (following, and in alignment with, discussion with FDA) submitted an updated 510(k) to address Zio AT modifications that were, prior to our receipt of the warning letter, previously documented in letters to file. In October 2024, following, and in alignment with, discussion with FDA, we received FDA 510(k) clearance for these design updates, as well as additional 510(k) clearance relating to further enhancements to Zio AT.

In instances where FDA, an EU/UK Notified/Approved Body, the PMDA or the Swiss regulatory body disagrees with our internal analysis and decision that a new or additional approval or marketing authorization or certification is not needed for any such modifications, we may be required to recall and/or stop the distribution of the impacted iRhythm ACM System and/or correct the labeling for such iRhythm ACM System. We may be required to submit a new marketing application or certification, which could require additional testing or other supporting data, a redesign of a product, or otherwise impact the provision of services. In these circumstances, the process may require engagement with regulators to resolve concerns and reach a resolution for a product, and we may be subject to significant enforcement actions.

We may not be able to obtain additional marketing authorizations in a timely fashion, or at all, which could harm our ability to introduce new or enhanced products in a timely manner and to meet market expectations for the provision of the services, which in turn could harm our future growth.

We are subject to extensive compliance requirements for the quality, design, safety, performance, and post-market surveillance of the medical devices we manufacture for use in our iRhythm Services, and for vigilance on complaint-handling, escalation, assessment, and reporting of adverse events and malfunctions. A wide range of quality, risk, regulatory, or safety matters could trigger enforcement action by regulatory authorities, the need for a recall, a hold on the distribution of the marketed product, or other corrective actions to marketed product, and such matters have the potential to escalate to judicial actions that involve the DOJ.

As a manufacturer of medical devices, we are subject to extensive regulation and related compliance requirements. Noncompliance and even allegations of noncompliance with these wide-ranging requirements may subject us to high compliance costs to remediate or defend against allegations of noncompliance, as well as enforcement action from U.S. federal or state regulators and enforcement authorities. Regulators may interpret or apply reportability or field action requirements differently than a company, which can result in enforcement risk. Actions to which a company may be subject could include the issuance of warning letters, adverse publicity, seizures, prohibitions on product sales, recalls, and civil and criminal penalties, any one of which could significantly impact our manufacturing supply and provision of services and impair our financial results. Failure to maintain full compliance with the requirements of FDA's QMSR, the EU MDR, the UK MDR, the Japanese QMS and the Swiss MedDO could result in similar disruptions in these markets. Furthermore, even if we adhere to regulatory standards and expectations in our corrective actions, the public nature of such actions can result in broader negative publicity and perceptions, which could harm our reputation.

Our design and manufacturing facilities and processes and those of certain third-party suppliers are subject to FDA and state, as well as EU, UK, Japanese and Swiss regulatory inspections for compliance with various medical device regulations and standards, including FDA, EU MDR, UK MDR, Japanese QMS and Swiss MedDO requirements. Developing and maintaining a compliant quality system is time consuming and investment intensive. Requirements and standards may change and evolve over time, and we will need to adapt. For example, FDA has issued final regulations on updates to FDA's QSR, now referred to as the Quality Management System Regulation or QMSR, which harmonizes key areas of quality management for device manufacturers in alignment with global regulatory requirements including ISO 13485:2016 and clause 3 of ISO 9000:2015. These regulations took effect on February 2, 2026. While the QMSR is now in effect, the transition presents some uncertainties relative to FDA practices and expectations in upcoming inspections of device quality systems.

We are required to file various reports with FDA, as well as EU, UK, Japanese and Swiss regulators, including reports required by each jurisdiction’s adverse event, certain malfunctions, and field action reporting regulations. These reports are often required if our iRhythm ACM System may have caused or contributed to a death or serious injury or malfunctioned in a way that would likely cause or contribute to a death or serious injury if the malfunction were to recur. They may also be reasonable, necessary, or prudent for a range of other reasons relating to the importance of gathering information in the post marketing setting and managing risk throughout the product lifecycle, or to address requests from regulators to increase or expand the scope of reporting. An increase in the reporting of events associated with the use of our products and services from us or others and any delays to

the filing of reports may increase regulator and public scrutiny, especially given that these reports are typically publicly available information in most jurisdictions, including the United States, which could harm our business.

If we initiate a field action (whether a "correction" made relative to a device that remains in the field, which could be through a labeling or software update, or "removal" or "recall" and return of that device to us, or field advisory notices) to reduce a risk to health posed by our iRhythm ACM System, we would be required to report the Correction or Removal to FDA and, in many cases, similar reports to other regulatory agencies.

Depending on the reason for the correction or removal and the potential severity of the impact to patient safety or the effectiveness of the device, FDA may require differing degrees of communication to alert those who may be in possession of an impacted device. We would generally be subject to similar requirements in jurisdictions outside the United States where the Zio products are used.

Examples of regulatory actions and communications in recent years include:

- Our receipt of Form 483 observations in August 2022 alleging certain quality system deficiencies, including in relation to our corrective and preventive action procedures, test validation, complaint handling and medical device reporting requirements. We submitted a response to FDA with further commitments to improve and remediate our Quality System. These activities, including dialogue with FDA, are ongoing.
- The Customer Advisory Notice we initiated September 28, 2022 to Zio AT customers, and our reports to FDA under 21 C.F.R. Part 806, regarding a Zio AT labeling correction involving additions and modifications to Zio AT labeling precautions relating to the device's maximum transmission limits during wear, and also to the need for healthcare providers to complete registration to initiate monitoring services. FDA classified this field action as a Class II Recall following our initial 806 report and although we believe we have completed the distribution of the Advisory Notice to our identified impacted customers and requested the closure of this field action in March 2023, the status remains open in the public FDA recall database. and FDA has not yet confirmed the termination or completion of this recall to us.
- Our May 25, 2023 receipt of a warning letter from FDA alleging non-conformities to regulations for medical devices, including medical device reporting requirements, relating to our Zio AT System and medical device quality system requirements. We submitted a timely response to FDA in June 2023 and are continuing to work with the agency to address the issues outlined in the warning letter, including specific dialogue on key topics and our planned path forward. As part of this dialogue we agreed to make two 510(k) submissions relating to Zio AT. On October 21, 2024, we were granted FDA clearance for one 510(k) encompassing design updates that had previously been documented through letters to file. On October 30, 2024 we were granted FDA clearance on a second 510(k) submission related to design modifications and labeling updates for Zio AT.
- Our retrospective submission of certain Medical Device Reports in the fourth quarter of 2023, as part of our commitments following FDA 483 observations and the FDA warning letter issued on May 25, 2023.
- Our receipt of 483 observations following July 2024 FDA inspections of our Cypress and San Francisco FDA-registered facilities centered on complaint handling and medical device reporting, risk analysis regarding the involvement of the technicians to prepare the Zio ECG reports, the corrective and preventive action process, process controls and statistical techniques. We timely submitted our initial responses regarding 483 observations to FDA and have also submitted supplemental information. In these responses, we committed to a number of follow-up actions and we continue to work with FDA to resolve the issues identified.

Executing on our follow-up actions, commitments to FDA, and remediation activities have and continue to require significant time, attention, and resources that might otherwise be applied to future product development activities and initiatives, and could result in delays or changes to these plans. Our commitments will also require a high degree of attention to design strategy and compliance going forward.

In addition, although we continue to fully cooperate and are in dialogue with FDA, there are ongoing enforcement risks, including escalation of further action by FDA, that remain given the inspection and enforcement activities of FDA over the past few years. FDA may determine that our remediation efforts to date or our responses to the 2024 483 observations are insufficient or unsatisfactory. FDA could issue another warning letter, issue a consent decree in collaboration with the DOJ, and/or require recall or cessation of marketing and shipping our Zio device.

We cannot give any assurances that FDA will be satisfied with our response, the actions taken to resolve the concerns raised in the warning letter or the more recent 483 observations, or the expected date for the resolution of such matters by FDA. Until these issues are resolved to FDA's satisfaction, additional legal or regulatory action may be taken with or without further notice. The warning letter and the 483 observations are

publicly available on FDA's website and have been the subject of a high degree of media and industry attention, which subjects us to additional scrutiny.

If we are unable to successfully execute and maintain follow-up actions consistent with our commitments to FDA, or if FDA determines that our follow-up commitments are insufficient or were not completed with sufficient promptness, we may face a greater risk of potential escalation, which could involve issuance of additional warning letters, or there is a possibility that FDA could initiate consent decree discussions. This may pose a considerable expense, divert management's attention, and have a potentially negative impact on the public's perception of us, all of which could negatively impact our financial position and results of operations. Further, should we be found out of compliance with any applicable laws, regulations, or programs, depending on the nature of the findings, our business, our financial position, and our results of operations could be negatively impacted.

Because of the patient populations for which our services are provided and the complexity of the healthcare environment in which we operate, a high degree of medical and clinical input may be necessary to evaluate complaints and adverse events, and in some cases, there may be disagreement over whether our services or the medical devices used in our services may have caused or contributed to an adverse event.

Our iRhythm ACM Systems and iRhythm Services are not intended to be prescribed or ordered for use as an emergency system. They are not intended for critical care patients or patients suspected of life-threatening arrhythmias who require inpatient or emergency ECG monitoring. Given the nature of arrhythmias and the patient population for which our iRhythm Services are ordered by physicians, in which there may be several health conditions present, there are instances in which a patient may experience a medical event during the wear period of an iRhythm ACM System. In some cases, it may be medically and logistically challenging to obtain information sufficient to definitively determine all contributing factors to an event. In some instances, we may receive initial reports of complaints from the qualified cardiac technicians or through our customer service representatives. The initial reports of these non-physicians are likely to contain information that requires verification and further investigation.

In addition, even though our services and their associated devices are not intended to recognize, detect, or initiate response to terminal end-of-life events, a patient may nevertheless be wearing a Zio device when they experience such an event. Given the functionality of our technology and our services, we may become aware of data reflecting a non-survivable, end-of-life cardiac event. We or others (such as healthcare professionals, patients, or family members) may report such events even where it does not appear to us that our device caused or could have prevented an end-of-life event. Given the structure of such reporting to FDA the full medical context is not generally available to the public, which may cause additional scrutiny, questions, or concerns regarding our products and services. For example, in the fourth quarter of 2023, as part of our commitments following FDA Form 483 observations and the FDA warning letter issued on May 25, 2023, we retrospectively submitted certain Medical Device Reports to FDA, and the publicly available information in these reports may receive additional scrutiny.

We are subject to FDA requirements to investigate complaints about our iRhythm ACM Systems. If we do not effectively manage and monitor our complaint-handling procedures, we may be subject to regulatory enforcement action, litigation risks, and risk of negative publicity.

If we are unable to keep up with demand for our iRhythm Services, our revenue could be impaired, market acceptance for our iRhythm Services could be harmed, and physicians may instead order our competitors' services.

As demand for our iRhythm Services increases, we may encounter production or service delays or shortfalls. Such production or service delays or shortfalls may be caused by many factors, including the following:

- while we intend to continue to expand our manufacturing capacity, our production processes may have to change to accommodate this growth, potentially involving significant capital expenditures;
- we may experience technical challenges to increasing manufacturing capacity, including in connection with 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;
- key components of our iRhythm ACM Systems are provided by a sole or single supplier or limited number of suppliers, and we do not maintain large inventory levels of these components; if we experience a shortage or quality issues in any of these components, we would need to identify and qualify new supply sources, which could increase our expenses and result in manufacturing delays;

- the extent to which we become dependent upon others for the manufacture of our iRhythm ACM Systems which could adversely affect our future profit margins and our ability to market our iRhythm Services;
- global demand and supply factors concerning commodity components common to all electronic circuits, including iRhythm ACM Systems, could result in shortages that manifest as extended lead times for circuit boards, which could limit our ability to sustain and/or grow our business;
- we may experience a delay in completing validation and verification testing for new production processes and/or equipment at our manufacturing facilities;
- to increase our manufacturing output significantly and scale our services, we will have to attract and retain qualified employees for our operations; and
- in response to unexpectedly rapid growth of our business, clinical operations capacity may not meet demand while new resources are being recruited and trained, which could negatively impact our volume capacity for our iRhythm Services.

If we were unable to successfully manufacture our iRhythm ACM Systems in sufficient quantities, or to maintain sufficient capacity to provide our iRhythm Services, it would materially harm our business.

We depend on third-party vendors for the supply and manufacture of certain components of our iRhythm ACM Systems, as well as for other aspects of our operations.

We rely on third-party vendors for components and sub-assemblies used in our iRhythm ACM Systems and in connection with certain logistical aspects of our iRhythm Services. Our reliance on third-party vendors subjects us to a number of risks, including:

- inability to obtain adequate supply in a timely manner or on commercially reasonable terms, including due to our reliance on a single supplier for certain critical components and materials for which, in some cases, there are relatively few alternative sources of supply;
- modifications to, or discontinuation of, a vendor's operations due to natural disasters, labor disruptions, human error, infrastructure failure, pandemics, military conflicts, or political or economic disruption, which may adversely impact our operations or otherwise lead to interruption of or shortage or delays in supply, including shortages impacting our printed circuit board assembly;
- production delays related to the evaluation and testing of products from alternative suppliers and corresponding regulatory qualifications;
- inability of the manufacturer or supplier to comply with our quality criteria and specifications and, where applicable, the QMSR, state regulatory authorities, and, in some cases, the Notified Body audits;
- miscommunication of design specifications due to errors/omissions by either the vendor or our company, resulting in delayed delivery of acceptable materials or components for incorporation into our devices or recall of finished products;
- delays in device shipments resulting from quality issues or defects, reliability issues, or a supplier's failure to consistently produce quality components;
- price fluctuations due to a lack of long-term supply arrangements with our suppliers for key components;
- inability to control the quality of products manufactured by third parties;
- delays in delivery by our suppliers due to changes in demand from us or their other customers; and
- delays in obtaining required materials and components that are in short supply within the time frames we require, at an affordable cost, or at all.

Further, we rely on single suppliers for the supply of components related to our adhesive sub-assembly, disposable plastic housings, instruments, and other materials that we use to manufacture and label our Zio patches. We have not qualified additional suppliers for some of these components and materials and we do not carry a significant inventory of these items. While we believe that alternative sources of supply may be available, we cannot be certain whether they will be available if and when we need them and that any alternative suppliers would be able to provide the quantity and quality of components and materials that we would need to manufacture our Zio patches if our existing suppliers were unable to satisfy our supply requirements.

Any significant delay or interruption in the supply of components or sub-assemblies, or our inability to obtain substitute components, sub-assemblies, or materials from alternate sources at acceptable prices and in a timely manner, could impair our ability to meet the demand for our iRhythm Services, significantly affect our future revenue, and harm our relations and reputation with physicians, hospitals, clinics, and patients.

We also rely on certain third-party vendors in connection with the analysis we perform to create diagnostic reports for our iRhythm Services, which is dependent upon a recording made by each iRhythm ACM System. For long-term continuous monitoring utilizing our Zio XT System, for example, requires the physical return of the Zio XT to one of our clinical centers and we predominantly rely on the U.S. Postal Service ("USPS") to perform this delivery service. Delivery of the Zio XT to one of our clinical centers may be subject to disruption to the USPS delivery infrastructure. Further, for the MCT monitoring services utilizing our Zio AT System, we rely on the provision of cellular communication services for the timely transmission of patient information and reportable events. The reliability of the electronic communication and cloud services required for these operations are subject to natural disasters, labor disruptions, human error, and infrastructure failure. Any of these disruptions may render it difficult or temporarily impossible for us to provide some or all our iRhythm Services and bill for those services, adversely affecting our operating results, causing significant distraction for management, and negatively impacting our business reputation. We also expect that our reliance on third-party vendors will increase as our business grows, exposing us to increased harm if such disruptions occur.

We have incorporated and continue to work to further incorporate AI into our products, services, and internal operations. Implementation of AI and machine learning technologies may result in legal and regulatory risks, reputational harm, or other adverse consequences to our business.

We have and are continuing to incorporate AI, including machine learning (including generative and predictive) algorithms, in certain of our products, services and internal operations, including in our MCT Services with our Zio AT System, which is intended to enhance their operation and effectiveness internally and for physicians and patients. Our research and development of such technology remains ongoing. AI innovation presents risks and challenges that could impact our business. Issues relating to the use of new and evolving technologies such as AI that we integrate into our products, services and internal operations may cause us to experience brand or reputational harm, competitive harm, legal liability, new or enhanced governmental or regulatory scrutiny, and to incur additional costs to resolve such issues. As with many innovations, AI presents risks and challenges that could undermine or slow its adoption, and therefore harm our business to the extent we increase our reliance on AI in the future. Moreover, our competitors may introduce AI technologies and features into their products and services that achieve greater market acceptance that ours. Additionally, AI algorithms may be flawed or datasets may be insufficient or contain biased information resulting in perceived or actual negative outcomes. AI solutions may be controversial because of their impact or perceived impact on human rights, privacy, employment, or other social, economic, or political issues, or if we are unable to develop effective internal policies and frameworks relating to the responsible development and use of AI models and systems, we may experience brand, reputational, and/or competitive harm, or could face legal liability. In a healthcare context, model drift, explainability limits and reliance on de-identified or synthetic data that may be re-identifiable can exacerbate these risks. If the output that AI algorithms assist in producing are or are alleged to be inaccurate, deficient, or biased, our business, financial condition, and results of operations may be adversely affected. Developing, testing and deploying AI systems may also increase the costs of our product offerings due to the nature of the computing costs involved in such systems, which could impact our revenue and adversely affect our business and operating results.

Many countries and regions, including the EU, have proposed or passed new and evolving regulations related to the use of AI and machine learning technologies. The regulations may impose onerous obligations and may require us to unexpectedly rework or reevaluate improvements to be compliant. In particular, the AI Act, which was adopted and entered into force in 2024 and is currently being implemented in phases since August 2024, has a material impact on the way AI is regulated in the EU, may affect our use of AI technologies, and may require additional compliance measures and changes to our operations and processes. In the United States, there is ongoing tension between the states and the federal government over how best to regulate the use of AI. It is possible that new laws and regulations will be adopted in the United States and elsewhere, or that existing laws and regulations may be interpreted, in ways that would affect our operations. AI used in or as part of medical devices and other "high-risk" systems will be subject to prescriptive risk management, data governance, transparency, human oversight, and post-market monitoring obligations, which may require product, process, and documentation changes and could delay or limit deployment timelines. Use of AI technologies may expose us to an increased risk of regulatory enforcement and litigation. Additionally, our insurance coverage may not extend to all AI-related risks and may not cover us for all losses for errors or omissions caused by AI. Furthermore, the integration of third-party AI models with our platform relies on certain safeguards implemented by the third-party developers of the underlying AI models, including those related to the accuracy, bias, and other variables of the data, and these safeguards may be insufficient. Moreover, some of the AI features involve the processing of personal data and may be subject to laws, policies, legal obligations, and codes of conduct related to privacy and data protection. AI development and deployment practices could subject us to competitive harm, regulatory enforcement, increased cyber risks, reputational harm, and legal liability.

Our ability to compete depends on our ability to innovate successfully.

The market for medical devices, including the remote cardiac monitoring segment, is competitive, dynamic, and marked by rapid and substantial technological development and product innovation. While there are barriers that would challenge new entrants or existing competitors from developing products that compete directly with the devices used in our iRhythm Services, these barriers can be overcome. Demand for our iRhythm Services and future related devices or services could be diminished by equivalent or superior products and technologies offered by competitors. If we are unable to innovate successfully, our services and related devices could become obsolete and our revenue would decline as our customers prescribe or purchase our competitors' services.

In order to remain competitive, we must continue to develop new product offerings and enhancements to our iRhythm Services. We can provide no assurance that we will be successful in fully recognizing the strategic value of our ECG database, expanding the indications for our iRhythm Services, developing new services and related devices, or commercializing them in ways that achieve market acceptance. In addition, if we develop new services, sales of those services may reduce revenue generated from our existing services. Maintaining adequate research and development personnel and resources to meet the demands of the market is essential. If we are unable to develop new services and related devices, applications, or features, or improve our algorithms due to constraints, such as insufficient cash resources, high employee turnover, inability to hire personnel with sufficient technical skills, inability or delay to obtain FDA marketing authorization or regulatory clearances in the EU and the UK, or a lack of other research and development resources, we may not be able to maintain our competitive position compared to other companies. Furthermore, many of our competitors devote a considerably greater amount of funds to their research and development programs than we do, and those that do not may be acquired by larger companies that would allocate greater resources to research and development programs. Our failure or inability to devote adequate research and development resources or compete effectively with the research and development programs of our competitors could harm our business.

We have entered into in the past, and may explore or enter into in the future, development or collaboration agreements with third parties. These development and collaboration agreements may not result in the development of commercially viable devices or the generation of significant future revenues.

We have entered into a development and collaboration agreement in the past to develop certain next-generation Afib screening, detection, or monitoring devices to enhance our iRhythm Services, which could involve combining our technology platforms and capabilities with those of a third party, and we intend to enter into similar development and collaboration agreements with third parties in the future. The success of our collaboration with third parties is highly dependent on the efforts provided to the collaboration by such third parties and us and the skill sets of our respective employees. Support of these efforts requires significant resources, including research and development, manufacturing, quality assurance, and clinical and regulatory personnel. Product testing, market research, and related activities may result in a delay to any device launch and additional expense associated with any commercialization efforts. Even if and when launched, the developed devices may also not be accepted in the marketplace, and there is no assurance that adequate coverage or reimbursement would be available, or that an alternative payment model can be developed.

Any collaboration with a third party may not result in the development of devices, and ultimately services, that achieve commercial success and could be terminated prior to developing any devices. In the event of any termination or expiration of any development or collaboration agreement, we may be required to devote additional resources to device development and we may face increased competition, including from our third party partner. A third party partner may use the experience and insights it develops in the course of any collaboration with us to initiate or accelerate their development of products that compete with our devices and services, which may create competitive disadvantages for us. Accordingly, we cannot provide assurance that our collaboration with any third party will result in the successful development of commercially viable devices and services or result in significant additional future revenues for our company.

We generally intend to continue assessing the potential pathways for expanding indications and use cases for our iRhythm Services, and developing potential new products and services, for patient populations with unmet needs in the remote cardiac monitoring market and adjacent markets. We intend to continue to invest in research and development efforts to further differentiate our biosensor, data analytics and reporting, information system, and digital platform and we may explore or enter into development or collaboration agreements with third parties to further these efforts. We cannot predict whether such efforts will be viable from a regulatory and commercial standpoint, and development or collaboration agreements may not result in the development of commercially viable products or services or the generation of significant future revenues. For example, enforcement action such as that conveyed through the FDA warning letter we received in 2023, as well as other digital health industry regulatory developments, may also impact the availability or viability of potential opportunities.

International expansion of our business exposes us to market, regulatory, political, operational, financial, and economic risks associated with doing business outside of the United States.

While we currently derive substantially all of our revenue and maintain substantially all of our assets in the United States, we intend to continue to pursue growth opportunities outside of the United States, especially in the Philippines, the EU, the UK, Switzerland and Japan, and we may increase our use of administrative and support functions from locations outside the United States, which could expose us to risks associated with international sales and operations. Additionally, our international expansion efforts may not be successful, we may experience difficulties in scaling these functions from locations outside the United States, and we may not experience the expected cost efficiencies.

Our international operations are, and will continue to be, subject to a number of risks, including:

- multiple, conflicting, and changing laws and regulations such as tax laws, privacy laws, export and import restrictions, employment laws, regulatory requirements, and other governmental approvals, permits, and licenses;
- obtaining and sustaining regulatory approvals, certifications, and regulatory compliance where required for the sale of our iRhythm Services in various countries or regions;
- requirements to maintain and secure data and the processing of that data on servers located within such countries or regions, which requirements may be subject to change;
- complexities associated with managing multiple payor reimbursement regimes, government payors, or patient self-pay systems, as well as with participating in public tenders or procurement processes run by national healthcare systems;
- logistics and regulations associated with shipping and returning our Zio patches following patient use;
- limits on our ability to penetrate international markets if we are required to process our iRhythm Services locally;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the effect of local and regional financial pressures on demand and payment for our services, fluctuations in trade policy and tariff regulations, changes in international tax regulations applicable to our business, and exposure to foreign currency exchange rate fluctuations, which may reduce the reported value of our foreign currency denominated revenues, expenses, and cash flows;
- decreased emphasis or enforcement of intellectual property protections in some countries outside the United States in comparison to that in the United States;
- increased risk of litigation or administrative proceedings in connection with our relationships with international business partners, including litigation against persons whom we believe have infringed on our intellectual property, infringement litigation filed against us, litigation against a competitor, or litigation filed against us by distributors or service providers resulting from a breach of contract or other claim, as well as disputes regarding government and public tenders, any of which may result in substantial costs to us, adverse judgments, settlements, and diversion of our management's attention;
- increased risk of litigation or administrative proceedings in connection with product liability claims, driven in part by a growing third-party litigation funding market in the EU as well as legal and regulatory reform across product safety and product liability such as the EU Product Liability Directive (recently updated by Directive (EU) 2024/2853 to cover digital products like AI software), which makes it easier for individuals to claim compensation for harm caused by unsafe goods on the EU market, and further implementation of the collective redress regime which may lead to group claims in respect of medical devices;
- natural disasters, political and economic instability, including wars and other geopolitical conflicts, terrorism, political unrest, outbreak of disease, boycotts, curtailment of trade, and other market restrictions;
- risks associated with any shifts in economic relations between the UK and the EU, which could result in tariffs or quotas on imported goods or services moving between the UK and the EU;
- regulatory and compliance risks that relate to maintaining accurate information and control over activities subject to regulation under the FCPA, UK Bribery Act of 2010, and comparable laws and regulations in other countries;
- compliance risks under the EU and UK General Data Protection Regulation (collectively, the "GDPR"), including restrictions on the cross-border transfers of personal data, as applicable;
- compliance risks associated with the revised regulations in the EU MDR that outline the requirements for medical device CE marking;

- compliance risks associated with the UK MDR, which replaces the CE marking requirements for medical devices marketed and sold in the UK with a UKCA mark following the UK's withdrawal from the EU, and the UK government's announcement to amend the UK MDR, in particular to create a new access pathway to support innovation and create an innovative framework for regulating software and AI as medical devices;
- compliance risks associated with the Japanese PMDA;
- compliance risks associated with the Swiss MedDO;
- compliance risks associated with new or upcoming regulations associated with AI applicable to Software as a Medical Device, including compliance with the EU AI Act; and
- compliance risks associated with existing, new or upcoming requirements and expectations associated with medical device cybersecurity.

Any of these factors may require significant resources to address and could significantly harm our future international expansion and operations and, consequently, our revenue and results of operations.

Our success depends on our ability to attract and retain senior management and key personnel.

Our success depends on our ability to retain our senior management and to attract and retain qualified personnel in the future. Competition for senior management personnel, as well as salespersons, scientists, clinicians, and engineers, is intense and we may not be able to retain our personnel. The loss of key personnel, including key members of our senior management team or members of our board of directors, as well as certain of our key finance, legal, regulatory, research and development, quality, and clinical personnel, could disrupt our operations and have a material and adverse effect on our ability to grow our business. Each of our officers may terminate their employment at any time without notice and without cause or good reason. The loss of a member of our senior management team or our professional staff would require the remaining executive officers to divert immediate and substantial attention to seeking a replacement. We have experienced significant changes in our executive leadership in recent years and we may experience further changes in executive leadership in the future.

Changes to strategic or operating goals, which can often times occur with the appointment of new executives, can create uncertainty, may negatively impact our ability to execute quickly and effectively, and may ultimately be unsuccessful. If we do not integrate new executives successfully, we may be unable to manage and grow our business, and our financial condition and profitability may suffer as a result. In addition, to the extent we experience additional management turnover, competition for top management is high and it may take months to find a candidate that meets our requirements. If we are unable to attract and retain qualified management personnel, our business could suffer.

Further, we may undertake reorganizations of our workforce from time to time, which may result in a temporary reduction in the number of employees in certain locations. We would undertake a reorganization to reduce operating expenses or achieve other business objectives, though we cannot guarantee any specific amount of long-term cost savings. Further, the turnover in our employee base could result in operational and administrative inefficiencies, which could adversely impact the results of our operations, stock price, and customer relationships, could complicate our efforts to retain other valuable employees, and could make recruiting for future management and other positions more difficult.

Our continued rapid growth could strain our personnel resources and infrastructure, and if we are unable to manage the anticipated growth of our business, our future revenue and operating results may be harmed.

We have experienced rapid growth in our headcount and in our operations. Any growth that we experience in the future will provide challenges to our organization, requiring us to expand our sales personnel, manufacturing, clinical, customer care, and billing operations and general and administrative infrastructure. In addition to the need to scale our operational and service capacity, future growth will impose significant added responsibilities on management, including the need to identify, recruit, train, and integrate additional employees. Rapid expansion in personnel could impact our capacity to manufacture our Zio patches, market, sell, and support our iRhythm Services, and analyze the data to produce Zio reports, which could result in inefficiencies and unanticipated costs, impacts to our iRhythm Services, including our Zio patches, and disruptions to our service operations. Additionally, rapid expansion could require us to rely on overtime to increase capacity that could, in turn, result in greater employee attrition and/or a loss in productivity during the process of recruiting and training additional resources and add to our operating expenses. Further, a move toward automation to address, for example, staffing or scalability needs, could result in unintended consequences, such as increased scrap rate negatively impacting profitability.

As we seek to gain greater efficiency, we may look for ways to expand the automated portion of our iRhythm Services and require productivity improvements from our qualified cardiac technicians, within the framework of our wide-ranging regulatory obligations. Such improvements could impact the content of our Zio reports. In addition, rapid and significant growth may strain our administrative and operational infrastructure. Our ability to manage our business and growth will require us to continue to improve our operational, financial, and management controls, reporting systems, and procedures. If we are unable to manage our growth effectively, it may be difficult for us to execute our business strategy and our business could be harmed.

Failure to receive the iRhythm ACM System patches used for the provision of the iRhythm Services we provide may result in a loss of capital as well as revenue where the receipt of returned devices and processing of data retrieved from returned devices is required to provide our iRhythm Services.

Our iRhythm ACM System patches and gateways are provided to patients either (1) during in-office visits with a healthcare provider or (2) remotely via at-home hookup. We have also seen hybrid situations where accounts, in response to staffing shortages, provide in-clinic Zio device packages to patients for application at home. Although in all three scenarios there is the potential that a patient will not return the device(s) at the conclusion of the wear period, home hookups historically result in a higher likelihood that the patient will fail to return his or her device, which negatively impacts our financial condition when we are unable to provide the iRhythm Services. For example, when the patient returns a Zio monitor to us at the end of the patient wear period, we provide the Zio monitor services, which include the end of service report based on the data stored on the Zio monitor, after which we submit a claim to the relevant payor or to the patient for the services rendered. If a patient fails to return a device, we experience financial losses, which include the cost of the device as well as the loss of potential revenue for the service that is contingent on the returned device for the submission of the associated claim.

Our strategic plans include a high degree of focus on the marketing of our services for proactive monitoring of undiagnosed arrhythmias, such as Afib screening. There are risks that the clinical or payor community will not identify, adopt or accept selection criteria to identify patients suitable for proactive monitoring of undiagnosed arrhythmias.

In January 2022, the U.S. Preventive Services Task Force (“USPSTF”) published a recommendation statement on the screening criteria for Afib screening, stating that current evidence is insufficient to assess the balance of benefits and harm of Afib screening, and thus found that it could neither recommend for or against screening of adults 50 years or older without a diagnosis or symptoms of Afib and without a history of transient ischemic attack or stroke. In its recommendation, the USPSTF also identified research needs and gaps, including for example assurance that future research involves randomized trials of diverse patient populations and conducting research to optimize the accuracy of screening for Afib. This USPSTF recommendation statement may deter some clinicians or payors from selecting patients for screening for Afib. We cannot predict whether or when the USPSTF’s recommendation on Afib screening will change or be modified based on findings from additional randomized trials, other research, or through the continued use of our products and services or other similarly situated products and services designed for remote cardiac monitoring.

We may face risks associated with acquisitions of companies, products, and technologies and our business could be harmed if we are unable to address these risks.

If we are presented with appropriate opportunities, we could acquire or make other investments in complementary companies, products, or technologies. We may not realize the anticipated benefit of our acquisitions, or the realization of the anticipated benefits may require greater expenditures than anticipated by us. For example, the License Agreement that we entered into with BioIS may not result in the development of commercially viable products or services or the generation of significant future revenues. The success of our efforts is highly dependent on the efforts and skill sets of our employees, and support of these efforts requires significant resources, including research and development, manufacturing, quality assurance, and clinical and regulatory personnel. Even if and when launched, the developed devices may also not be accepted in the marketplace, and there is no assurance that adequate coverage or reimbursement would be available, or that an alternative payment model can be developed.

In addition, we will likely face risks, uncertainties, and disruptions associated with the integration process, including difficulties in the integration of the operations and services of any acquired company, integration of acquired technology with our iRhythm Services, including our iRhythm ACM Systems, diversion of our management's attention from other business concerns, the potential loss of key employees or suppliers of the acquired businesses, and impairment charges if future acquisitions are not as successful as we originally anticipated. We may also face challenges integrating cybersecurity and data protection controls, heightened external scrutiny on acquired IP rights, regulatory exclusivity periods, and confidentiality agreements, and successor liability imposed by regulators for actions by a target prior to acquisition. If we fail to successfully integrate other companies, products, or technologies that we acquire, our business could be harmed. Furthermore, we may have to incur debt or issue equity or equity-linked securities to pay for any future acquisitions or investments, the issuance of which could be dilutive to our existing stockholders. In addition, our operating results may suffer because of acquisition-related costs, amortization expenses, investment required to address risks associated with the acquisition, or charges relating to acquired intangible assets.

We also regularly evaluate a variety of other potential strategic transactions, including equity and other investments and strategic alliances. Equity and other investments and strategic alliances pose additional risks, as we could share ownership and, in some cases, management responsibilities with one or more other parties whose objectives may diverge from ours over time; who may not have the same priorities, strategies, or resources as we do; or whose interpretation of applicable policies may differ from our own.

The success of our collaboration with BioIS and the extent to which we realize a return on investment in the technology licensed from BioIS is dependent on our achievement of certain regulatory milestones. If those milestones are not met, or if any resulting products do not gain acceptance in the marketplace, our business and operating results may be negatively impacted.

Our License Agreement with BioIS grants us an exclusive license to develop and commercialize pulse oximetry, accelerometry, and trending non-invasive blood pressure technologies for use within our remote cardiac monitoring products and services. It is anticipated that BioIS's multiparameter sensing technologies will position us to expand the capabilities of our product platform within the remote cardiac monitoring field of use and potentially into adjacent indications such as OSA over time. This will require that any new products developed undergo validation and achieve certain regulatory milestones. Should we fail to meet those milestones, or if there are material delays in doing so, this could impede our ability to commercialize any new products or solutions utilizing the technologies covered by the License Agreement and realize our return on investment.

We are currently exploring opportunities to expand into the market of sleep apnea screening and diagnostics, which carries unique regulatory requirements and represents an ongoing area of focus for government enforcement. Commercialization of new products and services in the sleep testing space will require a significant investment of time and resources. If we are unable to successfully execute on these opportunities, it could have an adverse affect on our reputation, business, and results of operations.

We continue to devote time and resources into exploring the sleep apnea screening and diagnostics market. We do not anticipate meaningful revenue from any such opportunities to expand into the sleep apnea screening and diagnostics market for the foreseeable future. If we fail to capitalize on these opportunities, we may face threats from our competitors should they be able to commercialize products and services in the home sleep testing ("HST") space on a more expeditious timeline. Additionally, any new HST product or service offering will be subject to specific requirements to qualify for reimbursement under Medicare and Medicaid and by third-party commercial payors. Improper billing activities related to HST product or service offerings have been an area of significant government scrutiny in recent years. Failure to comply with the myriad, complex legal and regulatory requirements surrounding the provision of sleep apnea diagnostics could subject us to substantial civil or criminal penalties, exclusion from participation in the Medicare program, reputational harm, and other adverse consequences to our business and results of operations.

Risks Related to Healthcare Regulatory Matters

Our use of third-party service providers or company resources located outside the United States to support certain customer care, clinical, and other operations of our IDTFs may present challenges, and if we are ineffective in limiting work performed by these service providers or company resources consistent with applicable regulations or our contractual agreements with commercial payors, we may be subject to penalties or experience loss of revenue.

Beginning in the third quarter of 2022, we engaged third-party service providers to support certain customer care and clinical operations of our IDTFs. We have developed operational and technical controls to limit the work performed by these vendors consistent with our interpretation of the Medicare coverage exclusion of services furnished outside the United States, other applicable laws and regulations, and any requirements imposed pursuant to our contracts with commercial payors. If these controls do not work as intended, or if regulators or commercial payors disagree with our interpretation of these requirements and their application to our operations, we may be subject to a requirement to return funds already paid to us, civil monetary penalties, other government enforcement, as highlighted by a 2022 settlement of an enforcement action brought against our competitor, BioTelemetry, Inc., with respect to the support of certain clinical operations by vendors performing work outside the United States, and termination of contracts with commercial payors, as well as the loss of revenue associated with those contracts.

In addition, we are currently engaging with other third-party service providers that have resources located outside the United States, and we have established company resources in the Philippines to provide services in support of our IDTFs. These services include benefits verification, billing, collections, and customer service, which require complex oversight and monitoring for appropriate capture and escalation of complaint information that may be relevant to the quality, performance, and safety of our medical devices or the quality of our clinical services. If we are unable to effectively manage this oversight and monitoring, we may be subject to regulatory enforcement action or inquiries which may be expensive and time consuming to resolve. In addition, certain contracts with commercial payors include restrictions related to accessing patient data outside the United States and we have implemented reasonable controls intended to prohibit unauthorized use of patient data by service providers and company resources located outside the United States for these commercial payors, as appropriate. If these controls do not work as intended, or if the payor information we receive from ordering healthcare providers is delayed or inaccurate, we may encounter the suspension or termination of contracts with commercial payors, as well as any contractual remedies such payors might pursue. The suspension or loss of any of our key commercial payor agreements would have an adverse impact on our revenue and our results of operations.

If we fail to comply with medical device, healthcare, and other governmental regulations, we could face substantial penalties and our business, results of operations, and financial condition could be adversely affected.

The services and related devices we offer are highly regulated, and the regulatory environment in which we operate may change significantly and adversely in the future. Our arrangements with physicians, hospitals, clinics, and other stakeholders in the healthcare industry may expose us to broadly applicable medical device laws and healthcare fraud and abuse and other laws and regulations that may restrict the financial arrangements and relationships through which we market, sell, distribute, and provide our services and related devices. Our employees, consultants, and commercial partners and collaborators may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements. Federal, state and international healthcare laws and regulations that may affect our ability to conduct business, include, without limitation:

- state licensure laws applicable to the manufacture, marketing, distribution, and sale of medical devices;
- federal and state laws and regulations regarding billing, claims payment, and enrollment for participation in government healthcare programs, including regulations requiring the timely identification and refunding of overpayments to Medicare and other federally funded healthcare programs;
- the federal AKS, which prohibits, among other things, any person from knowingly and willfully offering, soliciting, receiving, or providing remuneration, directly or indirectly, in exchange for or to induce either the referral of an individual for, or the purchase, order or recommendation of, any good or service for which payment may be made under federal healthcare programs, such as the Medicare and Medicaid programs;
- the federal FCA, which prohibits, among other things, individuals or entities from knowingly presenting, or causing to be presented, false claims, or knowingly using false statements, to obtain payment from the federal government;
- federal criminal laws that prohibit executing a scheme to defraud any healthcare benefit program or making false statements relating to healthcare matters;

- the FCPA, the UK Bribery Act of 2010, and other local anti-corruption, anti-kickback, and transparency laws that apply to our international activities;
- the federal Physician Payment Sunshine Act, or Open Payments, and its implementing regulations, which requires us to report payments or other transfers of value made to licensed physicians and certain mid-level health practitioners and teaching hospitals, as well as ownership and investment interests held by physicians and their immediate family members;
- Health Insurance Portability and Accountability Act ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act, and its implementing regulations, which impose certain requirements for privacy, security, and electronic transmission of individually identifiable health information and establish criminal liability for knowingly making false statements or concealing material facts in connection with the delivery of or payment for healthcare benefits, items, or services;
- the GDPR, which provides legal requirements for the handling and disclosure (including across borders) of personal data collected in the EU and the UK;
- FDA's Code of Federal Regulations, including but not limited to, 21 CFR Parts 820, 803, 806, and 801, that outlines requirements for medical device design, testing, marketing authorization, manufacturing, labeling, distribution, and post-market surveillance requirements;
- the EU MDR that outline requirements for medical device CE marking;
- the UK MDR, which, post the UK's withdrawal from the EU, replaces the CE marking requirement for medical devices sold in the UK with a UKCA mark;
- the Swiss MedDO, which governs the approval and importation requirements of medical devices into Switzerland;
- the Japanese PMDA, which outlines comprehensive standards for the design, evaluation, marketing approval, production, labeling, distribution, and ongoing monitoring of medical devices in Japan; and
- state law equivalents of each of the above U.S. federal laws, such as anti-kickback and false claims laws which may apply to items or services reimbursed by any third-party payor, including commercial insurers, and state and foreign laws governing the privacy and security of individually identifiable information in certain circumstances (e.g., the Telephone Consumer Protection Act, the CAN-SPAM Act, and state privacy, consumer protection, and data breach notification laws), many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts.

These laws are broad in scope and available exceptions and exemptions are narrow; it is possible that some of our activities could be subject to challenge under one or more of such laws. Any action brought against us for violations of these laws or regulations, even if successfully defended, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. We may be subject to private "qui tam" actions brought by individual whistleblowers on behalf of the federal or state governments, with potential liability under the federal FCA including mandatory treble damages and significant per-claim penalties. If the government decides to intervene and prevails in the lawsuit, the individual will share in the proceeds from any fines or settlement funds. If the government declines to intervene, the individual may pursue the case alone. In 2025, whistleblowers filed 1,297 qui tam lawsuits under the FCA—the highest number in a single year—and whistleblowers are becoming increasingly willing to pursue cases on their own following a declination by the government. For violations assessed after July 3, 2025, the minimum FCA penalty increased from $13,946 to $14,308 per claim and the maximum penalty increased from $27,894 to $28,619 per claim. In addition, FCA lawsuits may expose defendants to follow-on claims by private payers based on fraudulent marketing practices. Recent growth in FCA litigation has increased the risk that companies will have to defend a false claim action, and pay settlements, fines or restitution, as well as criminal and civil penalties, agree to comply with burdensome reporting and compliance obligations, and/or be excluded from Medicare or other federal and state healthcare programs. For example, our industry has experienced recent FCA enforcement, including a December 2023 settlement by BioTelemetry, Inc. and its subsidiary LifeWatch Services Inc. involving allegations that these companies submitted claims to federal programs for a higher level of remote cardiac monitoring than physicians had intended to order or that was medically necessary, thus inflating the level of reimbursement paid, which highlights the importance of compliance with the rules and regulations governing claims submitted to federal healthcare programs.

Although we have adopted policies and procedures designed to comply with these laws and regulations and conduct internal reviews of our compliance with these laws, our compliance is also subject to governmental review. The growth of our business and sales organization and our expansion outside of the United States may increase the potential of violating these laws or our internal policies and procedures. The risk of our being found in violation of these or other laws and regulations is further increased by the fact that many have not been fully interpreted by the regulatory authorities or the courts, and their provisions are open to a variety of interpretations. Any action brought against us for violation of these or other laws or regulations, even if we successfully defend against it, could cause us to incur significant legal expenses and divert our management's attention from the operation of our business. If our operations are found to be in violation of any of the federal, state, or foreign laws described above or any other current or future fraud and abuse or other healthcare laws and regulations that apply to us, we may be subject to penalties, including significant criminal, civil, and administrative penalties, damages, fines, imprisonment for individuals, exclusion from participation in government programs, such as Medicare, and we could be required to curtail or cease our operations. Any of the foregoing consequences could seriously harm our business and our financial results.

Further, in 2024 the U.S. Supreme Court reversed its longstanding approach under the Chevron doctrine, which provided for judicial deference to regulatory agencies, including FDA. As a result of this decision, we cannot be sure whether there will be increased challenges to existing agency regulations or how lower courts will apply the decision in the context of other regulatory schemes without more specific guidance from the U.S. Supreme Court. For example, this decision may result in more companies bringing lawsuits against FDA to challenge longstanding decisions and policies of FDA, which could undermine FDA's authority, lead to uncertainties in the industry, and disrupt FDA's normal operations, which could impact the timely review of any regulatory filings or applications we submit to FDA.

Changes in applicable laws or regulations or the interpretation or enforcement policies of regulators governing our medical devices, IDTFs and iRhythm Services may constrain or require us to restructure our operations or adapt certain business strategies, which may harm our revenue and operating results.

Healthcare laws and regulations, and interpretations of the same, change frequently and may change significantly in the future. We may not be able to adapt our operations to address every new regulation or interpretation, and new regulations or interpretations may adversely affect our business. For example, FDA has taken novel steps in recent years to regulate MCT devices—including Zio AT—through administrative actions including development of Product Code QYX and assignment of that Product Code to certain devices already on the market, and also to applicants seeking 510(k) clearance for devices used in MCT monitoring services. FDA's inclusion in the Product Code's "Definition" of "Outpatient Cardiac Telemetry" devices certain activities in the purview of IDTFs and other monitoring locations presents the potential for these activities to be viewed as a component of the device subject to direct FDA oversight. It remains unclear how FDA will continue to interpret and enforce the device requirements for devices that FDA assigns to Product Code QYX.

There also remains general uncertainty regarding future government activities, including enforcement policies. For example, DOJ disbanded the CBP, which was responsible for enforcement of the FD&C Act. Following dissolution of the CPB, on September 25, 2025, DOJ announced a restructuring under which the Civil Division's litigation work would be consolidated into a new Enforcement & Affirmative Litigation Branch, and the Health and Safety Unit housed within the Fraud Section of DOJ's Criminal Division is now charged with criminal enforcement of the FD&C Act. The current presidential administration could also issue or promulgate executive orders, regulations, policies or guidance that adversely affect us or create a more challenging or costly environment to pursue the development of new diagnostic products or services. Alternatively, state governments may attempt to address perceived gaps in regulation or react to changes at the federal level with changes to their own regulatory frameworks in a manner that is adverse to our operations. If we become negatively impacted by future governmental orders, regulations, policies or guidance as a result of the current presidential administration or state regulatory responses, there could be a material adverse effect on us and our business. We also cannot assure that a review of our business by courts or regulatory authorities would not result in a determination that adversely affects our revenue and operating results.

Our business could be negatively impacted by changes in the United States political environment.

Any policy changes as a result of the current presidential administration and Congress could significantly affect our business as well as the markets in which we operate. Specific legislative and regulatory proposals discussed during election campaigns and since inauguration that might materially impact our business include, but are not limited to, promoting access to healthcare via market competition and pricing transparency, enhancing flexibility and choice in healthcare at the state and individual level, prioritizing domestic production and increasing tariffs on imports (which may complicate and increase costs associated with our supply chain and our international

expansion), and rolling back regulatory initiatives adopted under the previous administration. We cannot predict whether industry initiatives to seek tariff carve-outs for devices or other life sciences goods and products will be successful.

Some of these legislative and regulatory proposals have manifested to date in the form of specific tariff proposals, and actions to reduce the size of the federal government, including large-scale reductions in force at FDA. The loss of key personnel at FDA, including those in leadership positions, is likely to impact the operations at FDA, which could result in, among other things, delays or limitations on our ability to obtain guidance from FDA on our products, longer review times, and delays in obtaining regulatory approvals. The escalating global economic competition and trade tensions among the U.S. and its trading partners could have an adverse effect on our business, results of operations, financial condition and cash flows, and there is risk of additional tariffs and other kinds of restrictions. The current administration also has issued, and is expected to continue relying upon, executive orders to address a wide range of policy areas, some of which may impact our business. Examples of executive orders that have already been issued on public health and healthcare topics include orders seeking to promote healthcare price transparency, deliver most-favored-nation pricing for prescription drugs to patients and facilitate direct-to-consumer drug sales, promote domestic production of pharmaceutical products, and expand access to in vitro fertilization. Such political developments may require us to allocate significant time, resources, and expense to modifying our policies and procedures, processes, systems, and practices to ensure compliance or adapt to the new regulatory climate, particularly to the extent such actions are subject to protracted and uncertain legal challenges. To the extent changes in the political environment have a negative impact on us or on our markets, our business, results of operation, and financial condition could be materially and adversely affected in the future.

Our business relies on orders from licensed healthcare providers, and the continuing clinical acceptance and adoption of our iRhythm Services depends upon strong working relationships with healthcare providers, including physicians. These relationships, interactions, and arrangements are subject to a high degree of scrutiny by government regulators and enforcement bodies.

As a CMS-enrolled IDTF, we may only provide our iRhythm Services upon receipt of a valid order from a licensed healthcare provider for use in the diagnosis and treatment of a patient's medical condition. Accordingly, our revenue and the success of our business rely on the continued clinical acceptance and adoption of our iRhythm Services by healthcare providers whose patients require remote cardiac monitoring services. In addition to continuing to demonstrate the clinical value of our iRhythm Services, we also must support widespread clinical acceptance and adoption of our iRhythm Services by maintaining strong working relationships with these healthcare providers, including physicians. However, as we work to establish and maintain these relationships, we face significant scrutiny of these relationships, interactions, and arrangements by government regulators and enforcement agencies. Failure to structure and maintain these relationships, interactions, and arrangements in compliance with applicable laws and regulations, including those targeted at fraud and abuse like the AKS and the FCA, could expose us to significant legal and financial repercussions, including government civil and criminal investigations, civil monetary penalties, criminal penalties, and/or exclusion from federal healthcare programs.

Our communications with healthcare stakeholders – physicians and other healthcare professionals, payors, and similar entities, as well as patients and lay caregivers – are subject to a high degree of scrutiny for compliance with a wide range of laws and regulations. Continuing or increasing our sales and marketing and other external communication efforts may expose us to additional risk of being alleged or deemed to be non-compliant by regulators, enforcement authorities, or competitors.

Our sales and marketing efforts and initiatives, as well as other communications with healthcare professionals ("HCPs"), may subject us to a high degree of scrutiny for compliance with applicable laws and regulations and our practices of effective communication of risk information, benefits, or claims will be subject to oversight by FDA, the Federal Trade Commission ("FTC") and others.

In addition, FDA applies a heightened level of scrutiny to comparative claims when applying its statutory standards for advertising and promotion, including with regard to its requirement that promotional labeling be truthful and not misleading. There is potential for differing interpretations of whether certain communications are consistent with a product's FDA-required labeling, including with respect to communications that may reference or contemplate the use of the Zio devices with specified patient populations. FDA will evaluate communications, in context, on a fact-specific basis. This is a continued area of focus for regulators. The FTC has also released updated guidance on health claims, with a high expectation for clinical data to support these claims.

In addition, making comparative claims may draw scrutiny 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 a risk of a lawsuit by the competitor under federal and state false advertising or unfair and deceptive trade practices law, and possibly also state libel law. Such a suit may seek injunctive relief against further advertising, a court order directing corrective advertising, and compensatory and punitive damages where permitted by law. If our compliance program and training and monitoring do not effectively keep pace with our sales and marketing growth, we may encounter increased risk in execution of activities by our personnel, potential enforcement and other exposure.

We may also seek to communicate certain information with physicians and scientists and their practices and health systems or with payors and similar entities, and may rely on a range of laws, regulations, regulatory guidance governing topics, including scientific exchange, and communication of healthcare economic information and product information under the Preapproval Information Exchange Act. FDA's final guidance, issued in January 2025, on communication of scientific information on unapproved uses of cleared/approved medical products with HCPs further illustrates the agency's focus on ensuring that such communications to those in a position to order or prescribe products are consistent with available scientific data and subject to organizational controls maintaining separation and distinction from promotional marketing.

For example, certain of our physicians may order the iRhythm Services for patients who are under 18, which is outside the cleared indications for use. While we do not intend for any personnel to promote our devices for pediatric use and we have policies addressing appropriate responses to unsolicited requests for information about pediatric use, our approach may be subject to ongoing scrutiny from FDA.

If FDA or other federal, state, or foreign enforcement authorities determine that our labeling, advertising, promotional materials, or user training materials, or representations made by our personnel include the promotion of an off-label use for the device, or that we have made false or misleading or inadequately substantiated promotional claims, or claims that could potentially change the regulatory status of the product, FDA or other authorities could take the position that these materials have misbranded our devices and request that we modify our labeling, advertising, or user training or promotional materials and/or subject us to regulatory or legal enforcement actions, including the issuance of an Untitled Letter or a Warning Letter, injunction, seizure, recall, adverse publicity, civil penalties, criminal penalties, including substantial fines, or other adverse actions. In that event, we would be subject to extensive fines and penalties and our reputation could be damaged and adoption of the products would be impaired. Although we intend to refrain from statements that could be considered off-label promotion of our products, FDA or another regulatory agency could disagree and conclude that we have engaged in off-label promotion.

Changes in laws and regulations governing our communications with patients or the interpretation or enforcement policies of regulators could subject us to regulatory scrutiny, damage awards, or fines.

As a Medicare-enrolled IDTF, we are prohibited from directly soliciting patients for diagnostic medical procedures. While we can engage in general marketing initiatives, consistent with applicable law, we cannot make telephone, computer, and in-person contacts for the purpose of soliciting business for our IDTF.

Regarding patients for whom we have received a valid order for our iRhythm Services, we may send or make text messages, emails, phone calls, and other communications for various informational, business purposes, including to confirm accurate demographic and payor information or to assist a patient via a home hookup. Communication-related laws may require consent prior to certain communications and provide a specified monetary damage award or fine for each violation which could result in particularly significant damage awards or fines. For example, under the Telephone Consumer Protection Act ("TCPA"), plaintiffs may seek actual monetary loss or statutory damages of $500 per violation, whichever is greater, and up to $1,500 per violation for willful or knowing violations, and courts may award injunctive relief. In the wake of a 2021 decision by the U.S. Supreme Court that limited the applicability of the TCPA, several states have enacted or introduced legislation that would regulate text messages and certain telephone calls to individuals and, in some instances, impose stricter requirements than federal law. Certain non-marketing healthcare messages may qualify for limited TCPA exemptions if specific conditions are met (e.g., content limits, frequency caps, opt-out, and no charge to the recipient). We may be subject to lawsuits (including class-action lawsuits) containing allegations that our business violated the TCPA or other communications laws. These lawsuits may seek damages (including statutory damages) and injunctive relief, among other remedies. We also may face enforcement by the Federal Communications Commission (including under the Telemarketing Sales Rule and Do-Not-Call provisions) and state attorneys general. A determination that there have been violations of the TCPA or other statutes regulating communications with patients could expose us to significant damage awards that could, individually or in the aggregate, materially harm our business.

While most of our revenue results from claims submitted to payors for diagnostic medical procedures, we offer, and are looking to expand, alternative payment and service delivery models. Piloting, evaluating, and implementing these alternative payment and service delivery models requires interactions with commercial payors, physicians, and patients; these interactions are subject to laws and regulations aimed at preventing healthcare fraud and abuse. If these models are unsuccessful, or if we are unable to fully comply with such laws as we pursue these strategies, our commercial success could be compromised and we could face substantial penalties.

Our operations may be directly or indirectly affected by various broad state and federal healthcare fraud and abuse laws, including the federal AKS, the FCA, the Anti-Mark Up Rule, and the Medicare Beneficiary Inducement Statute. For some of our services, we directly bill physicians or other healthcare entities, that, in turn, bill payors, and the amounts we bill may include a risk-based pricing component. We are also developing alternative service delivery models that include using our Zio monitor System or Zio XT System to screen at-risk patient populations as part of a value-added service offered by managed care organizations, including Medicare Advantage Organizations, to qualifying participants. Although we have endeavored to properly design these billing and service models and structure our program development efforts, including related affiliations and relationships with physicians or other healthcare entities, to comply with applicable laws and regulations, these types of initiatives may draw a high degree of scrutiny and may subject us to assertions of non-compliance. If our past, present, or future operations are found to be in violation of fraud and abuse laws, we or our officers may be subject to civil or criminal penalties, including large monetary penalties, damages, fines, imprisonment, and exclusion from Medicare program participation. Furthermore, if we knowingly file, or "cause" the filing of, false claims for reimbursement with government programs such as Medicare, we may be subject to substantial civil penalties, including treble damages.

Risks Related to Financial and Accounting Matters

Our failure to maintain an effective system of internal controls, which may result in material misstatements of our consolidated financial statements or cause us to fail to meet our periodic reporting obligations.

As a public company, we are subject to certain reporting requirements, including those under the Sarbanes-Oxley Act, which requires, among other things, that we maintain effective internal control over financial reporting and disclosure controls and procedures. In order to maintain and improve the effectiveness of our internal controls and disclosure controls and procedures, we have expended, and anticipate that we will continue to expend, significant resources, including accounting related costs and significant management oversight.

Maintaining effective internal control and disclosure controls and procedures requires ongoing attention and resources. We continue to seek improvements to enhance our control environment and to strengthen our internal controls to provide reasonable assurance that our financial statements continue to be fairly stated in all material respects.

If we discover weaknesses in our system of internal financial and accounting controls and procedures, our consolidated financial statements may contain material misstatements, and we could be required to restate our financial results. Our internal control over financial reporting will not prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud will be detected.

Any failure to implement and maintain effective internal control over financial reporting could cause investors to lose confidence in our reported financial and other information, adversely impact our stock price, cause us to incur increased costs to remediate any deficiencies, and attract regulatory scrutiny or lawsuits that could be costly to resolve and distract management's attention, limit our ability to access the capital markets, or cause our stock to be delisted from The Nasdaq Global Select Market or any other securities exchange on which it is then listed. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

Our financial results may fluctuate significantly from quarter-to-quarter and may not fully reflect the underlying performance of our business.

Our revenue and operating results may fluctuate significantly from quarter to quarter as a result of a variety of factors, a number of which are outside our control, and may therefore not fully reflect the underlying performance of our business. Such factors may include, for example, seasonal variations in prescription rates. We typically experience reduced revenue during the third quarter, as well as during the year-end holiday season. We believe this

is the result of physicians and patients taking vacations, and patients electing to delay our monitoring services during the summer months and holidays. We believe that period-to-period comparisons of our operating results may not be meaningful and should not be relied on as an indication of our future performance. If quarterly revenues or operating results fall below the expectations of investors or public market analysts, the trading price of our common stock could decline substantially. Factors that might cause quarterly fluctuations in our operating results include:

- our inability to manufacture an adequate supply of our iRhythm ACM Systems to support demand for our iRhythm Services at appropriate quality levels and acceptable costs;
- possible delays in our research and development programs or in the completion of any third-party clinical trials relating to our iRhythm Services;
- a lack of acceptance of our iRhythm Services, including our iRhythm ACM Systems, by physicians and potential patients;
- the inability of patients to receive reimbursements from third-party payors;
- the purchasing patterns of physicians and patients, including as a result of seasonality;
- failures to comply with regulatory requirements, which could lead to withdrawal of our iRhythm Services, including our iRhythm ACM Systems, from the market;
- our failure to continue the commercialization of our iRhythm Services;
- competition;
- inadequate financial and other resources; and
- global business, political, and economic conditions, including inflation, interest rate volatility, cybersecurity events, uncertainty with respect to the federal debt ceiling and budget and potential government shutdowns related thereto, potential instability in the global banking system, political instability, and military hostilities, including ongoing geopolitical conflicts, such as the war in Ukraine and conflicts in the Middle East and Venezuela.

Further, we recognize a portion of our revenue from non-contracted third-party commercial payors. For example, during the year ended December 31, 2025, revenue from non-contracted third-party commercial payors accounted for approximately 7% of our total revenue. We have limited visibility as to when we will receive payment for our iRhythm Services with non-contracted payors and we or our third party billing vendors must appeal any negative payment decisions, which often delays collections further. Additionally, a portion of the revenue from non-contracted payors is received from patient co-pays, which we may not receive for several months following delivery of service or may not receive at all. For revenue related to non-contracted payors, we estimate an average collection rate based on factors including historical cash collections. Subsequent adjustments, if applicable, are recorded as an adjustment to revenue. Fluctuations in revenue may make it difficult for us, research analysts, and investors to accurately forecast our revenue and operating results or to assess our actual performance. If our revenue or operating results fall below expectations, the price of our common stock would likely decline.

We have a history of operating losses and may not achieve or sustain profitability in the future.

We have incurred net losses since our inception in September 2006. We generated net losses of $44.6 million and $113.3 million during the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, we had an accumulated deficit of $803.4 million. We have financed our operations to date primarily through private and public offerings of equity and convertible debt securities and revenue generated by prescriptions of our iRhythm Services. We have and expect to continue to incur significant research and development, sales and marketing, regulatory, and other expenses as we expand our marketing efforts to increase the prescription of our iRhythm Services, expand existing relationships with physicians, obtain regulatory clearances or approvals for our current or future services and related devices, conduct clinical trials on our existing and future services, and develop new services or add new features to our existing iRhythm Services. We also expect that our general and administrative expenses will continue to increase due to, among other things, the operational and regulatory burdens applicable to medical service providers that are public companies. As a result, we may continue to incur operating losses in the future. These losses, among other things, may have an adverse effect on our stockholders' equity and the value of our common stock.

We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.

Our operations have consumed substantial amounts of cash since inception. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. Additional financing may not be available on a timely basis on terms acceptable to us, or at all. Any additional financing may be dilutive to stockholders or may require us to grant a lender a security interest in our assets. The amount of funding we may need will depend on many factors, including:

- the revenue generated by our iRhythm Services;
- the costs, timing, and risks of delay of additional regulatory approvals;
- the expenses we incur in manufacturing, developing, selling, and marketing our iRhythm Services;
- our ability to scale our manufacturing operations to meet demand for the iRhythm ACM Systems used in our current and any future iRhythm Services or other offerings;
- the costs of filing, prosecuting, defending, and enforcing any patent claims and other intellectual property rights;
- the rate of progress and cost of our clinical trials and other development activities;
- the success of our research and development efforts;
- the emergence of competing or complementary technologies;
- the terms and timing of any collaborative, licensing, and other arrangements that we may establish;
- the cost of ongoing compliance with legal and regulatory requirements, and third-party payors' policies;
- the cost of obtaining and maintaining regulatory or payor clearance or approval for our current or future offerings including those integrated with other companies' products; and
- the acquisition of business, products, and technologies.

If adequate funds are not available, we may not be able to commercialize our iRhythm Services at the rate we desire and/or we may have to delay the development or commercialization of our iRhythm Services or license to third parties the rights to commercialize services or technologies that we would otherwise seek to commercialize. We also may have to reduce sales, marketing, customer support, or other resources devoted to our iRhythm Services. Any of these factors could harm our business and financial condition.

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 ("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 (the "Code"), 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. Sections 382 and 383 of the Code place a formula limit on 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. We could experience an ownership change that might limit our use of NOLs and tax credits in the future. In addition, realization of deferred tax assets, including NOL carryforwards, depends upon our future earnings in the applicable tax jurisdictions. If we have insufficient future taxable income in the applicable tax jurisdiction for any reason, including as a result of 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 10, Income Taxes to the consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K (the "Consolidated Financial Statements") 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 Tax Cuts and Jobs Act ("TCJA"), NOLs arising in taxable years beginning after December 31, 2017 may offset no more than 80% of current taxable income (without regard for certain deductions). Therefore, we may be required to pay U.S. federal income taxes in future years despite the NOL carryforwards we have accumulated.

Risks Related to Other Legal and Regulatory Matters

We are subject to legal proceedings and government investigations that could adversely affect our business, financial condition, and results of operations.

We are involved in legal proceedings related to securities litigation, patent litigation and other matters and may become involved in other legal proceedings that arise from time to time in the future. For example, as discussed further in Note 8, Commitments and Contingencies, to the Consolidated Financial Statements, a putative securities class action lawsuit was filed against iRhythm Technologies and certain of its then current and former officer alleging violations of Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder, and two patent lawsuits have been filed against iRhythm Technologies by companies affiliated with Baxter International.

Any claims against us or our subsidiaries, whether meritorious or not, can be time-consuming, result in costly litigation, be harmful to our reputation, require significant management attention, and divert significant resources. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate and subject to change. Litigation and other claims are subject to inherent uncertainties and management's view of these matters may change in the future. Given the uncertain nature of legal proceedings generally, we are not able in all cases to estimate the amount or range of loss that could result from an unfavorable outcome. We could incur judgments or enter into settlements of claims that could have a material adverse effect on our results of operations in any particular period.

In addition, healthcare companies are subject to numerous investigations and inquiries by various governmental agencies. For example, as discussed further in Note 8, Commitments and Contingencies, to the Consolidated Financial Statements, in March 2021, we received a grand jury subpoena from the U.S. Attorney's Office for the Northern District of California requesting information related to communications with FDA and our iRhythm ACM Systems, and, in September 2021, received a subpoena requesting additional information. On April 4, 2023, we received a Subpoena Duces Tecum from the Consumer Protection Branch, Civil Division of the DOJ, requesting production of various documents regarding our products and services. In addition, on May 25, 2023, we received a warning letter from FDA, which resulted from the inspection of our facility located in Cypress, California that concluded in August 2022. The warning letter alleged non-conformities to regulations for medical devices, including medical device reporting requirements, relating to our Zio AT System and medical device quality system requirements. On July 15, 2024, FDA initiated inspections of our Cypress and San Francisco facilities. We received 483 observations at the close of the inspection. On December 12, 2025, we received a civil investigative demand from DOJ's Civil Division's Commercial Litigation Branch seeking information and documents related to Zio AT and our associated claims for reimbursement. We have cooperated, and are continuing to cooperate, fully in connection with these matters.

Further, three decisions from the U.S. Supreme Court in July 2024 may lead to an increase in litigation against regulatory agencies that could create uncertainty and thus negatively impact our business. The first decision overturned established precedent that required courts to defer to regulatory agencies' interpretations of ambiguous statutory language. The second decision overturned regulatory agencies' ability to impose civil penalties in administrative proceedings. The third decision extended the statute of limitations within which entities may challenge agency actions. These cases may result in increased litigation by industry parties against regulatory agencies and impact how such agencies choose to pursue enforcement and compliance actions. However, the specific, lasting effects of these decisions, which may vary within different judicial districts and circuits, is unknown. We also cannot predict the extent to which FDA and SEC regulations, policies, and decisions may become subject to increasing legal challenges, delays, and changes.

Compliance with requirements of being a public company may strain our resources and divert management's attention.

As a public company, we are subject to laws and regulations relating to corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the rules and regulations implemented by the SEC, and The Nasdaq Global Select Market listing rules. Compliance with these laws and regulations, including new laws and regulations or revisions to existing laws and regulations, has required and will continue to require, substantial management time and oversight and the incurrence of significant accounting and legal costs. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to continue to invest resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expenses and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be adversely affected.

We could be subject to changes in our tax rates, new U.S. or international tax legislation, or additional tax liabilities.

We are subject to taxes in the United States and numerous foreign jurisdictions, where certain of our subsidiaries are organized. The tax laws in the United States and in other countries in which we and our subsidiaries do business could change on a prospective or retroactive basis, and any such changes could adversely affect our business and financial condition. Our effective tax rates could be affected by numerous factors, including changes in the mix of earnings in countries with differing statutory tax rates, changes in the valuation of deferred tax assets and liabilities, and changes in tax laws or their interpretation, both in and outside the United States.

For example, under the TCJA, as amended by the legislation commonly known as the One Big Beautiful Bill Act ("OBBBA"), for tax years beginning after December 31, 2021, taxpayers are required to capitalize and amortize certain research and development expenditures over fifteen years if incurred in foreign jurisdictions. For tax years beginning after December 31, 2021, and beginning on or before December 31, 2024, taxpayers generally were required to capitalize and amortize certain research and development expenditures over five years if incurred in the United States; however, beginning after that period, the OBBBA restored immediate deductibility of research and development expenditures incurred in the United States. In addition, we have a presence in the UK, as well as sales in the UK, such that any changes in tax laws in the UK will impact our business. The overall impact of these changes is uncertain, and our business and financial condition could be adversely affected.

In addition, our tax obligations and effective tax rates could be adversely affected by changes in the relevant tax, accounting and other laws, regulations, principles and interpretations, including those relating to income tax nexus, by recognizing tax losses or lower than anticipated earnings in jurisdictions where we have lower statutory rates and higher than anticipated earnings in jurisdictions where we have higher statutory rates, by changes in foreign currency exchange rates, or by changes in the valuation of our deferred tax assets and liabilities. The TCJA introduced a Base Erosion and Anti-Abuse Tax ("BEAT") which imposes a minimum tax on adjusted income of corporations with average applicable gross receipt of at least $500 million for the prior three tax years and that make certain payments to related foreign persons. In addition, the Organization for Economic Cooperation and Development has proposed a global minimum tax of 15% of reported profits ("Pillar 2") that has been agreed upon in principle by over 140 countries. Many countries have taken steps to incorporate Pillar 2 into their domestic tax laws. While neither BEAT nor Pillar 2 impact our results of operations currently, if applicable in the future, they could have an impact on our financial results, the extent of which is uncertain.

Our tax returns and other tax matters also are subject to examination by the U.S. Internal Revenue Service and other tax authorities and governmental bodies. We regularly assess the likelihood of an adverse outcome resulting from these examinations to determine the adequacy of our provision for taxes. We cannot guarantee the outcome of these examinations. If our effective tax rates were to increase, particularly in the United States, or in other jurisdictions implementing legislation to reform existing tax legislation, including the UK, or if the ultimate determination of our taxes owed is for an amount in excess of amounts previously accrued, our financial condition, operating results, and cash flows could be adversely affected.

We may be liable for contamination or other harm caused by materials that we handle, and changes in environmental regulations could cause us to incur additional expense.

Our research and development and manufacturing operations may involve the use or handling of hazardous materials. We are subject to a variety of federal, state, local, and international laws, rules, and regulations governing the use, handling, storage, disposal and remediation of hazardous and biological materials, as well as the sale, labeling, collection, recycling, treatment, and disposal, of products containing such hazardous substances, and we incur expenses relating to compliance with these laws and regulations. If we violate environmental, health, and safety laws, including as a result of human error, equipment failure, or other cases, we could face substantial liabilities, fines, and penalties, personal injury and third-party property damage claims, and substantial investigation and remediation costs. These expenses or this liability could have a significant negative impact on our financial condition. Environmental laws could become more stringent over time, imposing greater compliance costs and increasing risks and penalties associated with violations. We are subject to potentially conflicting and changing regulatory agendas of political, business, and environmental groups. Changes to or restrictions on the procedures for hazardous or biological material storage or handling might require unplanned capital investment or relocation of our facilities. Failure to comply, or the cost of complying, with new or existing laws or regulations could harm our business, financial condition, and results of operations.

Risks Related to Intellectual Property

We may be subject to claims of infringement or misappropriation of the intellectual property rights of others, which could prohibit us from shipping affected devices, require us to obtain licenses from third parties or to develop non-infringing alternatives, and subject us to substantial monetary damages and injunctive relief.

We rely on a combination of patents, copyrights, trademarks, trade secret laws, confidentiality and invention assignment agreements with employees and third parties, unfair competition, and other related laws to protect our intellectual property rights. Our patents and patent applications are directed to covering key aspects of the design, manufacture, and use of our iRhythm Services, including our iRhythm ACM Systems.

Third parties may assert infringement or misappropriation claims against us with respect to our current or future devices and services, including our iRhythm ACM Systems. We are aware of numerous patents issued to third parties that may relate to aspects of our business, including the design and manufacture of the iRhythm ACM Systems used in connection with our iRhythm Services. Whether a device or service infringes a patent involves complex legal and factual issues, the determination of which is often uncertain. Therefore, we cannot be certain that we have not infringed the intellectual property rights of such third parties or others. Further, the intellectual property ownership and licensed rights, including patent rights, surrounding AI technologies, which we are increasingly building into our products and services, have not been fully addressed by U.S. courts or other federal, state or foreign laws or regulations, and the use or adoption of AI technologies in our products and services may expose us to copyright infringement, patent infringement, or other intellectual property misappropriation claims. Our competitors may assert that our iRhythm ACM Systems or the methods we employ to deliver our iRhythm Services are covered by U.S. or foreign patents held by them and we may be required to settle such allegations in the future. This risk is exacerbated by the fact that there are numerous issued patents and pending patent applications relating to remote cardiac monitoring services and the associated devices granted to third parties. There may be existing patents or patent applications now pending by third parties of which we are unaware that may later result in issued patents that our iRhythm Services, including our iRhythm ACM Systems, inadvertently infringe. As the number of competitors in the remote cardiac monitoring market grows, the possibility of patent infringement by us or a patent infringement claim against us increases. If we are unable to successfully defend any such claims as they may arise or enter into or extend settlement and license agreements on acceptable terms or at all, our business operations may be harmed.

Any infringement or misappropriation claim could cause us to incur significant costs, place significant strain on our financial resources, divert management's attention from our business, and harm our reputation. In addition, if the relevant patents are upheld as valid and enforceable and we are found to infringe such patents, we could be prohibited from using any portion of our iRhythm Services, including our iRhythm ACM Systems, that is found to infringe such patent unless we could obtain licenses to use the technology covered by the patent or are able to design around the patent. We may be unable to obtain a license on terms acceptable to us, if at all, and we may not be able to redesign our iRhythm Services, including our iRhythm ACM Systems, to avoid infringement. We may be unable to maintain or renew licenses on terms acceptable to us, if at all, and we may be prohibited from selling any portion of our iRhythm Services, including our iRhythm ACM Systems, that required the technology covered by the relevant licensed patents. Although patent and intellectual property disputes in the healthcare and medical devices

area have often been settled through licensing or similar arrangements, costs associated with such arrangements may be substantial and would likely include ongoing royalties. Even if we are able to redesign our iRhythm Services, including our iRhythm ACM Systems, to avoid an infringement claim, we may not receive FDA approval for such changes in a timely manner or at all.

In addition, licensing or acquiring technologies from third parties exposes us to increased risk of being the subject of intellectual property infringement and vulnerabilities due to, among other things, our lower level of visibility into the development process with respect to such technology and the care taken to safeguard against risks. We currently rely on or incorporate, and will in the future rely on or incorporate, technology that we license from third parties, including software, into our solutions. We cannot be certain that our licensors do not or will not infringe on the intellectual property rights of third parties or that our licensors have or will have sufficient rights to the licensed intellectual property in all jurisdictions in which we may sell our platform. Some of our agreements with our licensors may be terminated by them for convenience, or otherwise provide for a limited term. If we are unable to continue to license technology because of intellectual property infringement claims brought by third parties against our licensors or against us, or if we are unable to continue our license agreements or enter into new licenses on commercially reasonable terms, our ability to develop and sell solutions and services containing or dependent on that technology would be limited, and our business, including our financial conditions, cash flows and results of operations could be harmed. Additionally, if we are unable to license technology from third parties, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner, or at all, and may require us to use alternative technology of lower quality or performance standards. This could limit or delay our ability to offer new or competitive solutions and increase our costs. Third-party software we rely on may be updated infrequently, unsupported or subject to vulnerabilities that may not be resolved in a timely manner, any of which may expose our solutions to vulnerabilities. Any impairment of the technologies or of our relationship with these third parties could harm our business, operating results, and financial condition.

Further, if we are found to infringe third-party patents, a court could order us to pay damages to compensate the patent owner for the infringement, such as a reasonable royalty amount and/or profits lost by the patent owners, along with prejudgment and/or post-judgment interest. Furthermore, if we are found to willfully infringe third-party patents, we could, in addition to other penalties, be required to pay treble damages; and if the court finds the case to be exceptional, we may be required to pay attorneys' fees for the prevailing party. If we are found to infringe third-party copyrights or trademarks or misappropriate third-party trade secrets, based on the intellectual property at issue, a court could order us to pay statutory damages, actual damages, or profits, such as reasonable royalty or lost profits of the owners, unjust enrichment, disgorgement of profits, and/or a reasonable royalty, and the court could potentially award attorneys' fees or exemplary or enhanced damages. If litigation were to be initiated by intellectual property owners, there could significant legal fees and costs incurred in defending litigation (which may include filing administrative actions to attack the intellectual property) as well as a potential monetary settlement payment to the owners, even if the matter is resolved before going to trial. Moreover, the owners may take an overly aggressive approach and/or include multiple allegations in a single litigation.

Our inability to adequately protect our intellectual property could allow our competitors and others to produce devices and offer services based on our technology, which could substantially impair our ability to compete.

Our success and our ability to compete depend, in part, upon our ability to maintain the proprietary nature of our technologies. We rely on a combination of patent, copyright, and trademark law, and trade secrets, nondisclosure agreements, unfair competition laws, and other related laws, and contractual provisions to protect our intellectual property with our customers, third-party partners, and consultants. However, such methods may not be adequate to protect us or permit us to gain or maintain a competitive advantage.

For example, our patent applications may not issue as patents in a form that will be advantageous to us, or at all. Our issued patents, and those that may issue in the future, may be challenged, invalidated, or circumvented, which could limit our ability to stop competitors from marketing related devices and services. In addition, there are numerous recent changes to the patent laws and proposed changes to the rules of the USPTO, which may have a significant impact on our ability to protect our technology and enforce our intellectual property rights. We cannot be certain that we were the first to make the inventions claimed in our pending patent applications or that we were the first to file for patent protection. Additionally, 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. In addition, recent changes to the patent laws in the U.S. may bring into question the validity of certain software patents and may make it more difficult and costly to prosecute patent applications. Such changes may lead to uncertainties or increased costs and risks surrounding the prosecution, validity, ownership, enforcement, and defense of our issued patents and patent applications and other intellectual property, the outcome of third-party claims of infringement, misappropriation, or other violation of intellectual property brought against us and the actual or enhanced damages (including treble damages) that may be awarded in connection with any such current or future claims, and could have a material adverse effect on our business, operating results, and financial condition.

Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our platform or obtain and use information that we regard as proprietary. In particular, we are unable to predict or assure that:

- our intellectual property rights will not lapse or be invalidated, circumvented, challenged, or, in the case of third-party intellectual property rights licensed to us, be licensed to others;
- our intellectual property rights will provide competitive advantages to us;
- rights previously granted by third parties to intellectual property licensed or assigned to us, including portfolio cross-licenses, will not hamper our ability to assert our intellectual property rights or hinder the settlement of currently pending or future disputes;
- any of our pending or future patent, copyright, or trademark applications will be issued or have the coverage originally sought;
- we will be able to enforce our intellectual property rights in certain jurisdictions where competition is intense or where legal protection may be weak; or
- we have sufficient intellectual property rights to protect our products or our business.

We also may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by consultants, vendors, or former or current employees, despite the existence generally of invention assignment and confidentiality agreements and other contractual restrictions we include in contracts with such parties. These agreements may not provide meaningful protection for our trade secrets, know-how, or other proprietary information in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know-how, or other proprietary information. There can be no assurance that employees, consultants, vendors, and clients have executed such agreements or have not breached or will not breach their agreements with us, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or independently developed by competitors. Lastly, the measures we employ to limit the access and distribution of our proprietary information may not prevent unauthorized use or disclosure of our proprietary technology or intellectual property. As such, we cannot guarantee that the steps taken by us will prevent misappropriation of our technology.

In addition, we rely on trademarks, service marks, trade names, and brand names, such as our registered trademark “ZIO,” to distinguish our products from the products of our competitors, and have registered or applied to register these trademarks. We cannot assure you that our trademark applications will be approved. Further, during trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and in proceedings before comparable agencies in many foreign jurisdictions, third parties are given an opportunity to oppose pending trademark applications and to seek to cancel registered trademarks. Opposition or cancellation proceedings may be filed against our trademarks, and our trademarks may not survive such proceedings.

To protect our proprietary rights, we may in the future need to assert claims of infringement against third parties. The outcome of litigation to enforce our intellectual property rights in patents, copyrights, trade secrets, or trademarks is highly unpredictable, could result in substantial costs and diversion of resources, and could have a material adverse effect on our business, financial condition, and results of operations regardless of the final

outcome of such litigation. In the event of an adverse judgment, a court could hold that some or all of our asserted intellectual property rights are not infringed, or are invalid or unenforceable, and could award attorneys' fees.

Despite our efforts to safeguard our unpatented and unregistered intellectual property rights, we may not succeed in doing so or the steps taken by us in this regard may not be adequate to detect or deter misappropriation of our technology or to prevent an unauthorized third party from copying or otherwise obtaining and using our devices, technology, or other information that we regard as proprietary. In addition, third parties may be able to design around our patents. Furthermore, the laws of foreign countries may not protect our proprietary rights to the same extent as the laws of the United States.

Risks Related to Privacy and Security

Cybersecurity risks, including those involving network security breaches, services interruptions and other incidents affecting the confidentiality, integrity or availability of our data and systems, could result in the compromise of confidential data or critical systems and give rise to potential harm to our patients, remediation costs and other expenses, expose us to liability under HIPAA, breach notification laws, 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.

Cybersecurity threats can come from a variety of sources, ranging in sophistication from an individual hacker to malfeasance by employees, consultants or service providers to criminal or other unauthorized threat actors, including state-sponsored attackers. Unauthorized parties may also attempt to gain access to our systems or facilities through fraud, trickery or other forms of deceiving our employees, and contractors. Cyber threats may be generic, or they may be custom-crafted against our information systems. Cyber incidents can result from deliberate attacks or unintentional events. Over the past several years, cyber-attacks and other cyber incidents have become more prevalent and much harder to detect and defend against. These cyber-attacks and other incidents include unauthorized access to our network, information technology and data, and that of our of contractors and service providers; compromise of employee credentials and accounts; transmission of computer viruses and other malware; phishing and spamming attacks; ransomware attacks and other acts of cyber extortion; and malicious actions by persons inside our organization and other insider threats. For example, during the first quarter of 2024, we experienced a temporary delay in the billing of our contracted and non-contracted payer customers, performed by our third-party claims processing vendor. The delay was due to a cybersecurity incident experienced by Change Healthcare, a division of UnitedHealth Group, which one of our third-party vendors engages for services relating to billing and collections. The delay in billing resulted in a temporary delay in our cash collections. Risks related to our reliance on third-party vendors, industry concentration risks and single points of failure could materially affect our collections and operations. Additionally, the increasing use of mobile devices for remote access to our systems and data also increases these vulnerabilities and risks.

Our internal technology systems and infrastructure, and those of our contractors, are vulnerable to damage from natural disasters, acts of terrorism, war and other acts of foreign governments and failures of telecommunication, electrical and other critical systems. In addition, hardware, software or applications we develop or procure from third parties may contain defects in design or manufacture or other problems that could unexpectedly compromise information security or other problems that unexpectedly could interfere with our business operations. 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.

We have in the past been subject to cyber-attacks and data breaches and expect that we will be subject to additional cyber-attacks in the future and may experience future data breaches and other security incidents. Such incidents may impact the integrity, availability or confidentiality of the data we maintain or disrupt our information systems, devices or business, including our ability to deliver our services. 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. Public company cybersecurity disclosure requirements may necessitate prompt disclosure of material incidents and enhanced risk management and governance disclosures, which could increase compliance costs and expose us to enforcement, shareholder litigation, and reputational harm if our controls are deemed inadequate. Our cyber insurance may not cover all losses, limits may be insufficient, and coverage could become more expensive or unavailable.

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. If our Zio devices are subject to cybersecurity vulnerabilities leading to potential harm to patients or compromises data security and confidentiality, we may be required to initiate field actions, including device recalls, or subject to government inspections, investigations or enforcement actions. In addition to any other risks this may present, this could cause significant harm to our brand reputation and consumer trust in our devices.

The secure maintenance, processing, and transmission of data is critical to our business operations and we are dependent on sophisticated information technology systems to operate our business. 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 to support patient care 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. We have implemented multiple layers of security measures and monitoring to protect the confidentiality, integrity, and availability of this data and the systems and devices that store and transmit such data. Despite our security measures and business controls, which undergo routine testing internally and by external parties, our information technology and infrastructure may still be vulnerable to attacks. We also rely on third-party service providers, including cloud, claims, and payment vendors; their cybersecurity or availability failures could materially disrupt our operations, and we may have limited ability to monitor or control their security posture beyond contractual and diligence measures. Any resulting unauthorized access, disclosure, or other loss of information by us or one of our service providers could result in legal claims or proceedings, and liability under laws that protect the privacy of personal data and regulatory penalties, increase in operating expenses, incurrence of expenses, including notification, mitigation, and remediation costs, disrupt our operations and the services we provide to our clients, or damage our reputation, any of which could adversely affect our profitability, revenue, and competitive position.

Cyber-attacks aimed at accessing our devices and services, or related devices and services, and modifying or using them in a way inconsistent with our FDA marketing authorizations and regulatory certifications or approvals in the EU, Switzerland, Japan and the UK, could create risks to patients.

Medical devices are increasingly connected to the Internet, hospital networks, and other medical devices to provide features that improve healthcare and increase the ability of healthcare providers to treat patients and of patients to manage their conditions and are subject to extensive oversight from FDA and foreign regulatory authorities with requirements designed to manage the risks of cyber-attacks with the potential to impact patient safety. As such, cyber-attacks aimed at accessing our devices and services, or related devices and services, and modifying or using them in a way inconsistent with our FDA marketing authorizations and regulatory certifications or approvals in the EU, Switzerland, Japan and the UK, may create risks to patients and potential exposure to our company.

We are required to comply with various laws and regulations with respect to implementing appropriate cybersecurity measures to ensure our devices and services are not compromised or disrupted, which could lead to potential risk of harm or injury to patients. FDA has issued guidance on cybersecurity management of medical devices during post market, and cybersecurity considerations for quality systems in device premarket submissions. These guidance documents serve as an indicator of agency expectations for the cybersecurity oversight of the devices as they are deployed for use by patients and HCPs, and the assurance that cybersecurity is appropriately integrated into a company's quality system. If we do not implement quality measures to manage cybersecurity and minimize or avoid risks of a potential cyber-attack that impacts our devices and services in a way that regulators deem satisfactory, this could impact our product applications and in addition we could be subject to a range of FDA enforcement action or investigation by other regulatory agencies or enforcement bodies including DOJ, and such a situation could trigger the need for a recall, a hold on the distribution of our products, or require other corrective actions to our products.

In the EU, a number of interlocking rules regulate cybersecurity for medical devices. For example, the new Cybersecurity Directive (EU) 2022/2555 (also known as the NIS 2 Directive (Network and Information Security) entered into force in January 2023. The EU NIS 2 Directive affects Critical National Infrastructure (CNI) providers, which includes the health sector and the manufacturers of medical devices considered to be critical during a public health emergency, as well as other covered entities. The requirements in the NIS 2 Directive will sit alongside the cybersecurity requirements addressed in the EU MDR, which are supplemented by specific guidance issued by the EU's Medical Device Coordination Group. Additional EU and UK legislative developments, including product cybersecurity rules and evolving device software requirements, may impose further security-by-design, vulnerability handling, and reporting obligations applicable to our products and operations including the ePrivacy Directive, the Data Act, and the AI Act; however, the timing, scope, and impact of these measures remain subject to national implementing acts and other ongoing developments. In the UK, the government announced as part of its consultations on the future regulation of medical devices, that it intends to develop legislation to impose cybersecurity requirements for software as a medical device, including for AI.

We are subject to complex and evolving U.S. and foreign laws and regulations and other requirements regarding privacy, data protection, security, and other matters. Many of these laws and regulations are subject to change and uncertain interpretation, and could result in claims, changes to our business practices, monetary penalties, increased cost of operations, or declines in customer growth or engagement, or otherwise harm our business.

In the ordinary course of our business, we collect, use and store, and transmit confidential and sensitive data, such as our proprietary business information and that of our suppliers, contractors, customers, vendors and others, as well as personal data, including health information, of these parties and of our patients. As a result, we are subject to several foreign, federal and state laws and regulations protecting the use, disclosure and confidentiality of certain personal data, namely individually identifiable information, and restricting the use and disclosure of that information. These laws include foreign, federal and state healthcare privacy laws, telehealth laws, breach notification laws and consumer protection laws. These frameworks impose stringent privacy and security standards and potentially significant non-compliance penalties and liability. U.S. and foreign legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. Further, if we fail to comply with applicable privacy laws, we could face civil and criminal penalties, or claims for breach of contract. In the United States, there are numerous federal and state patient and consumer, privacy and data security laws and regulations governing the collection, use, disclosure, protection and breach of personal data. HIPAA, for example, establishes privacy standards that limit the use and disclosure of individually identifiable health information (or "protected health information"); requires the implementation of reasonable administrative, physical and technological safeguards to protect the privacy and security of this information and ensure its confidentiality, integrity and availability; and sets forth notification standards in the event of a data breach. In addition, states have shown an increased interest in regulating personal data in general (for example, through state consumer privacy laws and data breach notification laws), and specifically with respect to consumer health data. Outside HIPAA, over a third of U.S. states have passed comprehensive state consumer privacy laws and several have passed consumer health data laws which impose additional consent, transparency, data minimization, geo-fencing, and third-party sharing restrictions that may apply to health-related data that is not regulated as protected health information, all of which are subject to active enforcement by state attorneys general.

Foreign data protection, privacy, and related laws and regulations can be more restrictive than those in the United States. For example, data localization laws in some countries generally mandate that certain types of data collected in a particular country be stored and/or processed solely within that country. Other foreign laws, such as the GDPR and Swiss data protection laws, impose strict requirements for processing and cross-border transfers of personal data outside of the EU, UK or Switzerland to a "third country," including the United States, unless particular compliance mechanisms are implemented. The mechanisms that we and many other companies rely upon for such data transfers (for example, standard contractual clauses or the EU-U.S. and Swiss-U.S. Data Privacy Framework ("DPF") and the UK extension to the DPF) are the subject of legal challenge, regulatory interpretation, and judicial decisions. While we maintain EU-U.S., Swiss-U.S. and UK-U.S. DPF certifications, we still rely on the standard contractual clauses for intercompany data transfers from the EU, Switzerland, and the UK to the United States in certain situations. As supervisory authorities continue to issue further guidance on personal data, we could suffer additional costs, complaints, or regulatory investigations or fines, and if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations and could adversely affect our financial results.

Determining how protected health information may be used, shared, or processed in compliance with applicable privacy standards and our contractual obligations can be complex and may be subject to changing interpretation. Both foreign and U.S. legislators and regulators may make legal and regulatory changes, or interpret and apply existing laws, in ways that require us to incur substantial costs, expose us to unanticipated civil or criminal liability, or cause us to change our business practices. As the regulatory guidance and enforcement landscape in relation to data transfers continue to develop, we could suffer additional costs, complaints and/or regulatory investigations or fines; we may have to stop using certain tools and vendors and make other operational changes; and/or it could adversely affect our business, financial condition, results of operations and prospects.

Risks Related to Our Common Stock

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline.

The trading market for our common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over the analysts, or the content and opinions included in their reports. If any of the analysts who cover us issues an adverse or misleading opinion regarding us, our business model, our intellectual property, or our stock performance, or if any third-party preclinical studies and clinical trials involving our iRhythm Services or our results of operations fail to meet the expectations of analysts, our stock price would likely decline. If one or more of such analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause a decline in our stock price or trading volume.

Our stock price is highly volatile and investing in our stock involves a high degree of risk, which could result in substantial losses for investors.

Historically, the market price of our common stock, like the securities of many other medical service providers that are public companies, has fluctuated. It is likely that our stock price will continue to be volatile in the future. In addition, the trading prices for our common stock and the common stocks of other medical service providers been highly volatile as a result of macroeconomic conditions, including inflation, interest rate volatility and ongoing geopolitical conflicts, such as the war in Ukraine and conflicts in the Middle East and Venezuela.

The market price of our common stock is influenced by many factors that are beyond our control, including the following:

- securities analyst coverage or lack of coverage of our common stock or changes in their estimates of our financial performance;
- variations in quarterly operating results;
- future sales of our common stock by our stockholders;
- investor perception of us and our industry;
- announcements by us or our competitors of significant agreements, acquisitions, or capital commitments or service or product launches or discontinuations;
- changes in market valuation or earnings of our competitors;
- negative business or financial announcements regarding our partners;
- regulatory actions;
- legislation and political conditions;
- cybersecurity events;
- global health pandemics, such as the COVID-19 pandemic;
- terrorist acts, acts of war, or periods of widespread civil unrest, including ongoing geopolitical conflicts, such as the war in Ukraine and conflicts in the Middle East and Venezuela; and
- general economic, industry, and market conditions, including inflation, interest rate volatility, uncertainty with respect to the federal debt ceiling and budget and potential government shutdowns related thereto, potential instability in the global banking system, and fluctuating foreign currency exchange rates.

Please also refer to the factors described elsewhere in this “Risk Factors” section. In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated and disproportionate to the operating performance of companies in our industry. These broad market and industry factors may materially reduce the market price of our common stock, regardless of our operating performance.

Securities class action litigation has often been brought against public companies that experience periods of volatility in the market prices of their securities. Securities class action litigation could result in substantial costs and a diversion of our management’s attention and resources.

Anti-takeover effects of our charter documents and Delaware law could make a merger, tender offer, or proxy contest difficult, thereby depressing the trading price of our common stock.

There are provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as well as provisions in the Delaware General Corporation Law ("DGCL"), that may discourage, delay, or prevent a change of control of our company that might otherwise be beneficial to stockholders. These provisions could also make it difficult for stockholders to elect directors who are not nominated by current members of our board of directors or take other corporate actions, including effecting changes in our management. For example:

- our board of directors may, without stockholder approval, issue shares of preferred stock with special voting or economic rights;
- our stockholders do not have cumulative voting rights and, therefore, each of our directors can only be elected by holders of a majority of our outstanding common stock;
- a special meeting of stockholders may only be called by a majority of our board of directors, the chairman of our board of directors, our chief executive officer, or our president (in the absence of a chief executive officer);
- our stockholders may not take action by written consent; and
- we require advance notice for nominations for election to the board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings.

Moreover, Section 203 of the DGCL may discourage, delay, or prevent a change of control of our company. Section 203 imposes certain restrictions on mergers, business combinations, and other transactions between us and holders of 15% or more of our common stock.

The exclusive forum provision in our organizational documents may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, or the underwriters of any offering giving rise to such claim, which may discourage lawsuits with respect to such claims.

Our amended and restated certificate of incorporation provides that, to the fullest extent permitted by law, the Court of Chancery of the State of Delaware is the exclusive forum for: any derivative action or proceeding brought on our behalf; any action asserting a claim of breach of fiduciary duty owed to us or our stockholders by any of our directors, officers, or other employees or agents; any action asserting a claim against us arising pursuant to any provision of the DGCL, our amended and restated certificate of incorporation, or our amended and restated bylaws; any action to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation, or our amended and restated bylaws; or any action asserting a claim against us that is governed by the internal affairs doctrine. This exclusive forum provision does not apply to suits brought to enforce a duty or liability created by the Exchange Act.

Notwithstanding the foregoing, our stockholders will not be deemed to have waived our compliance with the federal securities laws and the regulations promulgated thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to our exclusive forum provisions. The exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. Alternatively, if a court were to find the choice of forum provisions contained in our amended and restated certificate of incorporation or amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, operating results, and financial condition.

We do not intend to pay dividends for the foreseeable future.

We have never declared or paid cash dividends on our capital stock. We currently intend to retain all available funds and any future earnings to support operations and to finance the operation and expansion of our business, and we do not expect to declare or pay any dividends on our capital stock in the foreseeable future. As a result, stockholders must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investments.

Risks Related to Our Debt

Our indebtedness could adversely affect our financial health and our ability to respond to changes in our business.

As a result of our level of increased debt following the completion in 2024 of the offering of our 1.50% Convertible Senior Notes due 2029 of our wholly owned subsidiary, iRhythm Technologies, (the “2029 Notes”), of which we have provided a full and unconditional guarantee:

- our vulnerability to adverse general economic conditions and competitive pressures is heightened;
- we are required to dedicate a larger portion of our cash flow from operations to interest payments, limiting the availability of cash for other purposes;
- our flexibility in planning for, or reacting to, changes in our business and industry may be more limited; and
- our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes may be impaired.

We cannot be sure that our leverage resulting from the level of increased debt will not materially and adversely affect our ability to finance our operations or capital needs or to engage in other business activities. In addition, we cannot be sure that additional financing will be available when required or, if available, will be on terms satisfactory to us. Further, even if we are able to obtain additional financing, we may be required to use such proceeds to repay a portion of our debt.

Furthermore, neither we nor iRhythm Technologies are restricted under the terms of the indenture governing the 2029 Notes (the "Indenture") from incurring additional debt, securing future debt, recapitalizing our debt, repurchasing our stock, pledging our assets, making investments, paying dividends, guaranteeing debt or taking a number of other actions that could have the effect of diminishing our ability to make payments on the 2029 Notes when due.

Servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to pay our indebtedness.

Our ability to repay the principal of, to pay interest on or to refinance our indebtedness, including the 2029 Notes, or to make cash payments in connection with any conversions of 2029 Notes, depends on our future performance, which is subject to economic, financial, competitive and other factors beyond our control. Our business may not generate cash flow from operations in the future sufficient to service our existing indebtedness and any future indebtedness we may incur and make necessary capital expenditures. If we are unable to generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or capital expenditures, selling assets, restructuring debt or obtaining additional debt financing or equity capital on terms that may be onerous or highly dilutive. Our ability to refinance any current or future indebtedness will depend on the capital markets and our financial condition at such time. We may not be able to engage in any of these activities or engage in these activities on desirable terms or at all, which could result in a default on our debt obligations. In addition, any of our future current or future debt agreements may contain restrictive covenants that may prohibit us from adopting any of these alternatives. Our failure to comply with these covenants could result in an event of default which, if not cured or waived, could result in the acceleration of our debt.

In addition, we may be unable to repurchase the 2029 Notes upon a fundamental change when required by the holders or repay prior to maturity any accelerated amounts due under the 2029 Notes upon an event of default or redeem the 2029 Notes or pay cash upon conversion of the 2029 Notes, and our future debt may contain limitations on our ability to pay cash upon conversion, repurchase or repayment of the 2029 Notes.

The capped call transactions may affect the value of our common stock.

In connection with the pricing of the 2029 Notes, iRhythm Technologies entered into capped call transactions with the option counterparties. The 2029 Capped Calls are expected generally to reduce the potential dilution to our common stock upon conversion of the 2029 Notes and/or offset any cash payments we are required to make in excess of the principal amount of converted 2029 Notes, as the case may be, with such reduction and/or offset subject to a cap.

The option counterparties or their respective affiliates may modify their hedge positions by entering into or unwinding various derivatives with respect to our common stock and/or purchasing or selling our common stock or other securities of ours in secondary market transactions at any point prior to the maturity of the 2029 Notes (and are likely to do so during any observation period related to a conversion of 2029 Notes or following any redemption or repurchase of 2029 Notes by us, in each case, if we elect to unwind a corresponding portion of the 2029 Capped Calls in connection with such conversion or such redemption or repurchase). This activity could also cause or avoid an increase or a decrease in the market price of our common stock.

We are subject to counterparty risk with respect to the capped call transactions.

The option counterparties are financial institutions or affiliates of financial institutions, and we are subject to the risk that one or more of such option counterparties may default under the 2029 Capped Calls. Our exposure to the credit risk of the option counterparties is not secured by any collateral. Past and current global economic conditions, including recent changes in prevailing interest rates, have resulted in the actual or perceived failure or financial difficulties of many financial institutions. If any option counterparty becomes subject to bankruptcy or other insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under the capped call transaction with such option counterparty. Our exposure will depend on many factors but, generally, an increase in our exposure will be positively correlated to an increase in our common stock market price and in the volatility of the market price of our common stock. In addition, upon a default by an option counterparty, we may suffer adverse tax consequences and dilution with respect to our common stock. We can provide no assurance as to the financial stability or viability of any option counterparty.

Conversion of the 2029 Notes will, to the extent we deliver shares upon conversion of such 2029 Notes, dilute the ownership interest of existing stockholders, including holders who had previously converted their 2029 Notes, or may otherwise depress our stock price.

The 2029 Notes, although issued by iRhythm Technologies, our wholly owned subsidiary, are convertible into shares of our common stock. The conversion of some or all of the 2029 Notes will dilute the ownership interests of existing stockholders to the extent we deliver shares upon conversion of any of such 2029 Notes. Any sales in the public market of the common stock issuable upon such conversion could adversely affect prevailing market prices of our common stock. In addition, the existence of the 2029 Notes may encourage short selling by market participants because the conversion of the 2029 Notes could be used to satisfy short positions, or anticipated conversion of the 2029 Notes into shares of our common stock could depress our stock price.

The conditional conversion feature of the 2029 Notes, if triggered, may adversely affect our financial condition and operating results.

In the event the conditional conversion feature of the 2029 Notes is triggered, holders of the 2029 Notes will be entitled to convert the 2029 Notes at any time during specified periods at their option. Currently, holders of the 2029 Notes are entitled to convert through March 4, 2026 as a result of the Holding Company Transaction. If one or more holders elect to convert their 2029 Notes, unless we elect to satisfy our conversion obligation by delivering solely shares of our common stock (other than cash in lieu of any fractional share), we would be required to settle a portion or all of our conversion obligation through the payment of cash, which could adversely affect our liquidity. In addition, even if holders of the 2029 Notes do not elect to convert their 2029 Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the 2029 Notes as a current rather than long-term liability, which would result in a material reduction of our net working capital.

The accounting method for convertible debt securities that may be settled in cash, such as the 2029 Notes, could have a material effect on our reported financial results.

Under current accounting principles, we accounted for the entire amount of the 2029 Notes as debt on our balance sheet, as opposed to separately accounting for the liability and equity components of the 2029 Notes. Additionally, under the “if-converted” method, diluted earnings per share is generally calculated assuming that all the debt securities were converted solely into shares of common stock at the beginning of the reporting period, unless the result would be anti-dilutive, which could adversely affect our diluted earnings per share. However, if we were to make an irrevocable election to settle the principal amount of the 2029 Notes in cash, the if-converted method for calculating diluted earnings per share will only take into consideration the number of shares that would be issuable based on the extent to which the conversion value of such 2029 Notes exceeds their principal amount, provided the effect were dilutive. Furthermore, if any of the conditions to the convertibility of the 2029 Notes is satisfied, then we may be required under applicable accounting standards to reclassify the liability carrying value of the 2029 Notes as a current, rather than a long-term, liability. This reclassification could be required even if no holders convert their 2029 Notes and could materially reduce our reported working capital.

General Risk Factors

We may be impacted by domestic and global economic and political conditions, as well as natural disasters, severe weather, pandemics, and other catastrophic events, which could adversely affect our business, financial condition, or results of operations.

Our operations and performance may vary based on worldwide economic and political conditions, which have been adversely impacted by continued global economic uncertainty, political instability, and military hostilities in multiple geographies, including ongoing geopolitical conflicts such as the war in Ukraine and conflicts in the Middle East and Venezuela, domestic and global inflationary trends, interest rate volatility, uncertainty with respect to the federal debt ceiling and budget and potential government shutdowns related thereto, potential instability in the global banking system, global supply shortages, and a tightening labor market. A severe or prolonged economic downturn or period of global political instability could drive hospitals and other healthcare professionals to tighten budgets and curtail spending, which could in turn negatively impact rates at which physicians prescribe our iRhythm Services. In addition, higher unemployment rates or reductions in employer-provided benefits plans could result in fewer commercially insured patients, resulting in a reduction in our margins and impairing the ability of uninsured patients to make timely payments. A weak or declining economy could also strain our suppliers, possibly resulting in supply delays and disruptions. There is also a risk that one or more of our current service providers, suppliers, or other partners may not survive such difficult economic times, which could directly affect our ability to attain our goals on schedule and on budget. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. We cannot predict the timing, strength, or duration of an economic downturn, instability, or recovery, whether worldwide, in the United States, or within our industry.

In addition, the BIOSECURE Act was signed into law in December 2025 as part of the National Defense Authorization Act restricting U.S. federal contracts and funding for companies using biotech equipment or services from "biotechnology companies of concern" ("BCCs"), to curb national security risks. A phased rollout includes publishing lists of BCCs, issuing guidance, and revising Federal Acquisition Regulations with full prohibitions taking effect over a period of years. Compliance with this law will require us to perform additional supply chain due diligence and potentially change supplier sources if we wish to do business with the U.S. government such as the Veterans Administration. We cannot predict what actions may ultimately be taken with respect to trade relations between the United States and China or other countries, what products and services may be subject to such actions or what actions may be taken by the other countries in retaliation.

Further, climate-related events, including the increasing frequency of extreme or disruptive weather events, natural disasters, or other catastrophic events may have the potential to damage or disrupt our business and/or the business of our customers or third-party suppliers, and may cause us to experience higher attrition, losses, and additional costs to maintain or resume operations. In addition, such climate-related events may cause damage or disruption to international commerce and the global economy, and could have an adverse effect on our business, operating results and financial condition. In the event of a natural disaster, including a major earthquake, blizzard, or hurricane, or a catastrophic event such as a fire, power loss, cyberattack, or telecommunications failure, we may be unable to continue our operations and may endure system and service interruptions, reputational harm, delays in development of our iRhythm ACM Systems and iRhythm Services, breaches of data security, and loss of critical data, all of which could cause us to experience higher attrition, losses, and additional costs to maintain or resume operations, or otherwise have an adverse effect on our business and operating results. In addition, these events may impact or delay patient visits or the ability of prescribers or patients to receive deliveries from third parties, such as the U.S. Postal Service. Further, we do not maintain insurance sufficient to compensate us for the potentially significant losses that could result from disruptions to our services. Additionally, all the aforementioned risks may be further increased if our or our partners' disaster recovery plans are inadequate.

Environmental, social, and corporate governance ("ESG") regulations, policies, and provisions may make our supply chain more complex and may adversely affect our relationships with customers.

There is an increasing focus from certain investors, physicians, patients, employees, and other stakeholders concerning corporate citizenship and sustainability matters and the governance of environmental and social risks. An increasing number of participants in the medical services industry are joining voluntary ESG groups or organizations, such as the Responsible Business Alliance. These ESG provisions and initiatives are subject to change, can be unpredictable, and may be difficult and expensive for us to comply with, given our reliance on our supply chain and the outsourced manufacturing of certain components and sub-assemblies of the iRhythm ACM Systems used with our iRhythm Services.

At the same time, an increasing number of stakeholders, regulators and lawmakers have expressed or pursued contrary views, including the proposal or enactment of “anti-ESG” policies, legislation, executive orders or initiatives or issued related legal opinions. Conflicting regulations and a lack of harmonization of ESG legal and regulatory environments across the jurisdictions in which we operate may create enhanced compliance risks and costs. We may also face increasing scrutiny from our investors, physicians, patients, employees and other stakeholders relating to the appropriate role of ESG practices and disclosures.

Further, we have in the past and may continue to communicate certain initiatives, including goals, regarding environmental matters, responsible sourcing, and social investments. We could fail, or be perceived to fail, in our achievement of such initiatives or goals, or we could fail in fully and accurately reporting our progress on such initiatives and goals. In addition, we could be criticized for the scope of such initiatives or goals or perceived as not acting responsibly in connection with these matters.

If we are not effective in addressing ESG matters affecting our business, or setting and meeting relevant ESG goals, our reputation and financial results may suffer.

ITEM 1B. UNRESOLVED STAFF COMMENTS

Not applicable.

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management and Strategy

Cybersecurity is an important part of our risk management at iRhythm. Our cybersecurity program includes mitigating risks for our company and for other companies that may have access to our data and systems. Our board of directors recognizes the critical importance of maintaining the trust and confidence of our customers, clients, business partners, and employees. The risk oversight responsibility of our board of directors and its committees is supported by our cybersecurity management reporting processes, which are designed to provide visibility to our board of directors and to our personnel that are responsible for risk assessment and information about the identification, assessment, and management of critical risks and management’s risk mitigation strategies. These areas of focus include risks from cybersecurity threats as well as competitive, economic, operational, financial, legal, regulatory, privacy, compliance, and reputational risks, among others. We understand that our customers, patients, and stakeholders entrust us with sensitive data, including Protected Health Information, and we take this responsibility seriously.

Our board of directors has an important role in the oversight of our cybersecurity risk management and strategy and has delegated certain components of such oversight related to the security of and risks related to computerized information and technology systems across the organization, as well as by risk area (including privacy, data security, and cybersecurity matters), to the audit committee, which regularly interacts with our Chief Information Security Officer ("CISO") and Chief Risk Officer ("CRO"). We also regularly engage external parties to assist in the review of our cybersecurity risk oversight processes.

We have established policies to govern the security of our systems and the protection of customer and patient data, which include regular system updates and patches, employee training on cybersecurity and HIPAA best practices, incident reporting, and the use of encryption to secure sensitive information. Our Cybersecurity department, which reports to our CISO, is responsible for our cybersecurity program and our Global Risk & Integrity department, which reports to our CRO, is responsible for our privacy program as further discussed below. To identify, assess, and manage material cybersecurity risks, our Cybersecurity team uses a cybersecurity risk assessment process aligned with leading frameworks such as the National Institute of Standards and Technology’s (“NIST”) Cybersecurity Framework and HIPAA. To ensure appropriate and consistent risk evaluation and decision-making processes among our Cybersecurity and Global Risk & Integrity departments, we utilize an Adjusted Risk Rating (“ARR”) system that considers certain attributes that represent impact to iRhythm, and we prioritize our actions based on our ARR system. Our cybersecurity risk assessment program provides the underlying basis for the activities our Cybersecurity and Global Risk & Integrity departments take to identify and mitigate risks from, as well as develop risk management and response strategies for, evolving and emerging cybersecurity threats.

In addition, we also regularly perform phishing tests on our employees and review our training plan at least annually for appropriate updates to address results from this testing. Further, we are focused on building and maintaining a positive cybersecurity culture through a combination of trainings, educational tools, videos, and other cybersecurity awareness initiatives. On top of annual information security awareness training for our employees, we also provide focused training for certain departments. Our security training incorporates awareness of cyber threats

(including malware, ransomware, and social engineering attacks), password hygiene, and incident reporting process, as well as physical security best practices.

We engage in the periodic assessment of our policies, standards, processes, and practices that are designed to address cybersecurity threats and incidents, internally and through assessments by external providers. These efforts include a wide range of activities, including audits, assessments, tabletop exercises, threat modeling, vulnerability testing, penetration testing, and other exercises focused on evaluating the effectiveness of our cybersecurity measures and planning. Assessments by external providers of our cybersecurity measures include information security maturity assessments, audits, and independent reviews of our information security control environment and operating effectiveness. The results of such internal and external assessments, audits, and reviews are reported to the audit committee and the board of directors, and we adjust our cybersecurity policies, standards, processes, and practices as necessary based on the information provided by these assessments, audits, and reviews.

In addition to the assessment of internal cybersecurity risks, we have implemented processes to oversee and identify risks from cybersecurity threats associated with our use of third-party service providers that have access to our data and systems, including payors and IDTFs. These processes include vetting of service providers for security, reliability, and availability; execution of a Business Associate Agreement with each provider for compliant management, storage, or processing of PHI; and confirmation by each service provider that its SOC-2 reports, or equivalent reports, are current and available, where applicable. In the event a service provider does not have a current and available SOC-2 or equivalent report, we complete a risk-based review of the service provider’s cybersecurity risk management and advise relevant business stakeholders of any significant identified risks.

Based on our board of directors’ and management’s review of risks associated with cybersecurity threats, we have concluded that, to date, there have been no cybersecurity threats which have materially affected or are reasonably likely to materially affect our company, including our business strategy, results of operations, or financial condition. If we were to experience a material cybersecurity incident in the future, such incident may have a material effect, including on our business strategy, operating results, or financial condition. For more information regarding cybersecurity risks that we face and potential impacts on our business related thereto, see the risk factor titled “Cybersecurity risks, including those involving network security breaches, services interruptions and other incidents affecting the confidentiality, integrity or availability of our data and systems, could result in the compromise of confidential data or critical systems and give rise to potential harm to our patients, remediation costs and other expenses, expose us to liability under HIPAA, breach notification laws, 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."

Governance

As described above, our board of directors has an important role in the oversight of our cybersecurity risk management and strategy, with certain components of such oversight, including matters related to the security of and risks related to computerized information and technology systems, delegated to the audit committee.

At the management level, our Cyber Security and Risk departments work together to monitor our cybersecurity and risk programs, reporting to our CISO and CRO, respectively. Our CISO currently leads a team of cybersecurity professionals, has held leadership roles in the Cybersecurity team since joining us in 2019, and has over fifteen years of management experience within cybersecurity teams. Our CRO has held leadership roles in internal audit and risk for over a decade, including most recently as CRO of another public company.

Individuals in our Cybersecurity and Global Risk & Integrity departments regularly monitor the prevention, detection, mitigation and remediation of cybersecurity incidents. We have implemented procedures by which any identified or potential cybersecurity risk is communicated to the CISO promptly and discussed in regular team meetings generally held several times per week. Risks are escalated to the CRO and other members of management in accordance with our incident response and reporting policy.

Our CISO reports cybersecurity-related matters twice annually to the audit committee, and promptly reports any significant cybersecurity developments or incidents to our management, who may similarly escalate to the audit committee. These periodic updates include updates on our cybersecurity risk posture, including material risk assessments, the status of any projects to improve our information security systems, and the emerging cybersecurity threat landscape. The audit committee’s reviews may also include presentations by members of senior management, as well as briefings with other internal and external subject-matter experts to help broaden the board of directors’ understanding of the latest cybersecurity issues and the latest regulatory and threat landscapes. Additionally, the audit committee monitors our progress to address cybersecurity risks and opportunities, as well as

cybersecurity incident response and recovery metrics. Our management also periodically engages external service providers to conduct objective assessments of our cybersecurity program, and results of such assessments are directly reported to the audit committee. Finally, the audit committee reports out to the larger board of directors periodically on our cybersecurity risks and posture.

ITEM 2. PROPERTIES

The following table summarizes the facilities leased as of December 31, 2025, including the location and size of each principal facility and their designated use. We believe that these facilities are sufficient to meet our current and anticipated future needs.

Location	Primary Use	Approximate Square Footage	Lease Expiration Year
San Francisco, California	Corporate Headquarters and Clinical Center	117,600	2031
Cypress, California	Corporate Office and Manufacturing Facilities	68,900	2032
Deerfield, Illinois	Corporate Office and Clinical Center	44,600	2033
Manila, Philippines	Corporate Office	24,000	2028
Houston, Texas	Clinical Center	20,300	2027
Solana Beach, California	Corporate Office	16,800	2032
London, United Kingdom	Corporate Office and Clinical Center	7,600	2029

ITEM 3. LEGAL PROCEEDINGS

From time to time, we are involved in claims and legal proceedings or investigations, that arise in the ordinary course of business. Such matters could have an adverse impact on our reputation, business, and financial condition and divert the attention of our management from the operation of our business. These matters are subject to many uncertainties and outcomes that are not predictable.

On February 6, 2024, a putative class action lawsuit was filed in the United States District Court for the Northern District of California alleging that our wholly-owned subsidiary, iRhythm Technologies, and our current Chief Executive Officer, Quentin Blackford, iRhythm Technologies' former Chief Financial Officer, Brice Bobzien, and its former Chief Financial Officer and former Chief Operating Officer, Douglas Devine violated Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder, and seeks unspecified damages purportedly sustained by the class. On July 19, 2024, an amended complaint was filed, naming iRhythm Technologies, Mr. Blackford, Mr. Bobzien, Mr. Devine, our Chief Commercial and Product Officer Chad Patterson, iRhythm Technologies' former Chief Technology Officer Mark Day, and our Chief Medical Officer, Chief Scientific Officer, and Executive Vice President of Advanced Technologies, Mintu Turakhia, as defendants. On October 7, 2024, a second amended complaint was filed against the defendants to include events from the recent FDA inspections, but otherwise included the same claims under the Exchange Act. On December 10, 2024, the defendants filed a motion to dismiss. On June 3, 2025, the Court granted in part the defendants' motion to dismiss, including the dismissal of all individual defendants except for Mr. Blackford. On November 3, 2025, the plaintiff filed a motion to certify the case as a class action, which the defendants later opposed by motion. Discovery is ongoing.

Our board members and certain of our current executives and former executives of iRhythm Technologies were named as defendants in two complaints filed as stockholder derivative actions in the United States District Court for the District of Delaware and the United States District Court for the Northern District of California, respectively. iRhythm Technologies is named as a nominal defendant in both complaints. The cases make similar allegations to those in the securities class action complaint described above and both derivative cases have been stayed pending the resolution of the securities class action.

We believe the above securities class action and derivative lawsuits to be without merit and plan to continue to defend iRhythm Technologies vigorously.

On March 26, 2021, iRhythm Technologies received a grand jury subpoena from the U.S. Attorney's Office for the Northern District of California requesting information related to communications with the Food and Drug Administration and our products and services. On September 13, 2021, iRhythm Technologies received a second subpoena requesting additional information. On April 4, 2023, iRhythm Technologies received a Subpoena Duces Tecum from the Consumer Protection Branch, Civil Division of the U.S. Department of Justice (the "DOJ"), requesting production of various documents regarding iRhythm Technologies' products and services. We are cooperating fully on these matters.

On July 1, 2024, the DOJ filed with the United States District Court for the Northern District of California a Petition for Order to Show Cause and Application for Enforcement against iRhythm Technologies with respect to the production of certain documentary materials which iRhythm Technologies asserts are protected by legal privileges. On May 30, 2025, following a hearing on the issue, the District Court ordered iRhythm Technologies to disclose certain of the documents, finding that iRhythm Technologies had waived its asserted legal privileges. We have appealed the District Court's order to the Ninth Circuit Court of Appeals. On July 17, 2025, the Ninth Circuit Court of Appeals stayed the District Court's production order until the appeal is resolved. Both parties submitted initial briefing on the merits, and iRhythm Technologies' reply brief to the government is due in late February 2026. We intend to continue to defend iRhythm Technologies' privilege assertions over the documents at issue. Regardless of the outcome of the appeal or the potential disclosure of the documents at issue, it is not clear what, if any, action the DOJ may take following resolution of the dispute over legal privileges.

On December 12, 2025, we received a civil investigative demand from DOJ's Civil Division's Commercial Litigation Branch seeking information and documents related to Zio AT and our associated claims for reimbursement. We have cooperated, and are continuing to cooperate, fully in connection with these matters.

On February 20, 2024, Welch Allyn filed a complaint against iRhythm Technologies in the United States District Court for the District of Delaware, which was amended on April 24, 2024, alleging that its Zio devices infringe certain of Welch Allyn's patents and that its infringement was willful. Thereafter, iRhythm Technologies successfully petitioned the District Court to dismiss the willful infringement claims without prejudice. On February 14, 2025, Welch Allyn filed a second amended complaint adding additional patent claims. On March 21, 2025, iRhythm Technologies filed a response to the allegations found in the second amended complaint, denying all allegations of patent infringement and asserting defenses including patent invalidity. On October 14, 2025, Welch Allyn filed a third amended complaint adding back claims for willful infringement. On October 28, 2025, iRhythm Technologies filed a motion to dismiss the willful infringement claims, and that motion remains pending. On December 23, 2024, iRhythm Technologies filed a petition with the USPTO seeking Inter Partes Review ("IPR") of the Welch Allyn patents asserted in the original complaint. The IPR petitions became subject to a new consideration for "discretionary denial" of IPRs first announced by the USPTO after iRhythm Technologies filed its petitions. Under this new basis, iRhythm Technologies' IPRs were denied institution. iRhythm Technologies filed a Petition for Director review, seeking to vacate the denial in July 2025, but the Petition was denied. iRhythm Technologies subsequently filed for Ex Parte Reexamination on four of the Welch Allyn patents being asserted, and the USPTO instituted re-examination of those four patents on January 20, 2026. Welch Allyn seeks money damages and attorneys' fees. We believe this lawsuit is without merit and plan to defend iRhythm Technologies vigorously.

On December 10, 2024, BardyDx filed a lawsuit against iRhythm Technologies in the United States District Court for the District of Delaware, alleging that our Zio monitor infringes one of its patents. On December 26, 2024, BardyDx filed an amended complaint alleging that our Zio monitor infringes two of BardyDx's patents. On June 11, 2025, BardyDx filed a second amended complaint alleging that our Zio monitor infringes four of BardyDx's patents. iRhythm Technologies filed responses to the allegations found in the complaint and the amended complaints, denying all allegations of patent infringement, asserting defenses including patent invalidity, and asserting patent infringement counterclaims, which allege that BardyDx's Carnation Ambulatory Monitor patch infringes five of the Company's patents. BardyDx filed an answer to iRhythm Technologies' counterclaims and filed counterclaims for declaratory judgment for non-infringement and invalidity of the patents asserted by iRhythm Technologies. On September 5, 2025, iRhythm Technologies filed a motion for leave to amend its counterclaims to allege infringement of two additional patents, and that motion remains pending. On January 22, 2026, BardyDx filed a motion to amend its pleadings to assert inequitable conduct with respect to two patents of iRhythm Technologies, and that motion also remains pending. Both parties seek money damages and attorneys' fees for the alleged infringement of their patents. We believe BardyDx's allegations of patent infringement are without merit and plan to defend iRhythm Technologies vigorously.

At this time, we are unable to predict the eventual scope, duration, or outcome of the aforementioned proceedings. See also Part I, Item 1A "Risk Factors — Risks Related to Other Legal and Regulatory Matters" for more information on these matters.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

Market Information for Common Stock

Our common stock is traded on The Nasdaq Global Select Market under the symbol "IRTC".

As of February 16, 2026, there were 490 holders of record of our common stock. Certain shares are held in "street" name and, accordingly, the number of beneficial owners of such shares is not known or included in the foregoing number.

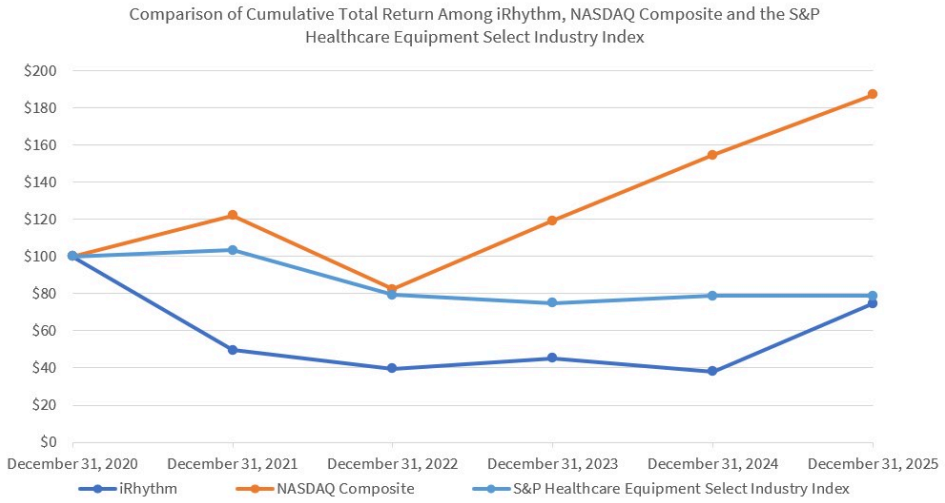
Dividend Policy

We have never declared or paid cash dividends on our capital stock. We intend to retain all available funds and any future earnings, if any, to fund the development and expansion of our business and we do not anticipate paying any cash dividends in the foreseeable future. Any future determination related to dividend policy will be made at the discretion of our board of directors.

Performance Graph

This graph is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference into any of our filings under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

The following graph shows the total stockholder return of an investment of $100 in cash at market close on December 31, 2020, through December 31, 2025 for (i) our common stock, (ii) the NASDAQ Composite Index (U.S.), and (iii) the S&P Healthcare Equipment Select Industry. Pursuant to applicable SEC rules, all values assume reinvestment of the full amount of all dividends, however no dividends have been declared on our common stock to date. The stockholder return shown on the graph below is not necessarily indicative of future performance, and we do not make or endorse any predictions as to future stockholder returns.



	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024	12/31/2025
iRhythm	$ 100.00	$ 49.61	$ 39.49	$ 45.12	$ 38.01	$ 74.80
NASDAQ Composite Index	$ 100.00	$ 122.18	$ 82.43	$ 119.22	$ 154.48	$ 187.14
S&P Healthcare Equipment Select Industry	$ 100.00	$ 103.50	$ 79.32	$ 74.82	$ 78.89	$ 78.69

Securities Authorized for Issuance under Equity Compensation Plans

Information regarding our equity compensation plans and the securities authorized for issuance thereunder is set forth in Part III, Item 12 of this Annual Report on Form 10-K.

Recent Sales of Unregistered Equity Securities

None.

Issuer Purchases of Equity Securities

None.

ITEM 6. [RESERVED]

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 the financial statements and related notes included elsewhere in Item 8 of Part II of this Annual Report on Form 10-K. This discussion and other parts of this Annual Report on Form 10-K contain forward-looking statements that involve risks and uncertainties, such as statements of our plans, objectives, expectations and intentions. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section of this Annual Report on Form 10-K entitled "Risk Factors."

Overview

We are a leading digital healthcare company that creates trusted solutions that detect, predict, and prevent disease. Our principal business is the design, development, and commercialization of device-based technology to provide ambulatory cardiac monitoring services that we believe allow clinicians to diagnose certain arrhythmias quicker and with greater efficiency than other services that rely on traditional technology.

Each iRhythm ACM System combines a wire-free, patch-based, 14-day wearable biosensor (FDA-cleared, CE-marked and/or Japan PMDA-approved, as applicable) that continuously records ECG data with a proprietary, cloud-based data analytic software (FDA-cleared, CE-marked, and Japan PMDA-approved) to help physicians monitor patients and diagnose arrhythmias.

Since first receiving clearance from FDA for our technology in 2009, we have supported physician and patient use of this technology and provided ACM services from our Medicare-enrolled IDTFs and with our qualified technicians. We have provided our iRhythm Services using our iRhythm ACM Systems. Since receiving FDA clearance, we have provided the iRhythm Services via more than twelve million patient reports and have collected almost 3 billion hours of curated heartbeat data.

We receive revenue for our iRhythm Services primarily from third-party payors, which include contracted third-party payors and CMS. The remainder of our revenue comes from healthcare institutions, which are typically hospitals or private physician practices, who purchase the iRhythm Services from us directly. We rely on third-party billing partners to submit patient claims and collect from commercial payors, certain government agencies, and patients.

The following are iRhythm Services shown as a percentage of revenue:

	Year Ended December 31,		
	2025	2024	2023
Contracted third-party payors	52 %	53 %	54 %
Centers for Medicare and Medicaid	24 %	24 %	25 %
Healthcare institutions	17 %	16 %	14 %
Non-contracted third party payors	7 %	7 %	7 %

Key Business Metric

Non-GAAP Financial Measure

Adjusted EBITDA is a key measure we use to assess our financial performance and it is also used for internal planning and forecasting purposes. We believe Adjusted EBITDA is helpful to investors, analysts, and other interested parties because it can assist in providing a more consistent and comparable overview of our operational performance across our historical financial periods. In addition, this measure is frequently used by analysts, investors, and other interested parties to evaluate and assess performance.

We define Adjusted EBITDA for a particular period as net loss before income tax provision, depreciation and amortization, interest expense, and interest income and as further adjusted for stock-based compensation expense, changes in fair value of strategic investments, impairment charges, business transformation costs, certain intellectual property litigation expenses and settlements, and loss on extinguishment of debt. Beginning in the first quarter of 2025, certain intellectual property litigation expenses that we have excluded from Adjusted EBITDA include third-party attorneys' fees and expenses associated with patent litigation brought against iRhythm Technologies by Welch Allyn and BardyDx. Factors we considered in arriving at this determination to exclude these patent litigation costs from our Adjusted EBITDA include frequency and complexity of the patent litigation, the counterparty involved, and the expected magnitude of patent litigation costs for this matter. Business transformation costs include costs associated with professional services, employee termination and relocation, third-party merger and acquisition, integration, and other costs to augment and restructure the organization, inclusive of both outsourced and offshore resources.

Adjusted EBITDA is a non-GAAP financial measure and is presented for supplemental informational purposes only and should not be considered as an alternative or substitute to financial information presented in accordance with GAAP. This measure has certain limitations in that it does not include the impact of certain expenses that are reflected in our consolidated statements of operations that are necessary to run our business. We may identify additional charges and gains to exclude from Adjusted EBITDA that are significant in nature which may impact period to period comparability and do not represent the ongoing results of the business. Other companies, including other companies in our industry, may not use this measure or may calculate this measure differently than as presented in this Annual Report on Form 10-K, limiting its usefulness as a comparative measure.

The following table presents a reconciliation of Net loss, the most directly comparable financial measure calculated in accordance with GAAP, to Adjusted EBITDA (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Net loss[1]	$ (44,551)	$ (113,289)	$ (123,406)
Interest expense	13,154	12,821	3,650
Interest income	(21,521)	(21,938)	(6,353)
Changes in fair value of strategic investments	(5,711)	(1,902)	—
Income tax provision	953	565	750
Depreciation and amortization	20,742	20,715	16,348
Stock-based compensation	88,283	75,978	77,204
Impairment charges	4,458	641	11,078
Business transformation costs	3,033	11,072	15,866
Intellectual property litigation expenses[2]	10,070	—	—
Loss on extinguishment of debt	—	7,589	—
Adjusted EBITDA	$ 68,910	$ (7,748)	$ (4,863)

[1] Net loss for the year ended December 31, 2025 and 2024 includes $3.0 million and $32.4 million of acquired in-process research and development expense, respectively.

[2] Excludes third-party attorneys' fees and expenses associated with patent litigation brought against the Company by Welch Allyn, Inc. and Bardy Diagnostics, Inc., subsidiaries of Baxter International, Inc.

Macroeconomic Factors

Our future results of operations and liquidity could be materially adversely affected by macroeconomic factors contributing to delays in payments of outstanding receivables, supply chain disruptions, including shortages, tariffs on imports, and inflationary pressure, uncertain or reduced demand, and the impact of any initiatives or programs that we may undertake to address financial and operational challenges faced by our customers.

The current macroeconomic environment is impacting our customers, both financially and operationally. Hospitals are experiencing staffing shortages and supply chain issues that could affect their ability to provide patient care. Additionally, hospitals are facing significant financial pressure as supply chain constraints and inflation drive up operating costs, interest rate volatility make access to credit more expensive, and unrealized losses decrease available cash reserves. As a consequence of the financial pressures and decreased profitability, some hospitals have indicated that they are lowering their capital investment plans and tightening their operational budgets. Private and government payors around the world are increasingly challenging the utilization and overall cost charged for medical products and services. The containment of healthcare costs has become a priority of governments on a global basis. Private and government payors may decline to cover and reimburse for claims or portions of claims. Climate-related events, including the increasing frequency of extreme weather events, natural disasters, or other catastrophic events may cause damage or disruption to our domestic or global customers or our operations, which could have an adverse effect on our business, operating results, and financial condition.

We have adapted our iRhythm Services to meet the immediate needs of physicians, customers, and patients and significantly increased the utilization of our home enrollment service, which allows patients to receive and wear the single-use Zio patch without going to a healthcare facility.

Our hybrid work arrangements and decision to pursue a sublease have previously resulted in an impairment of our right-of-use asset and related leasehold improvements and furniture and fixtures. As we continue to evaluate our global real estate footprint, we may incur additional impairment charges related to real property lease agreements.

Revenue, net

The majority of our revenue is derived from provision of our iRhythm Services to customers in the United States. We earn revenue from the provision of our iRhythm Services primarily from contracted third-party payors, CMS, and healthcare institutions. A small percentage of our revenue is from non-contracted third-party payors.

We recognize revenue on an accrual basis based on estimates of the amount that will ultimately be realized, which considers the amount submitted for payment and the amount received. These estimates require significant judgment by management. In determining the amount to accrue for the iRhythm Services (including a delivered report), we consider factors such as claim payment history from both payors and patient, available reimbursement, including whether there is a contract between us and the payor or healthcare institution and historical amount received for the service, and any current developments or changes that could impact reimbursement and healthcare institution payments.

We have historically experienced reduced revenue during the third quarter, as well as during the year-end holiday season. We believe this is the result of physicians and patients taking vacations and patients electing to delay our monitoring services during the summer months or holidays. Revenue may be impacted by the outcome of adjudications with contracted and non-contracted payors, as well as changes in CMS reimbursement rates that are updated annually.

Cost of Revenue

Cost of revenue includes direct labor, material costs, tariffs, equipment and infrastructure expenses, amortization of internal-use software, allocated overhead, royalties, and shipping and handling. Direct labor includes payroll-related costs including stock-based compensation involved in manufacturing, clinical data curation, and customer service. Material costs include both the disposable materials costs of the Zio patches and amortization of the PCBAs. Each Zio XT and Zio monitor includes a PCBA, and each Zio AT includes a PCBA and gateway board, the cost of which is amortized over the expected useful life of the board. We expect cost of revenue to increase in absolute dollars as our revenue increases due to increased direct labor, direct materials, and variable spending, as well as amortization of internal-use software, partially offset by economies of scale in relation to fixed costs such as overhead and facilities costs.

Our gross margin has been and will continue to be affected by a variety of factors, including increased contracting with third-party payors and institutional providers. We have in the past been able to increase our pricing as third-party payors become more familiar with the benefits of the iRhythm Services and move to contracted pricing arrangements. We expect increases to the cost of revenues due to increases to materials and electronics components pricing, labor rates, shipping rates, amortization of capitalized internal-use software, along with increases in the general level of inflation and tariffs on imports (which may complicate and increase costs associated with our supply chain). We expect to partially offset these increases by reduced costs from obtaining volume purchase discounts for our material costs, implementing scan-time algorithms and process improvements, automating manufacturing assembly and packaging, and through software-driven and other workflow enhancements to reduce labor costs. We experienced an improvement in our gross margin from 2023 to 2025, and continue to focus on improving annual gross margins in the future, while navigating through the macroeconomic and supply chain headwinds discussed above that we expect to face.

Research and Development Expenses

We expense research and development costs as they are incurred. Research and development expenses include payroll-related costs, including stock-based compensation, consulting services, clinical studies, laboratory supplies, milestone payments and allocated facility overhead costs. We expect our research and development costs to increase in absolute dollars as we hire additional personnel to develop new product and service offerings, product enhancements, and clinical evidence.

Acquired In-Process Research and Development Expenses

Our in-process research and development (“IPR&D”) acquired in an asset acquisition for use in research and development activities with no alternative future use is expensed in the consolidated statements of operations.

Selling, General and Administrative Expenses

Our sales and marketing expenses consist of payroll-related costs, including stock-based compensation, sales commissions, travel expenses, consulting, public relations costs, direct marketing, tradeshow and promotional expenses, and allocated facility overhead costs.

Our general and administrative expenses consist primarily of payroll-related costs for executive, finance, legal and administrative personnel, including stock-based compensation. Other significant expenses include professional fees for legal and accounting services, consulting fees, recruiting fees, bad debt expense, third-party patient claims processing fees, business transformation, and travel expenses.

Impairment Charges

Impairment charges consist of amounts recorded to write down the carrying value of long-lived assets to fair value.

Interest Income

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

Interest Expense

Interest expense is attributable to borrowings under our loan agreements and 2029 Notes. See Note 9, Debt, in the notes to our consolidated financial statements in Part II, Item 8 of this Annual Report on Form 10-K (the “Consolidated Financial Statements”) for further information on our loan agreements.

Loss on Extinguishment of Debt

Loss on extinguishment of debt reflects the losses incurred in the early repayment of debt. See Note 9, Debt, in the notes to our Consolidated Financial Statements for further information on our loss on extinguishment of debt.

Other Income (Expense), Net

Other income (expense), net consists primarily of changes in fair value of our strategic loan and equity investments, as well as realized and unrealized foreign currency exchange gains or losses.

Results of Operations

Comparison of the Years Ended December 31, 2024, and 2023

For discussion related to the results of operations and changes in financial condition for the year ended December 31, 2024 compared to the year ended December 31, 2023 refer to “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2024, which was filed with the SEC on February 20, 2025.

Comparison of the Years Ended December 31, 2025, and 2024

	Year Ended December 31,					
	2025	% Revenue	2024	% Revenue	$ Change	% Change
	(dollars in thousands, except percentages)*					
Revenue, net	$ 747,138	100 %	$ 591,839	100 %	$ 155,299	26 %
Cost of revenue	219,888	29 %	184,308	31 %	35,580	19 %
Gross profit	527,250	71 %	407,531	69 %	119,719	29 %
Operating expenses:						
Research and development	84,610	11 %	71,459	12 %	13,151	18 %
Acquired in-process research and development	3,036	— %	32,371	5 %	(29,335)	(91)%
Selling, general and administrative	492,553	66 %	418,565	71 %	73,988	18 %
Impairment charges	4,458	1 %	641	— %	3,817	595 %
Total operating expenses	584,657	78 %	523,036	88 %	61,621	12 %
Loss from operations	(57,407)	(8)%	(115,505)	(20)%	58,098	(50)%
Interest and other income						
Interest income	21,521	3 %	21,938	4 %	(417)	(2)%
Interest expense	(13,154)	(2)%	(12,821)	(2)%	(333)	3 %
Loss on extinguishment of debt	—	— %	(7,589)	(1)%	7,589	N/M
Other income, net	5,442	1 %	1,253	— %	4,189	334 %
Total interest and other income	13,809	2 %	2,781	— %	11,028	397 %
Loss before income taxes	(43,598)	(6)%	(112,724)	(19)%	69,126	(61)%
Income tax provision	953	— %	565	— %	388	69 %
Net loss	$ (44,551)	(6)%	$ (113,289)	(19)%	$ 68,738	(61)%

N/M - Not meaningful
** Certain numbers expressed may not sum due to rounding.*

Revenue, net

Revenue increased by $155.3 million, or 26%, to $747.1 million during the year ended December 31, 2025, as compared to $591.8 million during the year ended December 31, 2024. The increase in revenue was primarily attributable to increases in the volume of iRhythm Services resulting from increased demand. We have experienced higher volumes from larger healthcare enterprise accounts which utilize both Zio monitor and Zio AT. Additionally, during the year ended December 31, 2025, Zio AT as a proportion of our total revenue volume grew significantly compared to the prior year primarily as a result of new customer account growth. Offsetting the revenue growth from volume and product mix were higher contractual allowance reserves recognized during the year ended December 31, 2025, as compared to the year ended December 31, 2024, resulting from higher payer claims denials from revenue growth associated with our contracted third-party payors and CMS. Overall average selling price slightly increased for the year ended December 31, 2025, as compared to the prior year.

Cost of Revenue

Cost of revenue increased by $35.6 million, or 19%, to $219.9 million during the year ended December 31, 2025, as compared to $184.3 million during the year ended December 31, 2024. The majority of our increase in cost of revenue is due to increases in headcount, component costs (inclusive of tariffs), and amortization costs related to Zio monitor and Zio AT PCBAs. Additionally, our cost of revenue increase was associated with material scrap costs and freight costs associated with the increase in volume of iRhythm Services.

Research and Development Expenses

Research and development expenses increased by $13.2 million, or 18%, to $84.6 million during the year ended December 31, 2025, as compared to $71.5 million during the year ended December 31, 2024. The increase in research and development expenses during the year ended December 31, 2025 was primarily due to higher employee-related costs (including stock-based compensation), which include supporting ongoing FDA remediation and sustaining activities, product development consulting costs, and costs to further development, enhancement, and functionality of our current and future product offerings.

Acquired In-Process Research and Development

Acquired IPR&D expenses decreased by $29.3 million, or 91%, to $3.0 million during the year ended December 31, 2025, as compared to $32.4 million during the year ended December 31, 2024. The decrease in Acquired IPR&D expense for the year ended December 31, 2025 was due to the Technology License Agreement (the "License Agreement") that we entered into with BioIntelliSense, Inc. ("BioIS") during the third quarter of 2024. The $32.1 million charge for acquired IPR&D in the third quarter of 2024 consisted of an upfront license acquisition fee of $15.0 million and a license acquisition fee of $17.1 million related to contingent consideration payable upon the achievement of regulatory milestones. For the year ended December 31, 2025, we recognized acquired IPR&D expenses of $3.0 million, as additional license acquisition fee related to such contingent consideration. See Note 5, Fair Value Measurements, and Note 8, Commitments and Contingencies, in the notes to our Consolidated Financial Statements for further details.

Selling, General and Administrative Expenses

Selling, general and administrative expenses increased by $74.0 million, or 18%, to $492.6 million during the year ended December 31, 2025, as compared to $418.6 million during the year ended December 31, 2024. The increase in selling, general and administrative expenses was primarily attributable to increases in headcount-related costs (including stock-based compensation), legal and professional fees, provisions for credit losses, and claims processing fees. Additionally, during the year ended December 31, 2025 we incurred $10.1 million related to certain intellectual property litigation costs, which were not incurred during the year ended December 31, 2024. We incurred $3.0 million of business transformation costs during the year ended December 31, 2025, as compared to $11.1 million for the year ended December 31, 2024. Our business transformation costs for both periods primarily related to severance, professional fees, and third-party merger and acquisition fees.

Impairment Charges

Impairment expenses increased by $3.8 million, or 595%, to $4.5 million during the year ended December 31, 2025, as compared to $0.6 million during the year ended December 31, 2024. During the second quarter of 2025, we recorded impairment charges of $2.5 million, associated with capitalized internal-use software in development relating to the Zio Watch with our clinically integrated ZEUS system. We do not intend to commercially launch the Zio Watch. During the fourth quarter of 2025, we recorded an additional $2.0 million of impairment charges related to capitalized internal-use software projects in development not expected to be completed and placed in-service.

Interest Income

Interest income decreased by $0.4 million to $21.5 million during the year ended December 31, 2025, as compared to $21.9 million during the year ended December 31, 2024. The decrease was attributable to lower interest rates on invested balances, as compared to the same period in 2024, offset by higher average invested balances in 2025, primarily as a result of the borrowing under the 2029 Notes in March 2024.

Interest Expense

Interest expense increased by $0.3 million to $13.2 million during the year ended December 31, 2025, as compared to $12.8 million during the year ended December 31, 2024. The increase in interest expense during the year ended December 31, 2025, is primarily attributable to the $661.3 million 2029 Notes borrowed in March 2024.

Loss on Extinguishment of Debt

Loss on extinguishment of debt was $7.6 million during the year ended December 31, 2024. The loss was related to the early extinguishment of both the SVB Loan Agreement and the Braidwell Term Loan Facility (each as defined below) during the first quarter of 2024. See Note 9, Debt, to our Consolidated Financial Statements for more information.

Other Income, Net

Other income, net increased by $4.2 million, or 334%, to $5.4 million during the year ended December 31, 2025, as compared to $1.3 million during the year ended December 31, 2024. The increase was primarily attributable to the changes in the fair value of our strategic debt and equity investments recognized during the year ended December 31, 2025.

Income Tax Provision

Income tax provision increased by $0.4 million, or 69%, to $1.0 million, during the year ended December 31, 2025, as compared to $0.6 million during the year ended December 31, 2024. The increase was primarily attributable to the increase in state income taxes. Due to the uncertainties surrounding the realization of the U.S. deferred tax assets through future taxable income, we have provided a full valuation allowance against our deferred tax assets, and therefore, no benefit has been recognized for the U.S. net operating loss carryforwards and other deferred tax assets.

On July 4, 2025, the United States enacted tax reform legislation commonly referred to as the One Big Beautiful Bill Act (“OBBBA”). Included in this legislation are provisions that allow for the immediate expensing of domestic U.S. research and development expenses, immediate expensing of certain capital expenditures, and other changes to the U.S. taxation of profits derived from foreign operations. The provisions of the OBBBA did not have a material impact on our Consolidated Financial Statements for the year ended December 31, 2025.

Liquidity and Capital Resources

Overview

As of December 31, 2025, we had cash and cash equivalents of $236.0 million, marketable securities of $347.8 million, and accounts receivable of $75.7 million. We continuously review our liquidity and anticipated capital requirements in light of the significant uncertainty created by the current macroeconomic environment, including inflation, interest rate volatility, and potential instability in the global banking system. We intend to continue to make investments to support our business, which may require us to engage in equity or debt financings to secure additional funds. During the first quarter of 2024, we experienced a temporary delay in the billing of our contracted and non-contracted payer customers, performed by our third-party claims processing vendor. The delay was due to a cybersecurity incident experienced by Change Healthcare, a division of UnitedHealth Group, in which our third-party vendor did engage for services relating to billing and collections. While we substantially cleared the billing backlog as of the end of the first quarter of 2024, the delay in billing resulted in a temporary delay in our cash collections. We have received the majority of our cash collections from the delayed billings. Over the course of 2025, we experienced higher levels of contractual adjustments associated with our revenue growth and gross accounts receivable. Additionally, through our revenue cycle management transformation we have focused our efforts in part on resolving payor claims denials and unpaid portions of patient-responsible balances in a more timely manner.

We believe that our current cash, cash equivalents, and marketable securities balances, together with income to be derived from the sales of our iRhythm Services, will be sufficient to meet our liquidity requirements for at least the next 12 months.

Under the terms of the Development Collaboration Agreement dated September 3, 2019, as amended, between us and Verily Life Sciences LLC ("VLS") and Verily Ireland Limited ("VIL" and together with VLS, "Verily"), we agreed to make milestone payments to Verily up to an aggregate of $12.75 million upon achievement of various development and regulatory milestones. During the year ended December 31, 2025, we formally terminated the Development Collaboration Agreement with Verily, including our obligation to make further milestone payments. Through termination of the Development Collaboration Agreement, we and Verily achieved milestones that resulted in payments from us to Verily totaling $11.0 million. In the second quarter of 2025, we recorded an impairment charge of $2.5 million associated with capitalized internal-use software in development relating to the Zio Watch with our clinically integrated ZEUS system. We continue to expand our product development program into other clinical-grade wearables to detect and characterize arrhythmias while integrating with clinicians' workflows.

On August 30, 2024, we entered into a Technology License Agreement (as amended, the "License Agreement") with BioIS, pursuant to which (i) we will receive a perpetual fully paid up license to certain of BioIS' intellectual property, technology and products for research, development and commercialization of potential next generation products and services in certain fields of use, including (x) an exclusive license to develop and commercialize pulse oximetry, accelerometry, and trending non-invasive blood pressure technologies for use within our ambulatory cardiac monitoring products and services, and (y) a limited, non-exclusive license to develop and commercialize products and services for use in unattended, home-based diagnostic testing and assessment of central and obstructive sleep apnea, and (ii) iRhythm and BioIS agreed to negotiate in good faith a supply agreement for pulse oximetry hardware.

Under the terms of the License Agreement, during the third quarter of 2024 we paid BioIS an upfront fee of $15.0 million in cash consideration. In connection with the License Agreement, we also purchased an aggregate of $40.0 million of convertible promissory notes from BioIS of which $20.0 million of the convertible promissory notes ("Milestone Notes") were designated for satisfaction of our regulatory milestone payment obligations. The Milestone Notes, plus accrued and unpaid interest, if any, shall be cancelled, if outstanding, upon the achievement of these regulatory milestones up through December 31, 2026. In June 2025, BioIS achieved the first of two regulatory milestones. As of December 31, 2025, we and BioIS are in the process of completing all required contractual conditions to cancel $10.0 million in Milestone Notes plus accrued and unpaid interest.

The following table summarizes our cash flows for the years indicated (in thousands):

	Year Ended December 31,		
	2025	2024	$ Change
Net cash provided by operating activities	$ 80,863	$ 3,390	$ 77,473
Net cash used in investing activities	(277,056)	(122,983)	(154,073)
Net cash provided by financing activities	12,607	511,381	(498,774)

Operating Activities

During the year ended December 31, 2025, cash provided by operating activities was $80.9 million, as compared to $3.4 million cash provided by operating activities during the year ended December 31, 2024. Cash provided by operating activities increased by $77.5 million, primarily due to reductions in our net loss driven by our revenue growth, timing of cash collections associated with our accounts receivable, and timing of accruals and payments associated with our accrued compensation and third-party vendor expenditures within our accrued liabilities. These increases in cash provided by operating activities were offset by increases to inventory and prepaid expenses and other current assets, supporting growth in our operations and securing additional inventory stock.

Investing Activities

During the year ended December 31, 2025, cash used in investing activities was $277.1 million, an increase of $154.1 million as compared to cash used in investing activities of $123.0 million during the year ended December 31, 2024. The increase in cash used in investing activities was primarily attributable to a net increase in the change in marketable securities of $211.4 million, primarily from an increase in the purchases of marketable securities of $347.9 million offset by an increase in maturities of marketable securities of $136.5 million. Additionally, our purchases of property and equipment increased by $12.4 million, primarily due to an increase in capitalized internal use software. These increases were offset by a decrease of $54.7 million in cash used for the purchases of strategic investments, as well as a reduction of cash used of $15.0 million for purchases of acquired in-process research and development from BioIS during the year ended December 31, 2024.

Financing Activities

During the year ended December 31, 2025, cash provided by financing activities was $12.6 million, a decrease of $498.8 million, as compared to $511.4 million provided by financing activities during the year ended December 31, 2024. The decrease was primarily attributed to $661.3 million in proceeds from the issuance of the 2029 Notes during the year ended December 31, 2024. The decrease was offset by $37.8 million associated with the payment of the SVB Loan Agreement and related termination costs, payment of $5.8 million associated with the Braidwell Term Loan Facility debt issuance and termination costs, payment of $17.4 million associated with debt issuance costs for the 2029 Notes, payment of $72.4 million for the purchase of the 2029 Capped Calls, and payment of $25.0 million for the repurchase of shares of our common stock during the year ended December 31, 2024.

1.50% Senior Convertible Notes due 2029

On March 7, 2024, iRhythm Technologies completed an offering of $661.3 million aggregate principal amount of 2029 Notes with a stated interest rate of 1.50% and a maturity date of September 1, 2029. The proceeds include the full exercise of the option granted to the initial purchasers of the 2029 Notes to purchase up to an additional $86.3 million aggregate principal amount of notes. Interest on the 2029 Notes is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2024. The net proceeds from the offering, after deducting initial purchasers' discounts and estimated costs directly related to the offering, were $643.8 million. The initial conversion rate of the 2029 Notes is 6.7927 shares per $1,000 principal amount of notes, which is equivalent to a conversion price of approximately $147.22 per share, subject to adjustments. The 2029 Notes may be settled in cash, stock, or a combination thereof, solely at the discretion of iRhythm Technologies.

We used approximately $72.4 million of the net proceeds from the offering to pay the cost of the 2029 Capped Calls, as described below. In addition, we used approximately $80.2 million of the net proceeds from the offering for the repayment in full of the indebtedness outstanding from the Initial Tranche of the Braidwell Term Loan Facility (as each such term is defined below). We also used approximately $25.0 million of the net proceeds from the offering to repurchase 229,252 shares of our common stock at a purchase price of $109.05 per share in privately negotiated transactions effected through one of the initial purchasers or its affiliate.

No principal payments are due on the 2029 Notes prior to maturity. Other than restrictions relating to certain fundamental changes and consolidations, mergers or asset sales and customary anti-dilution adjustments, the Indenture includes customary terms and covenants, including certain events of default after which the 2029 Notes may be due and payable immediately.

On January 12, 2026, we implemented the Holding Company Transaction. The Holding Company Transaction constituted a Merger Event as defined under the Indenture. The Holding Company Transaction did not constitute a Fundamental Change or a Make-Whole Fundamental Change as defined under the Indenture. As a result of the Holding Company Transaction, pursuant to Section 4.01(f) of the Indenture, holders may convert their 2029 Notes at any time up through March 4, 2026, the thirty-fifth trading day after the effective date of the Holding Company Transaction. As of the filing date of our annual report on Form 10-K, there have been no conversions.

On January 12, 2026, in connection with the Holding Company Transaction, we entered into a supplemental indenture to the Indenture (the "First Supplemental Indenture") in order to (a)(i) provide that the right to convert each $1,000 principal amount of 2029 Notes into shares of iRhythm Technologies common stock was changed to a right to convert such principal amount of 2029 Notes into shares of our common stock; (ii) iRhythm Technologies shall continue to have the right to determine the form of consideration to be paid or delivered, as the case may be, upon conversion of the 2029 Notes; (iii) any amount payable in cash upon conversion of the 2029 Notes in accordance with the Indenture shall continue to be payable in cash; (iv) any shares of common stock of iRhythm Technologies that iRhythm Technologies would have been required to deliver upon conversion shall instead be deliverable in shares of our common stock; and (v) the Daily VWAP (as defined in the Indenture) shall be calculated based on the value of a share of our common stock; and (b) provide for the full and unconditional guarantee by us of the obligations of iRhythm Technologies under the 2029 Notes and the Indenture.

In connection with the offering of the 2029 Notes, iRhythm Technologies entered into the privately negotiated capped call transactions (the "2029 Capped Calls") with certain financial institutions. The 2029 Capped Calls cover, subject to anti-dilution adjustments substantially similar to those applicable to the 2029 Notes, the number of shares of our common stock that underlie the 2029 Notes. The 2029 Capped Calls are expected generally to reduce potential dilution to our common stock upon conversion of the 2029 Notes and/or offset any cash payments that we could be required to make in excess of the principal amount of converted 2029 Notes, as the case may be, with such reduction and/or offset subject to a cap. The 2029 Capped Calls have an initial cap price of $218.10 per share, subject to adjustments, which represents a premium of 100% over the closing price of our common stock of $109.05 per share on the Nasdaq Global Select Market on March 4, 2024. We completed the purchase of the 2029 Capped Calls on March 7, 2024, for the amount of $72.4 million.

Braidwell Debt

On January 3, 2024 (the "Closing Date"), we entered into the Credit, Security and Guaranty Agreement (the "Braidwell Credit Agreement") with Braidwell Transactions Holdings LLC – Series 5 ("Braidwell"), which provided for a senior secured term loan in an aggregate principal amount of up to $150.0 million (the "Braidwell Term Loan Facility"). An initial tranche of $75.0 million ("Initial Loan") was funded on the Closing Date.

Our net proceeds from the Initial Loan were approximately $35.0 million, after deducting costs, fees and expenses, and repayment of our existing term loan from Silicon Valley Bank, as discussed below.

On March 7, 2024, in conjunction with the issuance of the 2029 Notes, we used approximately $80.2 million of the net proceeds for the repayment in full of the $75.0 million outstanding Initial Loan and $5.2 million for interest, fees and expenses associated with terminating the Braidwell Credit Agreement.

SVB Term Loan

On January 3, 2024, in connection with the entry into the Braidwell Credit Agreement, we used approximately $37.8 million of the net proceeds for the repayment in full of the $35.0 million outstanding principal balance as well as interest, fees and expenses associated with terminating the agreement. Upon termination of the SVB Loan Agreement, SVB's security interest in our assets and property was released. We continue to hold $8.4 million in letters of credit with SVB, securing them with cash on deposit.

Critical Accounting Policies and Estimates

Our Consolidated Financial Statements are prepared in conformity with U.S. generally accepted accounting principles ("U.S. GAAP"), which requires us to make judgments, estimates, and assumptions. See Note 2, Summary of Significant Accounting Policies, in the notes to our Consolidated Financial Statements, which describes our significant accounting policies and methods used in the preparation of our Consolidated Financial Statements. The methods, estimates, and judgments that we use in applying our accounting policies require us to make difficult and subjective judgments, often as a result of the need to make estimates regarding matters that are inherently uncertain. Our most critical accounting estimates include:

- Revenue recognition;
- Provision for credit losses and contractual allowances;
- PCBA valuation;
- Stock-based compensation;
- Lease impairment; and
- Contingent consideration.

Revenue Recognition

We have developed proprietary systems that combine a wire-free, patch-based, 14-day wearable biosensor that continuously records ECG data, with a proprietary cloud-based data analytic platform to help physicians monitor patients and diagnose arrhythmias. We currently offer three iRhythm ACM System options—the Zio monitor System, the Zio XT System, and the Zio AT System.

The Zio monitor System is a prescription-only, remote ECG monitoring system that consists of the Zio monitor that records the electric signal from the heart continuously for up to 14 days and ZEUS, which supports the capture and analysis of ECG data recorded by the Zio monitor at the end of the wear period, including specific arrhythmia events detected by the ZEUS algorithm. The final step in the iRhythm Services is the delivery of an electronic Zio report to the prescribing physician with a summary of preliminary findings. Our Zio monitor services are generally billable when the Zio report is issued to the physician.

The Zio XT System is the previous generation of the Zio monitor System and is a prescription-only, remote ECG monitoring system that consists of the Zio XT that records the electric signal from the heart continuously for up to 14 days and ZEUS, which supports the capture and analysis of ECG data recorded by the Zio XT at the end of the wear period, including specific arrhythmia events detected by the ZEUS algorithm. Our Zio XT services are generally billable when the Zio report is issued to the physician.

The Zio AT System is a prescription-only, remote ECG monitoring system that similarly consists of Zio AT which records the electric signal from the heart continuously for up to 14 days and ZEUS, but which also incorporates the Zio AT wireless gateway that provides connectivity between the patch and ZEUS during the patient wear period. The wireless gateway, slightly larger than a smart phone, is provided to the patient at the time of Zio AT application and collects and transmits data from the Zio AT to the cloud via a LTE protocol. The Zio AT service revenue is recognized under two performance obligations — the patient wear period and delivery of electronic Zio reports.

We recognize as revenue the amount of consideration to which we expect to be entitled in exchange for performing our service. The consideration we are entitled to varies by payor portfolio, as further described below, and includes estimates that require significant judgment by management. A unique aspect of healthcare is the involvement of multiple parties to the service transaction. In addition to the patient, often a third-party payor, for example a commercial or governmental payor or healthcare institution will pay us for some or all of the service on the patient's behalf. Separate contractual arrangements exist between us and third-party payors that establish amounts the third-party payor will pay on behalf of a patient for covered services rendered.

A small portion of our transactions are covered by third-party payors with whom there is neither a contractual agreement nor an established amount that the third-party payor will pay. In determining the collectability and transaction price for our service, we consider factors such as insurance claims which are adjudicated as allowable under the applicable policy and payment history from both payors and patient out-of-pocket costs, payor coverage, whether there is a contract between the payor or healthcare institution and us, historical amount received for the service, and any current developments or changes that could impact reimbursement and healthcare institution payments. Certain of these factors are forms of variable consideration which are only included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

A summary of the payment arrangements with third-party payors and healthcare institutions is as follows:

- Contracted third-party payors – We have contracts with negotiated prices for services provided to patients with commercial healthcare insurance coverage.
- CMS - We have received IDTF approval from regional Medicare Administrative Contractors and will receive reimbursement per the relevant CPT code rates for the services rendered to the patient covered by CMS.
- Healthcare institutions – Healthcare institutions are typically hospitals or physician practices in which we have negotiated amounts for our monitoring services, including certain governmental agencies such as the Veterans Administration and U.S. Department of Defense.
- Non-contracted third-party payors – Non-contracted commercial and government payors often reimburse out-of-network rates provided under the relevant CPT codes on a case-by-case basis. The transaction price used for determining revenue recognition is based on factors including an average of our historical collection experience for our non-contracted services. This rate is reviewed at least quarterly.

We are utilizing the portfolio approach practical expedient under Accounting Standard Codification ("ASC") 606, *Revenue from Contracts with Customers*, whereby services provided under each of the above payor types form a separate portfolio. We account for the contracts within each portfolio as a collective group, rather than individual contracts. Based on history with these portfolios and the similar nature and characteristics of the patients within each portfolio, we have concluded that the financial statement effects are not materially different than if accounting for revenue on a contract-by-contract basis.

For contracted and CMS portfolios, we recognize revenue, net of contractual allowances, and recognize a provision for credit losses for uncollectible patient accounts receivable. The transaction price is determined based on negotiated rates, and our historical experience of collecting substantially all of these contracted rates. These contracts also impose a number of obligations regarding billing and other matters, and our noncompliance with a material term of such contracts may result in a denial of the claim. We account for denied claims as a form of variable consideration that is included as a reduction to the transaction price recognized as revenue.

We make estimates around the amount of denied claims within a reporting period, a process that requires management judgment. The estimated denied claims are based on historical information, and judgement includes the historical period utilized. We monitor the estimated denied claims against the latest available information, and subsequent changes to the estimated denied claims are recorded as an adjustment to revenue in the periods during which such changes occur. Delays in claims submissions could lead to an increase in denials if we miss the payors' filing deadlines, which could result in a reduction in our receipt of payments. Historical cash collection indicates that it is probable that substantially all of the transaction price, less the estimate of denied claims, will be received. Contracted payors may require that we bill patient co-payments and deductibles and from time to time we may not be able to collect such amounts due to credit risk. We provide for estimates of uncollectible patient accounts receivable, based upon historical experience where judgment includes the historical period utilized, at the time revenue is recognized, with such provisions presented as bad debt expense within the selling, general and administrative line item of the consolidated statements of operations. Adjustments to these estimates for actual experience are also recorded as an adjustment to bad debt expense.

For healthcare institutions, the transaction price is determined based on negotiated rates, and we have historical experience collecting substantially all of these contracted rates. Historical cash collections indicate that it is probable that substantially all of the transaction price will be received. As such, we are not providing an implicit price concession but, rather, has chosen to accept the risk of default, and any subsequent uncollected amounts are recorded as bad debt expense to selling, general and administrative expense in the consolidated statements of operations.

For non-contracted portfolios, we provide an implicit price concession due to the lack of a contracted rate with the underlying payor. As a result, we estimate the transaction price based on historical cash collections utilizing the expected value method. All subsequent changes to the transaction price are recorded as adjustments to revenue.

Provision for Credit Losses and Contractual Allowances

Accounts receivable include amounts due to us from healthcare institutions, third-party payors, government payors and our related patients as a result of our normal business activities. Accounts receivable is reported on the consolidated balance sheets net of an estimated provision for credit losses and contractual allowances.

We establish a provision for credit losses for estimated uncollectible receivables based on our assessment of the collectability of customer accounts and recognize the provision as a component of selling, general and administrative expenses. We record a provision for contractual allowances based on the estimated differences between contracted amounts and expected collection rates. Such provisions are based on our historical experience and are reported as a reduction of revenue.

We regularly review the allowances by considering factors such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

PCBA Valuation

We reuse PCBAs in each wearable Zio monitor, Zio XT, and Zio AT, as well as the wireless gateway used in conjunction with Zio AT. As PCBAs are used in a wearable Zio monitor, Zio XT, or Zio AT, a portion of the cost of the PCBA is recorded as a cost of revenue. We base our length of time estimates for charging a portion of the PCBAs cost through several considerations, including evaluation during product development, device loss rates, product launches and obsolescence, and the amount of time it takes the device to go through the manufacturing, shipping, customer shelf, and patient wear time and upload process. We periodically evaluate and update these estimates. PCBAs are included in other assets in our consolidated balance sheets.

Stock-Based Compensation

We measure the estimated fair values of our restricted stock units ("RSUs") based on the closing price of our stock on the grant date. For performance-based restricted stock units ("PRSUs"), we estimate the fair value based on the closing price of our stock on the grant date and, if the award includes a market condition, a Monte Carlo simulation model. In addition, for PRSUs, we apply a probability assessment to determine the probable achievement of the performance-based metrics.

Stock-based compensation expense is recognized over the requisite service period using the straight-line method and is based on the value of the portion of stock-based payment awards that is ultimately expected to vest. As such, our stock-based compensation is reduced for the estimated forfeitures at the date of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. For restricted stock, the compensation cost for these awards is based on the closing price of our common stock on the date of grant, and is recognized as compensation expense on a straight-line basis over the requisite service period.

We recognize compensation expense related to our 2016 Employee Stock Purchase Plan ("ESPP") based on the fair value at each enrollment date of the offering period using the Black-Scholes-Merton option-pricing model value. The stock-based compensation is reduced by the estimated forfeiture and is expensed on a straight-line basis over the offering period.

Lease Impairment

We account for the impairment of long-lived assets in accordance with ASC 360, *Impairment or Disposal of Long-Lived Assets*. An impairment loss is recognized when estimated undiscounted future cash flows expected to result from the use of the asset and its eventual disposition are less than its carrying value. If an asset is determined to be impaired, the impairment is measured by the amount that the carrying value of the asset exceeds its fair value.

We estimated undiscounted future cash flows from our vacant office lease based on our intent and ability to sub-lease the vacant office space which we had ceased using and estimated future sub-lease income considering the local real estate market conditions. We also factored into the estimate the amount of time to identify a tenant and to enter into an agreement. We estimated the fair value of the ROU asset related to the vacant office lease by discounting the estimated undiscounted future cash flows using the average lease capitalization rate, plus average inflation rate, for other lease transactions in the local area during the year.

Contingent Consideration

Certain agreements we entered into involve payments that are contingent upon the achievement of milestones. Contingent consideration obligations incurred in connection with acquired in-process research and development assets are recorded at fair value, with changes in fair value recorded to acquired in-process research and development expenses in the consolidated statements of operations.

As of December 31, 2025, we held $20.4 million of contingent consideration liabilities related to development milestones from the acquisition of licensed technologies from BioIS. In June 2025, BioIS achieved the first of two regulatory milestones. As of December 31, 2025, BioIS and the Company are in the process of completing all required contractual conditions to cancel $10.0 million in Milestone Notes plus accrued and unpaid interest.

The expected probability of achievement of the remaining milestone is estimated to be approximately 80% as of December 31, 2025. If the remaining milestone is to be achieved by its due date, and all required contractual conditions were completed by the end of 2026, we estimate that we would be obligated to pay up to an additional $2.4 million of contingent consideration. However, no contingent consideration is due until all milestones and all required contractual conditions are achieved by their due dates.

Material Cash Requirements

Our material cash requirements include the following contractual and other obligations.

- Purchase commitments - From time to time in the ordinary course of business, we enter into a variety of purchase arrangements including but not limited to, purchase arrangements related to components used in manufacturing our products. See Note 8, Commitments and Contingencies, to our Consolidated Financial Statements for more information.
- Operating leases - We lease our facilities under non-cancelable operating leases. See Note 8, Commitments and Contingencies, to our Consolidated Financial Statements for more information.
- Debt interest and principal payments - On March 7, 2024, we completed an offering of $661.3 million aggregate principal amount of the 2029 Notes. See Note 9, Debt, to our Consolidated Financial Statements for more information.

Recent Accounting Guidance

For a description of recently issued accounting guidance that is applicable to our financial statements, see Note 2, Significant Accounting Policies, to the Consolidated Financial Statements.

Guarantor Information

In connection with the Holding Company Transaction, on January 12, 2026, we, as guarantor, iRhythm Technologies, and U.S. Bank Trust Company, National Association, entered into the First Supplemental Indenture. As of December 31, 2025, there was $661.3 million aggregate principal amount of issued and outstanding 2029 Notes of iRhythm Technologies that, as of January 12, 2026, are fully and unconditionally guaranteed by us. Accordingly, pursuant to Rule 3-10 of Regulation S-X, separate consolidated financial statements of iRhythm Technologies have not been presented. As permitted under Rule 13-01(a)(4)(vi) of Regulation S-X, we have excluded summarized financial information for iRhythm Technologies because the assets, liabilities and results of operations of iRhythm Technologies are not materially different than the corresponding amounts in our Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risks in the ordinary course of our business. These risks primarily include risk related to interest rate sensitivities and foreign currency exchange rate sensitivity.

Interest Rate Sensitivity

We had cash, cash equivalents and marketable securities of $583.8 million and $535.6 million as of December 31, 2025 and 2024, respectively; which consisted of bank deposits, money market funds and U.S. government securities. Such interest-earning instruments carry a degree of interest rate risk.

We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. We have not been exposed nor do we anticipate being exposed to material risks due to changes in interest rates. A hypothetical 10% change in interest rates would have had a $2.2 million impact to interest income for the years ended December 31, 2025 and 2024.

As of December 31, 2025 we had $661.3 million in outstanding aggregate principal amount of fixed rate debt relating to our 2029 Notes. Accordingly, we do not have economic interest rate exposure on the 2029 Notes. However, changes in interest rates could impact the fair market value of the 2029 Notes. The estimated fair value of the 2029 Notes as of December 31, 2025 was $924.1 million.

Market Price Sensitive Instruments

The 2029 Capped Calls are expected generally to reduce potential dilution to our common stock upon conversion of the 2029 Notes and/or offset any cash payments that we could be required to make in excess of the principal amount of converted 2029 Notes, with such reduction and/or offset subject to a cap. See Note 9, Debt, in the notes to our Consolidated Financial Statements for further information on our debt.

Foreign Currency Exchange Rate Sensitivity

We face foreign exchange risk as a result of entering into transactions denominated in currencies other than U.S. dollars, particularly in British Pound Sterling, Philippine Pesos, Euros, Swiss Francs and Japanese Yen. As of December 31, 2025 and 2024, we do not consider this risk to be material. We do not utilize any forward foreign exchange contracts, although we may choose to do so in the future. All foreign transactions settle on the applicable spot exchange basis at the time such payments are made. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. In the event our foreign currency denominated assets, liabilities, sales, or expenses increase, our operating results may be more greatly affected by fluctuations in the exchange rates of the currencies in which we do business.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

IRHYTHM TECHNOLOGIES, INC.

INDEX TO FINANCIAL STATEMENTS

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of iRhythm Holdings, Inc.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated balance sheets of iRhythm Technologies, Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity and of cash flows for each of the three years in the period ended December 31, 2025, including the related notes (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2025, based on criteria established in *Internal Control - Integrated Framework* (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Annual Report on Internal Control over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's 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 the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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.

Critical Audit Matters

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

Contractual Allowance – Contracted Third-Party Payors

As described in Note 2 to the consolidated financial statements, a large portion of the Company's transactions are covered by third-party payors with whom there is a contractual agreement or established amount the third-party payor will pay (contracted third-party payors). These contracts impose a number of obligations regarding billing and other matters, and the Company's noncompliance with a material term of such contracts may result in a denial of the claim. The Company recognizes revenue from contracted third-party payors, net of contractual allowances. As of December 31, 2025, the Company's contractual allowance balance was $46.6 million, a significant portion of which relates to revenue from services provided to patients where contracted third-party payors pay for the service on the patient's behalf. As disclosed by management, management accounts for denied claims as a form of variable consideration that is included as a reduction to the transaction price and recorded as an adjustment to revenue as a contractual allowance. The contractual allowance requires judgment by management and is based on historical collections, review of specific outstanding claims and consideration of relevant qualitative factors.

The principal considerations for our determination that performing procedures relating to the contractual allowance for contracted third-party payors is a critical audit matter are (i) the significant judgment by management when developing the estimate of the contractual allowance; and (ii) a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to the contractual allowance based on historical collections, review of specific outstanding claims and consideration of relevant qualitative factors.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to management's estimate of the contractual allowance for contracted third party payors. These procedures also included, among others, (i) testing management's process for developing the estimate of the contractual allowance; (ii) testing the completeness and accuracy of the underlying data used in the estimate; (iii) testing, on a sample basis, the accuracy of revenue transactions and collections from the historical billing and collection data used in management's analysis; and (iv) evaluating the reasonableness of adjustments made by management to contractual allowances.

/s/ PricewaterhouseCoopers LLP

San Jose, California
February 19, 2026
We have served as the Company's auditor since 2009.

IRHYTHM TECHNOLOGIES, INC.
Consolidated Balance Sheets
(In thousands, except par value)

	December 31,	
	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	$ 236,012	$ 419,597
Marketable securities	347,751	115,956
Accounts receivable, net	75,706	79,941
Inventory	21,634	14,039
Prepaid expenses and other current assets	21,662	16,286
Total current assets	702,765	645,819
Property and equipment, net	151,599	125,092
Operating lease right-of-use assets	41,827	47,564
Restricted cash	8,358	8,358
Goodwill	862	862
Long-term strategic investments	69,913	61,902
Other assets	44,718	41,852
Total assets	$ 1,020,042	$ 931,449
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 2,256	$ 7,221
Accrued liabilities	128,747	84,900
Deferred revenue	4,201	2,932
Operating lease liabilities, current portion	16,686	15,867
Total current liabilities	151,890	110,920
Long-term senior convertible notes	649,504	646,443
Other noncurrent liabilities	908	8,579
Operating lease liabilities, noncurrent portion	64,994	74,599
Total liabilities	867,296	840,541
Commitments and contingencies (Note 8)		
Stockholders' equity:		
Preferred stock, $0.001 par value – 5,000 shares authorized; none issued and outstanding at December 31, 2025 and 2024	—	—
Common stock, $0.001 par value – 100,000 shares authorized; 32,526 shares issued and 32,297 shares outstanding at December 31, 2025, respectively; and 31,621 shares issued and 31,392 shares outstanding at December 31, 2024, respectively	32	31
Additional paid-in capital	980,757	874,607
Accumulated other comprehensive income	403	165
Accumulated deficit	(803,446)	(758,895)
Treasury stock, at cost; 229 shares at December 31, 2025 and 2024, respectively	(25,000)	(25,000)
Total stockholders' equity	152,746	90,908
Total liabilities and stockholders' equity	$ 1,020,042	$ 931,449

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

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

	Year Ended December 31,		
	2025	2024	2023
Revenue, net	$ 747,138	$ 591,839	$ 492,681
Cost of revenue	219,888	184,308	160,875
Gross profit	527,250	407,531	331,806
Operating expenses:			
Research and development	84,610	71,459	60,244
Acquired in-process research and development	3,036	32,371	—
Selling, general and administrative	492,553	418,565	385,645
Impairment charges	4,458	641	11,078
Total operating expenses	584,657	523,036	456,967
Loss from operations	(57,407)	(115,505)	(125,161)
Interest and other income (expense), net:			
Interest income	21,521	21,938	6,353
Interest expense	(13,154)	(12,821)	(3,650)
Loss on extinguishment of debt	—	(7,589)	—
Other income (expense), net	5,442	1,253	(198)
Total interest and other income (expense), net	13,809	2,781	2,505
Loss before income taxes	(43,598)	(112,724)	(122,656)
Income tax provision	953	565	750
Net loss	$ (44,551)	$ (113,289)	$ (123,406)
Net loss per common share, basic and diluted	$ (1.39)	$ (3.63)	$ (4.04)
Weighted-average shares, basic and diluted	32,004	31,196	30,528

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

IRHYTHM TECHNOLOGIES, INC.
Consolidated Statements of Comprehensive Loss
(In thousands)

	Year Ended December 31,		
	2025	2024	2023
Net loss	$ (44,551)	$ (113,289)	$ (123,406)
Other comprehensive income (loss):			
Net change in unrealized gain (loss) from marketable securities	249	(21)	453
Cumulative translation adjustment	(11)	298	(169)
Comprehensive loss	$ (44,313)	$ (113,012)	$ (123,122)

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

IRHYTHM TECHNOLOGIES, INC.
Consolidated Statements of Stockholders' Equity
(In thousands)

	Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Treasury Stock	Total Stockholders' Equity
	Shares	Amount					
Balances at December 31, 2022	30,193	$ 28	$ 762,380	$ (522,200)	$ (396)	$ —	$ 239,812
Issuance of common stock in connection with employee equity incentive plans, net	761	3	8,817	—	—	—	8,820
Stock-based compensation	—	—	84,587	—	—	—	84,587
Net loss	—	—	—	(123,406)	—	—	(123,406)
Net change in unrealized gain on marketable securities	—	—	—	—	453	—	453
Cumulative translation adjustment	—	—	—	—	(169)	—	(169)
Balances at December 31, 2023	30,954	$ 31	$ 855,784	$ (645,606)	$ (112)	$ —	$ 210,097
Issuance of common stock in connection with employee equity incentive plans, net	667	—	8,473	—	—	—	8,473
Purchases of capped call transactions	—	—	(72,407)	—	—	—	(72,407)
Purchase of treasury stock	(229)	—	—	—	—	(25,000)	(25,000)
Stock-based compensation	—	—	82,757	—	—	—	82,757
Net loss	—	—	—	(113,289)	—	—	(113,289)
Net change in unrealized loss on marketable securities	—	—	—	—	(21)	—	(21)
Cumulative translation adjustment	—	—	—	—	298	—	298
Balances at December 31, 2024	31,392	$ 31	$ 874,607	$ (758,895)	$ 165	$ (25,000)	$ 90,908
Issuance of common stock in connection with employee equity incentive plans, net	905	1	12,606	—	—	—	12,607
Stock-based compensation	—	—	93,544	—	—	—	93,544
Net loss	—	—	—	(44,551)	—	—	(44,551)
Net change in unrealized gain on marketable securities	—	—	—	—	249	—	249
Cumulative translation adjustment	—	—	—	—	(11)	—	(11)
Balances at December 31, 2025	32,297	$ 32	$ 980,757	$ (803,446)	$ 403	$ (25,000)	$ 152,746

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

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

	Year Ended December 31,		
	2025	2024	2023
Cash flows from operating activities			
Net loss	$ (44,551)	$ (113,289)	$ (123,406)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:			
Depreciation and amortization	20,742	20,715	16,348
Stock-based compensation	88,283	75,978	77,204
Amortization of premium and accretion of discounts, net	(3,127)	(1,350)	(5,040)
Amortization of operating lease right-of-use assets	5,737	5,062	5,796
Amortization of debt discount	3,060	2,796	15
Change in fair value of strategic investments	(5,711)	(1,902)	—
Provision for credit losses and contractual allowances	99,666	73,463	69,628
Acquired in-process research and development	3,036	32,371	—
Loss on extinguishment of debt	—	7,589	—
Impairment charges	4,458	641	11,078
Other	967	432	322
Changes in operating assets and liabilities:			
Accounts receivable	(95,431)	(91,920)	(81,193)
Inventory	(8,512)	(224)	979
Prepaid expenses and other current assets	(5,380)	5,305	(11,036)
Other assets	(2,894)	3,221	(22,787)
Accounts payable and accrued liabilities	28,044	(7,408)	17,325
Deferred revenue	1,269	(374)	255
Operating lease liabilities	(8,793)	(7,716)	(5,589)
Net cash provided by (used in) operating activities	80,863	3,390	(50,101)
Cash flows from investing activities			
Purchases of property and equipment	(46,342)	(33,942)	(40,424)
Purchases of marketable securities	(466,114)	(118,241)	(164,285)
Maturities of marketable securities	237,700	101,200	206,500
Purchases of strategic investments	(2,300)	(57,000)	(3,000)
Purchase of acquired in-process research and development	—	(15,000)	—
Net cash used in investing activities	(277,056)	(122,983)	(1,209)
Cash flows from financing activities			
Payment of SVB term loan and termination costs	—	(37,751)	—
Proceeds from Braidwell debt	—	75,000	—
Payments of issuance costs for Braidwell debt	—	(2,100)	—
Payment of Braidwell debt and termination costs	—	(78,660)	—
Proceeds from issuance of 2029 notes	—	661,250	—
Payments of issuance costs for 2029 notes	—	(17,424)	—
Purchases of capped call transactions	—	(72,407)	—
Purchase of treasury stock	—	(25,000)	—
Proceeds from issuance of common stock in connection with employee equity incentive plans	12,607	8,473	8,820
Net cash provided by financing activities	12,607	511,381	8,820
Effect of exchange rate changes	1	(6)	(169)
Net increase (decrease) in cash and cash equivalents	(183,585)	391,782	(42,659)
Cash and cash equivalents, beginning of year	427,955	36,173	78,832
Cash and cash equivalents, end of year	$ 244,370	$ 427,955	$ 36,173

	Year Ended December 31,		
	2025	2024	2023
Reconciliation of cash, cash equivalents and restricted cash			
Cash and cash equivalents	$ 236,012	$ 419,597	$ 36,173
Restricted cash	$ 8,358	$ 8,358	$ —
Total cash, cash equivalents and restricted cash	$ 244,370	$ 427,955	$ 36,173
Supplemental disclosures of cash flow information:			
Interest paid	$ 9,919	$ 6,389	$ 2,960
Cash taxes paid	$ 1,196	$ 923	$ 1,130
Cash paid for operating lease liabilities	$ 15,875	$ 15,177	$ 14,105
Cash received from tenant improvement allowances	$ 745	$ 736	$ 1,603
Non-cash investing and financing activities:			
Property and equipment costs included in accounts payable and accrued liabilities	$ 407	$ 275	$ 1,888
Right-of-use assets obtained in exchange for operating lease liabilities	$ —	$ 4,009	$ 4,403
Capitalized stock-based compensation in property and equipment	$ 5,261	$ 6,779	$ 7,383

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

1. ORGANIZATION AND DESCRIPTION OF BUSINESS

iRhythm Technologies, Inc. ("the Company") was incorporated in the state of Delaware in September 2006. On January 12, 2026, the Company implemented a corporate holding company structure that resulted in the formation of a new parent holding company (the “Holding Company Transaction”) pursuant to an Agreement and Plan of Merger and Reorganization (the “Merger Agreement”) dated as of January 12, 2026, by and among the Company, iRhythm Holdings, Inc., a Delaware corporation ("iRhythm Holdings"), and LTCM Merger Sub, Inc., a Delaware corporation and a then- direct, wholly owned subsidiary of iRhythm Holdings (“Merger Sub”). Pursuant to the terms of the Merger Agreement, Merger Sub merged with and into the Company, with the Company continuing as the surviving corporation and a wholly owned subsidiary of iRhythm Holdings (the “Merger”). Following the Merger, iRhythm Holdings became the successor issuer and registrant to the Company. Because the Holding Company Transaction occurred after the date of these financial statements, unless expressly indicated or the context requires otherwise, for purposes of the consolidated financial statements and notes contained within, the term “the Company,” refers to iRhythm Technologies and its consolidated subsidiaries.

The Company is a leading digital healthcare company that creates trusted solutions that detect, predict, and prevent disease. The Company's principal business is the design, development, and commercialization of device-based technology to provide ambulatory cardiac monitoring services that it believes allow clinicians to diagnose certain arrhythmias quicker and with greater efficiency than other services that rely on traditional technology.

Since first receiving clearance from the U.S. Food and Drug Administration (“FDA”) for the Company's technology in 2009, the Company has supported physician and patient use of its technology and provided ambulatory cardiac monitoring ("ACM") services from its Medicare-enrolled independent diagnostic testing facilities (“IDTFs”) and with its qualified technicians. The Company has provided the Zio ACM services, including long-term continuous monitoring (“LTCM”), short-term continuous monitoring, and mobile cardiac telemetry (“MCT”) monitoring services (collectively, the “iRhythm Services”), using a proprietary system that combines an FDA-cleared and CE-marked wire-free, patch-based, 14-day wearable biosensor that continuously records ECG data, with a proprietary FDA-cleared, CE-marked, Japan PMDA approved cloud-based data analytic software to help physicians monitor patients and diagnose arrhythmias (collectively, the “iRhythm ACM System”). LTCM services (the “Zio LTCM Service”) and MCT services (the “Zio MCT Service”) are medical procedures typically ordered by physicians for patients not suspected of having life-threatening arrhythmias, but who are suspected of having infrequent, difficult-to-detect, or asymptomatic arrhythmias.

The Company is headquartered in San Francisco, California, which also serves as a clinical center. The Company has additional clinical centers in Deerfield, Illinois, Houston, Texas, and Manila, Philippines, a manufacturing facility in Cypress, California and corporate office spaces in Solana Beach, California and London, United Kingdom.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America (“U.S. GAAP”) and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated.

Risks and Uncertainties

Macroeconomic Factors and Supply Chain Constraints

The Company's operations and performance may vary based on worldwide economic and political conditions, which have been adversely impacted by continued global economic uncertainty, political instability, and military hostilities in multiple geographies including ongoing geopolitical conflicts, such as the war in Ukraine and conflicts in the Middle East and Venezuela, domestic and global inflationary trends, interest rate volatility, potential instability in the global banking system, global supply shortages, tariffs on imports, and a tightening labor market. A severe or prolonged economic downturn or period of global political instability could drive hospitals and other healthcare professionals to tighten budgets and curtail spending, which could in turn negatively impact rates at which physicians prescribe the Company's iRhythm Services. In addition, higher unemployment rates or reductions in employer-provided benefits plans could result in fewer commercially insured patients, resulting in a reduction in the Company's margins and impairing the ability of uninsured patients to make timely payments. A weak or declining economy, or uncertainty surrounding tariffs, could also strain the Company's suppliers, possibly resulting in supply delays and disruptions. There is also a risk that one or more of the Company's current service providers, suppliers, or other partners may not survive such difficult economic times, which could directly affect the Company's ability to attain its goals on schedule and on budget. If the current equity and credit markets deteriorate, it may make any necessary debt or equity financing more difficult, more costly, and more dilutive. The Company cannot predict the timing, strength, or duration of an economic downturn, instability, or recovery, whether worldwide, in the United States, or within its industry.

The Company's hybrid work arrangements and decision to pursue a sublease for its leased San Francisco headquarters resulted in an impairment of its right-of-use ("ROU") asset and related leasehold improvements and furniture and fixtures during the year ended December 31, 2023. As the Company continues to evaluate its global real estate footprint, the Company may incur additional impairment charges related to real property lease agreements.

The Company is continuously reviewing its liquidity and anticipated capital requirements. The Company believes it has adequate liquidity over the next 12 months to operate its business and to meet its cash requirements. The Company is in compliance with its convertible debt requirements.

Reimbursement

The Company receives revenue for the iRhythm Services primarily from third-party payors, which include commercial payors and government agencies, such as the Centers for Medicare & Medicaid Services ("CMS"). Third-party payors require the Company to identify the service for which it is seeking reimbursement by using a Current Procedural Terminology ("CPT") code set maintained by the American Medical Association. These CPT codes are subject to periodic change and update, which will impact the reimbursement rates for the Company's iRhythm Services.

Based on relative value units, CMS annually updates the reimbursement rates for diagnostic tests performed by IDTFs via the Medicare Physician Fee Schedule. CMS establishes national payment rates for the CPT codes the Company uses to report iRhythm Services performed by the Company. Because remote cardiac monitoring technology, including the iRhythm ACM System, is rapidly evolving, there is a continuing risk that relative value units assigned, and reimbursement rates set, by CMS may not adequately reflect the value and expense of this technology and associated monitoring services, and CMS may reduce these rates in the future, which would adversely affect the Company's financial results.

Third-party payors globally are increasingly challenging the utilization and overall cost for medical products and services. The containment of healthcare costs has become a priority of governments on a global basis. Third-party payors may decline to cover and reimburse claims or portions of claims.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. On an ongoing basis, management evaluates its estimates, including those related to revenue recognition, contractual allowances, provision for credit losses, the useful lives of property and equipment, the recoverability of long-lived assets, including the estimated usage of the printed circuit board assemblies ("PCBAs"), the incremental borrowing rate for operating leases, fair value of strategic investments, accounting for income taxes, impairment of ROU assets, contingent consideration liabilities, and various inputs used in estimating stock-based compensation. Actual results may differ from those estimates.

Fair Value of Financial Instruments

The carrying amounts of certain of the Company's financial instruments, which include cash equivalents, marketable securities, accounts receivable, accounts payable, and accrued liabilities, approximate fair value due to their short maturities.

Cash, Cash Equivalents and Restricted Cash

Cash and cash equivalents consist of short-term, highly liquid investments with an original maturity from the date of purchase of three months or less.

Under the terms of certain facility operating lease agreements, the Company is required to maintain a letter of credit as collateral during the term of the lease. As of December 31, 2025 and 2024, restricted cash of $8.4 million was pledged as collateral under the letter of credit with Silicon Valley Bank.

Fair Value Option

The Company elected the fair value option, Accounting Standards Codification ("ASC") 825-10, *Financial Instruments - Overall*, to account for its strategic loan investments. The Company recorded the strategic loan investments at fair value within long-term strategic investments in the Company's consolidated balance sheets with changes in fair value recorded within other income (expense), net on the consolidated statements of operations. The primary reason for electing the fair value option was for simplification and cost-benefit considerations of accounting for the strategic loan investments at fair value versus bifurcation of the embedded derivatives. Refer to Note 5, Fair Value Measurements, for further details relating to the Company's strategic investments.

Contingent Consideration

Certain agreements the Company entered into involve payments that are contingent upon the achievement of milestones. Contingent consideration obligations incurred in connection with acquired in-process research and development assets are recorded at fair value, with changes in fair value recorded to acquired in-process research and development expenses in the consolidated statements of operations.

Marketable Securities

The Company's marketable security investments consist primarily of commercial paper, corporate bonds, U.S. agency obligations and U.S. treasury securities. The Company typically invests in highly-rated securities, and its investment policy generally limits the amount of credit exposure to any one issuer. The Company's policy generally requires investments to be investment grade, with the primary objective of minimizing the potential risk of principal loss. The Company classifies investments as available-for-sale at the time of purchase and re-evaluates such classification as of each balance sheet date. Available-for-sale debt securities with an amortized cost basis in excess of the estimated fair value are assessed to determine what amount of that difference, if any, is caused by expected credit losses. Allowance for credit losses on available-for-debt securities are recognized as a charge in other income (expense), net on the Company's consolidated statements of operations and any remaining unrealized gains or losses, net of taxes, are included in accumulated other comprehensive loss in accumulated deficit on the consolidated balance sheets. There were no impairment charges for any unrealized losses during the years ended December 31, 2025, 2024, and 2023.

Concentrations of Risk

Credit Risk

Financial instruments that potentially subject the Company to a concentration of credit risk consist primarily of cash and cash equivalents, investments and accounts receivable. Cash balances are deposited in financial institutions which, at times, may be in excess of federally insured limits. Cash equivalents are invested in highly rated money market funds. The Company invests in a variety of financial instruments, such as, but not limited to, U.S. government securities, corporate notes, commercial paper and, by policy, limits the amount of credit exposure with any one financial institution or commercial issuer. The Company has not experienced any material losses on its deposits of cash and cash equivalents or investments.

Concentrations of credit risk with respect to accounts receivable are limited due to the large number of customers comprising the Company's customer base and their dispersion across many geographies. The Company does not require collateral. During the first quarter of 2024, the Company experienced a temporary delay in the billing of the Company's contracted and non-contracted payer customers, performed by the Company's third-party claims processing vendor. The delay was due to a cybersecurity incident experienced by Change Healthcare, a division of UnitedHealth Group, in which the Company's third-party vendor did engage for services relating to billing and collections. While the Company substantially cleared the billing backlog as of the end of the first quarter of

2024, the delay in billing resulted in a temporary delay in the Company's cash collections. The Company has received the majority of its cash collections from the delayed billings.

The Company records a provision for credit losses based on the assessment of the collectability of customer accounts, considering factors such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer's ability to pay.

The following table summarizes customers' accounts receivable concentration representing 10% or more of the Company's accounts receivable, net:

	Payor Type	December 31, 2025	December 31, 2024	December 31, 2023
CMS	Centers for Medicare and Medicaid	14 %	15 %	25 %
Customer A	Healthcare Institutions	15 %	<10%	<10%
Customer B	Contracted third-party payors	12 %	13 %	<10%

Inflationary Risk

The Company continuously monitors the effects of inflationary factors, such as increases in cost of goods sold and selling and operating expenses, which may adversely affect its results of operations. Specifically, the Company may experience inflationary pressure affecting freight costs, the cost of the components for the Company's iRhythm Services, overhead costs relating to maintenance of the Company's facilities, and in the wages paid to its employees due to challenging labor market conditions. Competitive and regulatory conditions may restrict the Company's ability to fully recover these costs through price increases. As a result, it may be difficult to fully offset the impact of persistent inflation. The Company's inability or failure to do so could have a material adverse effect on its business, financial condition, and results of operations or cause the Company to need to obtain additional capital earlier than anticipated in the future.

Supply Risk

The Company relies on single-source vendors to supply some of its disposable housings, instruments and other materials used to manufacture the Zio patches and the adhesive that binds the Zio patch to a patient's body. These components and materials are critical, and there could be a considerable delay in finding alternative sources of supply.

Inventory

Inventory owned by the Company is valued at the lower of cost or net realizable value, on the first in, first out ("FIFO") basis. The Company records write-downs of inventory that is obsolete or in excess of anticipated demand. The Company also records market value-based write-downs in consideration of product lifecycle stage, technology trends, product development plans, and assumptions about future demand and market conditions. Actual demand may differ from forecasted demand, and such differences may have a material effect on recorded inventory values. Inventory write-downs are charged to cost of revenue and establish a new cost basis for the inventory.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful lives of the assets. Maintenance and repairs are charged to expense as incurred, and improvements and betterment are capitalized.

The Company classifies internal-use software in property and equipment. Internal-use software costs are capitalized during the application development stage. Costs related to planning and post implementation activities are expensed as incurred. Capitalized internal-use software is amortized, and recognized as cost of revenue or selling, general and administrative expenses, on a straight-line basis over the estimated useful life generally ranging between three to seven years.

PCBAs

The Company reuses PCBAs in each wearable Zio monitor, Zio XT, and Zio AT, as well as the wireless gateway used in conjunction with Zio AT. As PCBAs are used in a wearable Zio monitor, Zio XT, or Zio AT, a portion of the cost of the PCBA is recorded as a cost of revenue. The Company bases the length of time estimates for charging a portion of the PCBAs cost through several considerations, including evaluation during product development, device loss rates, product launches and obsolescence, and the amount of time it takes the device to go through the manufacturing, shipping, customer shelf, and patient wear time and upload process. The Company periodically evaluates and updates these estimates. PCBAs are included in other assets in the Company's consolidated balance sheets.

Implementation Costs in Cloud-Computing Arrangements

The Company capitalizes qualified implementation costs incurred in a hosting arrangement that is a service contract for which it is the customer in accordance with the requirements for cloud computing arrangements (“CCA”) to the extent it is incurred in the course of developing internal-use software. These capitalized implementation costs are generally amortized over the fixed, non-cancellable term of the associated hosting arrangement on a straight-line basis and are recorded in prepaid expenses and other current assets or in other noncurrent assets.

Goodwill

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the underlying net tangible and intangible assets. Goodwill amounts are not amortized, but rather tested for impairment at least annually, and more frequently when changes in circumstances indicate that the carrying value may not be recoverable. The Company has determined that it operates its business as one reporting unit and the Company completes its annual impairment test in the fourth quarter. In the event that the Company determines that the fair value of the reporting unit is less than the reporting unit's carrying value, goodwill impairment charge will be incurred for the amount of the difference during the quarter in which the determination is made. The Company did not record any goodwill impairment charges in the years ended December 31, 2025, 2024, and 2023.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, inclusive of internal-use software, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability is measured by comparing the carrying amount to the future net cash flows that the assets are expected to generate. If such assets are considered to be impaired, the impairment to be recognized is measured as the amount by which the carrying amount of the assets exceeds the projected discounted future net cash flows arising from the asset.

Any impairments to ROU assets, leasehold improvements, or other assets as a result of a sublease or other similar action are initially recognized when a decision to take such action is made and recorded as an operating expense. Similar to other long-lived assets, management tests ROU assets for impairment whenever events or changes in circumstances occur that could impact the recoverability of these assets. For ROU assets, such circumstances may include subleases that do not fully recover the costs of the associated leases or commitments to sublease a property. See Note 7, Impairment Charges, included in the notes to the consolidated financial statements.

Comprehensive Income (Loss)

Comprehensive income (loss) represents all changes in stockholders’ equity during the year from non-owner sources. The Company’s unrealized gains and losses on marketable securities and cumulative translation adjustment represent the only components of other comprehensive income (loss) that are excluded from the reported net loss and that are presented in the consolidated statements of comprehensive income (loss).

Revenue Recognition

The Company has developed proprietary systems that combine a wire-free, patch-based, 14-day wearable biosensor that continuously records ECG data, with a proprietary cloud-based data analytic platform to help physicians monitor patients and diagnose arrhythmias. The Company currently offers three iRhythm ACM System options—the Zio monitor System, the Zio XT System, and the Zio AT System.

The Zio monitor System is a prescription-only, remote ECG monitoring system that consists of the Zio monitor that records the electric signal from the heart continuously for up to 14 days and the ZEUS algorithm, which supports the capture and analysis of ECG data recorded by the Zio monitor at the end of the wear period, including specific arrhythmia events detected by ZEUS. The final step in the iRhythm Services is the delivery of an electronic Zio report to the prescribing physician with a summary of preliminary findings. The Company’s Zio monitor services are generally billable when the Zio report is issued to the physician.

The Zio XT System is the previous generation of the Zio monitor System and is a prescription-only, remote ECG monitoring system that consists of the Zio XT that records the electric signal from the heart continuously for up to 14 days and ZEUS, which supports the capture and analysis of ECG data recorded by the Zio XT at the end of the wear period, including specific arrhythmia events detected by the ZEUS algorithm. The Company's Zio XT services are generally billable when the Zio report is issued to the physician.

The Zio AT System is a prescription-only, remote ECG monitoring system that similarly consists of Zio AT that records the electric signal from the heart continuously for up to 14 days and ZEUS, but which also incorporates the Zio AT wireless gateway that provides connectivity between Zio AT and ZEUS during the patient wear period. The wireless gateway, slightly larger than a smart phone, is provided to the patient at the time of Zio AT placement on the patient and collects and transmits data from the Zio AT to the cloud via a long- term evolution protocol. The Zio AT service revenue is recognized under two performance obligations — the patient wear period and delivery of electronic Zio reports.

The Company recognizes as revenue the amount of consideration to which it expects to be entitled in exchange for performing the service. The consideration the Company is entitled to varies by payor portfolio, as further described below, and includes estimates that require significant judgment by management. A unique aspect of healthcare is the involvement of multiple parties to the service transaction. In addition to the patient, often a third-party payor, for example a commercial or governmental payor or healthcare institution, will pay the Company for some or all of the service on the patient's behalf. Separate contractual arrangements exist between the Company and third-party payors that establish amounts the third-party payor will pay on behalf of a patient for covered services rendered.

A small portion of the Company's transactions are covered by third-party payors with whom there is neither a contractual agreement nor an established amount that the third-party payor will pay. In determining the collectability and transaction price for its service, the Company considers factors such as insurance claims which are adjudicated as allowable under the applicable policy and payment history from both payors and patient out-of-pocket costs, payor coverage, whether there is a contract between the payor or healthcare institution and the Company, historical amount received for the service, and any current developments or changes that could impact reimbursement and healthcare institution payments. Certain of these factors are forms of variable consideration which are only included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

A summary of the payment arrangements with third-party payors and healthcare institutions is as follows:

- Contracted third-party payors – The Company has contracts with negotiated prices for services provided to patients with commercial healthcare insurance coverage.
- CMS – The Company has received IDTF approval from regional Medicare Administrative Contractors and will receive reimbursement per the relevant CPT code rates for the services rendered to the patient covered by CMS.
- Healthcare institutions – Healthcare institutions are typically hospitals or physician practices in which the Company has negotiated amounts for its monitoring services, including certain governmental agencies such as the Veterans Administration and U.S. Department of Defense.
- Non-contracted third-party payors – Non-contracted commercial and government payors often reimburse out-of-network rates provided under the relevant CPT codes on a case-by-case basis. The transaction price used for determining revenue recognition is based on factors including an average of the Company's historical collection experience for its non-contracted services. This rate is reviewed at least quarterly.

The Company is utilizing the portfolio approach practical expedient under Accounting Standard Codification ("ASC") 606, *Revenue from Contracts with Customers*, whereby services provided under each of the above payor types form a separate portfolio. The Company accounts for the contracts within each portfolio as a collective group, rather than individual contracts. Based on history with these portfolios and the similar nature and characteristics of the patients within each portfolio, the Company has concluded that the financial statement effects are not materially different than if accounting for revenue on a contract-by-contract basis.

For contracted and CMS portfolios, the Company recognizes revenue, net of contractual allowances, and recognizes a provision for credit losses for uncollectible patient accounts receivable. The transaction price is determined based on negotiated rates, and the Company has historical experience of collecting substantially all of these contracted rates. These contracts also impose a number of obligations regarding billing and other matters, and the Company's noncompliance with a material term of such contracts may result in a denial of the claim. The

Company accounts for denied claims as a form of variable consideration that is included as a reduction to the transaction price recognized as revenue.

The Company makes estimates around the amount of denied claims within a reporting period, a process that requires management judgment. The estimated denied claims are based on historical information and judgment includes the historical period utilized. The Company monitors the estimated denied claims against the latest available information, and subsequent changes to the estimated denied claims are recorded as an adjustment to revenue in the periods during which such changes occur. Delays in claims submissions could lead to an increase in denials if the Company misses the payors' filing deadlines, which could result in a reduction in the Company's receipt of payments. Historical cash collection indicates that it is probable that substantially all of the transaction price, less the estimate of denied claims, will be received. Contracted payors may require that the Company bills patient co-payments and deductibles and from time to time the Company may not be able to collect such amounts due to credit risk. The Company provides for estimates of uncollectible patient accounts receivable, based upon historical experience where judgment includes the historical period utilized, at the time revenue is recognized, with such provisions presented as bad debt expense within the selling, general and administrative line item of the consolidated statements of operations. Adjustments to these estimates for actual experience are also recorded as an adjustment to bad debt expense.

For healthcare institutions, the transaction price is determined based on negotiated rates, and the Company has historical experience collecting substantially all of these contracted rates. Historical cash collections indicate that it is probable that substantially all of the transaction price will be received. As such, the Company is not providing an implicit price concession but, rather, has chosen to accept the risk of default, and any subsequent uncollected amounts are recorded as bad debt expense to selling, general and administrative expense in the consolidated statements of operations.

For non-contracted portfolios, the Company provides an implicit price concession due to the lack of a contracted rate with the underlying payor. As a result, the Company estimates the transaction price based on historical cash collections utilizing the expected value method. All subsequent changes to the transaction price are recorded as adjustments to revenue.

Leases

The Company determines if an arrangement is a lease at inception. The Company's lease agreements generally contain lease and non-lease components. Payments under its lease arrangements are primarily fixed. Non-lease components primarily include payments for maintenance and utilities. The Company combines fixed payments for non-lease components with lease payments and accounts for them together as a single lease component which increases the amount of the Company's ROU assets and lease liabilities.

Certain lease agreements contain variable payments, which are expensed as incurred and not included in the ROU assets and lease liabilities.

ROU assets and lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate, because the interest rate implicit in its leases is not readily determinable. The Company's incremental borrowing rate is estimated to approximate the interest rate on a collateralized basis with similar terms and payments, and in economic environments where the leased asset is located. The Company's lease terms include periods under options to extend or terminate the lease when it is reasonably certain that it will exercise that option. The Company generally uses the base, non-cancelable, lease term when determining the ROU assets and lease liabilities. ROU assets are adjusted for any prepaid lease payments and lease incentives.

Cost of Revenue

Cost of revenue includes direct labor, material costs, equipment and infrastructure expenses, amortization of internal-use software, allocated overhead, royalties, and shipping and handling. Direct labor includes payroll-related costs including stock-based compensation involved in manufacturing, clinical data curation, and customer service. Material costs include both the disposable materials costs of the Zio patches and amortization of the re-usable PCBAs. Each Zio XT and Zio monitor includes a PCBA, and each Zio AT includes a PCBA and gateway board, the cost of which is amortized over the expected useful life of the board.

Research and Development

The Company's research and development costs are expensed as incurred. Research and development costs include payroll-related costs, including stock-based compensation, consulting services, clinical studies, laboratory supplies, milestone payments, and allocated facility overhead costs.

Acquired In-Process Research and Development Expenses

Acquired in-process research and development ("IPR&D") assets, as a result of an asset acquisition, for use in research and development activities with no alternative future use are expensed in the consolidated statements of operations on the acquisition date. Accounting for acquisitions of IPR&D requires the Company to make certain judgments to determine if the transaction should be accounted for as an asset acquisition or a business combination, as well as assess if the IPR&D acquired has alternative future use in research and development activities.

Selling, General and Administrative Expenses

The Company's sales and marketing expenses consist of personnel costs, including stock-based compensation, and sales commissions. Other significant costs include travel expenses, consulting, public relations costs, direct marketing, tradeshow and promotional expenses and allocated facility overhead costs.

The Company incurred $1.2 million, $1.2 million, and $1.1 million of advertising expense during each of the years ended December 31, 2025, 2024, and 2023, respectively, which is included in selling, general and administrative expenses.

The Company's general and administrative expenses consist primarily of personnel costs for executive, finance, legal and administrative personnel, including stock-based compensation. Other significant expenses include professional fees for legal and accounting services, consulting fees, recruiting fees, bad debt expense, third-party patient claims processing fees, business transformation, and travel expenses.

Income Taxes

The Company uses the asset and liability method to account for income taxes. Under this method, deferred tax assets and liabilities are determined based on future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and tax loss and credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates applied 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 includes the enactment date. A valuation allowance is established when necessary to reduce deferred tax assets to the amount expected to be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Recognized income tax positions are measured at the largest amount that has a greater than 50% likelihood of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company records interest and penalties related to unrecognized tax benefits in income tax expense. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Stock-Based Compensation

The Company measures the estimated fair values of its restricted stock units ("RSUs") based on the closing price of the Company's stock on the grant date. For performance-based restricted stock units ("PRSUs"), the Company estimates the fair value based on the closing price of its stock on the grant date and, if the award includes a market condition, a Monte Carlo simulation model. In addition, for PRSUs, the Company applies a probability assessment to determine the probable achievement of the performance-based metrics.

Stock-based compensation expense is recognized over the requisite service period using the straight-line method and is based on the value of the portion of stock-based payment awards that is ultimately expected to vest. As such, the Company's stock-based compensation is reduced for the estimated forfeitures at the date of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. For restricted stock, the compensation cost for these awards is based on the closing price of the Company's common stock on the date of grant, and is recognized as compensation expense on a straight-line basis over the requisite service period.

The Company recognizes compensation expense related to its 2016 Employee Stock Purchase Plan ("ESPP") based on the fair value at each enrollment date of the offering period using the Black-Scholes-Merton option-pricing model value. The stock-based compensation is reduced by the estimated forfeiture and is expensed on a straight-line basis over the offering period.

Net Income (Loss) per Common Share

Basic net income per share attributable to common stockholders is calculated by dividing the net income attributable to common stockholders by the weighted-average number of common shares outstanding during the period. Diluted net income per share is computed using the weighted average number of common shares outstanding during the period and, when dilutive, potential common share equivalents.

Basic net loss per common share is calculated by dividing the net loss by the weighted average number of shares of common stock outstanding during the period, without consideration of potentially dilutive securities. Diluted net loss per common share is the same as basic net loss per common share for all periods presented, since the effect of potentially dilutive securities are anti-dilutive.

Potentially dilutive common shares consist of shares issuable from stock options, RSUs, PRSUs, and the Company's senior convertible notes due 2029 (the "2029 Notes"). Potentially dilutive common shares issuable upon vesting of RSUs, PRSUs are determined using the average share price for each period under the treasury stock method. Potentially dilutive common shares issuable upon conversion of the Company's senior convertible notes are determined using the if-converted method. In periods of net losses, we exclude all potentially dilutive common shares from the computation of the diluted net loss per share for those periods as the effect would be anti-dilutive

Recently adopted accounting pronouncements

In December 2023, the FASB issued ASU No. 2023-09 ("ASU 2023-09"), *Income Taxes (Topic 740): Improvement to Income Tax Disclosures* to enhance the transparency and decision usefulness of income tax disclosures. Two primary enhancements related to this ASU include disaggregating existing income tax disclosures relating to the effective tax rate reconciliation and income taxes paid. ASU 2023-09 is effective for annual periods beginning after December 15, 2024 and may be applied on either a prospective or a retrospective basis. The Company adopted this ASU for the year ended December 31, 2025 on a prospective basis. Prior period disclosures have not been adjusted to reflect the new disclosure requirements. See Note 10, Income Taxes, for disclosure within the notes to the Company's consolidated financial statements.

Recently issued accounting pronouncements not yet adopted

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures*, which requires disclosure about the types of costs and expenses included in certain expense captions presented on the income statement. The new disclosure requirements are effective for the Company's annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027, with early adoption permitted. The Company is currently in the process of evaluating the impact of this pronouncement on its related disclosures.

In November 2024, the FASB issued ASU 2024-04, *Debt-Debt with Conversion and Other Options.* The ASU clarifies the requirements for determining whether certain settlements of convertible debt instruments should be accounted for as an induced conversion. The ASU is effective for annual reporting periods beginning after December 15, 2025, and interim periods within those annual reporting periods, with early adoption permitted. The ASU may be applied on either a prospective or a retrospective basis. The Company is currently evaluating this ASU to determine its impact on the Company's consolidated financial statements and related disclosures.

In May 2025, the FASB issued ASU 2025-03, "Business Combinations (Topic 805) and Consolidation (Topic 810): Determining the Accounting Acquirer in the Acquisition of a Variable Interest Entity (VIE)." This standard clarifies the guidance in determining the accounting acquirer in a business combination effected primarily by exchanging equity interests when the acquiree is a VIE that meets the definition of a business. The standard is effective for fiscal years beginning after December 15, 2026, including interim periods within those fiscal years. Early adoption is permitted, and the standard is to be applied prospectively to acquisitions after the adoption date. The Company is currently evaluating the impact that the adoption of this new standard may have on the Company's consolidated financial statements and related disclosures.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets*, which provides a practical expedient to measure credit losses on current accounts receivable and current contract assets. The practical expedient assumes that current conditions as of the balance sheet will persist through the reasonable and supportable forecast period of eligible assets. The ASU is effective for fiscal years beginning after December 15, 2025, and interim periods within those annual reporting periods, with early adoption permitted. The Company is currently evaluating the impact that the adoption of this new standard may have on the Company's consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software,* to modernize the accounting for software costs. The new guidance amends the existing standard that refers to various stages of a software development project to align better with the current software development methods, such as agile programming. The ASU is effective for annual reporting periods beginning after December 15, 2027, and interim periods within those annual reporting periods, with early adoption permitted. The ASU may be applied on either a prospective or a retrospective basis. The Company is currently evaluating the impact that the adoption of this new standard may have on the Company's consolidated financial statements and related disclosures.

In December 2025, the FASB issued ASU 2025-11 *Interim Reporting (Topic 270)* related to interim disclosure requirements. The amendments in this update clarify current interim disclosure requirements and provide a comprehensive list of required interim disclosures. The update also incorporates a disclosure principle that requires entities to disclose material events that occur after the end of the last annual reporting period. This update is effective for interim periods within annual periods beginning after December 15, 2027, though early adoption is permitted. The Company is currently evaluating the impact that the adoption of this new standard may have on the Company's interim consolidated financial statements and related disclosures.

3. BUSINESS SEGMENT AND REVENUE

Reportable Segments

Operating segments are defined as components of an enterprise where separate financial information is evaluated regularly by the chief operating decision maker (“CODM”). The Company has one reportable and one operating segment, its global ambulatory cardiac monitoring business. The Company’s Chief Executive Officer, who is the Company’s CODM, reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and assessing financial performance.

The key measure of the Company's segment profit or loss is consolidated net loss, which is reported on the Company's consolidated statements of operations. Consolidated net loss is used to measure actual results versus expectations. The measure of segment assets is reported on the consolidated balance sheets as total assets.

Significant segment expenses within loss from operations, as well as within net loss, include cost of revenue, research and development, acquired in-process research and development ("IPR&D"), selling, general and administrative expenses, and impairment and restructuring charges which are each separately presented on the Company’s consolidated statements of operations. Other segment items within net loss include interest and other income (expense), net, and income tax provision.

Disaggregation of Revenue

The Company disaggregates revenue from contracts with customers by payor type. The Company believes these categories aggregate the payor types by nature, amount, timing, and uncertainty of its revenue streams. Disaggregated revenue by payor type and major service line for the years ended December 31, 2025, 2024, and 2023 were as follows (in thousands, except percentages):

	Year Ended December 31,					
	2025		2024		2023	
	Amount	% of Revenue	Amount	% of Revenue	Amount	% of Revenue
Contracted third-party payors	$ 392,234	52 %	311,605	53 %	$ 267,195	54 %
Centers for Medicare and Medicaid	179,350	24 %	142,389	24 %	122,414	25 %
Healthcare institutions	125,613	17 %	95,115	16 %	71,001	14 %
Non-contracted third-party payors	49,941	7 %	42,730	7 %	32,071	7 %
Total	$ 747,138		$ 591,839		$ 492,681	

Revenue generated from the United States comprised substantially all of the Company's revenue. No other country or customer, with the exception of CMS, comprised 10% or greater of the Company's revenue during each of the years ended December 31, 2025, 2024, and 2023.

Accounts Receivable, Provision for Credit Losses, and Contractual Allowances

Accounts receivable includes amounts due to the Company from healthcare institutions, third-party payors, and government payors and their related patients, as a result of the Company's normal business activities. Accounts receivable is reported on the consolidated balance sheets net of an estimated provision for credit losses and contractual allowances.

The Company establishes a provision for credit losses for estimated uncollectible receivables based on its assessment of the collectability of customer accounts and recognizes the provision as a component of selling, general and administrative expenses. The Company records a provision for contractual allowances, as a reduction of revenue, based on the estimated differences between contracted amounts and expected collection rates for services performed. Such provisions are based on the Company's historical experience and expected future claims denials. The Company updates the estimate for this provision each reporting period.

The Company regularly reviews the allowances by considering factors such as historical experience, credit quality, the age of the accounts receivable balances, and current economic conditions that may affect a customer’s ability to pay.

The following table presents the changes in the provision for credit losses (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Balance, beginning of year	$ 16,248	$ 20,289	$ 18,475
Provision for credit losses	30,835	22,583	17,105
Write-offs	(32,448)	(26,624)	(15,291)
Balance, end of year	$ 14,635	$ 16,248	$ 20,289

The following table presents the changes in the contractual allowance (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Balance, beginning of year	$ 50,961	$ 52,689	$ 41,389
Add: provision for contractual adjustments	68,831	50,880	52,523
Less: contractual adjustments	(70,866)	(52,608)	(41,223)
Balance, end of year	$ 48,926	$ 50,961	$ 52,689

Contract Liabilities

ASC 606, *Revenue from Contracts with Customers*, requires an entity to present a revenue contract as a contract liability when the Company has an obligation to transfer goods or services to a customer for which the Company has received consideration from the customer, or an amount of consideration from the customer is due and unconditional (whichever is earlier).

Certain of the Company's customers pay the Company directly for the Zio LTCM Service upon patient registration or shipment of devices. Such advance payments are recognized as deferred revenue and are recorded as revenue when Zio reports are delivered to the healthcare provider. During the years ended December 31, 2025 and 2024, $2.9 million and $3.1 million related to the contract liability balance at the beginning of 2025 and 2024 was recognized as revenue, respectively. The deferred revenue liability was $4.2 million and $2.9 million as of December 31, 2025 and 2024, respectively.

Contract Costs

Under ASC 340, *Other Assets and Deferred Costs* ("ASC 340"), the incremental costs of obtaining a contract with a customer are recognized as an asset. Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained.

The Company maintains short-term sales incentive compensation programs. As a practical expedient, ASC 340 permits the Company to immediately expense contract acquisition costs, because the asset that would have resulted from capitalizing these costs will be amortized in one year or less.

4. CASH EQUIVALENTS AND MARKETABLE SECURITIES

The fair value of cash equivalents and marketable securities at December 31, 2025 and 2024, were as follows (in thousands):

	December 31, 2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 142,423	$ —	$ —	$ 142,423
U.S. government securities	347,467	285	(1)	347,751
Total cash equivalents and marketable securities	$ 489,890	$ 285	$ (1)	$ 490,174
Classified as:				
Cash equivalents				$ 142,423
Marketable securities				347,751
Total cash equivalents and marketable securities				$ 490,174

	December 31, 2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Money market funds	$ 40,654	$ —	$ —	$ 40,654
U.S. government securities	276,467	57	—	276,524
Total cash equivalents and marketable securities	$ 317,121	$ 57	$ —	$ 317,178
Classified as:				
Cash equivalents				$ 201,222
Marketable securities				115,956
Total cash equivalents and marketable securities				$ 317,178

Unrealized gains (losses) during the years ended December 31, 2025, 2024, and 2023 were not material. As of December 31, 2025 and 2024, all marketable securities are classified as available for sale, with contractual maturities due within one year or less. The weighted average maturity for the Company's marketable securities as of December 31, 2025 and 2024 was 148 days and 211 days, respectively.

5. FAIR VALUE MEASUREMENTS

The Company discloses and recognizes the fair value of its assets and liabilities using a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The hierarchy gives the highest priority to valuations based upon unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to valuations based upon unobservable inputs that are significant to the valuation (Level 3 measurements). The guidance establishes three levels of the fair value hierarchy as follows:

Level 1—Inputs are unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.

Level 2—Inputs (other than quoted market prices included in Level 1) are either directly or indirectly observable for the asset or liability through correlation with market data at the measurement date and for the duration of the instrument's anticipated life.

Level 3—Inputs reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date. Consideration is given to the risk inherent in the valuation technique and the risk inherent in the inputs to the model.

Assets and liabilities measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires management to make judgments and consider factors specific to the asset or liability. The U.S. government securities are classified as Level 2 as they were valued based upon quoted market prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active and model-based valuation techniques for which all significant inputs are observable in the market or can be corroborated by observable market data for substantially the full term of the assets.

The Company had no transfers between levels of the fair value hierarchy of its assets measured at fair value.

The following tables present the fair value of the Company's financial assets determined using the inputs defined above (in thousands):

	December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 142,423	$ —	$ —	$ 142,423
U.S. government securities	—	347,751	—	347,751
Strategic investments	—	—	69,913	69,913
Total	$ 142,423	$ 347,751	$ 69,913	$ 560,087
Liabilities				
Contingent consideration	—	—	20,407	20,407
Total	$ —	$ —	$ 20,407	$ 20,407

	December 31, 2024			
	Level 1	Level 2	Level 3	Total
Assets				
Money market funds	$ 40,654	$ —	$ —	$ 40,654
U.S. government securities	—	276,524	—	276,524
Strategic investments	—	—	61,902	61,902
Total	$ 40,654	$ 276,524	$ 61,902	$ 379,080
Liabilities				
Contingent consideration	—	—	17,371	17,371
Total	$ —	$ —	$ 17,371	$ 17,371

Fair Value of Strategic Investments

The Company holds strategic investments upon which it measures the fair value on a recurring basis. The carrying value of these investments are $69.9 million and $61.9 million as of December 31, 2025 and 2024, respectively.

The Company's strategic investments are with privately held companies, and as such, limited information is available. On a quarterly basis, the Company monitors information that becomes available and adjusts the carrying values of these investments if there are identified events or changes in circumstances that have a significant effect on their fair values. The strategic investments are categorized as Level 3 investments within the fair value hierarchy due to the uncertainty of the fair value measurement with respect to the use of significant unobservable inputs and included within long-term strategic investments in the Company's consolidated balance sheets.

During the year ended December 31, 2024, the Company made an aggregate of $55.0 million in strategic loan investments in BioIntelliSense, Inc. ("BioIS"), a privately-held company. The loan investments have maturity dates ranging from April 2029 through August 2029. The loan investments can convert into preferred shares of BioIS based upon certain qualifying financing events.

The aggregate fair value of the BioIS strategic loan investments is $63.7 million and $56.4 million as of December 31, 2025 and 2024, respectively. In accordance with ASC 820, *Fair Value Measurement*, the Company elected to apply the fair value option to these strategic loan investments, with changes in fair value reported within other income (expense), net in the Company's consolidated statements of operations at each reporting period. During the year ended December 31, 2025 and 2024, the Company increased the fair value of the strategic loan investments by $7.3 million and $1.4 million, respectively. The fair value of the loan investments in BioIS is determined by using a probability-weighted expected return model ("PWERM") and a discounted cash flow valuation model with scenarios that correspond to the contractual settlement events. The determination of fair value involves significant assumptions such as discount rates, volatility rates, and expected years. These unobservable inputs represent a Level 3 measurement, as they are supported by little or no market activity and reflect the Company's own assumptions in measuring fair value.

In June 2025, BioIS achieved the first of two regulatory milestones. As of December 31, 2025, BioIS and the Company are in the process of completing all required contractual conditions in order to cancel $10.0 million in strategic loan investments plus accrued and unpaid interest. Refer to Note 8, Commitments and Contingencies for further discussion.

The following table sets forth the recurring Level 3 fair value measurements of the loan investment including the significant unobservable inputs:

	December 31, 2025	December 31, 2024
Discount rate	10.8 %	12.0 %
Equity volatility	85.0 %	67.0 %
Expected years (range)	2026 - 2029	2025 - 2029

During the year ended December 31, 2025, the Company made a $2.3 million strategic loan investment in a separate privately-held company. The fair value of the strategic loan investment was $2.4 million as of December 31, 2025.

During the year ended December 31, 2024, the Company made a $2.0 million strategic loan investment in a separate privately-held company. During the fourth quarter and year ended December 31, 2025, the Company recorded a full reserve against this strategic loan investment. The fair value of the strategic loan investment was nil and $2.0 million as of December 31, 2025 and December 31, 2024, respectively. The change in fair value is recorded within other income (expense), net in the Company's consolidated statements of operations.

During the year ended December 31, 2023, the Company made a $3.0 million strategic equity investment in a separate privately-held company. During the years ended December 31, 2025 and 2024, the Company increased the fair value of this strategic equity investment by $0.3 million and $0.5 million, respectively. The carrying value of this strategic equity investment is $3.8 million and $3.5 million as of December 31, 2025 and 2024, respectively. The change in fair value is recorded within other income (expense), net in the Company's consolidated statements of operations.

The following table sets forth the changes in the estimated fair value of the Company's strategic investments measured on a recurring basis (in thousands):

	Year Ended December 31, 2025	Year Ended December 31, 2024	Year Ended December 31, 2023
Balance, beginning of period	$ 61,902	$ 3,000	$ —
Additions during the period	2,300	57,000	3,000
Changes in estimated fair value	5,711	1,902	—
Balance, end of period	$ 69,913	$ 61,902	$ 3,000

Contingent Consideration Liabilities

The Company established contingent consideration liabilities in conjunction with the development milestones associated with the acquisition of certain technology from BioIS. The fair value of contingent consideration liabilities is determined using PWERM, with scenarios that correspond to the contractual settlement events. There are significant inputs of such model that are not observable in the market, such as probability of achievement of stated milestones and expected term. The unobservable inputs represent a Level 3 measurement. Fair value adjustments to contingent consideration liabilities are assessed quarterly and recorded through operating expenses within acquired in-process research and development in the consolidated statements of operations. Refer to Note 8, Commitments and Contingencies, for further details relating to the BioIS contingent consideration liabilities.

The following table sets forth the recurring Level 3 fair value measurements of contingent consideration liabilities associated with the development agreement milestones including the significant unobservable inputs:

	December 31, 2025	December 31, 2024
Probability of achievement (range)	79.0% - 100.0%	75.0% - 90.0%
Expected years	2026	2025 - 2026

During the year ended December 31, 2025, the Company increased the probability of achievement assumptions based upon the projected achievement of a remaining future regulatory milestone. Refer to Note 8, Commitments and Contingencies, for further details relating to the BioIS regulatory milestones.

Contingent consideration liabilities for BioIS at the inception of acquisition of the licensed technology were $17.0 million. Contingent consideration liabilities were $20.4 million and $17.4 million as of December 31, 2025 and 2024, respectively, and were included in accrued liabilities in the Company’s consolidated balance sheet.

The following table sets forth the changes in the estimated fair value of the Company’s contingent consideration liabilities measured on a recurring basis (Level 3) (in thousands):

	Year Ended December 31, 2025	Year Ended December 31, 2024
Balance, beginning of period	$ 17,371	$ —
Addition during the period	—	16,970
Changes in estimated fair value	3,036	401
Balance at end of period	$ 20,407	$ 17,371

The following table sets forth the balances of the contingent consideration liabilities (in thousands):

	December 31, 2025	December 31, 2024
Accrued liabilities	$ 20,407	$ 9,701
Other noncurrent liabilities	—	7,670
Balance at end of period	$ 20,407	$ 17,371

Fair Value of Senior Convertible Notes

The fair value, based on a quoted market price (Level 1), of the Company's 2029 Notes is as follows (in thousands):

	December 31, 2025	December 31, 2024
Senior Convertible Notes due 2029	$ 924,097	$ 641,214

6. BALANCE SHEET COMPONENTS

Inventory

Inventory consisted of the following (in thousands):

	December 31,	
	2025	2024
Raw materials and work-in-progress	$ 10,645	$ 5,863
Finished goods	10,989	8,176
Total	$ 21,634	$ 14,039

Long-term Strategic Investments

Long-term strategic investments consisted of the following (in thousands):

	December 31,	
	2025	2024
Strategic loan investments	$ 66,064	$ 58,407
Strategic equity investments	3,849	3,495
Total	$ 69,913	$ 61,902

Other Assets

Other assets consisted of the following (in thousands):

	December 31,	
	2025	2024
PCBAs	$ 39,026	$ 34,698
Cloud computing arrangements	3,998	5,230
Other	1,694	1,924
Total	$ 44,718	$ 41,852

The Company reuses PCBAs in each wearable Zio monitor, Zio XT, and Zio AT, as well as the wireless gateway used in conjunction with Zio AT. As PCBAs are used in a wearable Zio monitor, Zio XT, or Zio AT, a portion of the cost of the PCBA is recorded as a cost of revenue. Charges to cost of revenue were $17.5 million, $13.7 million, and $9.0 million as of December 31, 2025, 2024, and 2023, respectively. During the year ended December 31, 2025, PCBAs increased by $4.3 million primarily driven by additional purchases for Zio monitor and Zio AT to support the growth in commercial volumes.

The Company recorded $2.6 million, $2.7 million, and $1.4 million amortization expense during the years ended December 31, 2025, 2024, and 2023, respectively, related to capitalized implementation costs in the Company's cloud computing arrangements.

Property and Equipment, Net

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

	Useful Life	December 31, 2025	December 31, 2024
Laboratory and manufacturing equipment	2 to 7	$ 17,623	$ 9,687
Computer equipment and software	3	4,232	4,227
Furniture and fixtures	2 to 5	4,180	4,181
Leasehold improvements	3 to 12	28,975	27,121
Internal-use software in service	3 to 7	91,763	79,660
Internal-use software in development	-	88,950	60,797
Construction in progress	-	7,068	10,638
Total property and equipment, gross		242,791	196,311
Less: accumulated depreciation and amortization		(91,192)	(71,219)
Total property and equipment, net		$ 151,599	$ 125,092

Depreciation and amortization expense for the years ended December 31, 2025, 2024 and 2023 was $20.7 million, $20.7 million and $16.3 million, respectively, of which amortization related to internal-use software, was $14.5 million, $14.9 million, and $12.2 million, for the years ended December 31, 2025, 2024 and 2023, respectively.

During the year ended December 31, 2025, internal-use software both in service and in development increased by a combined $40.3 million, net of impairments. This increase is related to internally developed and third-party expenditures for enhancements in the Company's core technology, products, and services and artificial intelligence.

Accrued Liabilities

Accrued liabilities consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accrued payroll and related expenses	$ 67,809	$ 42,293
Accrued vacation	7,906	6,914
Accrued expenses	20,464	16,044
Claims payable	1,542	2,011
Accrued employee share purchase plan contributions	662	585
Accrued income and other taxes	1,817	4,008
Accrued professional services fees	8,140	3,345
Contingent consideration liabilities	20,407	9,700
Total accrued liabilities	$ 128,747	$ 84,900

7. IMPAIRMENT CHARGES

The Company's impairment charges consisted of the following (in thousands):

	December 31,		
	2025	2024	2023
ROU asset	$ —	$ —	$ 9,912
Leasehold improvements	—	—	1,067
Furniture and fixtures	—	—	99
Internal-use software	4,458	641	—
Total	$ 4,458	$ 641	$ 11,078

In February 2022, the Board approved a plan to reduce the Company's leased space for its headquarters in San Francisco, California. The Company initiated an effort to pursue a sublease of one floor (approximately 50%) of its San Francisco, California facility. During the year ended December 31, 2023, as a result of the continued declining real estate rental market conditions within San Francisco, California, the Company recorded an impairment charge of $11.1 million, consisting of its ROU asset and property and equipment (inclusive of leasehold improvements and furniture and fixtures) of $9.9 million and $1.2 million, respectively. The impairment was recorded to impairment charges within the consolidated statements of operations for the year ended December 31, 2023.

Significant judgment and estimates are required in assessing impairment of ROU assets, including identifying whether events or changes in circumstances require an impairment assessment, estimating future cash flows, and determining appropriate discount rates. The Company has engaged a leasing broker and has formalized a marketing plan for the San Francisco office market since the first quarter of 2022. The sublease market for commercial office space is currently very challenging in the San Francisco area due to lower demand for leased office space as most companies have adjusted to allowing their employees to work from home during and after the COVID-19 pandemic. The Company believes that it is likely to be able to sublease a portion of its existing office space, but at a rate below the amount that it is currently paying.

The Company estimated undiscounted future cash flows from its vacant office lease based on the Company's intent and ability to sub-lease the vacant office space, based on the facts and circumstances discussed below, which it had ceased using and estimated future sub-lease income considering the local real estate market conditions. The Company also factored into its estimate the amount of time to identify a tenant, sublease rental market transactions within San Francisco business districts, entering into a sublease agreement, and expected rent concessions offered to future tenants. The Company estimated the fair value of the ROU asset related to the vacant office lease by discounting the estimated undiscounted future cash flows using the average lease capitalization rate, plus average inflation rate, for other lease transactions in the local area during the year. For further details on the Company's leases, refer to Note 8. Commitments and Contingencies.

During the years ended December 31, 2025 and 2024, the Company recorded an impairment charge of $4.5 million and $0.6 million, respectively, within the Company's consolidated statements of operations related to internal-use software in development not expected to be completed and placed in-service. No impairment charge related to internal-use software has been recognized for the year ended December 31, 2023. Refer to Note 8, Commitments and Contingencies, for further details relating to the internal-use software impairment charges recognized associated with the Company's development collaboration with Verily Life Sciences LLC during the year ended December 31, 2025.

8. COMMITMENTS AND CONTINGENCIES

Purchase Commitments

As of December 31, 2025, the Company's purchase commitments totaled $71.4 million, primarily related to inventory and revenue cycle service fees and expected to be due within a year.

Leases

The Company leases office, manufacturing, and clinical centers under non-cancelable operating leases which expire on various dates through 2033. These leases generally contain scheduled rent increases or escalation clauses and renewal options. Operating lease ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The operating lease ROU assets also include any lease payments made to the lessor at or before the commencement date as well as variable lease payments which are based on a consumer price index. The Company is also subject to variable lease payments related to janitorial services and electricity which are not included in the operating lease ROU asset as they are based on actual usage. The Company recognizes operating lease expenses, generally on a straight-line basis over the lease period.

In July 2023, the Company entered into an approximately seven-year facility lease in Solana Beach, California, as corporate office space (the "Solana Beach Lease"). In February 2024, the Company amended its lease to add additional space. The amended lease commenced in the fourth quarter of 2024, and extended the term of the entire facility lease by approximately one year. The amended lease provides an option to extend the term of the lease for one five-year period beyond the amended term, which the Company is not reasonably certain to exercise and therefore was not considered in determining the ROU assets and lease liabilities balance. The Company recognized $4.0 million in additional ROU assets and lease liabilities upon commencement of the amended lease. Total lease payments for the Solana Beach Lease approximate $9.6 million as of the lease commencement date.

Contractual obligations under operating lease liabilities were as follows (in thousands):

Year Ended December 31:	
2026	$ 16,683
2027	17,096
2028	17,016
2029	17,121
2030	17,613
Thereafter	15,286
Total lease payments	100,815
Less: imputed interest	(19,135)
Total lease liabilities	$ 81,680

Other information related to the operating leases were as follows:

	Year Ended December 31,		
	2025	**2024**	**2023**
Operating lease expense (in thousands)	$ 12,045	$ 11,831	$ 12,861
Weighted average remaining lease term (years)	5.8	6.8	7.8
Weighted average discount rate (percentage)	7.2 %	7.3 %	7.3 %

Self-Insured Health Plan

As of January 1, 2025, the Company transitioned from a fully-insured program to a self-insurance program to cover U.S. employees and their dependent health benefits. As part of the program, the Company also has stop-loss coverage from a third party which limits the exposure to large claims. The Company records a liability associated with these benefits by utilizing a third-party actuarial specialist, that includes both an estimate of claims filed and incurred but not yet reported based upon historical claims experience. As of December 31, 2025, the Company's accrued health benefits liability was $2.6 million which is included within accrued liabilities on the Company's consolidated balance sheets.

Legal Proceedings

From time to time, the Company is involved in claims and legal proceedings or investigations, that arise in the ordinary course of business. Such matters could have an adverse impact on the Company's reputation, business, and financial condition and divert the attention of its management from the operation of its business. These matters are subject to many uncertainties and outcomes that are not predictable.

On February 6, 2024, a putative class action lawsuit was filed in the United States District Court for the Northern District of California alleging that the Company and the Company's current Chief Executive Officer, Quentin Blackford, its former Chief Financial Officer, Brice Bobzien, and its former Chief Financial Officer and former Chief Operating Officer, Douglas Devine, violated Sections 10(b) and 20(a) of the Exchange Act and SEC Rule 10b-5 promulgated thereunder, and seeks unspecified damages purportedly sustained by the class. On July 19, 2024, an amended complaint was filed, naming the Company, Mr. Blackford, Mr. Bobzien, Mr. Devine, the Company's Chief Commercial and Product Officer Chad Patterson, the Company's former Chief Technology Officer Mark Day, and the Company's Chief Medical Officer, Chief Scientific Officer, and Executive Vice President of Advanced Technologies, Mintu Turakhia, as defendants. On October 7, 2024, a second amended complaint was filed against the defendants to include events from FDA inspections, but otherwise included the same claims under the Exchange Act. On December 10, 2024, the defendants filed a motion to dismiss. On June 3, 2025, the Court granted in part the defendants' motion to dismiss, including the dismissal of all individual defendants except for Mr. Blackford. On November 3, 2025, the plaintiff filed a motion to certify the case as a class action, which the defendants later opposed by motion. Discovery is ongoing.

The Company's board members and certain of its current executives and former executives of the Company were named as defendants in two complaints filed as stockholder derivative actions in the United States District Court for the District of Delaware and the United States District Court for the Northern District of California, respectively. The Company is named as a nominal defendant in both complaints. The cases make similar allegations to those in the securities class action complaint described above and both derivative cases have been stayed pending the resolution of the securities class action.

The Company believes the above securities class action and derivative lawsuits to be without merit and plans to continue to defend itself vigorously.

On March 26, 2021, the Company received a grand jury subpoena from the U.S. Attorney's Office for the Northern District of California requesting information related to communications with FDA and its products and services. On September 13, 2021, the Company received a second subpoena requesting additional information. On April 4, 2023, the Company received a Subpoena Duces Tecum from the Consumer Protection Branch, Civil Division of the U.S. Department of Justice (the "DOJ"), requesting production of various documents regarding the Company's products and services. The Company is cooperating fully on these matters.

On July 1, 2024, the DOJ filed with the United States District Court for the Northern District of California a Petition for Order to Show Cause and Application for Enforcement against the Company with respect to the production of certain documentary materials which the Company asserts are protected by legal privileges. On May 30, 2025 following a hearing on the issue, the District Court ordered the Company to disclose certain of the documents, finding that the Company had waived its asserted legal privileges. The Company has appealed the District Court's order to the Ninth Circuit Court of Appeals. On July 17, 2025, the Ninth Circuit Court of Appeals stayed the District Court's production order until the appeal is resolved. Both parties submitted initial briefing on the merits, and the Company's reply brief to the government is due in late February 2026. The Company intends to continue to defend its privilege assertions over the documents at issue. Regardless of the outcome of the appeal or the potential disclosure of the documents at issue, it is not clear what, if any, action the DOJ may take following resolution of the dispute over legal privileges.

On December 12, 2025, the Company received a civil investigative demand from DOJ's Civil Division's Commercial Litigation Branch seeking information and documents related to Zio AT and our associated claims for reimbursement. The Company has cooperated, and is continuing to cooperate, fully in connection with these matters.

On February 20, 2024, Welch Allyn, Inc. ("Welch Allyn"), a subsidiary of Hill-Rom Holdings, Inc. now part of Baxter International, Inc., filed a complaint against the Company in the United States District Court for the District of Delaware, which was amended on April 24, 2024, alleging that its Zio devices infringe certain of Welch Allyn's patents and that its infringement was willful. Thereafter, the Company successfully petitioned the District Court to dismiss the willful infringement claims without prejudice. On February 14, 2025, Welch Allyn filed a second amended complaint adding additional patent claims. On March 21, 2025, the Company filed a response to the allegations found in the second amended complaint, denying all allegations of patent infringement and asserting defenses including patent invalidity. On October 14, 2025, Welch Allyn filed a third amended complaint adding back claims for willful infringement. On October 28, 2025, the Company filed a motion to dismiss the willful infringement claims, and that motion remains pending. On December 23, 2024, the Company filed a petition with the USPTO seeking Inter Partes Review ("IPR") of the Welch Allyn patents asserted in the original complaint. The IPR petitions became subject to a new consideration for "discretionary denial" of IPRs first announced by the USPTO after the Company filed its petitions. Under this new basis, the Company's IPRs were denied institution. The Company filed a Petition for Director review, seeking to vacate the denial in July 2025, but the Petition was denied. The Company subsequently filed for Ex Parte Reexamination on four of the Welch Allyn patents being asserted, and the USPTO instituted re-examination of those four patents on January 20, 2026. Welch Allyn seeks money damages and attorneys' fees. The Company believes this lawsuit is without merit and plans to defend itself vigorously.

On December 10, 2024, Bardy Diagnostics, Inc. ("BardyDx"), a subsidiary of Hill-Rom Holdings, Inc. now part of Baxter International, Inc., filed a lawsuit against the Company in the United States District Court for the District of Delaware, alleging that its Zio monitor infringes one of its patents. On December 26, 2024, BardyDx filed an amended complaint alleging that the Company's Zio monitor infringes two of BardyDx's patents. On June 11, 2025, BardyDx filed a second amended complaint alleging that its Zio monitor infringes four of BardyDx's patents. The Company filed responses to the allegations found in the complaint and the amended complaints, denying all allegations of patent infringement, asserting defenses including patent invalidity, and asserting patent infringement counterclaims, which allege that BardyDx's Carnation Ambulatory Monitor patch infringes five of its patents. BardyDx filed an answer to the Company's counterclaims and filed counterclaims for declaratory judgment for non-infringement and invalidity of the patents asserted by the Company. On September 5, 2025, the Company filed a motion for leave to amend its counterclaims to allege infringement of two additional patents, and that motion remains pending. On January 22, 2026, BardyDx filed a motion to amend its pleadings to assert inequitable conduct with respect to two patents of the Company, and that motion also remains pending. Both parties seek money damages and attorneys' fees for the alleged infringement of their patents. The Company believes BardyDx's allegations of patent infringement are without merit and plans to defend itself vigorously.

Technology License Agreement

On August 30, 2024, the Company entered into a Technology License Agreement (as amended, the "License Agreement") with BioIS, pursuant to which (i) the Company will receive a perpetual fully paid up license to certain of BioIS' intellectual property, technology and products for research, development and commercialization of potential next generation products and services in certain fields of use, including (x) an exclusive license to develop and commercialize pulse oximetry, accelerometry, and trending non-invasive blood pressure technologies for use within the Company's ambulatory cardiac monitoring products and services, and (y) a limited, non-exclusive license to develop and commercialize products and services for use in unattended, home-based diagnostic testing and assessment of central and obstructive sleep apnea, and (ii) the Company and BioIS agreed to negotiate in good faith a supply agreement for pulse oximetry hardware.

Under the terms of the License Agreement, during the third quarter of 2024 the Company paid BioIS an upfront fee of $15.0 million in cash consideration in acceptance of the initial transfer of certain licensed technologies and data following the execution of the License Agreement. In connection with the License Agreement, the Company also purchased an aggregate of $40.0 million of convertible promissory notes from BioIS (the "Convertible Notes"), of which $20.0 million of the convertible promissory notes ("Milestone Notes") were designated for satisfaction of the Company's regulatory milestone payment obligations. The Milestone Notes, plus accrued and unpaid interest, if any, shall be cancelled, if outstanding, upon the achievement of the regulatory milestones up through December 31, 2026.

In June 2025, BioIS achieved the first of two regulatory milestones. As of December 31, 2025, BioIS and the Company are in the process of completing all required contractual conditions in order to cancel $10.0 million in Milestone Notes plus accrued and unpaid interest. During the year ended December 31, 2025 and 2024, the Company recorded a charge of $3.0 million and $32.4 million, respectively for acquired IPR&D in the Company's consolidated statements of operations.

Development Agreement

On September 3, 2019, the Company entered into a Development Collaboration Agreement with Verily Life Sciences LLC, an Alphabet company (“VLS”) and Verily Ireland Limited (“VIL” and together with VLS, “Verily”) (such Development Collaboration Agreement, as amended by Amendment No. 1 dated April 26, 2021 and Amendment No.2 dated January 24, 2022, the “Development Agreement”). The Development Agreement involves joint development and production of intellectual property between the Company and Verily. Each participant has primary responsibility for certain aspects of development and approval, with all processes to be performed at each respective party’s own cost. Costs incurred by the Company in connection with the Development Agreement will be expensed as research and development expense in accordance with ASC 730, *Research and Development.*

Pursuant to the Development Agreement, the Company and Verily agreed to develop certain next-generation atrial fibrillation (“Afib”) screening, detection, or monitoring products, which products will involve combining Verily's and the Company’s technology platforms and capabilities. Under the terms of the Development Agreement, the Company paid Verily an upfront fee of $5.0 million in 2019. In addition, the Company agreed to make additional milestone payments to Verily up to an aggregate of $12.75 million upon achievement of various development and regulatory milestones over the term of the Development Agreement.

The Development Agreement provides each party with licenses to use certain intellectual property of the other party for development activities in the field of Afib screening, detection, or monitoring. Ownership of developed intellectual property will be allocated to the Company or Verily depending on the subject matter of the underlying developed intellectual property, and, for certain subject matter, shall be jointly owned.

In August 2025, the Company and Verily mutually terminated the Development Agreement, subject to the Company's continued rights to a license to certain intellectual property associated with a mobile app developed under the Development Agreement. Through termination of the Development Agreement, the Company and Verily achieved milestones tied to payments totaling $11.0 million to date. During the year ended December 31, 2025, the Company recorded an impairment charge of $2.5 million associated with capitalized internal-use software in development relating to the Zio Watch with the Company's clinically integrated ZEUS system. The Company continues to expand its other development programs into other clinical-grade wearables to detect and characterize arrhythmias while integrating with clinicians' workflows.

Indemnifications

In the ordinary course of business, the Company enters into agreements pursuant to which it agrees to indemnify customers, vendors, lessors, business partners, and other parties with respect to certain matters, including losses arising out of the breach of such agreements, services to be provided by the Company, or from intellectual property infringement claims made by third parties. Pursuant to such agreements, the Company may indemnify, hold harmless and defend an indemnified party for losses suffered or incurred by the indemnified party. Some of the provisions will limit losses to those arising from third-party actions. In some cases, the indemnification will continue after the termination of the agreement. The maximum potential amount of future payments the Company could be required to make under these provisions is not determinable. The Company has also entered into indemnification agreements with its directors and officers that may require the Company to indemnify its directors and officers against liabilities that may arise by reason of their status or service as directors or officers to the fullest extent permitted by applicable law. The Company currently has directors’ and officers’ insurance. The Company has not incurred material costs to defend lawsuits or settle claims related to these indemnification provisions, and believes that the estimated fair value of these indemnification obligations is not material and it has not accrued any amounts for these obligations.

9. DEBT

1.50% Senior Convertible Notes due 2029

The carrying amounts of the Company's 2029 Notes were as follows (in thousands):

	December 31,	
	2025	2024
Principal amount	$ 661,250	$ 661,250
Unamortized debt issuance costs	(11,746)	(14,807)
Carrying amount of senior convertible notes due 2029	$ 649,504	$ 646,443

The following table summarizes the components of interest expense and the effective interest rate for the 2029 Notes for the periods shown (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Contractual coupon interest	$ 10,057	$ 8,266	$ —
Amortized debt issuance costs	3,060	2,617	—
Total interest expense recognized on senior convertible notes due 2029	$ 13,117	$ 10,883	$ —
Effective interest rate	2.0 %	2.0 %	— %

On March 7, 2024, the Company completed an offering of $661.3 million aggregate principal amount of unsecured senior convertible notes with a stated interest rate of 1.50% and a maturity date of September 1, 2029. The proceeds include the full exercise of the option granted by the Company to the initial purchasers of the 2029 Notes to purchase up to an additional $86.3 million aggregate principal amount of notes. Interest on the 2029 Notes is payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2024. The net proceeds from the offering, after deducting initial purchasers' discounts and costs directly related to the offering, were approximately $643.8 million. The initial conversion rate of the 2029 Notes is 6.7927 shares per $1,000 principal amount of notes, which is equivalent to a conversion price of approximately $147.22 per share, subject to adjustments. The 2029 Notes may be settled in cash, stock, or a combination thereof, solely at the Company's discretion.

The Company used net proceeds from the offering to purchase capped calls, as well as repayment of the Company's outstanding debt which is described below. In addition, the Company also used net proceeds from the offering to repurchase shares of the Company's common stock. Refer to Note 11, Stockholders' Equity for further details relating to the Company's shares repurchase.

No principal payments are due on the 2029 Notes prior to maturity. Other than restrictions relating to certain fundamental changes and consolidations, mergers or asset sales and customary anti-dilution adjustments, the indenture relating to the 2029 Notes (the "Indenture") includes customary terms and covenants, including certain events of default after which the 2029 Notes may be due and payable immediately. The Company uses the if-converted method for assumed conversion of the 2029 Notes to compute the weighted-average shares of common stock outstanding for diluted earnings per share, when applicable.

Conversion Rights at the Option of the Holders

Holders of the 2029 Notes who convert their notes in connection with a make-whole fundamental change (as defined in the Indenture) or convert their 2029 Notes called (or deemed called) for redemption in connection with any optional redemption are, under certain circumstances, entitled to an increase in the conversion rate. Additionally, in the event of a fundamental change (as defined in the Indenture), holders of the 2029 Notes may require the Company to repurchase for cash all or a portion of their notes at a price equal to 100% of the principal amount of notes, plus any accrued and unpaid interest to, but excluding, the repurchase date.

Holders of the 2029 Notes may convert all or a portion of their notes prior to the close of business on the business day immediately preceding June 1, 2029, in multiples of $1,000 principal amount, only under the following circumstances:

(1) during any calendar quarter commencing after the calendar quarter ending on June 30, 2024 (and only during such calendar quarter), if the last reported sale price of the Company's common stock for at least 20 trading days (whether or not consecutive) during a period of 30 consecutive trading days ending on the last trading day of the immediately preceding calendar quarter is greater than or equal to 130% of the conversion price of the 2029 Notes on each applicable trading day;

(2) during the five business day period after any five consecutive trading day period (the “measurement period”) in which the trading price (as defined in the Indenture) per $1,000 principal amount of the 2029 Notes for each trading day of that measurement period was less than 98% of the product of the last reported sale price of the Company's common stock and the conversion rate of the 2029 Notes on such trading day;

(3) if the Company calls any or all 2029 Notes for redemption, at any time prior to the close of business on the scheduled trading day immediately preceding the redemption date, but only with respect to the 2029 Notes called (or deemed called) for redemption; or

(4) upon the occurrence of specified corporate events as specified in the Indenture.

On or after June 1, 2029, until 5:00 p.m., New York City time, on the second scheduled trading day immediately preceding September 1, 2029, holders of the notes may convert the 2029 Notes, in multiples of $1,000 principal amount, at their option regardless of the foregoing circumstances.

As discussed in Note 1, Organization and Description of Business, on January 12, 2026, the Company completed the Holding Company Transaction. The Holding Company Transaction constitutes a Merger Event as defined under the Indenture. The Holding Company Transaction does not constitute a Fundamental Change or a Make-Whole Fundamental Change as defined under the Indenture. As a result of the Holding Company Transaction, pursuant to Section 4.01(f) of the Indenture, Holders may convert their Notes at any time up through March 4, 2026, the thirty-fifth Trading Day after the effective date of the new corporate holding company.

Conversion Rights at the Company's Option

The Company may not redeem the 2029 Notes prior to September 5, 2027. On or after September 5, 2027 and prior to June 1, 2029, the Company may redeem at its option for cash all or any portion of the 2029 Notes, at the redemption price, if the last reported sale price of the Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or not consecutive) during any 30 consecutive trading day period ending on, and including, the trading day immediately preceding the date on which the Company provides the redemption notice. The redemption price will be equal to 100% of the principal amount of the 2029 Notes, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

2029 Capped Call Transactions

On March 4, 2024, in connection with the offering of the 2029 Notes, the Company entered into privately negotiated capped call transactions (the “2029 Capped Calls”) with certain financial institutions. The 2029 Capped Calls will cover, subject to anti-dilution adjustments substantially similar to those applicable to the 2029 Notes, the number of shares of the Company's common stock that will initially underlie the 2029 Notes. The 2029 Capped Calls are expected generally to reduce potential dilution to the Company's common stock upon conversion of the 2029 Notes and/or offset any cash payments that the Company could be required to make in excess of the principal amount of converted 2029 Notes, as the case may be, with such reduction and/or offset subject to a cap. The 2029 Capped Calls have an initial cap price of $218.10 per share, subject to adjustments, which represents a premium of 100% over the closing price of the Company's common stock of $109.05 per share on the Nasdaq Global Select Market on March 4, 2024. The Company completed the purchase of the 2029 Capped Calls on March 7, 2024, for the amount of $72.4 million. The cost to purchase the 2029 Capped Calls was recorded as a reduction to additional paid-in capital in the Company's consolidated balance sheets, as the 2029 Capped Calls met the criteria for classification within stockholders’ equity.

Braidwell Debt

On January 3, 2024 (the “Closing Date”), the Company entered into the Credit, Security and Guaranty Agreement (the “Braidwell Credit Agreement”) with Braidwell Transactions Holdings LLC – Series 5 (“Braidwell”), which provided for a senior secured term loan in an aggregate principal amount of up to $150.0 million (the “Braidwell Term Loan Facility”). An initial tranche of $75.0 million (“Initial Loan”) was funded on the Closing Date. In addition to the Initial Loan, the Braidwell Term Loan Facility included an additional tranche of $75.0 million, which was accessible by the Company through the one year anniversary of the Closing Date, so long as the Company satisfied certain customary conditions. The Braidwell Term Loan Facility had a maturity date of January 3, 2029 (the “Maturity Date”) and provided, at the Company's election, for the option to have a portion of interest added to principal rather than paid in cash during the term of the loan, with principal and accrued interest due at the Maturity Date.

On March 7, 2024, in connection with the offering of the 2029 Notes, the Company used approximately $80.2 million of the net proceeds for the repayment in full of the $75.0 million outstanding Initial Loan, as well as interest, fees and expenses associated with terminating the agreement. Interest expense for the year ended December 31, 2024 totaled $1.8 million, consisting of contractual coupon interest of $1.6 million and amortized debt issuance costs of $0.2 million. The Company incurred $5.6 million of fees and expenses relating to the repayment of the Initial Loan and the termination of the Braidwell Credit Agreement, inclusive of unamortized debt origination costs, which has been recorded within loss on extinguishment of debt in the Company's consolidated statements of operations for the year ended December 31, 2024.

SVB Term Loan

In October 2018, the Company entered into the Third Amended and Restated Loan and Security Agreement (“SVB Loan Agreement”) with Silicon Valley Bank (“SVB”). Under the SVB Loan Agreement, the Company had borrowed $35.0 million and had made repayments through March 2022, at which time the outstanding balance was $18.5 million.

On March 28, 2022, the Company entered into a Second Amendment (“2022 Amendment”) to its SVB Loan Agreement which provided for a term loans facility in the aggregate principal amount of up to $75.0 million (the “2022 Term Loans”), of which $35.0 million was borrowed at closing and a portion of the proceeds was used to pay in full the outstanding balance of $18.5 million under the SVB Loan Agreement. None of the remaining $40.0 million of 2022 Term Loans was borrowed up through December 31, 2023.

The 2022 Amendment also amended the terms of the revolving credit line under the SVB Loan Agreement, which provided for an aggregate principal amount of $25.0 million.

On January 3, 2024, in connection with the entry into the Braidwell Credit Agreement, the Company used approximately $37.8 million of the net proceeds for the repayment in full of the $35.0 million outstanding principal balance as well as interest, fees and expenses associated with terminating the agreement. Upon termination of the SVB Loan Agreement, SVB's security interest in the Company's assets and property was released.

In connection with the termination of the SVB term loan, interest expense, contractual coupon interest, and amortized debt issuance costs for the year ended December 31, 2024, were de minimis. For the year ended December 31, 2023 interest expense, contractual coupon interest, and amortized debt issuance costs related to the SVB term loan totaled $3.4 million, $3.0 million, and $0.4 million, respectively. The Company incurred $2.0 million of fees and expenses relating to the termination of the SVB Loan Agreement, which has been recorded within loss on extinguishment of debt in the Company's consolidated statement of operations during the year ended December 31, 2024.

10. INCOME TAXES

The components of income (loss) before provision for income taxes are as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
United States	$ (45,602)	$ (114,203)	$ (122,974)
Foreign	2,004	1,479	318
Loss before income taxes	$ (43,598)	$ (112,724)	$ (122,656)

The provision for (benefit from) income taxes consists of the following (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Current expense:			
Federal	$ —	$ —	$ —
State	622	218	401
Foreign	213	474	349
Total current tax expense	835	692	750
Deferred tax benefit:			
Federal	—	—	—
State	—	—	—
Foreign	118	(127)	—
Total deferred tax benefit	118	(127)	—
Total tax expense	$ 953	$ 565	$ 750

As described in Note 2, Summary of Significant Accounting Policies, the Company has elected to prospectively adopt ASU 2023-09. The following table is a reconciliation of the total income tax expense computed at the U.S. federal statutory rate of 21% to the Company's total income tax expense for the year ended December 31, 2025, in accordance with ASU 2023-09 (in thousands):

	Year Ended December 31,	
	2025	
	Amount	Percentage
U.S. Federal Statutory Tax Rate	$ (9,156)	21.0%
State Income Taxes, Net of Federal Benefit*	492	(1.1)%
Foreign Tax Effects	(91)	0.2%
Nontaxable or Nondeductible Items		
Stock-Based Compensation	1,545	(3.5)%
Nondeductible Executive Compensation	100	(0.2)%
Other	430	(1.0)%
Tax Credits		
R&D Credits	(3,357)	7.7%
Change in Valuation Allowance	10,837	(24.9)%
Other	153	(0.4)%
Provision for income taxes	$ 953	(2.2)%

*State and local taxes in Texas, Philadelphia, and Oregon made up the majority (greater than 50 percent) of the tax effect in this category

The following table is a reconciliation of the statutory federal income tax rate to the Company's effective tax rate for the years ended December 31, 2024 and 2023 in accordance with the guidance prior to ASU 2023-09 (in thousands):

	Year Ended December 31,	
	2024	2023
Tax at statutory federal rate	$ (23,672)	$ (25,758)
State income taxes, net of federal benefit	307	371
Stock-based compensation	727	(820)
Meals and entertainment	174	361
Section 162(m) limitation - officers compensation	5,093	5,217
Other	425	823
Tax credits	(2,160)	(2,160)
Foreign rate differential	163	37
Change in valuation allowance	19,508	22,679
Provision for income taxes	$ 565	$ 750

The components of the net deferred tax assets are as follows (in thousands):

	December 31,	
	2025	2024
Deferred tax assets:		
Net operating loss carryforwards	$ 150,672	$ 133,233
Tax credit carryforwards	24,229	19,460
Stock-based compensation	13,991	11,810
Capitalized research expenditures	11,739	24,280
Allowances and other	47,162	38,938
Lease obligation	20,558	23,011
Depreciation and amortization	8,293	4,288
Total deferred tax assets	276,644	255,020
Less: Valuation allowance	(254,681)	(242,623)
Net deferred tax assets	21,963	12,397
Deferred tax liabilities:		
Capitalized Internal Use Software	(11,387)	—
ROU assets	(10,391)	(12,094)
Total deferred tax liabilities	(21,778)	(12,094)
Total deferred tax assets	$ 185	$ 303

The realization of deferred tax assets is dependent upon the generation of sufficient taxable income of the appropriate character in future periods. The Company establishes a valuation allowance if it is more-likely-than-not that some portion of the deferred tax assets will not be realized. The Company weighs all available positive and negative evidence, including our earnings history and results of recent operations, scheduled reversals of deferred tax liabilities, projected future taxable income, and tax planning strategies. Due to the uncertainties surrounding the realization of deferred tax assets through future taxable income, the Company has provided a full valuation allowance against its U.S. deferred tax assets, and, therefore, no benefit has been recognized for the net operating loss carryforwards and other deferred tax assets. The U.S. valuation allowance increased by $12.1 million, $24.8 million and $29.7 million for the years ended December 31, 2025, 2024, and 2023, respectively.

The valuation allowance for deferred tax assets consisted of the following activity for the years ended December 31, 2025, 2024, and 2023 (in thousands):

	Balance at Beginning of Year	Additions	Deductions	Balance at End of Year
Year Ended December 31, 2025	$ 242,623	$ 12,058	$ —	$ 254,681
Year Ended December 31, 2024	217,779	24,844	—	242,623
Year Ended December 31, 2023	188,070	29,709	—	217,779

As of December 31, 2025, the Company had approximately $604.2 million of federal and $386.4 million of state net operating loss carryforwards available to offset future taxable income which expires in varying amounts beginning in 2031 and 2026, respectively. Federal losses incurred from 2018 can be carried forward indefinitely.

As of December 31, 2025, the Company had tax credit carryforwards of approximately $20.3 million, and $14.5 million available to reduce future taxable income, if any, for both federal and California purposes, respectively. The federal tax credit carryforwards expire beginning in 2027 and the California tax credits can be carried forward indefinitely.

Federal and state tax laws impose restrictions on the utilization of net operating loss carryforwards in the event of a change in our ownership as defined by the Internal Revenue Code, Sections 382. Under Section 382 of the Code, substantial changes in our ownership and the ownership of acquired companies may limit the amount of net operating loss carryforwards that are available to offset taxable income. The annual limitation would not automatically result in the loss of net operating loss carryforwards but may limit the amount available in any given future period.

A reconciliation of the beginning and ending unrecognized tax benefit amount is as follows (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Balance at beginning of year	$ 6,799	$ 5,774	$ 4,732
Additions for tax positions taken in current year	1,420	1,080	1,080
Increases in balance related to prior year tax positions	186	—	—
Decreases in balance related to prior year tax positions	—	(55)	(38)
Balance at end of year	$ 8,405	$ 6,799	$ 5,774

The Company's policy is to include interest and penalties related to unrecognized tax benefits within the provision for taxes. Management determined that no accrual for interest or penalties was required as of December 31, 2025, 2024, and 2023.

The Company files income tax returns in the U.S. and UK jurisdictions. All of the Company's tax years are open to examination by the U.S. federal and state tax authorities. The UK is open to examination for tax years starting 2017 and forward. The Company currently has no federal, state or foreign tax examinations in progress, nor has it had any federal or state examinations since inception.

The table below is a summary of income taxes paid by jurisdiction pursuant to the disclosure requirements of ASU 2023-09 for the year ended December 31, 2025 (in thousands):

	Year Ended December 31, 2025
Federal	$ —
States	
Texas	110
Oregon	74
Other	67
Foreign	
United Kingdom	887
Other Foreign	58
Total income taxes paid	$ 1,196

iRhythm Philippines, Inc. was granted an income tax holiday by the Philippine Board of Investments, providing a 0% income tax rate for three years, from 2025 through 2027. After such period, the subsidiary will be subject to a 5% Special Corporate Income Tax on gross income earned for an additional ten years, through 2037. For the year ended December 31, 2025, the tax holiday reduced income tax expense by approximately $0.5 million. The benefit of the tax holiday on net loss per share (diluted) was $0.02 for 2025.

A deferred tax liability has not been recognized on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that are indefinitely reinvested outside the U.S. Income taxes are generally incurred upon a repatriation of assets, a sale, or a liquidation of the subsidiary. The unrecognized deferred tax liability is not material for the periods presented.

On July 4, 2025, legislation referred to as the One Big Beautiful Bill Act ("OBBBA") was signed into law. The OBBBA makes certain provisions of the Tax Cuts and Jobs Act of 2017 permanent and makes changes to some U.S. corporate tax provisions, many of which have different effective dates. Key corporate tax provisions of the OBBBA include the restoration of 100% bonus depreciation, the introduction of new Section 174A permitting immediate expensing of domestic research and experimental expenditures, modifications to Section 163(j) interest expense limitations, and the expansion of Section 162(m) aggregation requirements. The provisions of the OBBBA did not have a material impact on the Company's consolidated financial statements for the year ended December 31, 2025. The Company continues to evaluate the impact of the OBBBA, but does not expect the OBBBA to have a material impact on its effective tax rate.

11. STOCKHOLDERS' EQUITY

Common Stock

As of December 31, 2025, the Company's amended and restated certificate of incorporation authorizes the Company to issue 100,000,000 shares of common stock with a par value of $0.001 per share and 5,000,000 shares of preferred stock with a par value of $0.001 per share. The holders of common stock are entitled to receive dividends whenever funds and assets are legally available and when declared by the Board, subject to the prior rights of holders of all series of convertible preferred stock outstanding. No dividends were declared through December 31, 2025.

Treasury Shares

On March 7, 2024, the Company used approximately $25.0 million of the net proceeds from the 2029 Notes offering to repurchase 229,252 shares of the Company's common stock at a purchase price of $109.05 per share via privately negotiated transactions effected through one of the initial purchasers or its affiliate. Repurchased shares of the Company's common stock are held as treasury shares until they are reissued or retired.

Shares Reserved for Issuance

The Company had reserved shares of common stock for issuance as follows (in thousands):

	December 31,	
	2025	2024
Options issued and outstanding	98	283
Unvested restricted stock units and performance-based restricted stock units[1]	2,262	2,289
Shares available for grant under future stock plans	5,750	6,370
Shares available for future issuance	8,110	8,942

[1] PRSUs are based on the maximum number of PRSUs in the key executive grant agreements. The actual number of PRSUs granted will be based on company performance criteria and relative Total Shareholder Return ("TSR"), as discussed in Note 13, Equity Incentive Plans

12. EMPLOYEE BENEFIT PLANS

Defined Contribution Plans

The Company has a defined contribution 401(k) retirement plan (the “401(k) Plan”) covering substantially all employees in the United States. Employees who participate in the 401(k) Plan may contribute up to 90% of eligible compensation each year, subject to Internal Revenue Service limitations and the terms and conditions of the plan. Under the terms of the 401(k) Plan, the Company may elect to match a discretionary percentage of contributions. The Company matches contributions up to 50% and a maximum of $5,000 per year. Additionally, the Company contributes to various plans for its international employees. Total matching contributions made on behalf of the Company's employees were $6.3 million, $6.2 million, and $5.6 million for the years ended December 31, 2025, 2024, and 2023, respectively.

13. EQUITY INCENTIVE PLANS

2016 Equity Incentive Plan

In October 2016, the Company adopted the 2016 Equity Incentive Plan, (the “2016 Plan”). The 2016 Plan was approved by the Company’s stockholders and became effective on October 19, 2016. On the first day of each fiscal year starting from the year ended December 31, 2017 through November 6, 2024, the 2016 Plan authorized an annual increase in the number of shares available for issuance equal to the least of (i) 3,865,000 shares, (ii) 5% of the shares of the Company’s common stock outstanding on the last day of the immediately preceding fiscal year or (iii) such number of shares determined by the Board. On November 7, 2024, the Board of Directors approved an amendment to the 2016 Plan that removed the provision for annual increases. As of December 31, 2025, the Company has reserved 5.8 million shares of common stock available for issuance under the 2016 Plan.

A summary of awards available for grant under the Company's 2016 Plan is as follows (in thousands):

	Shares Available for Grant
Balance as of December 31, 2023	6,765
Awards granted[1]	(869)
Awards forfeited[1]	474
Balance as of December 31, 2024	6,370
Awards granted[1]	(910)
Awards forfeited[1]	290
Balance as of December 31, 2025	5,750

[1] Awards granted and forfeited include PRSUs, which are based on the maximum number of PRSUs in the key executive grant agreements. The actual number of PRSUs granted will be based on company performance criteria and relative TSR, as described below.

Pursuant to the 2016 Plan, stock options, restricted stock, RSUs, performance units, performance shares, and stock appreciation rights may be granted to employees, consultants and directors of the Company. Stock options were not granted during the years ended December 31, 2025, 2024 and 2023.

Employee Stock Purchase Plan

In October 2016, the Board and stockholders approved the 2016 Employee Stock Purchase Plan ("ESPP") which provides eligible employees of the Company with an opportunity to purchase shares of the Company's common stock at a discounted price through accumulated contributions not exceeding $25,000 in a given calendar year. On the first day of each fiscal year, the number of shares reserved for the ESPP increases by the least of (i) 966,062 shares, (ii) 1.5% of the shares of the Company's common stock outstanding on the last day of the immediately preceding fiscal year, or (iii) such number of shares determined by the Board. The ESPP allows eligible employees to purchase shares of the Company's common stock at a discount through payroll deductions of up to 15% of their eligible compensation, subject to any plan limitations. The ESPP provides for 12-month offering periods that each contain two six-month purchase periods. At the end of each purchase period, employees purchase shares at 85% of the lower of the fair market value of the Company's common stock on the first trading day of the offering period or on the last day of the purchase period. If the stock price of the Company's common stock on any purchase date in an offering period is lower than the stock price on the first trading date of that offering period, the offering period will immediately reset after the purchase of shares on such purchase date and automatically roll into a new offering period.

Restricted Stock Units, Performance and Market-Based Restricted Stock Units

The fair value of RSUs and PRSUs are based on the Company's closing stock price on the date of grant. A summary is as follows (in thousands, except weighted average grant date fair value):

	Restricted Stock Units		Performance and Market-Based Restricted Stock Units	
	Shares Underlying RSUs	Weighted Average Grant Date Fair Value	Shares Underlying PRSUs [1]	Weighted Average Grant Date Fair Value
Balance as of December 31, 2023	1,542	$ 117.90	896	$ 121.80
Granted	614	111.96	254	132.66
Vested	(483)	115.33	(62)	77.50
Forfeited	(269)	115.20	(203)	110.03
Balance as of December 31, 2024	1,404	116.33	885	130.44
Granted	651	114.86	259	124.10
Vested	(502)	115.46	(145)	138.36
Forfeited	(133)	114.28	(157)	135.31
Balance as of December 31, 2025	1,420	$ 116.15	842	$ 130.09

[1]Based on the maximum number of performance-based restricted stock units in the key executive grant agreements, the actual number of units granted will be based on the annual unit volume compound annual growth rate ("CAGR") as described below.

As of December 31, 2025, there was total unamortized compensation costs of $94.9 million, net of estimated forfeitures, related to RSUs, which the Company expects to recognize over a weighted average period of 1.6 years. Aggregate intrinsic value of the RSUs was $252.2 million, $126.6 million, and $165.1 million as of December 31, 2025, 2024, and 2023, respectively.

As of December 31, 2025, 1.3 million shares, net of estimated forfeitures, of RSUs were expected to vest with an aggregate intrinsic value of $233.5 million. Total grant date fair value of vested RSUs was $57.9 million, $55.7 million, and $60.0 million during the years ended December 31, 2025, 2024, and 2023, respectively.

As of December 31, 2025, there was total unamortized compensation costs of $27.4 million, net of estimated forfeitures, related to PRSUs, which the Company expects to recognize over a weighted average period of 1.1 years. Aggregate intrinsic value of the PRSUs was $149.3 million, $79.8 million, and $95.9 million as of December 31, 2025, 2024, and 2023, respectively.

As of December 31, 2025, 0.8 million shares, net of estimated forfeitures, of PRSUs were expected to vest with an aggregate intrinsic value of $144.5 million. Total grant date fair value of vested PRSUs was $20.1 million, $4.8 million, and $2.6 million during the years ended December 31, 2025, 2024, and 2023, respectively.

Performance and Market-Based PRSUs

The Company grants PRSUs to its key executives. PRSUs can be earned in accordance with the performance equity program for each respective grant.

In February 2025, the Company granted market-based PRSUs to senior executive officers with a grant date fair value of $15.5 million. The number of shares to be earned subject to these PRSU awards will be based on the cumulative annual growth rate ("CAGR") of annual revenue unit volume calculated between January 1, 2024 and December 31, 2027 and measured against performance thresholds, as well as a relative comparison of the S&P Healthcare Equipment Select Industry Index to the Company's Total Shareholder Return ("TSR"). Each PRSU award has a maximum cap of 200% on the payout irrespective of above-median TSR performance, and maximum unit volume CAGR performance level. The grant date fair value of the PRSU awards was based on the expected term of 2.8 years, interest risk free rate of 4.0%, implied volatility of 56.02% and no dividend yield. These February 2025 awards are subject to the recipient senior executive officer's continued employment through the vesting date aligned with the Company's Board of Directors certifying the payout of the awards, no later than March 15, 2028.

In February 2024, the Company granted market-based PRSUs to senior executive officers. The number of shares to be earned subject to these PRSU awards will be based on the cumulative annual growth rate ("CAGR") of annual unit volume calculated between January 1, 2023 and December 31, 2026 and measured at a minimum performance thresholds, as well as a relative comparison of the S&P Healthcare Equipment Select Industry Index to the Company's Total Shareholder Return ("TSR"). Each PRSU award has a maximum cap of 200% on the payout irrespective of above-median TSR performance, and maximum unit volume CAGR performance level. The fair value of market-based PRSUs were estimated at the date of grant using a Monte-Carlo simulation method. The grant date fair value of the PRSU awards was based on the expected term of 2.8 years, interest risk free rate of 4.4%, implied volatility of 67.95% and no dividend yield. These February 2024 awards are subject to the recipient senior executive officer's continued employment through the vesting date of March 16, 2027.

Options

The following table summarizes stock option activity:

	Options Outstanding			
	Options Outstanding (in thousands)	Weighted-Average Exercise Price Per Share	Weighted-Average Remaining Contractual Life (years)	Aggregate Intrinsic Value (in thousands)
Balance at December 31, 2023	307	$ 42.34	3.29	$ 19,859
Options exercised	(22)	52.69		
Options forfeited	(2)	67.55		
Balance at December 31, 2024	283	41.32	2.38	13,826
Options exercised	(185)	33.80		
Options forfeited	—	89.89		
Balance at December 31, 2025	98	55.49	1.89	11,904
Options exercisable – December 31, 2025	98	55.49	1.89	11,904
Options vested and expected to vest – December 31, 2025	98	$ 55.49	1.89	$ 11,904

There have been no options granted since December 31, 2019. As of December 31, 2025, the options were fully vested. The total estimated grant date fair value of options vested during the period was nil for the years ended December 31, 2025 and 2024, and $0.1 million for the year ended December 31, 2023.

Employee Stock Purchase Plan

The Company issued approximately 74,000, 99,000, and 94,000 shares of common stock under the ESPP during the years ended December 31, 2025, 2024 and 2023, respectively. As of December 31, 2025, approximately 1.9 million shares of the Company's common stock remained available for issuance under the ESPP.

The ESPP provides for 12-month offering periods that contain two six-month purchase periods. The Company determined the fair value of the stock purchase rights under the ESPP using the Black-Scholes option pricing model with the following assumptions for the specified periods.

	Year Ended December 31,		
	2025	2024	2023
Expected Term (years)	0.5 - 1	0.5 - 1	0.5 - 1
Expected Volatility	38.9% - 56.8%	46.5% - 64.1%	48.8% - 59.2%
Dividend Yield	—%	—%	—%
Risk-Free Interest Rate	3.6% - 4.3%	4.3% - 5.4%	5.1% - 5.4%

As of December 31, 2025, the Company had $1.7 million of unrecognized compensation expense that will be recognized over a weighted average period of 0.5 years.

14. STOCK-BASED COMPENSATION

The following table summarizes the total stock-based compensation expense included in the statements of operations and comprehensive loss for all periods presented (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Cost of revenue	$ 2,948	$ 3,092	$ 3,603
Research and development	14,591	13,932	11,391
Selling, general and administrative	70,744	58,954	62,210
Total stock-based compensation expense	$ 88,283	$ 75,978	$ 77,204

Non-Employee Stock-Based Compensation

On March 10, 2023, the Company's former Chief Operating Officer (the "former COO") resigned and entered into a Consulting Agreement ("CA") with the Company through July 2024. Pursuant to the terms of the CA, the former COO vested in outstanding awards as long as services are provided to the Company under the CA as a non-employee consultant. In accordance with ASC 718, the Company recognized expense related to all awards vested over the duration of the CA in 2023 as an equity-severance cost because the consulting services were not substantive. The total expense related to the former COO's non-employee stock-based compensation recognized for the year ended December 31, 2023 was $1.1 million.

On August 31, 2024, the Company's former Chief Financial Officer (the "former CFO") resigned and entered into a CA with the Company through March 15, 2025. Pursuant to the terms of the CA, the former CFO continued to vest in outstanding restricted stock unit awards during the period of his CA services. In accordance with ASC 718, the Company recorded stock-based compensation expense related to the awards expected to vest over the duration of the CA, because the consulting services are substantive. The total expense related to the former CFO's non-employee stock-based compensation recognized for each of the years ended December 31, 2025 and 2024 was $0.1 million and $0.2 million, respectively.

15. NET LOSS PER COMMON SHARE

As the Company had net losses for the years ended December 31, 2025, 2024, and 2023, all potential common shares were determined to be anti-dilutive. The following table sets forth the computation of the basic and diluted net loss per share during the years ended December 31, 2025, 2024, and 2023 (in thousands, except per share data):

	Year Ended December 31,		
	2025	2024	2023
Numerator:			
Net loss	$ (44,551)	$ (113,289)	$ (123,406)
Denominator:			
Weighted-average shares used to compute net loss per common share, basic and diluted	32,004	31,196	30,528
Net loss per common share, basic and diluted	$ (1.39)	$ (3.63)	$ (4.04)

The following outstanding shares of potentially dilutive securities have been excluded from diluted net loss per common share for the years ended December 31, 2025, 2024, and 2023 because their inclusion would be anti-dilutive (in thousands):

	Year Ended December 31,		
	2025	2024	2023
Options to purchase common stock	98	283	307
RSUs and PRSUs[1]	2,262	2,289	2,438
Senior convertible notes	4,492	4,492	—
Total	6,852	7,064	2,745

[1]PRSUs are based on the maximum number of PRSUs in the key executive grant agreements. The actual number of PRSUs granted will be based on company performance criteria and relative TSR, as discussed in Note 13, *Equity Incentive Plan and Stock-Based Compensation*.

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 provide reasonable assurance that information required to be disclosed by us in reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer ("CEO") (principal executive officer) and Chief Financial Officer ("CFO") (principal financial officer), as appropriate to allow for timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives, and management is required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As required by Rule 13a under the Exchange Act, our management, including our CEO and CFO, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rule 13a-15e under the Exchange Act) as of the end of the period covered by this report. Based on that evaluation, our CEO and our CFO have concluded that our disclosure controls and procedures are effective at the reasonable assurance level as of December 31, 2025.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting, as such term is defined in Rule 13a-15(f) of the Exchange Act. Our management has assessed the effectiveness of our internal control over financial reporting as of December 31, 2025, using the criteria described in Internal Control—Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on their evaluation, as of December 31, 2025, our management concluded that our internal control over financial reporting was effective based on these criteria.

The effectiveness of our internal control over financial reporting as of December 31, 2025 has been audited by PricewaterhouseCoopers LLP, an independent registered public accounting firm, as stated in their report which is included in Part II, Item 8 of this Annual Report on Form 10-K.

Changes in Internal Control Over Financial Reporting

There have been no changes in internal control over financial reporting during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's 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 the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company.

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.

ITEM 9B. OTHER INFORMATION.

Rule 10b5-1 Trading Plans

During the three months ended December 31, 2025, the following Section 16 officers and directors adopted, modified, or terminated a "Rule 10b5-1 trading arrangement" (as defined in Item 408 of Regulation S-K of the Exchange Act) intended to satisfy the affirmative defense of Rule 10b5- 1(c):

Name	Title	Action	Action Date	Aggregate Number of Shares to be Sold	Expiration Date[1]
Brian Yoor	Director	Adoption	December 3, 2025	1,600	December 3, 2026
Bruce Bodaken	Director	Adoption	November 17, 2025	228	November 17, 2026
Chad Patterson	Chief Commercial and Product Officer	Adoption	December 3, 2025	67,993 [2]	December 3, 2026
Marc Rosenbaum	SVP, Chief Accounting Officer	Modification	November 25, 2025	1,174	November 25, 2026
Mervin Smith	Executive Vice President, Business Operations	Adoption	November 19, 2025	18,039 [3]	November 19, 2026

(1) Each trading arrangement permitted or permits transactions through and including the date listed in the table.

(2) The aggregate number of shares of common stock that will be available for sale under the Rule 10b5-1 Plan is not yet determinable because the shares available will be net of shares sold to satisfy tax withholding obligations that arise in connection with the vesting and settlement of certain restricted stock unit and performance stock unit awards subject to the Rule 10b5-1 Plan. As such, for purposes of this disclosure, the aggregate number of shares of common stock available for sale includes 55,378 shares, assuming certain escalating minimum threshold prices specified in the Role 10b5-1 Plan are met, which reflects the aggregate maximum number of shares underlying such awards without excluding the shares that will be sold to satisfy the tax withholding obligations.

(3) The aggregate number of shares of common stock that will be available for sale under the Rule 10b5-1 Plan is not yet determinable because the shares available will be net of shares sold to satisfy tax withholding obligations that arise in connection with the vesting and settlement of certain restricted stock unit and performance stock unit awards subject to the Rule 10b5-1 Plan. As such, for purposes of this disclosure, the aggregate number of shares of common stock available for sale includes 15,799 shares, assuming certain escalating minimum threshold prices specified in the Role 10b5-1 Plan are met, which reflects the aggregate maximum number of shares underlying such awards without excluding the shares that will be sold to satisfy the tax withholding obligations.

Each of the Rule 10b5-1 trading arrangements disclosed in the above table was made in accordance with our insider trading policy, which requires a 90-day cooling off period before any transactions under the plan can be executed. Transactions made pursuant to such trading arrangements will be disclosed publicly in Section 16 filings with the SEC in accordance with applicable securities laws, rules and regulations.

During the three months ended December 31, 2025, except as set forth above, none of our Section 16 officers or directors adopted, modified, or terminated a “non-Rule 10b5-1 trading arrangement” (as defined in Item 408 of Regulation S-K of the Exchange Act).

ITEM 9C. DISCLOSURES REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE.

Certain information required by this item may be incorporated by reference from our definitive Proxy Statement to be filed with the SEC in connection with our 2026 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2025, or alternatively, disclosed in an amendment to this Annual Report on Form 10-K.

ITEM 11. EXECUTIVE COMPENSATION.

The information required by this item is incorporated by reference from our definitive Proxy Statement to be filed with the SEC in connection with our 2026 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2025.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT RELATED STOCKHOLDER MATTERS.

The information required by this item is incorporated by reference from our definitive Proxy Statement to be filed with the SEC in connection with our 2026 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2025.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE.

The information required by this item is incorporated by reference from our definitive Proxy Statement to be filed with the SEC in connection with our 2026 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2025.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

Our independent registered public accounting firm is PricewaterhouseCoopers LLP, San Jose, CA.

The information required by this item is incorporated by reference from our definitive Proxy Statement to be filed with the SEC in connection with our 2026 Annual Meeting of Stockholders within 120 days after the end of the fiscal year ended December 31, 2025.

PART IV

ITEM 15. EXHIBITS, FINANCIAL STATEMENT SCHEDULES.

The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements

The financial statements filed as part of this Annual Report on Form 10-K are listed in the “Index to Financial Statements” under Part II, Item 8 of this Annual Report on Form 10-K.

(2) Financial Statement Schedules

Financial statement schedules have been omitted in this Annual Report on Form 10-K because they are not applicable, not required under the instructions, or the information requested is set forth in the financial statements or related notes thereto.

(3) Exhibits

The following is a list of exhibits filed with this Annual Report on Form 10-K incorporated herein by reference (numbered in accordance with Item 601 of Regulation S-K).

Exhibit Index

Exhibit Number	Exhibit Title	Incorporated by Reference				Provided Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation of the Registrant dated January 12, 2026.	8-K12B	001-37918	3.1	January 12, 2026	
3.2	Amended and Restated Bylaws of the Registrant dated January 12, 2026.	8-K12B	001-37918	3.2	January 12, 2026	
4.1	Description of the Registrant's securities registered pursuant to Section 12 of the Exchange Act.	8-K12B	001-37918	4.1	January 12, 2026	
4.2	Indenture dated March 7, 2024 between the Registrant and U.S. Bank Trust Company, NA, as trustee (including the form 1.50% Convertible Senior Notes due 2029).	8-K	001-37918	4.1	March 8, 2024	
4.3	First Supplemental Indenture dated January 12, 2026 between iRhythm Technologies, Inc., iRhythm Holdings, Inc. as Guarantor, and U.S. Bank Trust Company, NA, as trustee.	8-K12B	001-37918	4.2	January 12, 2026	
10.1	Office Lease dated October 4, 2018 between the Registrant and Big Dog Holdings LLC.	10-K	001-37918	10.35	March 4, 2019	
10.2	First Amendment to Office Lease dated May 31, 2019 between the Registrant and Big Dog Holdings LLC.	10-K	001-37918	10.10	February 22, 2024	
10.3	Multi-Tenant Office/Industrial Lease by and between iRhythm Technologies, Inc. and Katella/Holder Street LLC dated March 18, 2021.	10-Q	001-37918	10.42	May 10, 2021	
10.4+*	2016 Equity Incentive Plan, and related form agreements.					X
10.5+*	2016 Employee Stock Purchase Plan.					X
10.6+*	2006 Equity Incentive Plan, and related form agreements					X
10.7+	Executive Incentive Compensation Plan of the Registrant.	S-1/A	333-213773	10.5	October 7, 2016	
10.8+*	Form of Indemnification Agreement for directors and executive officers.					X
10.9+	Amended and Restated Executive Change in Control and Severance Policy of the Registration.					X
10.10+	Offer Letter, dated September 8, 2021, by and between the Registrant and Quentin S. Blackford.	8-K	001-37918	10.1	September 13, 2021	
10.11+	Offer Letter, dated November 15, 2021, by and between the Registrant and Patrick Murphy.	10-K	001-37918	10.19	February 23, 2023	
10.12+	Offer Letter, dated April 24, 2022, by and between the Registrant and Minang Pravin Turakhia, MD.	10-K	001-37918	10.20	February 23, 2023	
10.13+	Offer Letter, dated July 18,2022, by and between the Registrant and Chad Patterson.	10-K	001-37918	10.21	February 23, 2023	
10.14+	Offer Letter dated June 28, 2019, as amended August 1, 2024, by and between the Registrant and Daniel Wilson.	10-K	001-37918	10.2	February 20, 2025	
10.15±	Technology License Agreement dated August 30, 2024 between the Registrant and BioIntelliSense, Inc.	10-Q	001-37918	10.1	October 30, 2024	
10.16	Assignment and Assumption Agreement dated January 12, 2026 between iRhythm Holdings, Inc. and iRhythm Technologies Inc.	8-K12B	001-37918	10.1	January 12, 2026	
19.1 *	Insider Trading Policy of the Registrant.					X
21.1	List of Subsidiaries of the Registrant.					X
22.1	Subsidiary Issuers of Guaranteed Securities.					X
23.1	Consent of Independent Registered Public Accounting Firm (PricewaterhouseCoopers LLP, San Jose, CA)					X
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.					X
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.					X
32.1†	Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
97.1 *	Compensation Recovery Policy of the Registrant.					X

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

† The certification attached as 32.1 that accompanies this Annual Report on Form 10-K, is deemed furnished and not filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of iRhythm Holdings, Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Annual Report on Form 10-K, irrespective of any general incorporation language contained in such filing.

\+ Indicates management contract or compensatory plan.

± Confidential treatment has been requested for portions of this exhibit.The Registrant agrees to furnish supplementally a copy of the omitted schedules and exhibits to the SEC upon request.

* These exhibits are being filed to reflect the assumption of these agreements and documents by the Registrant following the Holding Company Transaction.

ITEM 16. FORM 10-K SUMMARY.

None.

SIGNATURES

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

iRhythm Holdings, Inc.

Date: February 19, 2026

By: /s/ Quentin S. Blackford

Quentin S. Blackford
President and Chief Executive Officer
(Principal Executive Officer)

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

Name	Title	Date
/s/ Quentin S. Blackford Quentin S. Blackford	President, Chief Executive Officer and Director (Principal Executive Officer)	February 19, 2026
/s/ Daniel Wilson Daniel Wilson	Chief Financial Officer (Principal Financial Officer)	February 19, 2026
/s/ Marc Rosenbaum Marc Rosenbaum	Chief Accounting Officer (Principal Accounting Officer)	February 19, 2026
/s/ Abhijit Y. Talwalkar Abhijit Y. Talwalkar	Director and Chairman of the Board	February 19, 2026
/s/ Bruce G. Bodaken Bruce G. Bodaken	Director	February 19, 2026
/s/ Brian Yoor Brian Yoor	Director	February 19, 2026
/s/ C. Noel Bairey Merz C. Noel Bairey Merz, M.D.	Director	February 19, 2026
/s/ Karen Ling Karen Ling	Director	February 19, 2026
/s/ Karen McGinnis Karen McGinnis	Director	February 19, 2026
/s/ Kevin O'Boyle Kevin O'Boyle	Director	February 19, 2026

IRHYTHM HOLDINGS, INC.

2016 EQUITY INCENTIVE PLAN

As amended November 7, 2024.

1. Purposes of the Plan. The purposes of this Plan are:

- to attract and retain the best available personnel for positions of substantial responsibility,
- to provide additional incentive to Employees, Directors and Consultants, and
- to promote the success of the Company's business.

The Plan permits the grant of Incentive Stock Options, Nonstatutory Stock Options, Restricted Stock, Restricted Stock Units, Stock Appreciation Rights, Performance Units and Performance Shares.

2. Definitions. As used herein, the following definitions will apply:

(a) "Administrator" means the Board or any of its Committees as will be administering the Plan, in accordance with Section 4 of the Plan.

(b) "Applicable Laws" means the legal and regulatory requirements relating to the administration of equity-based awards and the related issuance of Shares thereunder, including but not limited to U.S. federal and state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any non-U.S. country or jurisdiction where Awards are, or will be, granted under the Plan.

(c) "Amendment Date" means November 7, 2024.

(d) "Award" means, individually or collectively, a grant under the Plan of Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares.

(e) "Award Agreement" means the written or electronic agreement setting forth the terms and provisions applicable to each Award granted under the Plan. The Award Agreement is subject to the terms and conditions of the Plan.

(f) "Board" means the Board of Directors of the Company.

(g) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the

most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(h) "Code" means the Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or regulation thereunder will include such section or regulation, any valid regulation promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(i) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board, or a duly authorized committee of the Board, in accordance with Section 4 hereof.

(j) "Common Stock" means the common stock of the Company.

(k) "Company" means iRhythm Holdings, Inc., a Delaware corporation, or any successor thereto.

(l) "Consultant" means any natural person, including an advisor, engaged by the Company or a Parent or Subsidiary to render bona fide services to such entity, provided the services (i) are not in connection with the offer or sale of securities in a capital-raising transaction, and (ii) do not directly promote or maintain a market for the Company's securities, in each case, within the meaning of Form S-8 promulgated under the Securities Act.

(m) "Director" means a member of the Board.

(n) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code, provided that in the case of Awards other than Incentive Stock Options, the Administrator in its discretion may determine whether a permanent and total disability exists in accordance with uniform and non-discriminatory standards adopted by the Administrator from time to time.

(o) "Employee" means any person, including Officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company will be sufficient to constitute "employment" by the Company.

(p) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(q) "Exchange Program" means a program under which (i) outstanding Awards are surrendered or cancelled in exchange for awards of the same type (which may have higher or lower exercise prices and different terms), awards of a different type, and/or cash, (ii) Participants would have the opportunity to transfer any outstanding Awards to a financial institution or other person or entity selected by the Administrator, and/or (iii) the exercise price of an outstanding Award is increased or reduced. The Administrator will determine the terms and conditions of any Exchange Program in its sole discretion.

(r) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, the NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, the Fair Market Value of a Share will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or, if no bids and asks were reported on that date, as applicable, on the last trading date such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) For purposes of any Awards granted on the Registration Date, the Fair Market Value will be the initial price to the public as set forth in the final prospectus included within the registration statement on Form S-1 filed with the Securities and Exchange Commission for the initial public offering of the Common Stock; or

(iv) In the absence of an established market for the Common Stock, the Fair Market Value will be determined in good faith by the Administrator.

(s) "Fiscal Year" means the fiscal year of the Company.

(t) "Incentive Stock Option" means an Option that by its terms qualifies and is intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(u) "Inside Director" means a Director who is an Employee.

(v) "Nonstatutory Stock Option" means an Option that by its terms does not qualify or is not intended to qualify as an Incentive Stock Option.

(w) "Officer" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act and the rules and regulations promulgated thereunder.

(x) "Option" means a stock option granted pursuant to the Plan.

(y) "Outside Director" means a Director who is not an Employee.

(z) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(aa) "Participant" means the holder of an outstanding Award.

(bb) "Performance Share" means an Award denominated in Shares which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine pursuant to Section 10.

(cc) "Performance Unit" means an Award which may be earned in whole or in part upon attainment of performance goals or other vesting criteria as the Administrator may determine and which may be settled for cash, Shares or other securities or a combination of the foregoing pursuant to Section 10.

(dd) "Period of Restriction" means the period during which the transfer of Shares of Restricted Stock are subject to restrictions and therefore, the Shares are subject to a substantial risk of forfeiture. Such restrictions may be based on the passage of time, the achievement of target levels of performance, or the occurrence of other events as determined by the Administrator.

(ee) "Plan" means this 2016 Equity Incentive Plan.

(ff) "Registration Date" means the effective date of the first registration statement that is filed by the Company and declared effective pursuant to Section 12(b) of the Exchange Act, with respect to any class of the Company's securities.

(gg) "Restricted Stock" means Shares issued pursuant to a Restricted Stock award under Section 7 of the Plan, or issued pursuant to the early exercise of an Option.

(hh) "Restricted Stock Unit" means a bookkeeping entry representing an amount equal to the Fair Market Value of one Share, granted pursuant to Section 8. Each Restricted Stock Unit represents an unfunded and unsecured obligation of the Company.

(ii) "Rule 16b-3" means Rule 16b-3 of the Exchange Act or any successor to Rule 16b-3, as in effect when discretion is being exercised with respect to the Plan.

(jj) "Section 16(b)" means Section 16(b) of the Exchange Act.

(kk) "Service Provider" means an Employee, Director or Consultant.

(ll) "Share" means a share of the Common Stock, as adjusted in accordance with Section 14 of the Plan.

(mm) "Stock Appreciation Right" means an Award, granted alone or in connection with an Option, that pursuant to Section 9 is designated as a Stock Appreciation Right.

(nn) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan.

(a) Stock Subject to the Plan. Subject to the provisions of Section 14 of the Plan, the maximum aggregate number of Shares that may be issued under the Plan as of the Amendment Date is 5,169,736 Shares, plus any Shares subject to stock options or similar awards granted under the Company's 2006 Stock Plan (the "2006 Plan") that, on or after the Amendment Date, expire or otherwise terminate without having been exercised in full and Shares issued pursuant to awards granted under the 2006 Plan that are forfeited to or repurchased by the Company. The Shares may be authorized, but unissued, or reacquired Common Stock.

(b) Lapsed Awards. If an Award expires or becomes unexercisable without having been exercised in full, is surrendered pursuant to an Exchange Program, or, with respect to Restricted Stock, Restricted Stock Units, Performance Units or Performance Shares, is forfeited to, or repurchased by, the Company due to failure to vest, then the unpurchased Shares (or for Awards other than Options or Stock Appreciation Rights the forfeited or repurchased Shares), which were subject thereto will become available for future grant or sale under the Plan (unless the Plan has

terminated). With respect to Stock Appreciation Rights, only Shares actually issued (i.e., the net Shares issued) pursuant to a Stock Appreciation Right will cease to be available under the Plan; all remaining Shares under Stock Appreciation Rights will remain available for future grant or sale under the Plan (unless the Plan has terminated). Shares that actually have been issued under the Plan under any Award will not be returned to the Plan and will not become available for future distribution under the Plan; provided, however, that if Shares issued pursuant to Awards of Restricted Stock, Restricted Stock Units, Performance Shares or Performance Units are repurchased by the Company or are forfeited to the Company, such Shares will become available for future grant under the Plan. Shares used to pay the exercise price of an Award or to satisfy the tax withholding obligations related to an Award will become available for future grant or sale under the Plan. To the extent an Award under the Plan is paid out in cash rather than Shares, such cash payment will not result in reducing the number of Shares available for issuance under the Plan. Notwithstanding the foregoing and, subject to adjustment as provided in Section 14, the maximum number of Shares that may be issued upon the exercise of Incentive Stock Options will equal the aggregate Share number stated in Section 3(a), plus, to the extent allowable under Section 422 of the Code, any Shares that become available for issuance under the Plan pursuant to Sections 3(b).

(c) Share Reserve. The Company, during the term of this Plan, will at all times reserve and keep available such number of Shares as will be sufficient to satisfy the requirements of the Plan.

4. Administration of the Plan.

(a) Procedure.

(i) Multiple Administrative Bodies. Different Committees with respect to different groups of Service Providers may administer the Plan.

(ii) Section 162(m). To the extent that the Administrator determines it to be desirable to qualify Awards granted hereunder as "performance-based compensation" within the meaning of Section 162(m) of the Code, the Plan will be administered by a Committee of two (2) or more "outside directors" within the meaning of Section 162(m) of the Code.

(iii) Rule 16b-3. To the extent desirable to qualify transactions hereunder as exempt under Rule 16b-3, the transactions contemplated hereunder will be structured to satisfy the requirements for exemption under Rule 16b-3.

(iv) Other Administration. Other than as provided above, the Plan will be administered by (A) the Board or (B) a Committee, which committee will be constituted to satisfy Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan, and in the case of a Committee, subject to the specific duties delegated by the Board to such Committee, the Administrator will have the authority, in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Awards may be granted hereunder;

(iii) to determine the number of Shares to be covered by each Award granted hereunder;

(iv) to approve forms of Award Agreements for use under the Plan;

(v) to determine the terms and conditions, not inconsistent with the terms of the Plan, of any Award granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Awards may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Award or the Shares relating thereto, based in each case on such factors as the Administrator will determine;

(vi) to institute and determine the terms and conditions of an Exchange Program;

(vii) to construe and interpret the terms of the Plan and Awards granted pursuant to the Plan;

(viii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws or for qualifying for favorable tax treatment under applicable foreign laws;

(ix) to modify or amend each Award (subject to Section 19 of the Plan), including but not limited to the discretionary authority to extend the post-termination exercisability period of Awards and to extend the maximum term of an Option (subject to Section 6(b) of the Plan regarding Incentive Stock Options);

(x) to allow Participants to satisfy tax withholding obligations in such manner as prescribed in Section 15 of the Plan;

(xi) to authorize any person to execute on behalf of the Company any instrument required to effect the grant of an Award previously granted by the Administrator;

(xii) to allow a Participant to defer the receipt of the payment of cash or the delivery of Shares that otherwise would be due to such Participant under an Award; and

(xiii) to make all other determinations deemed necessary or advisable for administering the Plan.

(c) Effect of Administrator's Decision. The Administrator's decisions, determinations and interpretations will be final and binding on all Participants and any other holders of Awards.

5. Eligibility. Nonstatutory Stock Options, Stock Appreciation Rights, Restricted Stock, Restricted Stock Units, Performance Shares and Performance Units may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Stock Options.

(a) Limitations. Each Option will be designated in the Award Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Participant during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds one hundred thousand dollars ($100,000), such Options will be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options will be taken into account in the order in which they were granted. The Fair Market Value of the Shares will be determined as of the time the Option with respect to such Shares is granted.

(b) Term of Option. The term of each Option will be stated in the Award Agreement. In the case of an Incentive Stock Option, the term will be ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement. Moreover, in the case of an Incentive Stock Option granted to a Participant who, at the time the Incentive Stock Option is granted, owns stock representing more than ten percent (10%) of the total combined voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Incentive Stock Option will be five (5) years from the date of grant or such shorter term as may be provided in the Award Agreement.

(c) Option Exercise Price and Consideration.

(i) Exercise Price. The per share exercise price for the Shares to be issued pursuant to exercise of an Option will be determined by the Administrator, subject to the following:

(1) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time the Incentive Stock Option is

granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the per Share exercise price will be no less than one hundred ten percent (110%) of the Fair Market Value per Share on the date of grant.

(B) granted to any Employee other than an Employee described in paragraph (A) immediately above, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(2) In the case of a Nonstatutory Stock Option, the per Share exercise price will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant.

(3) Notwithstanding the foregoing, Options may be granted with a per Share exercise price of less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant pursuant to a transaction described in, and in a manner consistent with, Section 424(a) of the Code.

(ii) Waiting Period and Exercise Dates. At the time an Option is granted, the Administrator will fix the period within which the Option may be exercised and will determine any conditions that must be satisfied before the Option may be exercised.

(iii) Form of Consideration. The Administrator will determine the acceptable form of consideration for exercising an Option, including the method of payment. In the case of an Incentive Stock Option, the Administrator will determine the acceptable form of consideration at the time of grant. Such consideration may consist entirely of: (1) cash; (2) check; (3) promissory note, to the extent permitted by Applicable Laws; (4) other Shares, provided that such Shares have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option will be exercised and provided that accepting such Shares will not result in any adverse accounting consequences to the Company, as the Administrator determines in its sole discretion; (5) consideration received by the Company under a broker-assisted (or other) cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; (6) by net exercise; (7) such other consideration and method of payment for the issuance of Shares to the extent permitted by Applicable Laws; or (8) any combination of the foregoing methods of payment.

(d) Exercise of Option.

(i) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder will be exercisable according to the terms of the Plan and at such times and under such conditions as determined by the Administrator and set forth in the Award Agreement. An Option may not be exercised for a fraction of a Share.

An Option will be deemed exercised when the Company receives: (i) a notice of exercise (in such form as the Administrator may specify from time to time) from the person entitled to exercise the Option, and full payment for the Shares with respect to which the Option is exercised (together with applicable withholding taxes). Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Award Agreement and the Plan. Shares issued upon exercise of an Option will be issued in the name of the Participant or, if requested by the Participant, in the name of the Participant and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder will exist with respect to the Shares subject to an Option, notwithstanding the exercise of the Option. The Company will issue (or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 14 of the Plan.

Exercising an Option in any manner will decrease the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(ii) Termination of Relationship as a Service Provider. If a Participant ceases to be a Service Provider, other than upon the Participant's termination as the result of the Participant's death or Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the

extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for three (3) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified by the Administrator, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iii) Disability of Participant. If a Participant ceases to be a Service Provider as a result of the Participant's Disability, the Participant may exercise his or her Option within such period of time as is specified in the Award Agreement to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Award Agreement). In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following the Participant's termination. Unless otherwise provided by the Administrator, if on the date of termination the Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will revert to the Plan. If after termination the Participant does not exercise his or her Option within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

(iv) Death of Participant. If a Participant dies while a Service Provider, the Option may be exercised following the Participant's death within such period of time as is specified in the Award Agreement to the extent that the Option is vested on the date of death (but in no event may the option be exercised later than the expiration of the term of such Option as set forth in the Award Agreement), by the Participant's designated beneficiary, provided such beneficiary has been designated prior to Participant's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Participant, then such Option may be exercised by the personal representative of the Participant's estate or by the person(s) to whom the Option is transferred pursuant to the Participant's will or in accordance with the laws of descent and distribution. In the absence of a specified time in the Award Agreement, the Option will remain exercisable for twelve (12) months following Participant's death. Unless otherwise provided by the Administrator, if at the time of death Participant is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option will immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option will terminate, and the Shares covered by such Option will revert to the Plan.

7. Restricted Stock.

(a) Grant of Restricted Stock. Subject to the terms and provisions of the Plan, the Administrator, at any time and from time to time, may grant Shares of Restricted Stock to Service Providers in such amounts as the Administrator, in its sole discretion, will determine.

(b) Restricted Stock Agreement. Each Award of Restricted Stock will be evidenced by an Award Agreement that will specify the Period of Restriction, if any, the number of Shares granted, and such other terms and conditions as the Administrator, in its sole discretion, will determine. Unless the Administrator determines otherwise, the Company as escrow agent will hold Shares of Restricted Stock until the restrictions on such Shares have lapsed.

(c) Transferability. Except as provided in this Section 7 or the Award Agreement, Shares of Restricted Stock may not be sold, transferred, pledged, assigned, or otherwise alienated or hypothecated until the end of the applicable Period of Restriction.

(d) Other Restrictions. The Administrator, in its sole discretion, may impose such other restrictions on Shares of Restricted Stock as it may deem advisable or appropriate.

(e) Removal of Restrictions. Except as otherwise provided in this Section 7, Shares of Restricted Stock covered by each Restricted Stock grant made under the Plan will be released from escrow as soon as practicable after the last day of the Period of Restriction or at such other time as the Administrator may determine. The Administrator, in its discretion, may accelerate the time at which any restrictions will lapse or be removed.

(f) Voting Rights. During the Period of Restriction, Service Providers holding Shares of Restricted Stock granted hereunder may exercise full voting rights with respect to those Shares, unless the Administrator determines otherwise.

(g) Dividends and Other Distributions. During the Period of Restriction, Service Providers holding Shares of Restricted Stock will be entitled to receive all dividends and other distributions paid with respect to such Shares, unless the Administrator provides otherwise. If any such dividends or distributions are paid in Shares, the Shares will be subject to the same restrictions on transferability and forfeitability as the Shares of Restricted Stock with respect to which they were paid.

(h) Return of Restricted Stock to Company. On the date set forth in the Award Agreement, the Restricted Stock for which restrictions have not lapsed will revert to the Company and again will become available for grant under the Plan.

8. Restricted Stock Units.

(a) Grant. Restricted Stock Units may be granted at any time and from time to time as determined by the Administrator. After the Administrator determines that it will grant Restricted Stock Units under the Plan, it will advise the Participant in an Award Agreement of the terms, conditions, and restrictions related to the grant, including the number of Restricted Stock Units.

(b) Vesting Criteria and Other Terms. The Administrator will set vesting criteria in its discretion, which, depending on the extent to which the criteria are met, will determine the number of Restricted Stock Units that will be paid out to the Participant. The Administrator may set vesting criteria based upon the achievement of Company-wide, divisional, business unit, or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws or any other basis determined by the Administrator in its discretion.

(c) Earning Restricted Stock Units. Upon meeting the applicable vesting criteria, the Participant will be entitled to receive a payout as determined by the Administrator. Notwithstanding the foregoing, at any time after the grant of Restricted Stock Units, the Administrator, in its sole discretion, may reduce or waive any vesting criteria that must be met to receive a payout.

(d) Form and Timing of Payment. Payment of earned Restricted Stock Units will be made as soon as practicable after the date(s) determined by the Administrator and set forth in the Award Agreement. The Administrator, in its sole discretion, may only settle earned Restricted Stock Units in cash, Shares, or a combination of both.

(e) Cancellation. On the date set forth in the Award Agreement, all unearned Restricted Stock Units will be forfeited to the Company.

9. Stock Appreciation Rights.

(a) Grant of Stock Appreciation Rights. Subject to the terms and conditions of the Plan, a Stock Appreciation Right may be granted to Service Providers at any time and from time to time as will be determined by the Administrator, in its sole discretion.

(b) Number of Shares. The Administrator will have complete discretion to determine the number of Stock Appreciation Rights granted to any Service Provider.

(c) Exercise Price and Other Terms. The per share exercise price for the Shares to be issued pursuant to exercise of a Stock Appreciation Right will be determined by the Administrator and will be no less than one hundred percent (100%) of the Fair Market Value per Share on the date of grant. Otherwise, the Administrator, subject to the provisions of the Plan, will have complete discretion to determine the terms and conditions of Stock Appreciation Rights granted under the Plan.

(d) Stock Appreciation Right Agreement. Each Stock Appreciation Right grant will be evidenced by an Award Agreement that will specify the exercise price, the term of the Stock Appreciation Right, the conditions of exercise, and such other terms and conditions as the Administrator, in its sole discretion, will determine.

(e) Expiration of Stock Appreciation Rights. A Stock Appreciation Right granted under the Plan will expire ten (10) years from the date of grant or such shorter term as may be provided in the Award Agreement, as determined by the Administrator, in its sole discretion. Notwithstanding the foregoing, the rules of Section 6(d) relating to exercise also will apply to Stock Appreciation Rights.

(f) Payment of Stock Appreciation Right Amount. Upon exercise of a Stock Appreciation Right, a Participant will be entitled to receive payment from the Company in an amount determined by multiplying:

(i) The difference between the Fair Market Value of a Share on the date of exercise over the exercise price; times

(ii) The number of Shares with respect to which the Stock Appreciation Right is exercised.

At the discretion of the Administrator, the payment upon Stock Appreciation Right exercise may be in cash, in Shares of equivalent value, or in some combination thereof.

10. Performance Units and Performance Shares.

(a) Grant of Performance Units/Shares. Performance Units and Performance Shares may be granted to Service Providers at any time and from time to time, as will be determined by the Administrator, in its sole discretion. The Administrator will have complete discretion in determining the number of Performance Units and Performance Shares granted to each Participant.

(b) Value of Performance Units/Shares. Each Performance Unit will have an initial value that is established by the Administrator on or before the date of grant. Each Performance Share will have an initial value equal to the Fair Market Value of a Share on the date of grant.

(c) Performance Objectives and Other Terms. The Administrator will set performance objectives or other vesting provisions (including, without limitation, continued status as a Service Provider) in its discretion which, depending on the extent to which they are met, will determine the number or value of Performance Units/Shares that will be paid out to the Service Providers. The time period during which the performance objectives or other vesting provisions must be met will be called the "Performance Period." Each Award of Performance Units/Shares will be evidenced by an Award Agreement that will specify the Performance Period, and such other terms and conditions as the Administrator, in its sole discretion, will determine. The Administrator may set performance objectives based upon the achievement of Company-wide, divisional, business unit or individual goals (including, but not limited to, continued employment or service), applicable federal or state securities laws, or any other basis determined by the Administrator in its discretion.

(d) Earning of Performance Units/Shares. After the applicable Performance Period has ended, the holder of Performance Units/Shares will be entitled to receive a payout of the number of Performance Units/Shares earned by the Participant over the Performance Period, to be determined as a function of the extent to which the corresponding performance objectives or other vesting provisions have been achieved. After the grant of a Performance Unit/Share, the Administrator, in its sole discretion, may reduce or waive any performance objectives or other vesting provisions for such Performance Unit/Share.

(e) Form and Timing of Payment of Performance Units/Shares. Payment of earned Performance Units/Shares will be made as soon as practicable after the expiration of the applicable Performance Period. The Administrator, in its sole discretion, may pay earned Performance Units/Shares in the form of cash, in Shares (which have an aggregate Fair Market Value equal to the value of the earned Performance Units/Shares at the close of the applicable Performance Period) or in a combination thereof.

(f) Cancellation of Performance Units/Shares. On the date set forth in the Award Agreement, all unearned or unvested Performance Units/Shares will be forfeited to the Company, and again will be available for grant under the Plan.

11. Outside Director Limitations. Awards. No Outside Director may be granted, in any Fiscal Year, Awards with a grant date fair value (determined in accordance with U.S. generally accepted accounting principles) of greater than $300,000, increased to $500,000 in the Fiscal Year of his or her initial service as an Outside Director. Any Awards granted to an individual while he or she was an Employee, or while he or she was a Consultant but not an Outside Director, will not count for purposes of the limitations under this Section 11.

12. Leaves of Absence/Transfer Between Locations. Unless the Administrator provides otherwise, vesting of Awards granted hereunder will be suspended during any unpaid leave of absence. A Participant will not cease to be an Employee in the case of (i) any leave of absence approved by the Company or (ii) transfers between locations of the Company or between the Company, its Parent, or any Subsidiary. For purposes of Incentive Stock Options, no such leave may exceed three (3) months, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then six (6) months following the first (1st) day of such leave any Incentive Stock Option held by the Participant will cease to be treated as an Incentive Stock Option and will be treated for tax purposes as a Nonstatutory Stock Option.

13. Transferability of Awards. Unless determined otherwise by the Administrator, an Award may not be sold, pledged, assigned, hypothecated, transferred, or disposed of in any manner other than by will or by the laws of descent or distribution and may be exercised, during the lifetime of the Participant, only by the Participant. If the Administrator makes an Award transferable, such Award will contain such additional terms and conditions as the Administrator deems appropriate.

14. Adjustments; Dissolution or Liquidation; Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Award, and the numerical Share limit in Section 3 of the Plan.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator will notify each Participant as soon as practicable prior to the effective date of such proposed transaction. To the extent it previously has not been exercised, an Award will terminate immediately prior to the consummation of such proposed action.

(c) Change in Control. In the event of a Change in Control, each outstanding Award will be treated as the Administrator determines, including, without limitation, that (i) Awards may be assumed, or substantially equivalent Awards will be substituted, by the acquiring or succeeding corporation (or an affiliate thereof) with appropriate adjustments as to the number and kind of shares and prices; (ii) upon written notice to a Participant, that the Participant's Awards will terminate upon or immediately prior to the consummation of such Change in Control; outstanding Awards will vest and become exercisable, realizable, or payable, or restrictions applicable to an Award will lapse, in whole or in part prior to or upon consummation of such Change in Control, and, to the extent the Administrator determines, terminate upon or immediately prior to the effectiveness of such merger or Change in Control; (iv) (A) the termination of an Award in exchange for an amount of cash and/or property, if any, equal to the amount that would have been attained upon the exercise of such Award or realization of the Participant's rights as of the date of the occurrence of the transaction (and, for the avoidance of doubt, if as of the date of the occurrence of the transaction the Administrator determines in good faith that no amount would have been attained upon the exercise of such Award or realization of the Participant's rights, then such Award may be terminated by the Company without payment), or (B) the replacement of such Award with other rights or property selected by the Administrator in its sole discretion; or (v) any combination of the foregoing. In taking any of the actions permitted under this Section 14(c), the Administrator will not be required to treat all Awards similarly in the transaction.

In the event that the successor corporation does not assume or substitute for the Award, the Participant will fully vest in and have the right to exercise all of his or her outstanding Options and Stock Appreciation Rights, including Shares as to which such Awards would not otherwise be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met. In addition, if an Option or Stock Appreciation Right is not assumed or substituted in the event of a Change in Control, the Administrator will notify the Participant in writing or electronically that the Option or Stock Appreciation Right will be exercisable for a period of time determined by the Administrator in its sole discretion, and the Option or Stock Appreciation Right will terminate upon the expiration of such period.

For the purposes of this subsection (c), an Award will be considered assumed if, following the Change in Control, the Award confers the right to purchase or receive, for each Share subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, or other securities or property) received in the Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the Change in Control is not solely common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of an Option or Stock Appreciation Right or upon the payout of a Restricted Stock Unit, Performance Unit or Performance Share, for each Share subject to such Award, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of Common Stock in the Change in Control.

Notwithstanding anything in this Section 14(c) to the contrary, an Award that vests, is earned or paid-out upon the satisfaction of one or more performance goals will not be considered assumed if the Company or its successor modifies any of such performance goals without the Participant's consent; provided, however, a modification to such performance goals only to reflect the successor corporation's post-Change in Control corporate structure will not be deemed to invalidate an otherwise valid Award assumption.

(d) Outside Director Awards. With respect to Awards granted to an Outside Director, in the event of a Change in Control, the Participant will fully vest in and have the right to exercise Options and/or Stock Appreciation Rights as to all of the Shares underlying such Award, including those Shares which otherwise would not be vested or exercisable, all restrictions on Restricted Stock and Restricted Stock Units will lapse, and, with respect to Awards with performance-based vesting, all performance goals or other vesting criteria will be deemed achieved at one hundred percent (100%) of target levels and all other terms and conditions met.

15. Tax.

(a) Withholding Requirements. Prior to the delivery of any Shares or cash pursuant to an Award (or exercise thereof) or such earlier time as any tax withholding obligations are due, the Company will have the power and the right to deduct or withhold, or require a Participant to remit to the Company, an amount sufficient to satisfy federal, state, local, foreign or other taxes (including the Participant's FICA obligation) required to be withheld with respect to such Award (or exercise thereof).

(b) Withholding Arrangements. The Administrator, in its sole discretion and pursuant to such procedures as it may specify from time to time, may permit a Participant to satisfy such tax withholding obligation, in whole or in part by (without limitation) (a) paying cash, (b) electing to have the Company withhold otherwise deliverable cash or Shares having a Fair Market Value equal to the amount required to be withheld or other greater amount up to the maximum statutory rate under Applicable Laws, as applicable to the Participant, if such other greater amount would not result in adverse financial accounting treatment, as determined by the Company (including in connection with the effectiveness of FASB Accounting Standards Update 2016-09 amending FASB Accounting Standards Codification Topic 718, Compensation – Stock Compensation), or (c) delivering to the Company already-owned Shares having a Fair Market Value equal to the minimum statutory amount required to be withheld. The Fair Market Value of the Shares to be withheld or delivered will be determined as of the date that the taxes are required to be withheld.

(c) Compliance With Code Section 409A. Awards will be designed and operated in such a manner that they are either exempt from the application of, or comply with, the requirements of Code Section 409A such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A, except as otherwise determined in the sole discretion of the Administrator. The Plan and each Award Agreement under the Plan is intended to meet the requirements of Code Section 409A and will be construed and interpreted in accordance with such intent, except as otherwise determined in the sole discretion of the Administrator. To the extent that an Award or payment, or the settlement or deferral thereof, is subject to Code Section 409A, the Award will be granted, paid, settled or deferred in a manner that will meet the requirements of Code Section 409A, such that the grant, payment, settlement or deferral will not be subject to the additional tax or interest applicable under Code Section 409A.

16. No Effect on Employment or Service. Neither the Plan nor any Award will confer upon a Participant any right with respect to continuing the Participant's relationship as a Service Provider with the Company, nor will they interfere in any way with the Participant's right or the Company's right to terminate such relationship at any time, with or without cause, to the extent permitted by Applicable Laws.

17. Date of Grant. The date of grant of an Award will be, for all purposes, the date on which the Administrator makes the determination granting such Award, or such other later date as is determined by the Administrator. Notice of the determination will be provided to each Participant within a reasonable time after the date of such grant.

18. Term of Plan. Subject to Section 22 of the Plan, the Plan will become effective upon the later to occur of (i) its adoption by the Board or (ii) the business day immediately prior to the Registration Date. It will continue in effect for a term of ten (10) years from the date adopted by the Board, unless terminated earlier under Section 19 of the Plan.

19. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Administrator may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Company will obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan will materially impair the rights of any Participant, unless mutually agreed otherwise between the Participant and the Administrator, which agreement must be in writing and signed by the Participant and the Company. Termination of the Plan will not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Awards granted under the Plan prior to the date of such termination.

20. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares will not be issued pursuant to the exercise of an Award unless the exercise of such Award and the issuance and delivery of such Shares will comply with Applicable Laws and will be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Award, the Company may require the person exercising such Award to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

21. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction or to complete or comply with the requirements of any registration or other qualification of the Shares under any state, federal or foreign law or under the rules and regulations of the Securities and Exchange Commission, the stock exchange on which Shares of the same class are then listed, or any other governmental or regulatory body, which authority, registration, qualification or rule compliance is deemed by the Company's counsel

to be necessary or advisable for the issuance and sale of any Shares hereunder, will relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority, registration, qualification or rule compliance will not have been obtained.

22. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

IRHYTHM HOLDINGS, INC.
2016 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

NOTICE OF GRANT OF RESTRICTED STOCK UNITS

Unless otherwise defined herein, the terms defined in the 2016 Equity Incentive Plan (the "Plan") shall have the same defined meanings in this Restricted Stock Unit Award Agreement, including the Notice of Grant of Restricted Stock Units (the "Notice of Grant"), the Terms and Conditions of Restricted Stock Unit Grant, and any appendices and exhibits attached thereto (all together, this "Award Agreement").

Name ("Participant):
Address:

The undersigned Participant has been granted the right to receive an Award of Restricted Stock Units, subject to the terms and conditions of the Plan and this Award Agreement, as follows:

Date of Grant

Vesting Commencement Date

Number of Restricted Stock Units

Vesting Schedule:

Subject to any acceleration provisions contained in the Plan or set forth below, the Restricted Stock Units will vest in accordance with the following schedule:

Shares Vesting	Vesting Date

In the event Participant ceases to be a Service Provider for any or no reason before Participant vests in the Restricted Stock Units, the Restricted Stock Units and Participant's right to acquire any Shares hereunder will immediately terminate.

By clicking on the accept button on this webpage, Participant acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Award Agreement subject to all of the terms and provisions thereof. Participant has reviewed the Plan and this Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to clicking on the accept button for this Award Agreement and fully understands all provisions of this Award Agreement. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Award Agreement. Participant further agrees to notify the Company upon any change in the residence address.

By accepting this Award Agreement, Participant expressly consents to the sale of Shares to cover the Tax Withholding Obligations (as defined in the Terms and Conditions of Restricted Stock Unit Grant) arising from the Restricted Stock Units and any associated broker or other fees and agrees and acknowledges that Participant may not satisfy them by any means other than such sale of Shares, unless required to do so by the Administrator or pursuant to the Administrator's express written consent.

IRHYTHM HOLDINGS, INC.
2016 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

TERMS AND CONDITIONS OF RESTRICTED STOCK UNIT GRANT

1. Grant of Restricted Stock Units. The Company hereby grants to the individual (the "Participant") named in the Notice of Grant of Restricted Stock Units of this Award Agreement (the "Notice of Grant") under the Plan an Award of Restricted Stock Units, subject to all of the terms and conditions in this Award Agreement and the Plan, which is incorporated herein by reference. Subject to Section 19(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Award Agreement, the terms and conditions of the Plan shall prevail.

2. Company's Obligation to Pay. Each Restricted Stock Unit represents the right to receive a Share on the date it vests. Unless and until the Restricted Stock Units will have vested in the manner set forth in Section 3 or 4, Participant will have no right to payment of any such Restricted Stock Units. Prior to actual payment of any vested Restricted Stock Units, such Restricted Stock Unit will represent an unsecured obligation of the Company, payable (if at all) only from the general assets of the Company.

3. Vesting Schedule. Except as provided in Section 4, and subject to Section 5, the Restricted Stock Units awarded by this Award Agreement will vest in accordance with the vesting schedule set forth in the Notice of Grant, subject to Participant continuing to be a Service Provider through each applicable vesting date.

4. Payment after Vesting.

(a) General Rule. Subject to Section 6, any Restricted Stock Units that vest will be paid to Participant (or in the event of Participant's death, to his or her properly designated beneficiary or estate) in whole Shares. Subject to the provisions of Section 4(b), such vested Restricted Stock Units shall be paid in whole Shares as soon as practicable after vesting, but in each such case within sixty (60) days following the vesting date. In no event will Participant be permitted, directly or indirectly, to specify the taxable year of payment of any Restricted Stock Units payable under this Award Agreement.

(b) Acceleration.

(i) Discretionary Acceleration. The Administrator, in its discretion, may accelerate the vesting of the balance, or some lesser portion of the balance, of the unvested Restricted Stock Units at any time, subject to the terms of the Plan. If so accelerated, such Restricted Stock Units will be considered as having vested as of the date specified by the Administrator. If Participant is a U.S. taxpayer, the payment of Shares vesting pursuant to this Section 4(b) shall in all cases be paid at a time or in a manner that is exempt from, or complies with, Section 409A. The prior sentence may be superseded in a future agreement or amendment to this Award Agreement only by direct and specific reference to such sentence.

(ii) Notwithstanding anything in the Plan or this Award Agreement or any other agreement (whether entered into before, on or after the Date of Grant), if the vesting of the balance, or some lesser portion of the balance, of the Restricted Stock Units is accelerated in connection with Participant's termination as a Service Provider (provided, when applicable, that such termination is a "separation from service" within the meaning of Section 409A, as determined by the Company), other than due to Participant's death**,** and if (x) Participant is a U.S. taxpayer and a "specified employee" within the meaning of Section 409A at the time of such termination as a Service Provider and (y) the payment of such accelerated Restricted Stock Units will result in the imposition of additional tax under Section 409A if paid to Participant on or within the six (6) month period following Participant's termination as a Service Provider, then the payment of such accelerated Restricted Stock Units will not be made until the date six (6) months and one (1) day following the date of Participant's termination as a Service Provider, unless Participant dies following his or her termination as a Service Provider, in which case, the Restricted Stock Units will be paid in Shares to Participant's estate as soon as practicable following his or her death.

(c) Section 409A. It is the intent of this Award Agreement that it and all payments and benefits to U.S. taxpayers hereunder be exempt from, or comply with, the requirements of Section 409A so that none of the Restricted Stock Units provided under this Award Agreement or Shares issuable thereunder will be subject to the additional tax imposed under Section 409A, and any ambiguities herein will be interpreted to be so exempt or so comply. Each payment payable under this Award Agreement is intended to constitute a separate payment for purposes of Treasury Regulation Section 1.409A-2(b)(2). For purposes of this Award Agreement, "Section 409A" means Section 409A of the Code, and any final Treasury Regulations and Internal Revenue Service guidance thereunder, as each may be amended from time to time.

5. Forfeiture Upon Termination as a Service Provider. Notwithstanding any contrary provision of this Award Agreement, if Participant ceases to be a Service Provider for any or no reason, the then-unvested Restricted Stock Units awarded by this Award Agreement will thereupon be forfeited at no cost to the Company and Participant will have no further rights thereunder.

6. Death of Participant. Any distribution or delivery to be made to Participant under this Award Agreement will, if Participant is then deceased, be made to Participant's designated beneficiary, or if no beneficiary survives Participant, the administrator or executor of Participant's estate. Any such transferee must furnish the Company with (a) written notice of his or her status as transferee, and (b) evidence satisfactory to the Company to establish the validity of the transfer and compliance with any laws or regulations pertaining to said transfer.

7. Tax Consequences. Participant has reviewed with its own tax advisors the U.S. federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award Agreement. With respect to such matters, Participant relies solely on such advisors and not on any statements or representations of the Company, Participant's employer (the "Employer"), or Subsidiary or other entity to which Participant provides service (the "Service Beneficiary") or any of their respective agents, written or oral. Participant understands that Participant (and not the Company, the Employer or the Service Beneficiary) shall be responsible for Participant's own tax liability that may arise as a result of this investment or the transactions contemplated by this Award Agreement.

8. Tax Obligations

(a) Responsibility for Taxes. Participant acknowledges that, regardless of any action taken by the Company or, if different, the Employer or Service Beneficiary, the ultimate liability for any tax and/or social insurance liability obligations and requirements in connection with the Restricted Stock Units, including, without limitation, (a) all foreign, national, federal, state, provincial, and local taxes (including Participant's Federal Insurance Contributions Act (FICA) or other social insurance or similar obligations) that are required to be withheld by the Company, the Employer or the Service Beneficiary or other payment of tax-related items related to Participant's participation in the Plan and legally applicable to Participant, (b) Participant's and, to the extent required by the Company (or Employer or Service Beneficiary), the Company's (or Employer's or Service Beneficiary's) fringe benefit or similar tax liability, if any, associated with the grant, vesting, or exercise of the Restricted Stock Units or sale of Shares, and (c) any other Company (or Employer or Service Beneficiary) taxes the responsibility for which Participant has, or has agreed to bear, with respect to the Restricted Stock Units (or exercise thereof or issuance of Shares thereunder) (collectively, the "Tax Obligations"), is and remains Participant's responsibility and may exceed the amount actually withheld by the Company, the Employer or the or Service Beneficiary, as applicable. Participant further acknowledges that the Company and/or the Employer and/or the or Service Beneficiary (i) make no representations or undertakings regarding the treatment of any Tax Obligations in connection with any aspect of the Restricted Stock Units, including, but not limited to, the grant, vesting or settlement of the Restricted Stock Units, the subsequent sale of Shares acquired pursuant to such settlement and the receipt of any dividends or other distributions, and (ii) do not commit to and are under no obligation to structure the terms of the grant or any aspect of the Restricted Stock Units to reduce or eliminate Participant's liability for Tax Obligations or achieve any particular tax result. Further, if Participant is subject to Tax Obligations in more than one jurisdiction between the Date of Grant and the date of any relevant taxable or tax withholding event, as applicable, Participant acknowledges that the Company and/or the Employer (or former Employer, as applicable) and/or the Service Beneficiary may be required to withhold or account for Tax Obligations in more than one jurisdiction. If Participant fails to make satisfactory arrangements for the payment of any required Tax Obligations hereunder at the time of the applicable taxable event, Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares.

(b) Tax Withholding and Default Sell-to-Cover Method of Tax Withholding. When Shares are issued as payment for vested Restricted Stock Units, Participant generally will recognize immediate U.S. taxable income if Participant is a U.S. taxpayer. If Participant is a taxpayer of a country other than the U.S., Participant will be subject to applicable taxes in his or her jurisdiction. Subject to Section 8(c), the minimum amount of Tax Obligations which the Company determines must be withheld with respect to this Award ("Tax Withholding Obligation") will be satisfied by Shares being sold on Participant's behalf at the prevailing market price pursuant to such procedures as the Company may specify from time to time, including through a broker-assisted arrangement (it being understood that the Shares to be sold must have vested pursuant to the terms of this Award Agreement and the Plan) (the "Sell-to-Cover Method"). The proceeds from the Sell-to-Cover Method will be used to satisfy Participant's Tax Withholding Obligation arising with respect to this Award. In addition to Shares sold to satisfy the Tax Withholding Obligation, additional Shares will be sold to satisfy any associated broker or other fees. Only whole Shares will be sold through the Sell-to-Cover Method to satisfy any Tax Withholding

Obligation and any associated broker or other fees. Any proceeds from the sale of Shares in excess of the Tax Withholding Obligation and any associated broker or other fees generated through the Sell-to-Cover Method will be paid to Participant in accordance with procedures the Company may specify from time to time. **By accepting this Award, Participant expressly consents to the sale of Shares to cover the Tax Withholding Obligation (and any associated broker or other fees) through the Sell-to-Cover Method and agrees and acknowledges that Participant may not satisfy them by any means other than such sale of Shares, unless required to do so by the Administrator or pursuant to the Administrator's express written consent.**

(c) Sell-to-Cover Method Unavailable. If the use of the default Sell-to-Cover Method to satisfy the Participant's Tax Withholding Obligations would violate the sale volume limitations of Rule 144(e) of the Securities Act, the Participant will be required to satisfy Participant's Tax Withholding Obligation by having the Company withhold otherwise deliverable Shares having a fair market value equal to the minimum amount statutorily required to be withheld (or such greater amount up to the maximum statutory rate under Applicable Laws applicable to the Participant if such greater amount would not result in adverse financial accounting treatment, as determined by the Company) (the "Net Share Withholding Method").

(d) Administrator Discretion. Notwithstanding the foregoing Sections, if the Administrator determines it is in the best interests of the Company for Participant to satisfy Participant's Tax Withholding Obligation by a method other than through the default Sell-to-Cover Method described in Section 8(b) or the Net Share Withholding Method described in Section 8(c), it may permit or require Participant to satisfy Participant's Tax Withholding Obligation, in whole or in part (without limitation), if permissible by applicable local law, by (i) paying cash, (ii) withholding the amount of such Tax Withholding Obligation from Participant's wages or other cash compensation paid to Participant by the Company, the Employer and/or the Service Beneficiary, (iii) delivering to the Company Shares that Participant owns and that have vested with a fair market value equal to the amount required to be withheld (or such greater amount up to the maximum statutory rate applicable to the Participant if permitted by the Administrator and provided such greater amount would not result in adverse financial accounting consequences to the Company as determined by the Administrator), or (iv) such other means as the Administrator deems appropriate.

(e) Company's Obligation to Deliver Shares. For clarification purposes, in no event will the Company issue Participant any Shares unless and until arrangements satisfactory to the Administrator have been made for the payment of Participant's Tax Withholding Obligation. If Participant fails to make satisfactory arrangements for the payment of such Tax Withholding Obligations hereunder at the time any applicable Restricted Stock Units otherwise are scheduled to vest pursuant to Sections 3 or 4 or Participant's Tax Withholding Obligations otherwise become due, Participant will permanently forfeit such Restricted Stock Units to which Participant's Tax Withholding Obligation relates and any right to receive Shares thereunder and such Restricted Stock Units will be returned to the Company at no cost to the Company. Participant acknowledges and agrees that the Company may refuse to issue or deliver the Shares if such Tax Obligations are not delivered at the time they are due.

9. Rights as Stockholder. Neither Participant nor any person claiming under or through Participant will have any of the rights or privileges of a stockholder of the Company in respect of

any Shares deliverable hereunder unless and until certificates representing such Shares (which may be in book entry form) will have been issued, recorded on the records of the Company or its transfer agents or registrars, and delivered to Participant (including through electronic delivery to a brokerage account). After such issuance, recordation and delivery, Participant will have all the rights of a stockholder of the Company with respect to voting such Shares and receipt of dividends and distributions on such Shares.

10. No Guarantee of Continued Service. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THE VESTING OF THE RESTRICTED STOCK UNITS PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (OR THE EMPLOYER OR THE SERVICE BENEFICIARY) AND NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS RESTRICTED STOCK UNIT AWARD OR ACQUIRING SHARES HEREUNDER. PARTICIPANT FURTHER ACKNOWLEDGES AND AGREES THAT THIS AWARD AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH PARTICIPANT'S RIGHT OR THE RIGHT OF THE COMPANY (OR THE EMPLOYER OR THE SERVICE BENEFICIARY) TO TERMINATE PARTICIPANT'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

11. Grant is Not Transferable. Except to the limited extent provided in Section 6, this grant and the rights and privileges conferred hereby will not be transferred, assigned, pledged or hypothecated in any way (whether by operation of law or otherwise) and will not be subject to sale under execution, attachment or similar process. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of this grant, or any right or privilege conferred hereby, or upon any attempted sale under any execution, attachment or similar process, this grant and the rights and privileges conferred hereby immediately will become null and void.

12. Nature of Grant. In accepting the grant, Participant acknowledges, understands and agrees that:

(a) the grant of the Restricted Stock Units is voluntary and occasional and does not create any contractual or other right to receive future grants of Restricted Stock Units, or benefits in lieu of Restricted Stock Units, even if Restricted Stock Units have been granted in the past;

(b) all decisions with respect to future Restricted Stock Units or other grants, if any, will be at the sole discretion of the Company;

(c) Participant is voluntarily participating in the Plan;

(d) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not intended to replace any pension rights or compensation;

(e) the Restricted Stock Units and the Shares subject to the Restricted Stock Units, and the income and value of same, are not part of normal or expected compensation for purposes of, including but not limited to, calculating any severance, resignation, termination, redundancy,

dismissal, end-of-service payments, bonuses, long-service awards, pension or retirement or welfare benefits or similar payments;

(f) the future value of the underlying Shares is unknown, indeterminable and cannot be predicted;

(g) for purposes of the Restricted Stock Units, Participant's status as a Service Provider will be considered terminated as of the date Participant is no longer actively providing services to the Company, any Parent, Subsidiary, or Service Beneficiary (regardless of the reason for such termination and whether or not later to be found invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and unless otherwise expressly provided in this Award Agreement (including by reference in the Notice of Grant to other arrangements or contracts) or determined by the Administrator, Participant's right to vest in the Restricted Stock Units under the Plan, if any, will terminate as of such date and will not be extended by any notice period (*e.g.*, Participant's period of service would not include any contractual notice period or any period of "garden leave" or similar period mandated under employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any, unless Participant is providing bona fide services during such time); the Administrator shall have the exclusive discretion to determine when Participant is no longer actively providing services for purposes of the Restricted Stock Units grant (including whether Participant may still be considered to be providing services while on a leave of absence);

(h) notwithstanding any other provision of the Plan or this Award Agreement, if Participant is subject to Section 16 of the U.S. Securities Exchange Act of 1934, as amended, the Plan, the Restricted Stock Units, the underlying Shares and this Award Agreement shall be subject to any additional limitations set forth in any applicable exemptive rule under Section 16 of the Exchange Act (including any amendment to Rule 16b-3 of the Exchange Act) that are requirements for the application of such exemptive rule;

(i) if the Company has adopted an insider trading policy, Participant acknowledges that Participant has read and agrees to comply with such policy, as the same may be amended from time-to-time and further acknowledges and agrees that the Company and any stock plan service provider may institute trading restrictions for the Shares issued pursuant to this Award Agreement to ensure compliance with such policy; and

(j) unless otherwise provided in the Plan or by the Company in its discretion, the Restricted Stock Units and the benefits evidenced by this Award Agreement do not create any entitlement to have the Restricted Stock Units or any such benefits transferred to, or assumed by, another company nor be exchanged, cashed out or substituted for, in connection with any corporate transaction affecting the Shares.

13. No Advice Regarding Grant. The Company is not providing any tax, legal or financial advice, nor is the Company making any recommendations regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares. Participant is hereby advised to consult with his or her own personal tax, legal and financial advisors regarding his or her participation in the Plan before taking any action related to the Plan.

14. Address for Notices. Any notice to be given to the Company under the terms of this Award Agreement will be addressed to the Company at iRhythm Holdings, Inc., 699 8th Street, Suite 600, San Francisco, CA 94103, or at such other address as the Company may hereafter designate in writing.

15. Electronic Delivery and Acceptance. The Company may, in its sole discretion, decide to deliver any documents related to the Restricted Stock Units awarded under the Plan or future Restricted Stock Units that may be awarded under the Plan by electronic means or request Participant's consent to participate in the Plan by electronic means. Participant hereby consents to receive such documents by electronic delivery and agrees to participate in the Plan through any on-line or electronic system established and maintained by the Company or another third party designated by the Company.

16. No Waiver. Either party's failure to enforce any provision or provisions of this Award Agreement shall not in any way be construed as a waiver of any such provision or provisions, nor prevent that party from thereafter enforcing each and every other provision of this Award Agreement. The rights granted both parties herein are cumulative and shall not constitute a waiver of either party's right to assert all other legal remedies available to it under the circumstances.

17. Successors and Assigns. The Company may assign any of its rights under this Award Agreement to single or multiple assignees, and this Award Agreement shall inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer herein set forth, this Award Agreement shall be binding upon Participant and his or her heirs, executors, administrators, successors and assigns. The rights and obligations of Participant under this Award Agreement may only be assigned with the prior written consent of the Company.

18. Additional Conditions to Issuance of Stock. If at any time the Company will determine, in its discretion, that the listing, registration, qualification or rule compliance of the Shares upon any securities exchange or under any state, federal or foreign law, the tax code and related regulations or under the rulings or regulations of the United States Securities and Exchange Commission or any other governmental regulatory body or the clearance, consent or approval of the United States Securities and Exchange Commission or any other governmental regulatory authority is necessary or desirable as a condition to the issuance of Shares to Participant (or his or her estate) hereunder, such issuance will not occur unless and until such listing, registration, qualification, rule compliance, clearance, consent or approval will have been completed, effected or obtained free of any conditions not acceptable to the Company. Subject to the terms of this Award Agreement and the Plan, the Company shall not be required to issue any certificate or certificates for Shares hereunder prior to the lapse of such reasonable period of time following the date of vesting of the Restricted Stock Units as the Administrator may establish from time to time for reasons of administrative convenience.

19. Interpretation. The Administrator will have the power to interpret the Plan and this Award Agreement and to adopt such rules for the administration, interpretation and application of the Plan as are consistent therewith and to interpret or revoke any such rules (including, but not limited to, the determination of whether or not any Restricted Stock Units have vested). All actions taken and all interpretations and determinations made by the Administrator in good faith will be final and binding upon Participant, the Company and all other interested persons. Neither the

Administrator nor any person acting on behalf of the Administrator will be personally liable for any action, determination or interpretation made in good faith with respect to the Plan or this Award Agreement.

20. Captions. Captions provided herein are for convenience only and are not to serve as a basis for interpretation or construction of this Award Agreement.

21. Modifications to the Agreement. This Award Agreement constitutes the entire understanding of the parties on the subjects covered. Participant expressly warrants that he or she is not accepting this Award Agreement in reliance on any promises, representations, or inducements other than those contained herein. Modifications to this Award Agreement or the Plan can be made only in an express written contract executed by a duly authorized officer of the Company. Notwithstanding anything to the contrary in the Plan or this Award Agreement, the Company reserves the right to revise this Award Agreement as it deems necessary or advisable, in its sole discretion and without the consent of Participant, to comply with Section 409A or to otherwise avoid imposition of any additional tax or income recognition under Section 409A in connection to this Award of Restricted Stock Units.

22. Country Addendum. Notwithstanding any provisions in this Award Agreement, the Restricted Stock Unit grant shall be subject to any special terms and conditions set forth in an appendix to this Award Agreement for any country whose laws are applicable to Participant and this Award of Restricted Stock Units (the "Country Addendum"). Moreover, if Participant relocates to one of the countries included in the Country Addendum, the special terms and conditions for such country will apply to Participant, to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Country Addendum constitutes part of this Award Agreement.

23. Governing Law and Venue. This Award Agreement will be governed by the laws of California, without giving effect to the conflict of law principles thereof. For purposes of litigating any dispute that arises under this Restricted Stock Unit award or this Award Agreement, the parties hereby submit to and consent to the jurisdiction of the State of California, and agree that such litigation will be conducted in the courts of San Francisco, California, or the federal courts for the United States for the Northern District of California, and no other courts, where this Restricted Stock Unit award is made and/or to be performed.

24. Agreement Severable. In the event that any provision in this Award Agreement will be held invalid or unenforceable, such provision will be severable from, and such invalidity or unenforceability will not be construed to have any effect on, the remaining provisions of this Award Agreement.

25. Amendment, Suspension or Termination of the Plan. By accepting this Award, Participant expressly warrants that he or she has received Restricted Stock Units under the Plan, and has received, read and understood a description of the Plan. Participant understands that the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time.

26. Entire Agreement. The Plan is incorporated herein by reference. The Plan and this Award Agreement (including the addenda, appendices and/or exhibits referenced herein) constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Participant with respect to the subject matter hereof, and may not be modified adversely to Participant's interest except by means of a writing signed by the Company and Participant.

IRHYTHM HOLDINGS, INC.
2016 EQUITY INCENTIVE PLAN
RESTRICTED STOCK UNIT AWARD AGREEMENT

COUNTRY ADDENDUM

TERMS AND CONDITIONS

This Country Addendum includes additional terms and conditions that govern the award of Restricted Stock Units granted to Participant under the Plan if Participant works and/or resides in one of the countries listed below. If Participant is a citizen or resident of a country (or is considered as such for local law purposes) other than the one in which he or she is currently working or if Participant relocates to another country after receiving the award of Restricted Stock Units, the Company will, in its discretion, determine the extent to which the terms and conditions contained herein will be applicable to Participant.

Certain capitalized terms used but not defined in this Country Addendum shall have the meanings set forth in the Plan, and/or this Award Agreement to which this Country Addendum is attached.

NOTIFICATIONS

This Country Addendum also includes notifications relating to exchange control and other issues of which Participant should be aware with respect to his or her participation in the Plan. The information is based on the exchange control, securities and other laws in effect in the countries listed in this Country Addendum, as of **August 2025**. Such laws are often complex and change frequently. As a result, the Company strongly recommends that Participant not rely on the notifications herein as the only source of information relating to the consequences of his or her participation in the Plan because the information may be outdated when Participant vests in the Restricted Stock Units and acquires Shares, or when Participant subsequently sells Shares acquired under the Plan.

In addition, the notifications are general in nature and may not apply to Participant's particular situation, and the Company is not in a position to assure Participant of any particular result. Accordingly, Participant is advised to seek appropriate professional advice as to how the relevant laws in Participant's country may apply to Participant's situation.

Finally, if Participant is a citizen or resident of a country other than the one in which Participant is currently working (or is considered as such for local law purposes) or if Participant moves to another country after receiving the award of Restricted Stock Units, the information contained herein may not be applicable to Participant.

Participant acknowledges that Participant has been advised to seek appropriate professional advice as to how the relevant exchange control and tax laws in Participant's country may apply to his or her individual situation.

GLOBAL PROVISIONS APPLICABLE TO PARTICIPANTS IN COUNTRIES OTHER THAN THE U.S.

1. Foreign Exchange Considerations. Participant understands and agrees that none of Company or any Parent, Subsidiary, Employer or Service Beneficiary shall be liable for any foreign exchange rate fluctuation between Participant's local currency and the U.S. dollar that may affect the value of the Restricted Stock Units, or of any amounts due to Participant under the Plan or as a result of vesting in his or her Restricted Stock Units and/or the subsequent sale of any Shares acquired under the Plan. Participant agrees and acknowledges that he or she will bear any and all risk associated with the exchange or fluctuation of currency associated with his or her participation in the Plan. Participant acknowledges and agrees that Participant may be responsible for reporting inbound transactions or fund transfers that exceed a certain amount. Participant is advised to seek appropriate professional advice as to how the exchange control regulations apply to his or her Restricted Stock Units and Participant's specific situation and understands that the relevant laws and regulations can change frequently and occasionally on a retroactive basis.

2. Nature of Grant. The following provisions supplement Section 12 of this Award Agreement:

(i) the Restricted Stock Units and the Shares subject to the Restricted Stock Units are not part of normal or expected compensation or salary for any purpose;

(ii) the Plan is established voluntarily by the Company; it is discretionary in nature and it may be modified, amended, suspended or terminated by the Company at any time;

(iii) Participant's participation in the Plan shall not create a right to further continued service with the Company or any Parent, Subsidiary, Employer or Service Beneficiary and shall not interfere with the ability of Company or any Parent, Subsidiary, Employer or Service Beneficiary to terminate Participant's status as a Service Provider at any time;

(iv) the Restricted Stock Units are an extraordinary item that does not constitute compensation of any kind for service of any kind rendered to the Company (or any Parent, Subsidiary, Employer or Service Beneficiary), and which is outside the scope of Participant's employment or other service contract, if any;

(v) any notice period under Applicable Laws shall not be treated as service for the purpose of determining the vesting of the Restricted Stock Units, and Participant's right to receive Shares in settlement of the Restricted Stock Units after termination of service, if any, will be measured by the date of termination of Participant's service and will not be extended by any notice period mandated under Applicable Laws; subject to the foregoing and the provisions of the Plan, the Company, in its sole discretion, shall determine whether Participant's service has terminated and the effective date of such termination;

(vi) in the event that Participant is not an employee of the Company, the grant of the Restricted Stock Units will not be interpreted to form an employment contract or relationship with the Company; and furthermore, the grant of the Restricted Stock Units will not

be interpreted to form an employment contract with any Parent or Subsidiary or the Service Beneficiary;

(vii) Participant's eligibility to participate in the Plan ceases upon termination of service for any reason;

(viii) None of the Company or any Parent, Subsidiary, Employer or Service Beneficiary (as applicable) shall be responsible for Participant's legal compliance requirements relating to the vesting of Restricted Stock Units and the subsequent ownership and possible sale of the Shares, including, but not limited to, tax reporting, and the opening and using of a U.S. brokerage account; and

(ix) no claim or entitlement to compensation or damages shall arise from forfeiture of the Restricted Stock Units resulting from the termination of Participant's status as a Service Provider (for any reason whatsoever whether or not later found to be invalid or in breach of employment laws in the jurisdiction where Participant is a Service Provider or the terms of Participant's employment or service agreement, if any), and in consideration of the grant of the Restricted Stock Units to which Participant is otherwise not entitled, Participant irrevocably agrees never to institute any claim against the Company, any Parent or Subsidiary or the Employer or the Service Beneficiary, waives his or her ability, if any, to bring any such claim, and releases each of the Company, any Parent or Subsidiary, any Employer and any the Service Beneficiary from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, Participant shall be deemed irrevocably to have agreed not to pursue such claim and agrees to execute any and all documents necessary to request dismissal or withdrawal of such claim.

3. ***Data Privacy.*** ***Participant hereby explicitly and unambiguously agrees to the collection, use and transfer, in electronic or other form, of Participant's personal data as described in this Award Agreement and any other Restricted Stock Unit grant materials by and among, as applicable, the Employer, the Service Beneficiary the Company and any Parent or Subsidiary for the exclusive purpose of implementing, administering and managing Participant's participation in the Plan.***

Participant understands that the Company, any Parent or Subsidiary, the Employer and the Service Beneficiary may hold certain personal information about Participant, including, but not limited to, Participant's name, home address and telephone number, date of birth, social or national insurance number or other identification number, salary, nationality, job title, any Shares or directorships held in the Company, details of all Restricted Stock Units or any other entitlement to Shares awarded, canceled, exercised, vested, unvested or outstanding in Participant's favor ("Data"), for the purposes of implementing, administering and managing the Plan.

Participant understands that Data will be transferred to E*TRADE, Infinite Equity, My Equity Comp, and any successors thereto as may be selected by the Company in the future, which is assisting the Company with the implementation, administration and management of the Plan. Participant understands that the recipients of the Data may be located in the United States or elsewhere, and that the recipients' country of operation (e.g., the United States) may

have different data privacy laws and protections than Participant's country. Participant may request a list with the names and addresses of any recipients of the Data by contacting his or her local human resources representative. Participant authorizes the Company, any stock plan service provider selected by the Company and any other possible recipients which may assist the Company (presently or in the future) with implementing, administering and managing the Plan to receive, possess, use, retain and transfer the Data, in electronic or other form, for the purpose of implementing, administering and managing the Plan and/or his or her participation in the Plan. Participant understands that Data may be held only as long as is necessary to implement, administer and manage the Plan and/or Participant's participation in the Plan. Participant understands he or she may view Data, request additional information about the storage and processing of Data, or request any necessary amendments to Data, by contacting in writing his or her local human resources representative. Further, Participant understands that he or she is providing the consents herein on a purely voluntary basis. If Participant does not provide Data necessary for Participant's participation in the Plan, or if Participant later seeks removal or deletion of his or her Data, his or her status as a Service Provider and career with the Employer will not be adversely affected; the only adverse consequence of such actions is that the Company would not be able to grant Participant Restricted Stock Units or other equity awards or administer or maintain such awards. Therefore, Participant understands that to refusing to provide Data or requesting removal or deletion of Data may affect Participant's ability to participate in the Plan.

4. Recommendation Regarding External Advice. Participant understands agree that none of the Company, any Parent, Subsidiary, Employer or Service Beneficiary are providing any tax, legal or financial advice, nor is the Company or any Parent, Subsidiary, Employer or Service Beneficiary making any recommendations or assessments regarding Participant's participation in the Plan, or Participant's acquisition or sale of the underlying Shares, or any subsequent disposal or retention of such Shares. Participant understands that he or she is hereby advised to consult with Participant's own personal tax, legal and financial advisors regarding Participant's participation in the Plan before taking any action related to the Plan.

5. Language. If Participant has received this Award Agreement or any other document related to the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

COUNTRY-SPECIFIC TERMS APPLICABLE TO PARTICIPANTS IN COUNTRIES OTHER THAN THE U.S.

CANADA

Terms and Conditions

Award Payable Only in Shares. The grant of the Restricted Stock Units does not give Participant any right to receive a cash payment, and the Restricted Stock Units are payable in Shares only.

French Language Provisions. The following provisions will apply if Participant is a resident of Quebec:

The parties acknowledge that it is their express wish that this Award Agreement, as well as all documents, notices and legal proceedings entered into, given or instituted pursuant hereto or relating directly or indirectly hereto, be drawn up in English.

Les parties reconnaissent avoir exigé la redaction en anglais de cette convention ("Award Agreement"), ainsi que de tous documents exécutés, avis donnés et procedures judiciaries intentées, directement ou indirectement, relativement à la présente convention.

Notifications

Tax Reporting. Foreign property (including the Restricted Stock Units granted under the Plan and the underlying Shares) held by Canadian residents must be reported annually on Form T1135 (Foreign Income Verification Statement) if the total value of such foreign property exceeds C$100,000 at any time during the year. The form must be filed by April 30 of the following year.

JAPAN

Notifications

Foreign Asset/Account Reporting Information. If Participant acquires Stock valued at more than ¥100 million in a single transaction, Participant must file a Report on Acquisition or Disposal of Securities (*shoken no shutoku mataha joto ni kansuru hokokusho*) with the Ministry of Finance through the Bank of Japan within 20 days of the acquisition of the Stock. In addition, Japanese residents are required to file a Report on Overseas Assets (*kokugai zaisan chosho*) in respect of any assets (including Stock) held outside Japan as of December 31, to the extent such assets have a total net fair market value exceeding ¥50 million. Such Report must be filed with the competent tax office on or before March 15 each year.

NETHERLANDS

Notifications

Dutch Prohibition Against Insider Trading. By accepting the Restricted Stock Units, Participant understands that it is Participant's responsibility to be aware of the Dutch insider trading rules. In particular, Participant understands that the Dutch securities laws that prohibit insider trading are

based upon the European Market Abuse Directive and are stated in section 5:56 of the Dutch Financial Supervision Act (*Wet op het financieel toezicht or Wft*) and in section 2 of the Market Abuse Decree (*Besluit marktmisbruik Wft)*. For further information Participant is advised to review the insider rules provided at the following website of the Authority for the Financial Markets; https://www.afm.nl/nl-nl/consumenten. If Participant is uncertain whether the insider rules apply to Participant, Participant acknowledges that the Company recommends that Participant consult with a legal advisor. Participant understands and agrees that neither the Company nor Participant's employer can be held liable if Participant violates the Dutch insider trading rules. Participant understands and agrees that Participant is responsible for ensuring his or her own compliance with these rules.

PHILIPPINES

Terms and Conditions

Securities Laws. The Restricted Stock Units will not be effective unless the grant of Restricted Stock Units complies with the Philippine Securities Regulation Code ("SRC") and the SRC's implementing rules and regulations.

The offer under the Plan does not constitute a public offer as it is an "exempt transaction" under the SRC. The securities being offered or sold herein have therefore not been registered with the Securities and Exchange Commission under the SRC. Any future offer or sale thereof is subject to registration requirements under the SRC, unless such offer or sale qualifies as an exempt transaction. However, Participant is permitted to dispose or sell the Shares acquired under the Plan provided that the sale takes place outside of the Philippines.

SWITZERLAND

Securities Laws. The Shares acquired under the Plan are not intended to be publicly offered in or from Switzerland. Because the offer of the Plan is considered a private offering, it is not subject to registration in Switzerland. Neither this document nor any other materials relating to the Plan (a) constitutes a prospectus as such term is understood pursuant to article 652a of the Swiss Code of Obligations, (b) may be publicly distributed or otherwise made publicly available in Switzerland or (c) has been or will be filed with, approved or supervised by any Swiss regulatory authority (in particular, the Swiss Financial Market Supervisory Authority (FINMA)).

UNITED KINGDOM

Terms and Conditions

Tax Obligations. The following provision supplements Section 7 of this Award Agreement: Tax-Related Items shall include Primary and to the extent legally possible secondary class 1 National Insurance Contributions. I agree that the Company or Participant's Employer may calculate the Tax-Related Items to be withheld and accounted for by reference to the maximum applicable rates, without prejudice to any right I may have to recover any overpayment from relevant U.K. tax authorities. Participant understands and agree that if payment or withholding of any income tax liability arising in connection with Participant's participation in the Plan is not made by Participant to Participant's Employer within 90 days of the event giving rise to such income tax liability or such other period specified in Section 222(1)I of the U.K. Income Tax (Earnings and Pensions) Act 2003 (the "Due Date"), that the amount of any uncollected income tax will constitute a loan owed by Participant to Participant's Employer, effective on the Due Date. Participant understands and agrees that the loan will bear interest at the then-current official rate of His Majesty's Revenue and Customs ("HMRC"), it will be immediately due and repayable by Participant, and the Company and/or Participant's Employer may recover it at any time thereafter by any of the means referred to in the Plan and/or this Award Agreement.

Notwithstanding the foregoing, Participant understands and agree that if Participant is a director or an executive officer of the Company (within the meaning of such terms for purposes of Section 13(k) of the U.S. Securities and Exchange Act of 1934, as amended), Participant will not be eligible for such a loan to cover the income tax liability. Participant further understands that, in the event that he or she is such a director or executive officer and the income tax is not collected from or paid by Participant by the Due Date, the amount of any uncollected income tax will constitute an additional benefit to Participant on which additional income tax and National Insurance Contributions will be payable. Participant understands and agree that he or she is responsible for reporting and paying any income tax due on this additional benefit directly to HMRC under the self-assessment regime and for reimbursing the Company or Participant's Employer (as appropriate) for the value of any primary and (to the extent legally possible) secondary class 1 National Insurance Contributions due on this additional benefit which the Company or Participant's Employer may recover from Participant by any of the means referred to in the Plan and/or this Award Agreement.

At the discretion of the Company, the Restricted Stock Units cannot be settled until Participant has entered into an election with the Company (or Participant's Employer) (as appropriate) in a form approved by the Company and HMRC (a "Joint Election") under which any liability of the Company and/or the Employer for Employer's national insurance contributions arising in respect of the granting, exercise, settlement of or other dealing in the Restricted Stock Units, or the acquisition of Common Stock on the settlement of the Restricted Stock Units, is transferred to and met by Participant.

IRHYTHM HOLDINGS, INC.

2016 EMPLOYEE STOCK PURCHASE PLAN

(as amended February 27, 2019)

1. Purpose. The purpose of the Plan is to provide employees of the Company and its Designated Companies with an opportunity to purchase Common Stock through accumulated Contributions. The Company intends for the Plan to have two components: a Code Section 423 Component ("423 Component") and a non-Code Section 423 Component ("Non-423 Component"). The Company's intention is to have the 423 Component of the Plan qualify as an "employee stock purchase plan" under Section 423 of the Code. The provisions of the 423 Component, accordingly, will be construed so as to extend and limit Plan participation in a uniform and nondiscriminatory basis consistent with the requirements of Section 423 of the Code. In addition, this Plan authorizes the grant of an option to purchase shares of Common Stock under the Non-423 Component that does not qualify as an "employee stock purchase plan" under Section 423 of the Code; such an option will be granted pursuant to rules, procedures or sub-plans adopted by the Administrator designed to achieve tax, securities laws or other objectives for Eligible Employees and the Company. Except as otherwise provided herein, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

2. Definitions.

(a) "Administrator" means the Board or any Committee designated by the Board to administer the Plan pursuant to Section 14.

(b) "Affiliate" means any entity, other than a Subsidiary, in which the Company has an equity or other ownership interest.

(c) "Applicable Laws" means the requirements relating to the administration of equity-based awards under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any foreign country or jurisdiction where options are, or will be, granted under the Plan.

(d) "Board" means the Board of Directors of the Company.

(e) "Change in Control" means the occurrence of any of the following events:

(i) A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("Person"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own more than fifty percent (50%) of the total voting power of the stock of the Company will not be considered a Change in Control; or

(ii) A change in the effective control of the Company which occurs on the date that a majority of members of the Board is replaced during any twelve (12) month period by Directors whose appointment or election is not endorsed by a majority of the members of the Board prior to the date of the appointment or election. For purposes of this clause (ii), if any Person is considered to be in effective control of the Company, the acquisition of additional control of the Company by the same Person will not be considered a Change in Control; or

(iii) A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection, the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection, gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Code Section 409A, as it has been and may be amended from time to time, and any proposed or final U.S. Treasury Regulations and Internal Revenue Service guidance that has been promulgated or may be promulgated thereunder from time to time.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

(f) "Code" means the U.S. Internal Revenue Code of 1986, as amended. Reference to a specific section of the Code or U.S. Treasury Regulation thereunder will include such section or regulation, any valid regulation or other official applicable guidance promulgated under such section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such section or regulation.

(g) "Committee" means a committee of the Board appointed in accordance with Section 14 hereof.

(h) "Common Stock" means the common stock of the Company.

(i) "Company" means iRhythm Holdings, Inc., a Delaware corporation, or any successor thereto.

(j) "Compensation" means an Eligible Employee's base straight time gross earnings, but exclusive of payments for incentive compensation, bonuses, payments for overtime and shift premium, equity compensation income and other similar compensation. The Administrator, in its discretion, may, on a uniform and nondiscriminatory basis, establish a different definition of Compensation for a subsequent Offering Period.

(k) "Contributions" means the payroll deductions and other additional payments that the Company may permit to be made by a Participant to fund the exercise of options granted pursuant to the Plan.

(l) "Designated Company" means any Subsidiary or Affiliate that has been designated by the Administrator from time to time in its sole discretion as eligible to participate in the Plan. For purposes of the 423 Component, only the Company and its Subsidiaries may be Designated Companies, provided, however that at any given time, a Subsidiary that is a Designated Company under the 423 Component will not be a Designated Company under the Non-423 Component.

(m) "Director" means a member of the Board.

(n) "Eligible Employee" means any individual who is a common law employee providing services to the Company or a Designated Company and is customarily employed for at least ten (10) hours per week and more than five (5) months in any calendar year by the Employer, or any lesser number of hours per week and/or number of months in any calendar year established by the Administrator (if required under applicable local law) for purposes of any separate Offering or for Eligible Employees participating in the Non-423 Component. For purposes of the Plan, the employment relationship will be treated as continuing intact while the individual is on sick leave or other leave of absence that the Employer approves or is legally protected under Applicable Laws. Where the period of leave exceeds three (3) months and the individual's right to reemployment is not guaranteed either by statute or by contract, the employment relationship will be deemed to have terminated three (3) months and one (1) day following the commencement of such leave. The Administrator, in its discretion, from time to time may, prior to an Enrollment Date for all options to be granted on such Enrollment Date in an Offering, determine (on a uniform and nondiscriminatory basis or as otherwise permitted by Treasury Regulation Section 1.423-2) that the definition of Eligible Employee will or will not include an individual if he or she: (i) has not completed at least two (2) years of service since his or her last hire date (or such lesser period of time as may be determined by the Administrator in its discretion), (ii) customarily works not more than twenty (20) hours per week (or such lesser period of time as may be determined by the Administrator in its discretion), (iii) customarily works not more than five (5) months per calendar year (or such lesser period of time as may be determined by the Administrator in its discretion),

(iv) is a highly compensated employee within the meaning of Section 414(q) of the Code, or (v) is a highly compensated employee within the meaning of Section 414(q) of the Code with compensation above a certain level or is an officer or subject to the disclosure requirements of Section 16(a) of the Exchange Act, provided the exclusion is applied with respect to each Offering in an identical manner to all highly compensated individuals of the Employer whose Employees are participating in that Offering. Each exclusion will be applied with respect to an Offering in a manner complying with U.S. Treasury Regulation Section 1.423-2(e)(2)(ii).

(o) "Employer" means the employer of the applicable Eligible Employee(s).

(p) "Enrollment Date" means the first day of each Offering Period.

(q) "Exchange Act" means the U.S. Securities Exchange Act of 1934, as amended, including the rules and regulations promulgated thereunder.

(r) "Exercise Date" means, with respect to Offering Periods commencing prior to January 1, 2019, the first Trading Day on or after June 1 and December 1 of each Purchase Period and, with respect to Offering Periods commencing on or after January 1, 2019, May 31 or November 30 of each Purchase Period (provided that if May 31 or November 30, as applicable, is not a Trading Day, the Exercise Date will be the last Trading Date to occur prior to such date).

(s) "Fair Market Value" means, as of any date and unless the Administrator determines otherwise, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the New York Stock Exchange, NASDAQ Global Select Market, the NASDAQ Global Market or the NASDAQ Capital Market of The NASDAQ Stock Market, its Fair Market Value will be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the date of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value will be the mean between the high bid and low asked prices for the Common Stock on the date of determination (or if no bids and asks were reported on that date, as applicable, on the last Trading Day such bids and asks were reported), as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof will be determined in good faith by the Administrator; or

(t) "Fiscal Year" means the fiscal year of the Company.

(u) "New Exercise Date" means a new Exercise Date if the Administrator shortens any Offering Period then in progress.

(v) "Offering" means an offer under the Plan of an option that may be exercised during an Offering Period as further described in Section 4. For purposes of the Plan, the Administrator may designate separate Offerings under the Plan (the terms of which need not be identical) in which Employees of one or more Employers will participate, even if the dates of the applicable Offering Periods of each such Offering are identical and the provisions of the Plan will separately apply to each Offering. To the extent permitted by U.S. Treasury Regulation Section 1.423-2(a)(1), the terms of each Offering need not be identical provided that the terms of the Plan and an Offering together satisfy U.S. Treasury Regulation Section 1.423-2(a)(2) and (a)(3).

(w) "Offering Periods" means the periods of approximately twelve (12) months during which an option granted pursuant to the Plan may be exercised. Prior to January 1, 2019, Offering Periods will commence on the first Trading Day on or after June 1 and December 1 of each year and terminate on the first Trading Day on or after June 1 and December 1, approximately twelve (12) months later. On and after January 1, 2019, Offering Periods will commence on the first Trading Day on or after June 1 and December 1 of each year and terminate on May 31 and November 30, twelve (12) months later (provided that if May 31 or November 30, as applicable, is not a Trading Day, the applicable Offering Period will terminate on the last Trading Date to occur prior to such date). For the avoidance of doubt, Offering Periods that commenced in 2018 will terminate on the first Trading Day on or after June 1, 2019 and December 1, 2019, respectively, subject to Section 26. The duration and timing of Offering Periods may be changed pursuant to Sections 4 and 20.

(x) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(y) "Participant" means an Eligible Employee that participates in the Plan.

(z) "Plan" means this iRhythm Holdings, Inc. 2016 Employee Stock Purchase Plan.

(aa) "Purchase Period" means the approximately six (6) month period commencing after one Exercise Date and ending with the next Exercise Date, except that the first Purchase Period of any Offering Period will commence on the Enrollment Date and end with the next Exercise Date. Unless the Administrator provides otherwise, the Purchase Period will have the same duration and coincide with the length of the Offering Period.

(bb) "Purchase Price" means an amount equal to eighty-five percent (85%) of the Fair Market Value of a share of Common Stock on the Enrollment Date or on the Exercise Date, whichever is lower; provided however, that the Purchase Price may be determined for subsequent Offering Periods by the Administrator subject to compliance with Section 423 of the Code (or any successor rule or provision or any other Applicable Law, regulation or stock exchange rule) or pursuant to Section 20.

(cc) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

(dd) "Trading Day" means a day on which the national stock exchange upon which the Common Stock is listed is open for trading.

(ee) "U.S. Treasury Regulations" means the Treasury regulations of the Code. Reference to a specific Treasury Regulation or Section of the Code will include such Treasury Regulation or Section, any valid regulation promulgated under such Section, and any comparable provision of any future legislation or regulation amending, supplementing or superseding such Section or regulation.

3. Eligibility.

(a) Offering Periods. Any Eligible Employee on a given Enrollment Date will be eligible to participate in the Plan, subject to the requirements of Section 5.

(b) Non-U.S. Employees. Eligible Employees who are citizens or residents of a non-U.S. jurisdiction (without regard to whether they also are citizens or residents of the United States or resident aliens (within the meaning of Section 7701(b)(1)(A) of the Code)) may be excluded from participation in the Plan or an Offering if the participation of such Eligible Employees is prohibited under the laws of the applicable jurisdiction or if complying with the laws of the applicable jurisdiction would cause the Plan or an Offering to violate Section 423 of the Code. In the case of the Non-423 Component, Eligible Employees may be excluded from participation in the Plan or an Offering if the Administrator has determined that participation of such Eligible Employees is not advisable or practicable.

(c) Limitations. Any provisions of the Plan to the contrary notwithstanding, no Eligible Employee will be granted an option under the Plan (i) to the extent that, immediately after the grant, such Eligible Employee (or any other person whose stock would be attributed to such Eligible Employee pursuant to Section 424(d) of the Code) would own capital stock of the Company or any Parent or Subsidiary of the Company and/or hold outstanding options to purchase such stock possessing five percent (5%) or more of the total combined voting power or value of all classes of the capital stock of the Company or of any Parent or Subsidiary of the Company, or (ii) to the extent that his or her rights to purchase stock under all employee stock purchase plans (as defined in Section 423 of the Code) of the Company or any Parent or Subsidiary of the Company accrues at a rate, which exceeds twenty-five thousand dollars ($25,000) worth of stock (determined at the Fair Market Value of the stock at the time such option is granted) for each calendar year in which such option is outstanding at any time, as determined in accordance with Section 423 of the Code and the regulations thereunder.

4. Offering Periods. The Plan will be implemented by consecutive Offering Periods with a new Offering Period commencing on the first Trading Day on or after June 1 and December 1 of each year, or on such other date as the Administrator will determine. The Administrator will have the power to change the duration of Offering Periods (including the commencement dates thereof) with respect to future Offerings without stockholder approval if such change is announced prior to the scheduled beginning of the first Offering Period to be affected thereafter; provided, however, that no Offering Period may last more than twenty-seven (27) months.

5. Participation. An Eligible Employee may participate in the Plan pursuant to Section 3(a) by (i) submitting to the Company's stock administration office (or its designee), on or before a date determined by the Administrator prior to an applicable Enrollment Date, a properly completed subscription agreement authorizing Contributions in the form provided by the

Administrator for such purpose, or (ii) following an electronic or other enrollment procedure determined by the Administrator.

6. Contributions.

(a) At the time a Participant enrolls in the Plan pursuant to Section 5, he or she will elect to have Contributions (in the form of payroll deductions or otherwise, to the extent permitted by the Administrator) made on each pay day during the Offering Period in an amount not exceeding fifteen percent (15%) of the Compensation, which he or she receives on each pay day during the Offering Period, provided that, should a pay day occur on an Exercise Date, a Participant will have any payroll deductions made on such day applied to his or her account under the subsequent Purchase Period or Offering Period. The Administrator, in its sole discretion, may permit all Participants in a specified Offering to contribute amounts to the Plan through payment by cash, check or other means set forth in the subscription agreement prior to each Exercise Date of each Purchase Period. A Participant's subscription agreement will remain in effect for successive Offering Periods unless terminated as provided in Section 10 hereof.

(b) In the event Contributions are made in the form of payroll deductions, such payroll deductions for a Participant will commence on the first pay day following the Enrollment Date and will end on the last pay day prior to the Exercise Date of such Offering Period to which such authorization is applicable, unless sooner terminated by the Participant as provided in Section 10 hereof.

(c) All Contributions made for a Participant will be credited to his or her account under the Plan and Contributions will be made in whole percentages only. A Participant may not make any additional payments into such account.

(d) A Participant may discontinue his or her participation in the Plan as provided in Section 10. Except as may be permitted by the Administrator, as determined in its sole discretion, a Participant may reduce, but may not increase, the rate of his or her Contributions during an Offering Period by providing written notice to the Company.

(e) Notwithstanding the foregoing, to the extent necessary to comply with Section 423(b)(8) of the Code and Section 3(c), a Participant's Contributions may be decreased to zero percent (0%) at any time during a Purchase Period. Subject to Section 423(b)(8) of the Code and Section 3(c) hereof, Contributions will recommence at the rate originally elected by the Participant effective as of the beginning of the first Purchase Period scheduled to end in the following calendar year, unless terminated by the Participant as provided in Section 10.

(f) Notwithstanding any provisions to the contrary in the Plan, the Administrator may allow Eligible Employees to participate in the Plan via cash contributions instead of payroll deductions if (i) payroll deductions are not permitted under applicable local law, (ii) the Administrator determines that cash contributions are permissible under Section 423 of the Code or (iii) for Participants participating in the Non-423 Component.

(g) At the time the option is exercised, in whole or in part, or at the time some or all of the Common Stock issued under the Plan is disposed of (or any other time that a taxable event related to the Plan occurs), the Participant must make adequate provision for the Company's

or Employer's federal, state, local or any other tax liability payable to any authority including taxes imposed by jurisdictions outside of the U.S., national insurance, social security or other tax withholding obligations, if any, which arise upon the exercise of the option or the disposition of the Common Stock (or any other time that a taxable event related to the Plan occurs). At any time, the Company or the Employer may, but will not be obligated to, withhold from the Participant's compensation the amount necessary for the Company or the Employer to meet applicable withholding obligations, including any withholding required to make available to the Company or the Employer any tax deductions or benefits attributable to sale or early disposition of Common Stock by the Eligible Employee. In addition, the Company or the Employer may, but will not be obligated to, withhold from the proceeds of the sale of Common Stock or any other method of withholding the Company or the Employer deems appropriate to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

7. Grant of Option. On the Enrollment Date of each Offering Period, each Eligible Employee participating in such Offering Period will be granted an option to purchase on each Exercise Date during such Offering Period (at the applicable Purchase Price) up to a number of shares of Common Stock determined by dividing such Eligible Employee's Contributions accumulated prior to such Exercise Date and retained in the Eligible Employee's account as of the Exercise Date by the applicable Purchase Price; provided that in no event will an Eligible Employee be permitted to purchase during each Purchase Period more than 2,000 shares of Common Stock (subject to any adjustment pursuant to Section 19) and provided further that such purchase will be subject to the limitations set forth in Sections 3(c) and 13. The Eligible Employee may accept the grant of such option with respect to any Offering Period under the Plan by electing to participate in the Plan in accordance with the requirements of Section 5. The Administrator may, for future Offering Periods, increase or decrease, in its absolute discretion, the maximum number of shares of Common Stock that an Eligible Employee may purchase during each Purchase Period of an Offering Period. Exercise of the option will occur as provided in Section 8, unless the Participant has withdrawn pursuant to Section 10. The option will expire on the last day of the Offering Period.

8. Exercise of Option.

(a) Unless a Participant withdraws from the Plan as provided in Section 10, his or her option for the purchase of shares of Common Stock will be exercised automatically on the Exercise Date, and the maximum number of full shares subject to the option will be purchased for such Participant at the applicable Purchase Price with the accumulated Contributions from his or her account. No fractional shares of Common Stock will be purchased; any Contributions accumulated in a Participant's account, which are not sufficient to purchase a full share will be retained in the Participant's account for the subsequent Purchase Period or Offering Period, subject to earlier withdrawal by the Participant as provided in Section 10. Any other funds left over in a Participant's account after the Exercise Date will be returned to the Participant. During a Participant's lifetime, a Participant's option to purchase shares hereunder is exercisable only by him or her.

(b) If the Administrator determines that, on a given Exercise Date, the number of shares of Common Stock with respect to which options are to be exercised may exceed (i) the number of shares of Common Stock that were available for sale under the Plan on the Enrollment

Date of the applicable Offering Period, or (ii) the number of shares of Common Stock available for sale under the Plan on such Exercise Date, the Administrator may in its sole discretion (x) provide that the Company will make a pro rata allocation of the shares of Common Stock available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all Participants exercising options to purchase Common Stock on such Exercise Date, and continue all Offering Periods then in effect or (y) provide that the Company will make a pro rata allocation of the shares available for purchase on such Enrollment Date or Exercise Date, as applicable, in as uniform a manner as will be practicable and as it will determine in its sole discretion to be equitable among all participants exercising options to purchase Common Stock on such Exercise Date, and terminate any or all Offering Periods then in effect pursuant to Section 20. The Company may make a pro rata allocation of the shares available on the Enrollment Date of any applicable Offering Period pursuant to the preceding sentence, notwithstanding any authorization of additional shares for issuance under the Plan by the Company's stockholders subsequent to such Enrollment Date.

9. Delivery. As soon as reasonably practicable after each Exercise Date on which a purchase of shares of Common Stock occurs, the Company will arrange the delivery to each Participant of the shares purchased upon exercise of his or her option in a form determined by the Administrator (in its sole discretion) and pursuant to rules established by the Administrator. The Company may permit or require that shares be deposited directly with a broker designated by the Company or to a designated agent of the Company, and the Company may utilize electronic or automated methods of share transfer. The Company may require that shares be retained with such broker or agent for a designated period of time and/or may establish other procedures to permit tracking of disqualifying dispositions of such shares. No Participant will have any voting, dividend, or other stockholder rights with respect to shares of Common Stock subject to any option granted under the Plan until such shares have been purchased and delivered to the Participant as provided in this Section 9.

10. Withdrawal.

(a) A Participant may withdraw all but not less than all the Contributions credited to his or her account and not yet used to exercise his or her option under the Plan at any time by (i) submitting to the Company's stock administration office (or its designee) a written notice of withdrawal in the form determined by the Administrator for such purpose (which may be similar to the form attached hereto as Exhibit B), or (ii) following an electronic or other withdrawal procedure determined by the Administrator. All of the Participant's Contributions credited to his or her account will be paid to such Participant promptly after receipt of notice of withdrawal and such Participant's option for the Offering Period will be automatically terminated, and no further Contributions for the purchase of shares will be made for such Offering Period. If a Participant withdraws from an Offering Period, Contributions will not resume at the beginning of the succeeding Offering Period, unless the Participant re-enrolls in the Plan in accordance with the provisions of Section 5.

(b) A Participant's withdrawal from an Offering Period will not have any effect upon his or her eligibility to participate in any similar plan that may hereafter be adopted by the Company or in succeeding Offering Periods that commence after the termination of the Offering Period from which the Participant withdraws.

11. Termination of Employment. Upon a Participant's ceasing to be an Eligible Employee for any reason, he or she will be deemed to have elected to withdraw from the Plan and the Contributions credited to such Participant's account during the Offering Period but not yet used to purchase shares of Common Stock under the Plan will be returned to such Participant or, in the case of his or her death, to the person or persons entitled thereto under Section 15, and such Participant's option will be automatically terminated. A Participant whose employment transfers between entities through a termination with an immediate rehire (with no break in service) by the Company or a Designated Company will not be treated as terminated under the Plan; however, if a Participant transfers from an Offering under the 423 Component to the Non-423 Component, the exercise of the option will be qualified under the 423 Component only to the extent it complies with Section 423 of the Code.

12. Interest. No interest will accrue on the Contributions of a participant in the Plan, except as may be required by Applicable Law, as determined by the Company, and if so required by the laws of a particular jurisdiction, will apply to all Participants in the relevant Offering under the 423 Component, except to the extent otherwise permitted by U.S. Treasury Regulation Section 1.423-2(f).

13. Stock.

(a) Subject to adjustment upon changes in capitalization of the Company as provided in Section 19 hereof, the maximum number of shares of Common Stock that will be made available for sale under the Plan will be 483,031 shares of Common Stock, plus the number of shares of Common Stock to be added to the Plan pursuant to the next sentence. The number of shares of Common Stock available for issuance under the Plan will be increased on the first day of each Fiscal Year beginning with the 2017 Fiscal Year equal to the least of (i) 966,062 shares of Common Stock, (ii) one and one half percent (1.5%) of the outstanding shares of Common Stock on the last day of the immediately preceding Fiscal Year, or (iii) an amount determined by the Administrator.

(b) Until the shares of Common Stock are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), a Participant will have only the rights of an unsecured creditor with respect to such shares, and no right to vote or receive dividends or any other rights as a stockholder will exist with respect to such shares.

(c) Shares of Common Stock to be delivered to a Participant under the Plan will be registered in the name of the Participant or in the name of the Participant and his or her spouse.

14. Administration. The Plan will be administered by the Board or a Committee appointed by the Board, which Committee will be constituted to comply with Applicable Laws. The Administrator will have full and exclusive discretionary authority to construe, interpret and apply the terms of the Plan, to designate separate Offerings under the Plan, to designate Subsidiaries and Affiliates as participating in the 423 Component or Non-423 Component, to determine eligibility, to adjudicate all disputed claims filed under the Plan and to establish such procedures that it deems necessary for the administration of the Plan (including, without limitation, to adopt such procedures and sub-plans as are necessary or appropriate to permit the participation

in the Plan by employees who are foreign nationals or employed outside the U.S., the terms of which sub-plans may take precedence over other provisions of this Plan, with the exception of Section 13(a) hereof, but unless otherwise superseded by the terms of such sub-plan, the provisions of this Plan will govern the operation of such sub-plan). Unless otherwise determined by the Administrator, the Employees eligible to participate in each sub-plan will participate in a separate Offering or in the Non-423 Component. Without limiting the generality of the foregoing, the Administrator is specifically authorized to adopt rules and procedures regarding eligibility to participate, the definition of Compensation, handling of Contributions, making of Contributions to the Plan (including, without limitation, in forms other than payroll deductions), establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of stock certificates that vary with applicable local requirements. The Administrator also is authorized to determine that, to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f), the terms of an option granted under the Plan or an Offering to citizens or residents of a non-U.S. jurisdiction will be less favorable than the terms of options granted under the Plan or the same Offering to employees resident solely in the U.S. Every finding, decision and determination made by the Administrator will, to the full extent permitted by law, be final and binding upon all parties.

15. Designation of Beneficiary.

(a) If permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any shares of Common Stock and cash, if any, from the Participant's account under the Plan in the event of such Participant's death subsequent to an Exercise Date on which the option is exercised but prior to delivery to such Participant of such shares and cash. In addition, if permitted by the Administrator, a Participant may file a designation of a beneficiary who is to receive any cash from the Participant's account under the Plan in the event of such Participant's death prior to exercise of the option. If a Participant is married and the designated beneficiary is not the spouse, spousal consent will be required for such designation to be effective.

(b) Such designation of beneficiary may be changed by the Participant at any time by notice in a form determined by the Administrator. In the event of the death of a Participant and in the absence of a beneficiary validly designated under the Plan who is living at the time of such Participant's death, the Company will deliver such shares and/or cash to the executor or administrator of the estate of the Participant, or if no such executor or administrator has been appointed (to the knowledge of the Company), the Company, in its discretion, may deliver such shares and/or cash to the spouse or to any one or more dependents or relatives of the Participant, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

(c) All beneficiary designations will be in such form and manner as the Administrator may designate from time to time. Notwithstanding Sections 15(a) and (b) above, the Company and/or the Administrator may decide not to permit such designations by Participants in non-U.S. jurisdictions to the extent permitted by U.S. Treasury Regulation Section 1.423-2(f).

16. Transferability. Neither Contributions credited to a Participant's account nor any rights with regard to the exercise of an option or to receive shares of Common Stock under the

Plan may be assigned, transferred, pledged or otherwise disposed of in any way (other than by will, the laws of descent and distribution or as provided in Section 15 hereof) by the Participant. Any such attempt at assignment, transfer, pledge or other disposition will be without effect, except that the Company may treat such act as an election to withdraw funds from an Offering Period in accordance with Section 10 hereof.

17. Use of Funds. The Company may use all Contributions received or held by it under the Plan for any corporate purpose, and the Company will not be obligated to segregate such Contributions except under Offerings or for Participants in the Non-423 Component for which Applicable Laws require that Contributions to the Plan by Participants be segregated from the Company's general corporate funds and/or deposited with an independent third party. Until shares of Common Stock are issued, Participants will have only the rights of an unsecured creditor with respect to such shares.

18. Reports. Individual accounts will be maintained for each Participant in the Plan. Statements of account will be given to participating Eligible Employees at least annually, which statements will set forth the amounts of Contributions, the Purchase Price, the number of shares of Common Stock purchased and the remaining cash balance, if any.

19. Adjustments, Dissolution, Liquidation, Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Common Stock, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Common Stock or other securities of the Company, or other change in the corporate structure of the Company affecting the Common Stock occurs, the Administrator, in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Plan, will, in such manner as it may deem equitable, adjust the number and class of Common Stock that may be delivered under the Plan, the Purchase Price per share and the number of shares of Common Stock covered by each option under the Plan that has not yet been exercised, and the numerical limits of Sections 7 and 13.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, any Offering Period then in progress will be shortened by setting a New Exercise Date, and will terminate immediately prior to the consummation of such proposed dissolution or liquidation, unless provided otherwise by the Administrator. The New Exercise Date will be before the date of the Company's proposed dissolution or liquidation. The Administrator will notify each Participant in writing or electronically, prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

(c) Merger or Change in Control. In the event of a merger or Change in Control, each outstanding option will be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation refuses to assume or substitute for the option, the Offering Period with respect to which such option relates will be shortened by setting a New Exercise Date on which such Offering

Period will end. The New Exercise Date will occur before the date of the Company's proposed merger or Change in Control. The Administrator will notify each Participant in writing or electronically prior to the New Exercise Date, that the Exercise Date for the Participant's option has been changed to the New Exercise Date and that the Participant's option will be exercised automatically on the New Exercise Date, unless prior to such date the Participant has withdrawn from the Offering Period as provided in Section 10 hereof.

20. Amendment or Termination.

(a) The Administrator, in its sole discretion, may amend, suspend, or terminate the Plan, or any part thereof, at any time and for any reason. If the Plan is terminated, the Administrator, in its discretion, may elect to terminate all outstanding Offering Periods either immediately or upon completion of the purchase of shares of Common Stock on the next Exercise Date (which may be sooner than originally scheduled, if determined by the Administrator in its discretion), or may elect to permit Offering Periods to expire in accordance with their terms (and subject to any adjustment pursuant to Section 19). If the Offering Periods are terminated prior to expiration, all amounts then credited to Participants' accounts that have not been used to purchase shares of Common Stock will be returned to the Participants (without interest thereon, except as otherwise required under Applicable Laws, as further set forth in Section 12 hereof) as soon as administratively practicable.

(b) Without stockholder consent and without limiting Section 20(a), the Administrator will be entitled to change the Offering Periods or Purchase Periods, designate separate Offerings, limit the frequency and/or number of changes in the amount withheld during an Offering Period, establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars, permit Contributions in excess of the amount designated by a Participant in order to adjust for delays or mistakes in the Company's processing of properly completed Contribution elections, establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with Contribution amounts, and establish such other limitations or procedures as the Administrator determines in its sole discretion advisable that are consistent with the Plan.

(c) In the event the Administrator determines that the ongoing operation of the Plan may result in unfavorable financial accounting consequences, the Administrator may, in its discretion and, to the extent necessary or desirable, modify, amend or terminate the Plan to reduce or eliminate such accounting consequence including, but not limited to:

(i) amending the Plan to conform with the safe harbor definition under the Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto), including with respect to an Offering Period underway at the time;

(ii) altering the Purchase Price for any Offering Period or Purchase Period including an Offering Period or Purchase Period underway at the time of the change in Purchase Price;

(iii) shortening any Offering Period or Purchase Period by setting a New Exercise Date, including an Offering Period or Purchase Period underway at the time of the Administrator action;

(iv) reducing the maximum percentage of Compensation a Participant may elect to set aside as Contributions; and

(v) reducing the maximum number of Shares a Participant may purchase during any Offering Period or Purchase Period.

Such modifications or amendments will not require stockholder approval or the consent of any Participants.

21. Notices. All notices or other communications by a Participant to the Company under or in connection with the Plan will be deemed to have been duly given when received in the form and manner specified by the Company at the location, or by the person, designated by the Company for the receipt thereof.

22. Conditions Upon Issuance of Shares. Shares of Common Stock will not be issued with respect to an option unless the exercise of such option and the issuance and delivery of such shares pursuant thereto will comply with all applicable provisions of law, domestic or foreign, including, without limitation, the U.S. Securities Act of 1933, as amended, the Exchange Act, the rules and regulations promulgated thereunder, and the requirements of any stock exchange upon which the shares may then be listed, and will be further subject to the approval of counsel for the Company with respect to such compliance.

As a condition to the exercise of an option, the Company may require the person exercising such option to represent and warrant at the time of any such exercise that the shares are being purchased only for investment and without any present intention to sell or distribute such shares if, in the opinion of counsel for the Company, such a representation is required by any of the aforementioned applicable provisions of law.

23. Code Section 409A. The 423 Component of the Plan is exempt from the application of Code Section 409A and any ambiguities herein will be interpreted to so be exempt from Code Section 409A. In furtherance of the foregoing and notwithstanding any provision in the Plan to the contrary, if the Administrator determines that an option granted under the Plan may be subject to Code Section 409A or that any provision in the Plan would cause an option under the Plan to be subject to Code Section 409A, the Administrator may amend the terms of the Plan and/or of an outstanding option granted under the Plan, or take such other action the Administrator determines is necessary or appropriate, in each case, without the Participant's consent, to exempt any outstanding option or future option that may be granted under the Plan from or to allow any such options to comply with Code Section 409A, but only to the extent any such amendments or action by the Administrator would not violate Code Section 409A. Notwithstanding the foregoing, the Company will have no liability to a Participant or any other party if the option to purchase Common Stock under the Plan that is intended to be exempt from or compliant with Code Section 409A is not so exempt or compliant or for any action taken by the Administrator with respect

thereto. The Company makes no representation that the option to purchase Common Stock under the Plan is compliant with Code Section 409A.

24. Term of Plan. The Plan will become effective upon the earlier to occur of its adoption by the Board or its approval by the stockholders of the Company. It will continue in effect for a term of twenty (20) years, unless sooner terminated under Section 20.

25. Stockholder Approval. The Plan will be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted by the Board. Such stockholder approval will be obtained in the manner and to the degree required under Applicable Laws.

26. Automatic Transfer to Low Price Offering Period. Unless the Administrator, in its sole discretion, chooses otherwise prior to an Enrollment Date, and to the extent permitted by Applicable Laws, if the Fair Market Value of the Common Stock on any Exercise Date in an Offering Period is lower than the Fair Market Value of the Common Stock on the Enrollment Date of such Offering Period, then all participants in such Offering Period automatically will be withdrawn from such Offering Period immediately after the exercise of their option on such Exercise Date and automatically re-enrolled in the immediately following Offering Period as of the first day thereof and the preceding Offering Period will terminate.

27. Governing Law. The Plan will be governed by, and construed in accordance with, the laws of the State of California (except its choice-of-law provisions).

28. No Right to Employment. Participation in the Plan by a Participant will not be construed as giving a Participant the right to be retained as an employee of the Company or a Subsidiary or Affiliate, as applicable. Furthermore, the Company or a Subsidiary or Affiliate may dismiss a Participant from employment at any time, free from any liability or any claim under the Plan.

29. Severability. If any provision of the Plan is or becomes or is deemed to be invalid, illegal, or unenforceable for any reason in any jurisdiction or as to any Participant, such invalidity, illegality or unenforceability will not affect the remaining parts of the Plan, and the Plan will be construed and enforced as to such jurisdiction or Participant as if the invalid, illegal or unenforceable provision had not been included.

30. Compliance with Applicable Laws. The terms of this Plan are intended to comply with all Applicable Laws and will be construed accordingly.

EXHIBIT A

IRHYTHM HOLDINGS, INC.

2016 EMPLOYEE STOCK PURCHASE PLAN

SUBSCRIPTION AGREEMENT

_____ Original Application Offering Date: _____

_____ Change in Payroll Deduction Rate

1. _____ hereby elects to participate in the iRhythm Holdings, Inc. 2016 Employee Stock Purchase Plan (the "Plan") and subscribes to purchase shares of the Company's Common Stock in accordance with this Subscription Agreement and the Plan.

2. I hereby authorize payroll deductions from each paycheck in the amount of ____% of my Compensation on each payday (from 0 to 15%) during the Offering Period in accordance with the Plan. (Please note that no fractional percentages are permitted.)

3. I understand that said payroll deductions will be accumulated for the purchase of shares of Common Stock at the applicable Purchase Price determined in accordance with the Plan. I understand that if I do not withdraw from an Offering Period, any accumulated payroll deductions will be used to automatically exercise my option and purchase Common Stock under the Plan.

4. I have received a copy of the complete Plan and its accompanying prospectus. I understand that my participation in the Plan is in all respects subject to the terms of the Plan.

5. Shares of Common Stock purchased for me under the Plan should be issued in the name(s) of _____ (Eligible Employee or Eligible Employee and Spouse only).

6. I understand that if I dispose of any shares received by me pursuant to the Plan within two (2) years after the Offering Date (the first day of the Offering Period during which I purchased such shares) or one (1) year after the Exercise Date, I will be treated for federal income tax purposes as having received ordinary income at the time of such disposition in an amount equal to the excess of the fair market value of the shares at the time such shares were purchased by me over the price that I paid for the shares. I hereby agree to notify the Company in writing within thirty (30) days after the date of any disposition of my shares and I will make adequate provision for federal, state or other tax withholding obligations, if any, which arise upon the disposition of the Common Stock. The Company may, but will not be obligated to, withhold from my compensation the amount necessary to meet any applicable withholding obligation including any withholding necessary to make available to the Company any tax deductions or benefits attributable to sale or early disposition of Common Stock by me. If I dispose of such shares at any time after the expiration of the two (2) year and one (1) year holding periods, I understand that I will be treated for federal income tax purposes as having received income only at the time of such disposition, and that such income will be taxed as ordinary income only to the extent of an amount equal to the lesser of (a) the excess of the fair market value of the shares at the time of such

disposition over the purchase price which I paid for the shares, or (b) 15% of the fair market value of the shares on the first day of the Offering Period. The remainder of the gain, if any, recognized on such disposition will be taxed as capital gain.

7. I hereby agree to be bound by the terms of the Plan. The effectiveness of this Subscription Agreement is dependent upon my eligibility to participate in the Plan.

Employee's Social

Security Number: _____

Employee's Address: _____

_____

_____

I UNDERSTAND THAT THIS SUBSCRIPTION AGREEMENT WILL REMAIN IN EFFECT THROUGHOUT SUCCESSIVE OFFERING PERIODS UNLESS TERMINATED BY ME.

Dated: _____ _____

Signature of Employee

EXHIBIT B

IRHYTHM HOLDINGS, INC.

2016 EMPLOYEE STOCK PURCHASE PLAN

NOTICE OF REDUCTION OF CONTRIBUTIONS

OR

WITHDRAWAL

Check Appropriate Box

Reduction of Contributions. The undersigned Participant in the Offering Period of the iRhythm Holdings, Inc. 2016 Employee Stock Purchase Plan that began on _____, _____ (the "Offering Date") hereby notifies the Company that he or she hereby wishes to reduce payroll contributions to the following percentage:

_____% (the "Reduced Rate")

The undersigned understands that all subsequent payroll deductions will be made at the Reduced Rate for the purchase of shares in the current Offering Period and for subsequent Offering Periods. The undersigned will be eligible to participate in succeeding Offering Periods at a higher rate of contribution only by delivering to the Company a new Subscription Agreement.

Withdrawal. The undersigned Participant in the Offering Period of the iRhythm Holdings, Inc. 2016 Employee Stock Purchase Plan that began on _____, _____ (the "Offering Date") hereby notifies the Company that he or she hereby withdraws from the Offering Period. He or she hereby directs the Company to pay to the undersigned as promptly as practicable all the payroll deductions credited to his or her account with respect to such Offering Period. The undersigned understands and agrees that his or her option for such Offering Period will be terminated automatically. The undersigned understands further that no further payroll deductions will be made for the purchase of shares in the current Offering Period and the undersigned will be eligible to participate in succeeding Offering Periods only by delivering to the Company a new Subscription Agreement.

Name and Address of Participant:

_____

_____

Signature:

_____

Date: _____

IRHYTHM HOLDINGS, INC.

2006 STOCK PLAN

(Amended as of October 28, 2010)

1. Purposes of the Plan. The purposes of this Plan are to attract and retain the best available personnel for positions of substantial responsibility, to provide additional incentive to Employees, Directors and Consultants and to promote the success of the Company's business. Options granted under the Plan may be Incentive Stock Options or Nonstatutory Stock Options, as determined by the Administrator at the time of grant. Stock Purchase Rights may also be granted under the Plan.

2. Definitions. As used herein, the following definitions shall apply:

(a) "Administrator" means the Board or any of its Committees as shall be administering the Plan in accordance with Section 4 hereof.

(b) "Applicable Laws" means the requirements relating to the administration of stock option plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Common Stock is listed or quoted and the applicable laws of any other country or jurisdiction where Options or Stock Purchase Rights are granted under the Plan.

(c) "Board" means the Board of Directors of the Company.

(d) "Change in Control" means the occurrence of any of the following events:

(i) Any "person" (as such term is used in Sections 13(d) and 14(d) of the Exchange Act) becomes the "beneficial owner" (as defined in Rule 13d-3 of the Exchange Act), directly or indirectly, of securities of the Company representing fifty percent (50%) or more of the total voting power represented by the Company's then outstanding voting securities, except that any change in the beneficial ownership of the securities of the Company as a result of a private financing of the Company that is approved by the Board, shall not be deemed to be a Change in Control; or

(ii) The consummation of the sale or disposition by the Company of all or substantially all of the Company's assets; or

(iii) The consummation of a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity or its parent) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity or its parent outstanding immediately after such merger or consolidation.

(e) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to a section of the Code herein will be a reference to any successor or amended section of the Code.

(f) "Committee" means a committee of Directors or of other individuals satisfying Applicable Laws appointed by the Board in accordance with Section 4 hereof.

(g) "Common Stock" means the Common Stock of the Company.

(h) "Company" means iRhythm Holdings, Inc., a Delaware corporation.

(i) "Consultant" means any person who is engaged by the Company or any Parent or Subsidiary to render consulting or advisory services to such entity.

(j) "Director" means a member of the Board.

(k) "Disability" means total and permanent disability as defined in Section 22(e)(3) of the Code.

(l) "Employee" means any person, including officers and Directors, employed by the Company or any Parent or Subsidiary of the Company. Neither service as a Director nor payment of a director's fee by the Company shall be sufficient to constitute "employment" by the Company.

(m) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(n) "Exchange Program" means a program under which (a) outstanding Options are surrendered or cancelled in exchange for Options of the same type (which may have lower exercise prices and different terms), Options of a different type, and/or cash, and/or (b) the exercise price of an outstanding Option is reduced. The terms and conditions of any Exchange Program will be determined by the Administrator in its sole discretion.

(o) "Fair Market Value" means, as of any date, the value of Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or a national market system, including without limitation the Nasdaq National Market or The Nasdaq SmallCap Market of The Nasdaq Stock Market, its Fair Market Value shall be the closing sales price for such stock (or the closing bid, if no sales were reported) as quoted on such exchange or system on the day of determination, as reported in *The Wall Street Journal* or such other source as the Administrator deems reliable;

(ii) If the Common Stock is regularly quoted by a recognized securities dealer but selling prices are not reported, its Fair Market Value shall be the mean between the high bid and low asked prices for the Common Stock on the day of determination; or

(iii) In the absence of an established market for the Common Stock, the Fair Market Value thereof shall be determined in good faith by the Administrator.

(p) "Incentive Stock Option" means an Option intended to qualify as an incentive stock option within the meaning of Section 422 of the Code.

(q) "Nonstatutory Stock Option" means an Option not intended to qualify as an Incentive Stock Option.

(r) "Option" means a stock option granted pursuant to the Plan.

(s) "Option Agreement" means a written or electronic agreement between the Company and an Optionee evidencing the terms and conditions of an individual Option grant. The Option Agreement is subject to the terms and conditions of the Plan.

(t) "Optioned Stock" means the Common Stock subject to an Option or a Stock Purchase Right.

(u) "Optionee" means the holder of an outstanding Option or Stock Purchase Right granted under the Plan.

(v) "Parent" means a "parent corporation," whether now or hereafter existing, as defined in Section 424(e) of the Code.

(w) "Plan" means this 2006 Stock Plan.

(x) "Restricted Stock" means Shares issued pursuant to a Stock Purchase Right or Shares of restricted stock issued pursuant to an Option.

(y) "Restricted Stock Purchase Agreement" means a written or electronic agreement between the Company and the Optionee evidencing the terms and restrictions applying to Shares purchased under a Stock Purchase Right. The Restricted Stock Purchase Agreement is subject to the terms and conditions of the Plan and the notice of grant.

(z) "Securities Act" means the Securities Act of 1933, as amended.

(aa) "Service Provider" means an Employee, Director or Consultant.

(bb) "Share" means a share of the Common Stock, as adjusted in accordance with Section 13 below.

(cc) "Stock Purchase Right" means a right to purchase Common Stock pursuant to Section 11 below.

(dd) "Subsidiary" means a "subsidiary corporation," whether now or hereafter existing, as defined in Section 424(f) of the Code.

3. Stock Subject to the Plan. Subject to the provisions of Section 13 of the Plan, the maximum aggregate number of Shares that may be subject to Options or Stock Purchase Rights and sold under the Plan is **3,293,334** Shares. The Shares may be authorized but unissued, or reacquired Common Stock.

If an Option or Stock Purchase Right expires or becomes unexercisable without having been exercised in full, or is surrendered pursuant to an Exchange Program, the unpurchased Shares that were subject thereto shall become available for future grant or sale under the Plan (unless the Plan has terminated). However, Shares that have actually been issued under the Plan, upon exercise of either an Option or Stock Purchase Right, shall not be returned to the Plan and shall not become available for future distribution under the Plan, except that if unvested Shares of Restricted Stock are repurchased by the Company at their original purchase price, such Shares shall become available for future grant under the Plan.

4. Administration of the Plan.

(a) Administrator. The Plan shall be administered by the Board or a Committee appointed by the Board, which Committee shall be constituted to comply with Applicable Laws.

(b) Powers of the Administrator. Subject to the provisions of the Plan and, in the case of a Committee, the specific duties delegated by the Board to such Committee, and subject to the approval of any relevant authorities, the Administrator shall have the authority in its discretion:

(i) to determine the Fair Market Value;

(ii) to select the Service Providers to whom Options and Stock Purchase Rights may from time to time be granted hereunder;

(iii) to determine the number of Shares to be covered by each such award granted hereunder;

(iv) to approve forms of agreement for use under the Plan;

(v) to determine the terms and conditions of any Option or Stock Purchase Right granted hereunder. Such terms and conditions include, but are not limited to, the exercise price, the time or times when Options or Stock Purchase Rights may be exercised (which may be based on performance criteria), any vesting acceleration or waiver of forfeiture restrictions, and any restriction or limitation regarding any Option or Stock Purchase Right or the Common Stock relating thereto, based in each case on such factors as the Administrator, in its sole discretion, shall determine;

(vi) to institute an Exchange Program;

(vii) to prescribe, amend and rescind rules and regulations relating to the Plan, including rules and regulations relating to sub-plans established for the purpose of satisfying applicable foreign laws;

(viii) to allow Optionees to satisfy withholding tax obligations by electing to have the Company withhold from the Shares to be issued upon exercise of an Option or Stock Purchase Right that number of Shares having a Fair Market Value equal to the minimum amount required to be withheld. The Fair Market Value of the Shares to be withheld shall be determined on the date that the amount of tax to be withheld is to be determined. All elections by Optionees

to have Shares withheld for this purpose shall be made in such form and under such conditions as the Administrator may deem necessary or advisable; and

(ix) to construe and interpret the terms of the Plan and Options granted pursuant to the Plan.

(c) Effect of Administrator's Decision. All decisions, determinations and interpretations of the Administrator shall be final and binding on all Optionees.

5. Eligibility. Nonstatutory Stock Options and Stock Purchase Rights may be granted to Service Providers. Incentive Stock Options may be granted only to Employees.

6. Limitations.

(a) Incentive Stock Option Limit. Each Option shall be designated in the Option Agreement as either an Incentive Stock Option or a Nonstatutory Stock Option. However, notwithstanding such designation, to the extent that the aggregate Fair Market Value of the Shares with respect to which Incentive Stock Options are exercisable for the first time by the Optionee during any calendar year (under all plans of the Company and any Parent or Subsidiary) exceeds $100,000, such Options shall be treated as Nonstatutory Stock Options. For purposes of this Section 6(a), Incentive Stock Options shall be taken into account in the order in which they were granted. The Fair Market Value of the Shares shall be determined as of the time the Option with respect to such Shares is granted.

(b) At-Will Employment. Neither the Plan nor any Option or Stock Purchase Right shall confer upon any Optionee any right with respect to continuing the Optionee's relationship as a Service Provider with the Company, nor shall it interfere in any way with his or her right or the Company's right to terminate such relationship at any time, with or without cause, and with or without notice.

7. Term of Plan. Subject to stockholder approval in accordance with Section 19, the Plan shall become effective upon its adoption by the Board. Unless sooner terminated under Section 15, it shall continue in effect for a term of ten (10) years from the later of (i) the effective date of the Plan, or (ii) the earlier of the most recent Board or stockholder approval of an increase in the number of Shares reserved for issuance under the Plan.

8. Term of Option. The term of each Option shall be stated in the Option Agreement; provided, however, that the term shall be no more than ten (10) years from the date of grant thereof. In the case of an Incentive Stock Option granted to an Optionee who, at the time the Option is granted, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the term of the Option shall be five (5) years from the date of grant or such shorter term as may be provided in the Option Agreement.

9. Option Exercise Price and Consideration.

(a) Exercise Price. The per share exercise price for the Shares to be issued upon exercise of an Option shall be such price as is determined by the Administrator, but shall be subject to the following:

(i) In the case of an Incentive Stock Option

(A) granted to an Employee who, at the time of grant of such Option, owns stock representing more than ten percent (10%) of the voting power of all classes of stock of the Company or any Parent or Subsidiary, the exercise price shall be no less than 110% of the Fair Market Value per Share on the date of grant.

(B) granted to any other Employee, the per Share exercise price shall be no less than 100% of the Fair Market Value per Share on the date of grant.

(ii) Intentionally Omitted.

(iii) Notwithstanding the foregoing, Options may be granted with a per Share exercise price other than as required above in accordance with and pursuant to a transaction described in Section 424 of the Code.

(b) Forms of Consideration. The consideration to be paid for the Shares to be issued upon exercise of an Option, including the method of payment, shall be determined by the Administrator (and, in the case of an Incentive Stock Option, shall be determined at the time of grant). Such consideration may consist of, without limitation, (1) cash, (2) check, (3) promissory note, (4) other Shares, provided Shares acquired directly from the Company (x) have been owned by the Optionee, and not subject to a substantial risk of forfeiture, for more than six months on the date of surrender, and (y) have a Fair Market Value on the date of surrender equal to the aggregate exercise price of the Shares as to which such Option shall be exercised, (5) consideration received by the Company under a cashless exercise program implemented by the Company in connection with the Plan, or (6) any combination of the foregoing methods of payment. In making its determination as to the type of consideration to accept, the Administrator shall consider if acceptance of such consideration may be reasonably expected to benefit the Company.

10. Exercise of Option.

(a) Procedure for Exercise; Rights as a Stockholder. Any Option granted hereunder shall be exercisable according to the terms hereof at such times and under such conditions as determined by the Administrator and set forth in the Option Agreement. An Option may not be exercised for a fraction of a Share. Except in the case of Options granted to officers, Directors and Consultants, Options shall become exercisable at a rate of no less than 20% per year over five (5) years from the date the Options are granted.

An Option shall be deemed exercised when the Company receives (i) written or electronic notice of exercise (in accordance with the Option Agreement) from the person entitled to exercise the Option, and (ii) full payment for the Shares with respect to which the Option is exercised. Full payment may consist of any consideration and method of payment authorized by the Administrator and permitted by the Option Agreement and the Plan. Shares issued upon exercise of an Option shall be issued in the name of the Optionee or, if requested by the Optionee, in the name of the Optionee and his or her spouse. Until the Shares are issued (as evidenced by the appropriate entry on the books of the Company or of a duly authorized transfer agent of the Company), no right to vote or receive dividends or any other rights as a stockholder shall exist with respect to the Shares, notwithstanding the exercise of the Option. The Company shall issue

(or cause to be issued) such Shares promptly after the Option is exercised. No adjustment will be made for a dividend or other right for which the record date is prior to the date the Shares are issued, except as provided in Section 13 of the Plan.

Exercise of an Option in any manner shall result in a decrease in the number of Shares thereafter available, both for purposes of the Plan and for sale under the Option, by the number of Shares as to which the Option is exercised.

(b) Termination of Relationship as a Service Provider. If an Optionee ceases to be a Service Provider, such Optionee may exercise his or her Option within thirty (30) days of termination, or such longer period of time as specified in the Option Agreement, to the extent that the Option is vested on the date of termination (but in no event later than the expiration of the term of the Option as set forth in the Option Agreement). Unless the Administrator provides otherwise, if on the date of termination the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified by the Administrator, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(c) Disability of Optionee. If an Optionee ceases to be a Service Provider as a result of the Optionee's Disability, the Optionee may exercise his or her Option within six (6) months of termination, or such longer period of time as specified in the Option Agreement, to the extent the Option is vested on the date of termination (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement). Unless the Administrator provides otherwise, if on the date of termination the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall revert to the Plan. If, after termination, the Optionee does not exercise his or her Option within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(d) Death of Optionee. If an Optionee dies while a Service Provider, the Option may be exercised within six (6) months following Optionee's death, or such longer period of time as specified in the Option Agreement, to the extent that the Option is vested on the date of death (but in no event later than the expiration of the term of such Option as set forth in the Option Agreement) by the Optionee's designated beneficiary, provided such beneficiary has been designated prior to Optionee's death in a form acceptable to the Administrator. If no such beneficiary has been designated by the Optionee, then such Option may be exercised by the personal representative of the Optionee's estate or by the person(s) to whom the Option is transferred pursuant to the Optionee's will or in accordance with the laws of descent and distribution. If, at the time of death, the Optionee is not vested as to his or her entire Option, the Shares covered by the unvested portion of the Option shall immediately revert to the Plan. If the Option is not so exercised within the time specified herein, the Option shall terminate, and the Shares covered by such Option shall revert to the Plan.

(e) Leaves of Absence.

(i) Unless the Administrator provides otherwise, vesting of Options granted hereunder to officers and Directors shall be suspended during any unpaid leave of absence.

(ii) A Service Provider shall not cease to be an Employee in the case of (A) any leave of absence approved by the Company or (B) transfers between locations of the Company or between the Company, its Parent, any Subsidiary, or any successor.

(iii) For purposes of Incentive Stock Options, no such leave may exceed ninety (90) days, unless reemployment upon expiration of such leave is guaranteed by statute or contract. If reemployment upon expiration of a leave of absence approved by the Company is not so guaranteed, then three (3) months following the 91st day of such leave, any Incentive Stock Option held by the Optionee shall cease to be treated as an Incentive Stock Option and shall be treated for tax purposes as a Nonstatutory Stock Option.

11. Stock Purchase Rights.

(a) Rights to Purchase. Stock Purchase Rights may be issued either alone, in addition to, or in tandem with other awards granted under the Plan and/or cash awards made outside of the Plan. After the Administrator determines that it will offer Stock Purchase Rights under the Plan, it shall advise the offeree in writing or electronically of the terms, conditions and restrictions related to the offer, including the number of Shares that such person shall be entitled to purchase, the price to be paid, and the time within which such person must accept such offer. The terms of the offer shall comply in all respects with Section 260.140.42 of Title 10 of the California Code of Regulations. The offer shall be accepted by execution of a Restricted Stock Purchase Agreement in the form determined by the Administrator.

(b) Repurchase Option. Unless the Administrator determines otherwise, the Restricted Stock Purchase Agreement shall grant the Company a repurchase option exercisable within 90 days of the voluntary or involuntary termination of the purchaser's service with the Company for any reason (including death or disability). Unless the Administrator provides otherwise, the purchase price for Shares repurchased pursuant to the Restricted Stock Purchase Agreement shall be the original price paid by the purchaser and may be paid by cancellation of any indebtedness of the purchaser to the Company. The repurchase option shall lapse at such rate as the Administrator may determine. Except with respect to Shares purchased by officers, Directors and Consultants, the repurchase option shall in no case lapse at a rate of less than 20% per year over five (5) years from the date of purchase.

(c) Other Provisions. The Restricted Stock Purchase Agreement shall contain such other terms, provisions and conditions not inconsistent with the Plan as may be determined by the Administrator in its sole discretion.

(d) Rights as a Stockholder. Once the Stock Purchase Right is exercised, the purchaser shall have rights equivalent to those of a stockholder and shall be a stockholder when his or her purchase is entered upon the records of the duly authorized transfer agent of the Company. No adjustment shall be made for a dividend or other right for which the record date is prior to the date the Stock Purchase Right is exercised, except as provided in Section 13 of the Plan.

12. Limited Transferability of Options and Stock Purchase Rights. Unless determined otherwise by the Administrator, Options and Stock Purchase Rights may not be sold, pledged,

assigned, hypothecated, transferred, or disposed of in any manner other than by will or the laws of descent and distribution, and may be exercised during the lifetime of the Optionee, only by the Optionee. If the Administrator in its sole discretion makes an Option or Stock Purchase Right transferable, such Option or Stock Purchase Right may only be transferred (i) by will, (ii) by the laws of descent and distribution, or (iii) to family members (within the meaning of Rule 701 of the Securities Act) through gifts or domestic relations orders, as permitted by Rule 701 of the Securities Act.

13. Adjustments; Dissolution or Liquidation; Merger or Change in Control.

(a) Adjustments. In the event that any dividend or other distribution (whether in the form of cash, Shares, other securities, or other property), recapitalization, stock split, reverse stock split, reorganization, merger, consolidation, split-up, spin-off, combination, repurchase, or exchange of Shares or other securities of the Company, or other change in the corporate structure of the Company affecting the Shares occurs, the Administrator, in order to prevent diminution or enlargement of the benefits or potential benefits intended to be made available under the Plan, may (in its sole discretion) adjust the number and class of Shares that may be delivered under the Plan and/or the number, class, and price of Shares covered by each outstanding Option or Stock Purchase Right; provided, however, that the Administrator shall make such adjustments to the extent required by Section 25102(o) of the California Corporations Code.

(b) Dissolution or Liquidation. In the event of the proposed dissolution or liquidation of the Company, the Administrator shall notify each Optionee as soon as practicable prior to the effective date of such proposed transaction. To the extent it has not been previously exercised, an Option or Stock Purchase Right will terminate immediately prior to the consummation of such proposed action.

(c) Merger or Change in Control. In the event of a merger of the Company with or into another corporation, or a Change in Control, each outstanding Option and Stock Purchase Right shall be assumed or an equivalent option substituted by the successor corporation or a Parent or Subsidiary of the successor corporation. In the event that the successor corporation in a merger or Change in Control refuses to assume or substitute for the Option or Stock Purchase Right, then the Optionee shall fully vest in and have the right to exercise the Option or Stock Purchase Right as to all of the Optioned Stock, including Shares as to which it would not otherwise be vested or exercisable. If an Option or Stock Purchase Right becomes fully vested and exercisable in lieu of assumption or substitution in the event of a merger or Change in Control, the Administrator shall notify the Optionee in writing or electronically that the Option or Stock Purchase Right shall be fully exercisable for a period of time as determined by the Administrator, and the Option or Stock Purchase Right shall terminate upon expiration of such period. For the purposes of this paragraph, the Option or Stock Purchase Right shall be considered assumed if, following the merger or Change in Control, the option or right confers the right to purchase or receive, for each Share subject to the Option or Stock Purchase Right immediately prior to the merger or Change in Control, the consideration (whether stock, cash, or other securities or property) received in the merger or Change in Control by holders of Common Stock for each Share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding Shares); provided, however, that if such consideration received in the merger or Change in Control is not solely

common stock of the successor corporation or its Parent, the Administrator may, with the consent of the successor corporation, provide for the consideration to be received upon the exercise of the Option or Stock Purchase Right, for each Share subject to the Option or Stock Purchase Right, to be solely common stock of the successor corporation or its Parent equal in fair market value to the per share consideration received by holders of common stock in the merger or Change in Control.

14. Time of Granting Options and Stock Purchase Rights. The date of grant of an Option or Stock Purchase Right shall, for all purposes, be the date on which the Administrator makes the determination granting such Option or Stock Purchase Right, or such later date as is determined by the Administrator. Notice of the determination shall be given to each Service Provider to whom an Option or Stock Purchase Right is so granted within a reasonable time after the date of such grant.

15. Amendment and Termination of the Plan.

(a) Amendment and Termination. The Board may at any time amend, alter, suspend or terminate the Plan.

(b) Stockholder Approval. The Board shall obtain stockholder approval of any Plan amendment to the extent necessary and desirable to comply with Applicable Laws.

(c) Effect of Amendment or Termination. No amendment, alteration, suspension or termination of the Plan shall impair the rights of any Optionee, unless mutually agreed otherwise between the Optionee and the Administrator, which agreement must be in writing and signed by the Optionee and the Company. Termination of the Plan shall not affect the Administrator's ability to exercise the powers granted to it hereunder with respect to Options granted under the Plan prior to the date of such termination.

16. Conditions Upon Issuance of Shares.

(a) Legal Compliance. Shares shall not be issued pursuant to the exercise of an Option or Stock Purchase Right unless the exercise of such Option or Stock Purchase Right and the issuance and delivery of such Shares shall comply with Applicable Laws and shall be further subject to the approval of counsel for the Company with respect to such compliance.

(b) Investment Representations. As a condition to the exercise of an Option or Stock Purchase Right, the Administrator may require the person exercising such Option or Stock Purchase Right to represent and warrant at the time of any such exercise that the Shares are being purchased only for investment and without any present intention to sell or distribute such Shares if, in the opinion of counsel for the Company, such a representation is required.

17. Inability to Obtain Authority. The inability of the Company to obtain authority from any regulatory body having jurisdiction, which authority is deemed by the Company's counsel to be necessary to the lawful issuance and sale of any Shares hereunder, shall relieve the Company of any liability in respect of the failure to issue or sell such Shares as to which such requisite authority shall not have been obtained.

18. Reservation of Shares. The Company, during the term of this Plan, shall at all times reserve and keep available such number of Shares as shall be sufficient to satisfy the requirements of the Plan.

19. Stockholder Approval. The Plan shall be subject to approval by the stockholders of the Company within twelve (12) months after the date the Plan is adopted. Such stockholder approval shall be obtained in the degree and manner required under Applicable Laws.

20. Information to Optionees. The Company shall provide to each Optionee and to each individual who acquires Shares pursuant to the Plan, not less frequently than annually during the period such Optionee has one or more Options or Stock Purchase Rights outstanding, and, in the case of an individual who acquires Shares pursuant to the Plan, during the period such individual owns such Shares, copies of annual financial statements. The Company shall not be required to provide such statements to key employees whose duties in connection with the Company assure their access to equivalent information.

IRHYTHM TECHNOLOGIES, INC.

2006 STOCK PLAN

STOCK OPTION AGREEMENT

Unless otherwise defined herein, the terms defined in the 2006 Stock Plan shall have the same defined meanings in this Stock Option Agreement.

I. NOTICE OF STOCK OPTION GRANT

Name: %%FIRST_NAME%-% %%LAST_NAME%-%

The undersigned Optionee has been granted an Option to purchase Common Stock of the Company, subject to the terms and conditions of the Plan and this Option Agreement, as follows:

Date of Grant	%%OPTION_DATE,'MM/DD/YYYY'%-%
Vesting Commencement Date	%%VEST_BASE_DATE,'MM/DD/YYYY'%-%
Exercise Price per Share	%%OPTION_PRICE,'$999,999,999.99'%-%
Total Number of Shares Granted	%%TOTAL_SHARES_GRANTED,'999,999,999'%-%
Total Exercise Price	%%TOTAL_OPTION_PRICE,'$999,999,999.99'%-%
Type of Option	%%OPTION_TYPE%-%

Vesting Schedule:

This Option shall be exercisable, in whole or in part, for 10 years from the grant date, according to the following vesting schedule:

Shares Allocated in Period	Vest Type	Vesting Period End Date
%%SHARES_PERIOD1,'999,999,999'%-%	%%VEST_TYPE_PERIOD1%-%	%%VEST_DATE_PERIOD1%-%
%%decode(SHARES_PERIOD2, 0, null, SHARES_PERIOD2),'999,999,999'%-%	%%VEST_TYPE_PERIOD2%-%	%%VEST_DATE_PERIOD2%-%
%%decode(SHARES_PERIOD3, 0, null, SHARES_PERIOD3),'999,999,999'%-%	%%VEST_TYPE_PERIOD3%-%	%%VEST_DATE_PERIOD3%-%
%%decode(SHARES_PERIOD4, 0, null, SHARES_PERIOD4),'999,999,999'%-%	%%VEST_TYPE_PERIOD4%-%	%%VEST_DATE_PERIOD4%-%
%%decode(SHARES_PERIOD5, 0, null, SHARES_PERIOD5),'999,999,999'%-%	%%VEST_TYPE_PERIOD5%-%	%%VEST_DATE_PERIOD5%-%

%%decode(SHARES_PERIOD6, 0, null, SHARES_PERIOD6),'999,999,999'%-%	%%VEST_TYPE_PERIOD6%-%	%%VEST_DATE_PERIOD6%-%

Termination Period:

This Option shall be exercisable for three (3) months after Optionee ceases to be a Service Provider. Upon Optionee's death or Disability, this Option may be exercised for one (1) year after Optionee ceases to be a Service Provider. In no event may Optionee exercise this Option after the Term/Expiration Date as provided above.

II. AGREEMENT

1. Grant of Option. The Plan Administrator of the Company hereby grants to the Optionee named in the Notice of Grant (the "**Optionee**"), an option (the "**Option**") to purchase the number of Shares set forth in the Notice of Grant, at the exercise price per Share set forth in the Notice of Grant (the "**Exercise Price**"), and subject to the terms and conditions of the Plan, which is incorporated herein by reference. Subject to Section 15(c) of the Plan, in the event of a conflict between the terms and conditions of the Plan and this Option Agreement, the terms and conditions of the Plan shall prevail.

If designated in the Notice of Grant as an Incentive Stock Option ("**ISO**"), this Option is intended to qualify as an Incentive Stock Option as defined in Section 422 of the Code. Nevertheless, to the extent that it exceeds the $100,000 rule of Code Section 422(d), this Option shall be treated as a Nonstatutory Stock Option ("**NSO**").

2. Exercise of Option.

(a) Right to Exercise. This Option shall be exercisable during its term in accordance with the Vesting Schedule set out in the Notice of Grant and with the applicable provisions of the Plan and this Option Agreement.

(b) Method of Exercise. This Option shall be exercisable by delivery of an exercise notice in the form attached as Exhibit A (the "**Exercise Notice**") which shall state the election to exercise the Option, the number of Shares with respect to which the Option is being exercised, and such other representations and agreements as may be required by the Company. The Exercise Notice shall be accompanied by payment of the aggregate Exercise Price as to all Exercised Shares. This Option shall be deemed to be exercised upon receipt by the Company of such fully executed Exercise Notice accompanied by the aggregate Exercise Price.

No Shares shall be issued pursuant to the exercise of an Option unless such issuance and such exercise comply with Applicable Laws. Assuming such compliance, for income tax purposes the Shares shall be considered transferred to the Optionee on the date on which the Option is exercised with respect to such Shares.

3. Optionee's Representations. In the event the Shares have not been registered under the Securities Act of 1933, as amended, at the time this Option is exercised, the Optionee shall, if required by the Company, concurrently with the exercise of all or any portion of this Option, deliver

to the Company his or her Investment Representation Statement in the form attached hereto as Exhibit B.

4. Lock-Up Period. Optionee hereby agrees that Optionee shall not offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend, or otherwise transfer or dispose of, directly or indirectly, any Common Stock (or other securities) of the Company or enter into any swap, hedging or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of any Common Stock (or other securities) of the Company held by Optionee (other than those included in the registration) for a period specified by the representative of the underwriters of Common Stock (or other securities) of the Company not to exceed one hundred eighty (180) days following the effective date of any registration statement of the Company filed under the Securities Act (or such other period as may be requested by the Company or the underwriters to accommodate regulatory restrictions on (i) the publication or other distribution of research reports and (ii) analyst recommendations and opinions, including, but not limited to, the restrictions contained in NASD Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto).

Optionee agrees to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriter which are consistent with the foregoing or which are necessary to give further effect thereto. In addition, if requested by the Company or the representative of the underwriters of Common Stock (or other securities) of the Company, Optionee shall provide, within ten (10) days of such request, such information as may be required by the Company or such representative in connection with the completion of any public offering of the Company's securities pursuant to a registration statement filed under the Securities Act. The obligations described in this Section 4 shall not apply to a registration relating solely to employee benefit plans on Form S-1 or Form S-8 or similar forms that may be promulgated in the future, or a registration relating solely to a Commission Rule 145 transaction on Form S-4 or similar forms that may be promulgated in the future. The Company may impose stop-transfer instructions with respect to the shares of Common Stock (or other securities) subject to the foregoing restriction until the end of said one hundred eighty (180) day (or other) period. Optionee agrees that any transferee of the Option or shares acquired pursuant to the Option shall be bound by this Section 4.

5. Method of Payment. Payment of the aggregate Exercise Price shall be by any of the following, or a combination thereof, at the election of the Optionee:

(a) cash or check;

(b) consideration received by the Company under a formal cashless exercise program adopted by the Company in connection with the Plan; or

(c) surrender of other Shares which, (i) in the case of Shares acquired from the Company, either directly or indirectly, have been owned by the Optionee, and not subject to a substantial risk of forfeiture, for more than six (6) months on the date of surrender, and (ii) have a Fair Market Value on the date of surrender equal to the aggregate Exercise Price of the Exercised Shares.

6. Restrictions on Exercise. This Option may not be exercised until such time as the Plan has been approved by the stockholders of the Company, or if the issuance of such Shares upon such exercise or the method of payment of consideration for such shares would constitute a violation of any Applicable Law.

7. Non-Transferability of Option. This Option may not be transferred in any manner otherwise than by will or by the laws of descent or distribution and may be exercised during the lifetime of Optionee only by Optionee. The terms of the Plan and this Option Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of the Optionee.

8. Term of Option. This Option may be exercised only within the term set out in the Notice of Grant, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Tax Obligations.

(a) Withholding Taxes. Optionee agrees to make appropriate arrangements with the Company (or the Parent or Subsidiary employing or retaining Optionee) for the satisfaction of all Federal, state, local and foreign income and employment tax withholding requirements applicable to the Option exercise. Optionee acknowledges and agrees that the Company may refuse to honor the exercise and refuse to deliver Shares if such withholding amounts are not delivered at the time of exercise.

(b) Notice of Disqualifying Disposition of ISO Shares. If the Option granted to Optionee herein is an ISO, and if Optionee sells or otherwise disposes of any of the Shares acquired pursuant to the ISO on or before the later of (1) the date two years after the Date of Grant, or (2) the date one year after the date of exercise, the Optionee shall immediately notify the Company in writing of such disposition. Optionee agrees that Optionee may be subject to income tax withholding by the Company on the compensation income recognized by the Optionee.

10. Entire Agreement; Governing Law. The Plan is incorporated herein by reference. The Plan and this Option Agreement constitute the entire agreement of the parties with respect to the subject matter hereof and supersede in their entirety all prior undertakings and agreements of the Company and Optionee with respect to the subject matter hereof, and may not be modified adversely to the Optionee's interest except by means of a writing signed by the Company and Optionee. This agreement is governed by the internal substantive laws but not the choice of law rules, of California.

11. No Guarantee of Continued Service. OPTIONEE ACKNOWLEDGES AND AGREES THAT THE VESTING OF SHARES PURSUANT TO THE VESTING SCHEDULE HEREOF IS EARNED ONLY BY CONTINUING AS A SERVICE PROVIDER AT THE WILL OF THE COMPANY (NOT THROUGH THE ACT OF BEING HIRED, BEING GRANTED THIS OPTION OR ACQUIRING SHARES HEREUNDER). OPTIONEE FURTHER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT, THE TRANSACTIONS CONTEMPLATED HEREUNDER AND THE VESTING SCHEDULE SET FORTH HEREIN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED ENGAGEMENT AS A SERVICE PROVIDER FOR THE VESTING PERIOD, FOR ANY PERIOD, OR AT ALL, AND SHALL NOT INTERFERE IN ANY WAY WITH OPTIONEE'S RIGHT OR THE COMPANY'S

RIGHT TO TERMINATE OPTIONEE'S RELATIONSHIP AS A SERVICE PROVIDER AT ANY TIME, WITH OR WITHOUT CAUSE.

By clicking on the accept button on this webpage, Optionee acknowledges receipt of a copy of the Plan and represents that he or she is familiar with the terms and provisions thereof, and hereby accepts this Option subject to all of the terms and provisions thereof. Optionee has reviewed the Plan and this Option in their entirety, has had an opportunity to obtain the advice of counsel prior to clicking on the accept button and fully understands all provisions of the Option. By clicking on the accept button on this webpage, Optionee hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Administrator upon any questions arising under the Plan or this Option. By clicking on the accept button on this webpage, Optionee further agrees to notify the Company upon any change in the residence address.

IRHYTHM HOLDINGS, INC.

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (this "***Agreement***") is effective as of the last signature hereto (the "***Agreement Effective Date***") and is between iRhythm Holdings, Inc., a Delaware corporation (the "***Company***"), and _____ ("***Indemnitee***").

RECITALS

A. Indemnitee's service to the Company substantially benefits the Company.

B. Individuals are reluctant to serve as directors or officers of corporations or in certain other capacities unless they are provided with adequate protection through insurance or indemnification against the risks of claims and actions against them arising out of such service.

C. Indemnitee does not regard the protection currently provided by applicable law, the Company's governing documents and any insurance as adequate under the present circumstances, and Indemnitee may not be willing to serve as a director or officer without additional protection.

D. In order to induce Indemnitee to continue to provide services to the Company, it is reasonable, prudent and necessary for the Company to contractually obligate itself to indemnify, and to advance expenses on behalf of, Indemnitee as permitted by applicable law.

E. This Agreement is a supplement to and in furtherance of the indemnification provided in the Company's certificate of incorporation and bylaws, and any resolutions adopted pursuant thereto, and this Agreement shall not be deemed a substitute therefor, nor shall this Agreement be deemed to limit, diminish or abrogate any rights of Indemnitee thereunder.

The parties therefore agree as follows:

1. Definitions.

(a) A "***Change in Control***" shall be deemed to occur upon the earliest to occur after the date of this Agreement of any of the following events:

(i) *Acquisition of Stock by Third Party*. Any Person (as defined below) is or becomes the Beneficial Owner (as defined below), directly or indirectly, of securities of the Company representing fifteen percent (15%) or more of the combined voting power of the Company's then outstanding securities;

(ii) *Change in Board Composition*. During any period of two consecutive years (not including any period prior to the execution of this Agreement), individuals who at the beginning of such period constitute the Company's board of directors, and any new directors (other than a director designated by a person who has entered into an agreement with the Company to effect a transaction described in Sections 1(a)(i), 1(a)(iii) or 1(a)(iv)) whose election by the board of directors or nomination for election by the Company's stockholders was approved by a vote of at least two-thirds of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute at least a majority of the members of the Company's board of directors;

(iii) *Corporate Transactions*. The effective date of a merger or consolidation of the Company with any other entity, other than a merger or consolidation which would result in the voting securities of the Company outstanding immediately prior to such merger or consolidation continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) more than 50% of the combined voting power of the voting securities of the surviving entity outstanding immediately after such merger or consolidation and with the power to elect at least a majority of the board of directors or other governing body of such surviving entity;

(iv) *Liquidation*. The approval by the stockholders of the Company of a complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all of the Company's assets; and

(v) *Other Events*. Any other event of a nature that would be required to be reported in response to Item 6(e) of Schedule 14A of Regulation 14A (or in response to any similar item on any similar schedule or form) promulgated under the Securities Exchange Act of 1934, as amended, whether or not the Company is then subject to such reporting requirement.

For purposes of this Section 1(a), the following terms shall have the following meanings:

(1) "***Person***" shall have the meaning as set forth in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended; *provided*, *however*, that "***Person***" shall exclude (i) the Company, (ii) any trustee or other fiduciary holding securities under an employee benefit plan of the Company, and (iii) any corporation owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company.

(2) "***Beneficial Owner***" shall have the meaning given to such term in Rule 13d-3 under the Securities Exchange Act of 1934, as amended; *provided*, *however*, that "***Beneficial Owner***" shall exclude any Person otherwise becoming a Beneficial Owner by reason of (i) the stockholders of the Company approving a merger of the Company with another entity or (ii) the Company's board of directors approving a sale of securities by the Company to such Person.

(b) "***Corporate Status***" describes the status of a person who is or was a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise.

(c) "***DGCL***" means the General Corporation Law of the State of Delaware.

(d) "***Disinterested Director***" means a director of the Company who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

(e) "***Enterprise***" means the Company and any other corporation, partnership, limited liability company, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary.

(f) "***Expenses***" include all reasonable attorneys' fees, retainers, court costs, transcript costs, fees and costs of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also include (i) Expenses incurred in connection with any appeal resulting from any Proceeding, including

without limitation the premium, security for, and other costs relating to any cost bond, supersedeas bond or other appeal bond or their equivalent, and (ii) for purposes of Section 12(d), Expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company. Expenses, however, shall not include amounts paid in settlement by Indemnitee or the amount of judgments or fines against Indemnitee.

(g) "***Independent Counsel***" means a law firm, or a partner or member of a law firm, that is experienced in matters of corporation law and neither presently is, nor in the past five years has been, retained to represent (i) the Company or Indemnitee in any matter material to either such party (other than as Independent Counsel with respect to matters concerning Indemnitee under this Agreement, or other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term "***Independent Counsel***" shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Company or Indemnitee in an action to determine Indemnitee's rights under this Agreement.

(h) "***Proceeding***" means any threatened, pending or completed action, suit, arbitration, mediation, alternate dispute resolution mechanism, investigation, inquiry, administrative hearing or proceeding, whether brought in the right of the Company or otherwise and whether of a civil, criminal, administrative or investigative nature, including any appeal therefrom and including without limitation any such Proceeding pending as of the date of this Agreement, in which Indemnitee was, is or will be involved as a party, a potential party, a non-party witness or otherwise by reason of (i) the fact that Indemnitee is or was a director or officer of the Company, (ii) any action taken by Indemnitee or any action or inaction on Indemnitee's part while acting as a director or officer of the Company, or (iii) the fact that he or she is or was serving at the request of the Company as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, in each case whether or not serving in such capacity at the time any liability or Expense is incurred for which indemnification or advancement of expenses can be provided under this Agreement.

(i) Reference to "***other enterprises***" shall include employee benefit plans; references to "***fines***" shall include any excise taxes assessed on a person with respect to any employee benefit plan; references to "***serving at the request of the Company***" shall include any service as a director, officer, employee or agent of the Company which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a person who acted in good faith and in a manner he or she reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner "***not opposed to the best interests of the Company***" as referred to in this Agreement.

2. Indemnity in Third-Party Proceedings. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 2 if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding, other than a Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 2, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not *opposed to the best* interests of the Company and, with respect to any criminal action or proceeding, had no reasonable cause to believe that his or her conduct was unlawful.

3. Indemnity in Proceedings by or in the Right of the Company. The Company shall indemnify Indemnitee in accordance with the provisions of this Section 3 if Indemnitee is, or is threatened to be made,

a party to or a participant in any Proceeding by or in the right of the Company to procure a judgment in its favor. Pursuant to this Section 3, Indemnitee shall be indemnified to the fullest extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with such Proceeding or any claim, issue or matter therein, if Indemnitee acted in good faith and in a manner he or she reasonably believed to be in or not opposed to the best interests of the Company. No indemnification for Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been adjudged by a court of competent jurisdiction to be liable to the Company, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to indemnification for such expenses as the Delaware Court of Chancery or such other court shall deem proper.

4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. To the extent that Indemnitee is a party to or a participant in and is successful (on the merits or otherwise) in defense of any Proceeding or any claim, issue or matter therein, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith. To the extent permitted by applicable law, if Indemnitee is not wholly successful in such Proceeding but is successful, on the merits or otherwise, in defense of one or more but less than all claims, issues or matters in such Proceeding, the Company shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with (a) each successfully resolved claim, issue or matter, and (b) any claim, issue or matter related to any such successfully resolved claim, issue or matter. For purposes of this section, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

5. Indemnification for Expenses of a Witness. To the extent that Indemnitee is, by reason of his or her Corporate Status, a witness in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified to the extent permitted by applicable law against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection therewith.

6. Additional Indemnification.

(a) Notwithstanding any limitation in Sections 2, 3 or 4, the Company shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is, or is threatened to be made, a party to or a participant in any Proceeding (including a Proceeding by or in the right of the Company to procure a judgment in its favor) against all Expenses, judgments, fines and amounts paid in settlement actually and reasonably incurred by Indemnitee or on his or her behalf in connection with the Proceeding or any claim, issue or matter therein.

(b) For purposes of Section 6(a), the meaning of the phrase "***to the fullest extent permitted by applicable law***" shall include, but not be limited to:

(i) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and

(ii) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

7. Exclusions. Notwithstanding any provision in this Agreement, the Company shall not be obligated under this Agreement to make any indemnity in connection with any Proceeding (or any part of any Proceeding):

(a) for which payment has actually been made to or on behalf of Indemnitee under any statute, insurance policy, indemnity provision, vote or otherwise, except with respect to any excess beyond the amount paid;

(b) for an accounting or disgorgement of profits pursuant to Section 16(b) of the Securities Exchange Act of 1934, as amended, or similar provisions of federal, state or local statutory law or common law, if Indemnitee is held liable therefor (including pursuant to any settlement arrangements);

(c) for any reimbursement of the Company by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Company, as required in each case under the Securities Exchange Act of 1934, as amended (including any such reimbursements that arise from an accounting restatement of the Company pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "***Sarbanes-Oxley Act***"), or the payment to the Company of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor;

(d) initiated by Indemnitee and not by way of defense, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Company or its directors, officers, employees, agents or other indemnitees, unless (i) the Company's board of directors authorized the Proceeding (or the relevant part of the Proceeding) prior to its initiation, (ii) the Company provides the indemnification, in its sole discretion, pursuant to the powers vested in the Company under applicable law, (iii) otherwise authorized in Section 12(d) or (iv) otherwise required by applicable law; or

(e) if prohibited by applicable law.

8. Advances of Expenses.

(a) The Company shall advance the Expenses incurred by Indemnitee in connection with any Proceeding prior to its final resolution, and such advancement shall be made as soon as reasonably practicable, but in any event no later than 60 days, after the receipt by the Company of a written statement or statements requesting such advances from time to time (which shall include invoices received by Indemnitee in connection with such Expenses but, in the case of invoices in connection with legal services, any references to legal work performed or to expenditure made that would cause Indemnitee to waive any privilege accorded by applicable law shall not be included with the invoice). Advances shall be unsecured and interest free and made without regard to Indemnitee's ability to repay such advances. Indemnitee hereby undertakes to repay any advance to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Company. This Section 8 shall not apply to the extent advancement is prohibited by law and shall not apply to any Proceeding for which indemnity is not permitted under this Agreement, but shall apply to any Proceeding referenced in Section 7(b) or 7(c) prior to a determination that Indemnitee is not entitled to be indemnified by the Company.

9. Procedures for Notification and Defense of Claim.

(a) Indemnitee shall notify the Company in writing of any matter with respect to which Indemnitee intends to seek indemnification or advancement of Expenses as soon as reasonably practicable following the receipt by Indemnitee of notice thereof. The written notification to the Company shall include, in reasonable detail, a description of the nature of the Proceeding and the facts underlying the Proceeding.

The failure by Indemnitee to notify the Company will not relieve the Company from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, except to the extent that such failure or delay materially prejudices the Company.

(b) If, at the time of the receipt of a notice of a Proceeding pursuant to the terms hereof, the Company has directors' and officers' liability insurance in effect, the Company shall give prompt notice of the commencement of the Proceeding to the insurers in accordance with the procedures set forth in the applicable policies. The Company shall thereafter take all commercially-reasonable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(c) In the event the Company may be obligated to make any indemnity in connection with a Proceeding, the Company shall be entitled to assume the defense of such Proceeding with counsel approved by Indemnitee, which approval shall not be unreasonably withheld. After the retention of such counsel by the Company, the Company will not be liable to Indemnitee for any fees or expenses of counsel subsequently incurred by Indemnitee with respect to the same Proceeding. Notwithstanding the Company's assumption of the defense of any such Proceeding, the Company shall be obligated to pay the fees and expenses of Indemnitee's separate counsel to the extent (i) the employment of separate counsel by Indemnitee is authorized by the Company, (ii) counsel for the Company or Indemnitee shall have reasonably concluded that there is a conflict of interest between the Company and Indemnitee in the conduct of any such defense such that Indemnitee needs to be separately represented, (iii) the fees and expenses are non-duplicative and reasonably incurred in connection with Indemnitee's role in the Proceeding despite the Company's assumption of the defense; (iv) the Company is not financially or legally able to perform its indemnification obligations, or (v) the Company shall not have retained, or shall not continue to retain, such counsel to defend such Proceeding. The Company shall have the right to conduct such defense as it sees fit in its sole discretion. Regardless of any provision in this Agreement, Indemnitee shall have the right to employ counsel in any Proceeding at Indemnitee's personal expense. The Company shall not be entitled, without the consent of Indemnitee, to assume the defense of any claim brought by or in the right of the Company.

(d) Indemnitee shall give the Company such information and cooperation in connection with the Proceeding as may be reasonably appropriate.

(e) The Company shall not be liable to indemnify Indemnitee for any settlement of any Proceeding (or any part thereof) without the Company's prior written consent, which shall not be unreasonably withheld.

(f) The Company shall have the right to settle any Proceeding (or any part thereof) without the consent of Indemnitee.

10. Procedures upon Application for Indemnification.

(a) To obtain indemnification, Indemnitee shall submit to the Company a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee *and as is reasonably* necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of the Proceeding. Any delay in providing the request will not relieve the Company from its obligations under this Agreement, except to the extent such failure is prejudicial.

(b) Upon written request by Indemnitee for indemnification pursuant to Section 10(a), a determination with respect to Indemnitee's entitlement thereto shall be made in the specific case (i) if a

Change in Control shall have occurred, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (ii) if a Change in Control shall not have occurred, if required by applicable law (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Company's board of directors, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Company's board of directors, a copy of which shall be delivered to Indemnitee or (D) if so directed by the Company's board of directors, by the stockholders of the Company. If it is determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten days after such determination. Indemnitee shall cooperate with the person, persons or entity making the determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information that is not privileged or otherwise protected from disclosure and that is reasonably available to Indemnitee and reasonably necessary to such determination. Any costs or expenses (including attorneys' fees and disbursements) reasonably incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Company, to the extent permitted by applicable law.

(c) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(b), the Independent Counsel shall be selected as provided in this Section 10(c). If a Change in Control shall not have occurred, the Independent Counsel shall be selected by the Company's board of directors, and the Company shall give written notice to Indemnitee advising him or her of the identity of the Independent Counsel so selected. If a Change in Control shall have occurred, the Independent Counsel shall be selected by Indemnitee (unless Indemnitee shall request that such selection be made by the Company's board of directors, in which event the preceding sentence shall apply), and Indemnitee shall give written notice to the Company advising it of the identity of the Independent Counsel so selected. In either event, Indemnitee or the Company, as the case may be, may, within ten days after such written notice of selection shall have been given, deliver to the Company or to Indemnitee, as the case may be, a written objection to such selection; *provided*, *however*, that such objection may be asserted only on the ground that the Independent Counsel so selected does not meet the requirements of "Independent Counsel" as defined in Section 1 of this Agreement, and the objection shall set forth with particularity the factual basis of such assertion. Absent a proper and timely objection, the person so selected shall act as Independent Counsel. If such written objection is so made and substantiated, the Independent Counsel so selected may not serve as Independent Counsel unless and until such objection is withdrawn or a court has determined that such objection is without merit. If, within 20 days after the later of (i) submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof and (ii) the final disposition of the Proceeding, the parties have not agreed upon an Independent Counsel, either the Company or Indemnitee may petition a court of competent jurisdiction for resolution of any objection which shall have been made by the Company or Indemnitee to the other's selection of Independent Counsel and for the appointment as Independent Counsel of a person selected by the court or by such other person as the court shall designate, and the person with respect to whom all objections are so resolved or the person so appointed shall act as Independent Counsel under Section 10(b) hereof. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, the Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing). The Company shall pay the reasonable fees and expenses of any Independent Counsel.

11. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by law,

presume that Indemnitee is entitled to indemnification under this Agreement, and the Company shall, to the fullest extent not prohibited by law, have the burden of proof to overcome that presumption.

(b) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of *nolo contendere* or its equivalent, shall not (except as otherwise expressly provided in this Agreement) of itself create a presumption that Indemnitee did not act in good faith and in a manner which he or she reasonably believed to be in or not opposed to the best interests of the Company or, with respect to any criminal Proceeding, that Indemnitee had reasonable cause to believe that his or her conduct was unlawful.

(c) Neither the knowledge, actions nor failure to act of any other director, officer, agent or employee of the Enterprise shall be imputed to Indemnitee for purposes of determining the right to indemnification under this Agreement.

12. Remedies of Indemnitee.

(a) Subject to Section 12(e), in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification under this Agreement, (ii) advancement of Expenses is not timely made pursuant to Section 8 or 12(d) of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10 of this Agreement within 90 days after the later of the receipt by the Company of the request for indemnification or the final disposition of the Proceeding, (iv) payment of indemnification pursuant to this Agreement is not made (A) within ten days after a determination has been made that Indemnitee is entitled to indemnification or (B) with respect to indemnification pursuant to Sections 4, 5 and 12(d) of this Agreement, within 30 days after receipt by the Company of a written request therefor, or (v) the Company or any other person or entity takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnitee the benefits provided or intended to be provided to Indemnitee hereunder, Indemnitee shall be entitled to an adjudication by a court of competent jurisdiction of his or her entitlement to such indemnification or advancement of Expenses. Alternatively, Indemnitee, at his or her option, may seek an award in arbitration with respect to his or her entitlement to such indemnification or advancement of Expenses, to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. Indemnitee shall commence such proceeding seeking an adjudication or an award in arbitration within 180 days following the date on which Indemnitee first has the right to commence such proceeding pursuant to this Section 12(a); *provided*, *however*, that the foregoing clause shall not apply in respect of a proceeding brought by Indemnitee to enforce his or her rights under Section 4 of this Agreement. The Company shall not oppose Indemnitee's right to seek any such adjudication or award in arbitration in accordance with this Agreement.

(b) Neither (i) the failure of the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders to have made a determination that indemnification of Indemnitee is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor (ii) an actual determination by the Company, its board of directors, any committee or subgroup of the board of directors, Independent Counsel or stockholders that Indemnitee has not met the applicable standard of conduct, shall create a presumption that Indemnitee has or has not met the applicable standard of conduct. In the event that a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is not entitled to indemnification, any judicial proceeding or arbitration *commenced pursuant* to this Section 12 shall be conducted in all respects as a *de novo* trial, or arbitration, on the merits, and Indemnitee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12, the Company shall, to the fullest extent

not prohibited by law, have the burden of proving Indemnitee is not entitled to indemnification or advancement of Expenses, as the case may be.

(c) To the fullest extent not prohibited by law, the Company shall be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Company is bound by all the provisions of this Agreement. If a determination shall have been made pursuant to Section 10 of this Agreement that Indemnitee is entitled to indemnification, the Company shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent (i) a misstatement by Indemnitee of a material fact, or an omission of a material fact necessary to make Indemnitee's statements not materially misleading, in connection with the request for indemnification, or (ii) a prohibition of such indemnification under applicable law.

(d) To the extent not prohibited by law, the Company shall indemnify Indemnitee against all Expenses that are incurred by Indemnitee in connection with any action for indemnification or advancement of Expenses from the Company under this Agreement or under any directors' and officers' liability insurance policies maintained by the Company to the extent Indemnitee is successful in such action, and, if requested by Indemnitee, shall (as soon as reasonably practicable, but in any event no later than 60 days, after receipt by the Company of a written request therefor) advance such Expenses to Indemnitee, subject to the provisions of Section 8. Such advances shall be subject to Indemnitee's agreement to repay the sums advanced if the court (or arbitrator) finds that each material argument or defense advanced by Indemnitee in such action or arbitration was either frivolous or not made in good faith.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification shall be required to be made prior to the final disposition of the Proceeding.

13. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee, the Company, in lieu of indemnifying Indemnitee, shall contribute to the amounts incurred by Indemnitee, whether for Expenses, judgments, fines or amounts paid or to be paid in settlement, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (i) the relative benefits received by the Company and Indemnitee as a result of the events and transactions giving rise to such Proceeding; and (ii) the relative fault of Indemnitee and the Company (and its other directors, officers, employees and agents) in connection with such events and transactions.

14. Non-exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Company's certificate of incorporation or bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement of Expenses than would be afforded currently under the Company's certificate of incorporation and bylaws and this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change, subject to the restrictions expressly set forth herein or therein. Except as expressly set forth herein, no right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. Except as expressly set forth herein, the *assertion* or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

15. Primary Responsibility. The Company acknowledges that to the extent Indemnitee is serving as a director on the Company's board of directors at the request or direction of a venture capital fund or other entity and/or certain of its affiliates (collectively, the "***Secondary Indemnitors***"), Indemnitee may have certain rights to indemnification and advancement of expenses provided by such Secondary Indemnitors. The Company agrees that, as between the Company and the Secondary Indemnitors, the Company is primarily responsible for amounts required to be indemnified or advanced under the Company's certificate of incorporation or bylaws or this Agreement and any obligation of the Secondary Indemnitors to provide indemnification or advancement for the same amounts is secondary to those Company obligations. To the extent not in contravention of any insurance policy or policies providing liability or other insurance for the Company or any director, trustee, general partner, managing member, officer, employee, agent or fiduciary of the Company or any other Enterprise, the Company waives any right of contribution or subrogation against the Secondary Indemnitors with respect to the liabilities for which the Company is primarily responsible under this Section 15. In the event of any payment by the Secondary Indemnitors of amounts otherwise required to be indemnified or advanced by the Company under the Company's certificate of incorporation or bylaws or this Agreement, the Secondary Indemnitors shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee for indemnification or advancement of expenses under the Company's certificate of incorporation or bylaws or this Agreement or, to the extent such subrogation is unavailable and contribution is found to be the applicable remedy, shall have a right of contribution with respect to the amounts paid. The Secondary Indemnitors are express third-party beneficiaries of the terms of this Section 15.

16. No Duplication of Payments. The Company shall not be liable under this Agreement to make any payment of amounts otherwise indemnifiable hereunder (or for which advancement is provided hereunder) if and to the extent that Indemnitee has otherwise actually received payment for such amounts under any insurance policy, contract, agreement or otherwise.

17. Insurance. To the extent that the Company maintains an insurance policy or policies providing liability insurance for directors, trustees, general partners, managing members, officers, employees, agents or fiduciaries of the Company or any other Enterprise, Indemnitee shall be covered by such policy or policies to the same extent as the most favorably-insured persons under such policy or policies in a comparable position.

18. Subrogation. In the event of any payment under this Agreement, the Company shall be subrogated to the extent of such payment to all of the rights of recovery of Indemnitee, who shall execute all papers required and take all action necessary to secure such rights, including execution of such documents as are necessary to enable the Company to bring suit to enforce such rights.

19. Services to the Company. Indemnitee agrees to serve as a director or officer of the Company or, at the request of the Company, as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of another Enterprise, for so long as Indemnitee is duly elected or appointed or until Indemnitee tenders his or her resignation or is removed from such position. Indemnitee may at any time and for any reason resign from such position (subject to any other contractual obligation or any obligation imposed by operation of law), in which event the Company shall have no obligation under this Agreement to continue Indemnitee in such position. This Agreement shall not be deemed an employment contract between the Company (or any of its subsidiaries or any Enterprise) and Indemnitee. Indemnitee specifically acknowledges that any employment with the Company (or any of its subsidiaries or any Enterprise) is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, with or without notice, except as may be otherwise expressly provided in any executed, written employment contract between Indemnitee and the Company (or any of its subsidiaries or any Enterprise), any existing formal severance policies adopted by the Company's board of directors or, with respect to service as a director or

officer of the Company, the Company's certificate of incorporation or bylaws or the DGCL. No such document shall be subject to any oral modification thereof.

20. Duration. This Agreement shall continue until and terminate upon the later of (a) ten years after the date that Indemnitee shall have ceased to serve as a director or officer of the Company or as a director, trustee, general partner, managing member, officer, employee, agent or fiduciary of any other Enterprise, as applicable; or (b) one year after the final termination of any Proceeding, including any appeal, then pending in respect of which Indemnitee is granted rights of indemnification or advancement of Expenses hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto.

21. Successors. This Agreement shall be binding upon the Company and its successors and assigns, including any direct or indirect successor by purchase, merger, consolidation or otherwise to all or substantially all of the business or assets of the Company, and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. The Company shall require and cause any successor (whether direct or indirect by purchase, merger, consolidation or otherwise) to all or substantially all of the business or assets of the Company, by written agreement, expressly to assume and agree to perform this Agreement in the same manner and to the same extent that the Company would be required to perform if no such succession had taken place.

22. Severability. Nothing in this Agreement is intended to require or shall be construed as requiring the Company to do or fail to do any act in violation of applicable law. The Company's inability, pursuant to court order or other applicable law, to perform its obligations under this Agreement shall not constitute a breach of this Agreement. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (i) the validity, legality and enforceability of the remaining provisions of this Agreement (including without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by law; (ii) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (iii) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any section of this Agreement containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

23. Enforcement. The Company expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director or officer of the Company, and the Company acknowledges that Indemnitee is relying upon this Agreement in serving as a director or officer of the Company.

24. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; *provided*, *however*, that this Agreement is a supplement to and in furtherance of the Company's certificate of incorporation and bylaws and applicable law.

25. Modification and Waiver. No supplement, modification or amendment to this Agreement shall be binding unless executed in writing by the parties hereto. No amendment, alteration or repeal of this Agreement shall adversely affect any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in his or her Corporate Status prior to such amendment, alteration or

repeal. No waiver of any of the provisions of this Agreement shall constitute or be deemed a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

26. Notices. All notices and other communications required or permitted hereunder shall be in writing and shall be mailed by registered or certified mail, postage prepaid, or otherwise delivered by hand, messenger or courier service addressed:

(a) if to Indemnitee, to Indemnitee's address, as shown on the signature page of this Agreement or in the Company's records, as may be updated in accordance with the provisions hereof; or

(b) if to the Company, to the attention of the Chief Executive Officer or Chief Financial Officer of the Company at 699 8th Street, #600, San Francisco, California 94103, or at such other current address as the Company shall have furnished to Indemnitee, with a copy (which shall not constitute notice) to Michael Brown and Julia Forbess at Fenwick & West LLP, 555 California Street, San Francisco, California 94104.

Each such notice or other communication shall for all purposes of this Agreement be treated as effective or having been given (i) if delivered by hand, messenger or courier service, when delivered (or if sent *via* a nationally-recognized overnight courier service, freight prepaid, specifying next-business-day delivery, one business day after deposit with the courier), or (ii) if sent *via* mail, at the earlier of its receipt or five days after the same has been deposited in a regularly-maintained receptacle for the deposit of the United States mail, addressed and mailed as aforesaid.

27. Applicable Law and Consent to Jurisdiction. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules. Except with respect to any arbitration commenced by Indemnitee pursuant to Section 12(a) of this Agreement, or except as mutually agreed by the parties in writing, the Company and Indemnitee hereby irrevocably and unconditionally (i) agree that any action or proceeding arising out of or in connection with this Agreement shall be brought only in the Delaware Court of Chancery, and not in any other state or federal court in the United States of America or any court in any other country, (ii) consent to submit to the exclusive jurisdiction of the Delaware Court of Chancery for purposes of any action or proceeding arising out of or in connection with this Agreement, (iii) appoint, to the extent such party is not otherwise subject to service of process in the State of Delaware, The Corporation Trust Company, Wilmington, Delaware as its agent in the State of Delaware as such party's agent for acceptance of legal process in connection with any such action or proceeding against such party with the same legal force and validity as if served upon such party personally within the State of Delaware, (iv) waive any objection to the laying of venue of any such action or proceeding in the Delaware Court of Chancery, and (v) waive, and agree not to plead or to make, any claim that any such action or proceeding brought in the Delaware Court of Chancery has been brought in an improper or inconvenient forum.

28. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. This Agreement may also be executed and delivered by facsimile signature and in counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

29. Captions. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

(signature page follows)

The parties are signing this Indemnification Agreement as of the Agreement Effective Date.

IRHYTHM HOLDINGS, INC.

_____

(Signature)

_____

(Print Name)

_____

(Title)

INDEMNITEE

_____

(Signature)

_____

(Print Name)

_____

(Street address)

_____

(City, State and ZIP)

IRHYTHM HOLDINGS, INC.

AMENDED AND RESTATED EXECUTIVE CHANGE IN CONTROL AND SEVERANCE POLICY

Adopted October 29, 2025; Assumed January 12, 2026

This Amended and Restated Executive Change in Control and Severance Policy, as amended (the "**Policy**") is designed to provide certain protections to a select group of key employees of iRhythm Holdings, Inc. (the "**Company**") or any of its subsidiaries if their employment is involuntarily terminated under the circumstances described in this Policy. The Policy is designed to be an "employee welfare benefit plan" (as defined in Section 3(1) of the Employee Retirement Income Security Act of 1974, as amended ("**ERISA**")), and this document is both the formal plan document and the required summary plan description for the Policy. Effective January 12, 2026, iRhythm Technologies, Inc. implemented a corporate holding company structure that resulted in the formation of iRhythm Holdings, Inc. as its new parent holding company (the "**Reorganization**"). To give effect to the Reorganization for purposes of this Policy, as used herein (including, but not limited to, with respect to the benefits, burdens, determinations, notice and actions to be taken hereunder), the term "Company" shall include iRhythm Holdings, Inc. and its Affiliates (including, but not limited to, iRhythm Technologies, Inc.) **except with respect to the definition of a Change in Control** (which shall apply solely with respect to iRhythm Holdings, Inc.) or as otherwise expressly set forth in this Policy.

1. **Eligible Employee**: An individual is only eligible for protection under this Policy if he or she is an Eligible Employee and complies with its terms. An "**Eligible Employee**" is an employee of the Company or any subsidiary of the Company who has (i) been designated by the Compensation Committee of the Board (the "**Compensation Committee**") as eligible to participate in the Policy, whether individually or by position or category of position and (ii) executed a participation agreement in substantially the form attached hereto as Exhibit A (a "**Participation Agreement**").

2. **Policy Benefits**: An Eligible Employee will be eligible to receive the payments and benefits under this Policy upon his or her Qualified Termination. All benefits under this Policy will be subject to the Eligible Employee's compliance with the Release Requirement and any timing modifications required to avoid adverse taxation under Section 409A.

3. **Salary Severance**.

    a. On a Non-CIC Qualified Termination, an Eligible Employee will be eligible to receive continuing payments of severance pay at a rate equal to the Eligible Employee's Base Salary for the number of months set forth below, with payment commencing on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10), less applicable withholdings.

        i. Tier 1: Eighteen (18) months.

        ii. Tier 2: Twelve (12) months.

        iii. Tier 3: Six (6) months.

    b. On a CIC Qualified Termination, an Eligible Employee will be eligible to receive a lump-sum payment equal to the number of months of annualized Base Salary as set forth below, payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10), less applicable withholdings.

i. Tier 1: Twenty-four (24) months.

ii. Tier 2: Eighteen (18) months.

iii. Tier 3: Nine (9) months.

4. **COBRA Benefit**.

a. On a Non-CIC Qualified Termination, if an Eligible Employee makes a valid election under COBRA to continue his or her health coverage, the Company will pay the cost of such continuation coverage for the Eligible Employee and any of the Eligible Employee's eligible dependents that were covered under the Company's health care plans immediately prior to the date of his or her eligible termination until the earliest of (i) the end of the period following the Non-CIC Qualified Termination set forth below, (ii) the date upon which the Eligible Employee and/or the Eligible Employee's eligible dependents become covered under similar plans or (iii) the date upon which the Eligible Employee ceases to be eligible for coverage under COBRA (such payments, the "**Non-CIC COBRA Premiums**"). However, if the Company determines in its sole discretion that it cannot pay the COBRA Non-CIC Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Eligible Employee a taxable lump-sum payment equal to the total amount of the COBRA premiums that the Executive would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualified Termination (which amount will be based on the premium rates applicable for the first month of COBRA coverage for the Eligible Employee and any of eligible dependents of the Eligible Employee) for the period of time set forth below following the Qualified Termination (the "**Non-CIC COBRA Replacement Payment**"), payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10). The Non-CIC COBRA Replacement Payment (if any) will be made regardless of whether the Eligible Employee elects COBRA continuation coverage. For the avoidance of doubt, the Non-CIC COBRA Replacement Payment may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings. Notwithstanding anything to the contrary under this Policy, if at any time the Company determines in its sole discretion that it cannot provide the Non-CIC COBRA Premiums or the Non-CIC COBRA Replacement Payment without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Eligible Employee will not receive any further Non-CIC COBRA Premiums or the Non-CIC COBRA Replacement Payment.

i. Tier 1: Eighteen (18) months.

ii. Tier 2: Twelve (12) months.

iii. Tier 3: Six (6) months.

b. On CIC Qualified Termination if an Eligible Employee makes a valid election under COBRA to continue his or her health coverage, the Company will pay the cost of such continuation coverage for the Eligible Employee and any of the Eligible Employee's eligible dependents that were covered under the Company's health care plans immediately prior to the date of his or her eligible termination until the earliest of (i) the end of the period following the CIC Qualified Termination set forth below, (ii) the date upon which

the Eligible Employee and/or the Eligible Employee's eligible dependents become covered under similar plans or (iii) the date upon which the Eligible Employee ceases to be eligible for coverage under COBRA (the "**CIC COBRA Premiums**", and together with the Non-CIC COBRA Premiums, the "**COBRA Premiums**"). However, if the Company determines in its sole discretion that it cannot pay the CIC COBRA Premiums without potentially violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Company will in lieu thereof provide to the Eligible Employee a taxable lump-sum payment equal to the total amount of the COBRA premiums that the Eligible Employee would be required to pay to continue his or her group health coverage in effect on the date of his or her Qualified Termination (which amount will be based on the premium rates applicable for the first month of COBRA coverage for the Eligible Employee and any of eligible dependents of the Eligible Employee) for the period of time set forth below following the Qualified Termination (the "**CIC COBRA Replacement Payment**", and together with a Non-CIC COBRA Replacement Payment, a "**COBRA Replacement Payment**"), payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10). The CIC COBRA Replacement Payment (if any) will be made regardless of whether the Eligible Employee elects COBRA continuation coverage. For the avoidance of doubt, the CIC COBRA Replacement Payment may be used for any purpose, including, but not limited to continuation coverage under COBRA, and will be subject to all applicable tax withholdings. Notwithstanding anything to the contrary under this Policy, if at any time the Company determines in its sole discretion that it cannot provide the CIC COBRA Premiums or the CIC COBRA Replacement Payment without violating applicable law (including, without limitation, Section 2716 of the Public Health Service Act), the Eligible Employee will not receive any further CIC COBRA Premiums or the CIC COBRA Replacement Payment.

i. Tier 1: Twenty-four (24) months.

ii. Tier 2: Fifteen (15) months.

iii. Tier 3: Nine (9) months.

5. **Equity Benefits**:

a. No acceleration of vesting of equity awards shall apply under this Policy with respect to an Eligible Employee's Non-CIC Qualified Termination. On a Non-CIC Qualified Termination, Eligible Employee's then-outstanding equity awards shall be governed by the iRhythm Holdings, Inc. equity plan and the applicable equity award agreements governing their grant.

b. On a CIC-Qualified Termination, acceleration of vesting as to all then-unvested shares or rights subject to all equity awards which have been granted to the Eligible Employee. In the case of an equity award with performance-based vesting, unless otherwise specified in the applicable equity award agreement governing such award, all performance goals and other vesting criteria will be deemed achieved at target.

6. **Bonus Severance**.

a. On a Non-CIC Qualified Termination, an Eligible Employee will be eligible to receive a lump-sum payment equal to a percentage of the Eligible Employee's target bonus as in effect for the fiscal year in which the Qualified Termination occurs, as set forth below,

payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10), less applicable withholdings.

i. Tier 1: One hundred and fifty percent (150%).

ii. Tier 2: One hundred percent (100%).

iii. Tier 3: Fifty percent (50%).

b. On a CIC-Qualified Termination, an Eligible Employee will be eligible to receive a lump-sum payment equal to a percentage of the Eligible Employee's target bonus as in effect for the fiscal year in which the Qualified Termination occurs, as set forth below, payable on the first Company payroll date following the effective date of the Release (subject to any delay as provided in Section 10), less applicable withholdings.

iv. Tier 1: Two hundred percent (200%).

v. Tier 2: One hundred and fifty percent (150%).

vi. Tier 3: Seventy-five percent (75%).

7. **Non-Duplication of Payment or Benefits**: An Eligible Employee's Qualifying Termination shall in no event constitute both a Non-CIC Qualified Termination and a CIC Qualified Termination under this Policy (i.e., no duplicative payments shall be made).

8. **Death of Eligible Employee**: If the Eligible Employee dies before all payments or benefits he or she is entitled to receive under this Policy have been paid, then (i) the COBRA Premiums to the Eligible Employee will immediately cease (and the COBRA Replacement Payment will not be paid to the Eligible Employee) and (ii) any such unpaid Salary Severance, Bonus Severance or Equity Benefits will be paid to his or her designated beneficiary, if living, or otherwise to his or her personal representative in a lump-sum payment as soon as possible following his or her death.

9. **Release**: The Eligible Employee's receipt of any severance payments or benefits upon his or Qualified Termination under this Policy is subject to the Eligible Employee signing and not revoking the Company's then-standard separation agreement and release of claims (which may include an agreement not to disparage the Company, non-solicit provisions, and other standard terms and conditions) (the "**Release**" and such requirement, the "**Release Requirement**"), which must become effective and irrevocable no later than the sixtieth (60^{th}) day following the Eligible Employee's Qualified Termination (the "**Release Deadline**"). If the Release does not become effective and irrevocable by the Release Deadline, the Eligible Employee will forfeit any right to severance payments or benefits under this Policy. In no event will severance payments or benefits under the Policy be paid or provided until the Release actually becomes effective and irrevocable. Notwithstanding any other payment schedule set forth in this Policy, none of the severance payments and benefits payable upon such Eligible Employee's Qualified Termination under this Policy will be paid or otherwise provided prior to the sixtieth (60^{th}) day following the Eligible Employee's Qualified Termination. Except to the extent that payments are delayed under the paragraph below entitled "Section 409A," on the first regular payroll pay day following the sixtieth (60^{th}) day following the Eligible Employee's Qualified Termination, the Company will pay or provide the Eligible Employee the severance payments and benefits that the Eligible Employee would otherwise have received under this Policy on or prior to such date, with the balance of such severance payments and benefits being paid or provided as originally scheduled.

10. **Section 409A**:

a. For purposes of this Policy, no payment will be made to an Eligible Employee upon termination of his or her employment unless such termination constitutes a "separation from service" within the meaning of Code Section 409A and Section 1.409A-l(h) of the regulations promulgated thereunder.

b. To the extent any payments to which an Eligible Employee becomes entitled under this Policy, or any agreement or plan referenced herein, in connection with his or her separation from service from the Company constitute deferred compensation subject to Section 409A of the Code (the "**Deferred Payments**"), such payments will be paid on, or in the case of installments, will not commence, until the sixtieth (60^{th}) day following the Eligible Employee's separation from service, or if later, such time as required by Section 10.c. Except as required by 10.c., any installment payments that would have been made to an Eligible Employee during the sixty (60) day period immediately following such Eligible Employee's separation from service but for the preceding sentence will be paid to Eligible Employee on or around the sixtieth (60^{th}) day following Eligible Employee's separation from service and the remaining payments will be made as provided herein.

c. If an Eligible Employee is deemed at the time of such separation from service to be a "specified employee" under Code Section 409A, then any Deferred Payment(s) shall not be made or commence until the earliest of (i) the expiration of the six (6) month period measured from the date of his or her "separation from service" (as such term is at the time defined in Treasury Regulations under Code Section 409A) with the Company or (ii) the date of his or her death following such separation from service; provided, however, that such deferral shall only be effected to the extent required to avoid adverse tax treatment to the Eligible Employee, including (without limitation) the additional twenty percent (20%) tax for which the Eligible Employee would otherwise be liable under Code Section 409A(a)(l)(B) in the absence of such deferral. Upon the expiration of the applicable deferral period, any payments which would have otherwise been made during that period (whether in a single sum or in installments) in the absence of this paragraph shall be paid to the Eligible Employee or his or her beneficiary in one lump sum.

d. The Company reserves the right to amend the Policy as it deems necessary or advisable, in its sole discretion and without the consent of any Eligible Employee or any other individual, to comply with any provision required to avoid the imposition of the additional tax imposed under Code Section 409A or to otherwise avoid income recognition under Code Section 409A prior to the actual payment of any benefits or imposition of any additional tax. Each payment and benefit payable hereunder is intended to constitute a separate payment for purposes of Section 1.409A-2(b)(2) of the Treasury Regulations. In no event will the Company reimburse an Eligible Employee for any taxes that may be imposed on the Eligible Employee as a result of Section 409A.

11. **Parachute Payments**:

a. Reduction of Severance Benefits. Notwithstanding anything set forth herein to the contrary, if any payment or benefit that an Eligible Employee would receive from the Company or any other party whether in connection with the provisions herein or otherwise (the "**Payment**") would (i) constitute a "parachute payment" within the meaning of Section 280G of the Internal Revenue Code of 1986, as amended (the "**Code**"), and (ii) but for this sentence, be subject to the excise tax imposed by Section 4999 of the Code (the "**Excise Tax**"), then such Payment will be equal to the Best Results Amount. The "**Best Results Amount**" will be either (x) the full amount of such Payment or (y) such lesser amount as would result in no portion of the Payment being subject to the Excise Tax, whichever of

the foregoing amounts, taking into account the applicable federal, state and local employment taxes, income taxes and the Excise Tax, results in the Eligible Employee's receipt, on an after-tax basis, of the greater amount notwithstanding that all or some portion of the Payment may be subject to the Excise Tax. If a reduction in payments or benefits constituting parachute payments is necessary so that the Payment equals the Best Results Amount, reduction will occur in the following order: reduction of cash payments; cancellation of awards granted "contingent on a change in ownership or control" (within the meaning of Code Section 280G); cancellation of accelerated vesting of stock awards; and reduction of employee benefits. In the event that acceleration of vesting of stock award compensation is to be reduced, such acceleration of vesting will be cancelled in the reverse order of the date of grant of the Eligible Employee's equity awards.

b. Determination of Excise Tax Liability. The Company will select a professional services firm to make all of the determinations required to be made under these paragraphs relating to parachute payments. The Company will request that firm provide detailed supporting calculations both to the Company and the Eligible Employee prior to the date on which the event that triggers the Payment occurs if administratively feasible, or subsequent to such date if events occur that result in parachute payments to the Eligible Employee at that time. For purposes of making the calculations required under these paragraphs relating to parachute payments, the firm may make reasonable assumptions and approximations concerning applicable taxes and may rely on reasonable, good faith determinations concerning the application of the Code. The Company and the Eligible Employee will furnish to the firm such information and documents as the firm may reasonably request in order to make a determination under these paragraphs relating to parachute payments. The Company will bear all costs the firm may reasonably incur in connection with any calculations contemplated by these paragraphs relating to parachute payments. Any such determination by the firm will be binding upon the Company and the Eligible Employee, and the Company will have no liability to the Eligible Employee for the determinations of the firm.

12. **Administration**: The Policy will be administered by the Compensation Committee or its delegate (in each case, an "**Administrator**"). The Administrator will have full discretion to administer and interpret the Policy. Any decision made or other action taken by the Administrator with respect to the Policy and any interpretation by the Administrator of any term or condition of the Policy, or any related document, will be conclusive and binding on all persons and be given the maximum possible deference allowed by law. The Administrator is the "plan administrator" of the Policy for purposes of ERISA and will be subject to the fiduciary standards of ERISA when acting in such capacity.

13. **Exclusive Benefits**: This Policy is intended to be the only agreement between the Eligible Employee and the Company regarding any change in control or severance payments or benefits to be paid to the Eligible Employee on account of a termination of employment whether unrelated to, concurrent with, or following, a Change in Control. Accordingly, by executing a Participation Agreement, an Eligible Employee hereby forfeits and waives any rights to any severance or change in control benefits set forth in any employment agreement, offer letter, and/or equity award agreement, except as set forth in this Policy.

14. **Tax Obligations**: All payments and benefits under this Policy will be paid less applicable withholding taxes. The Company is authorized to withhold from any payments or benefits all federal, state, local and/or foreign taxes required to be withheld therefrom and any other required payroll deductions. The Company will not pay any Eligible Employee's taxes arising from or relating to any payments or benefits under this Policy. The Eligible Employee will be solely

responsible for the payment of all personal tax liability that is incurred as a result of the payments and benefits received under this Policy, and the Eligible Employee will not be reimbursed by the Company for any such payments.

15. **Amendment or Termination**: The Board or the Compensation Committee may amend or terminate the Policy at any time without advance notice to any Eligible Employee or other individual and without regard to the effect of the amendment or termination on any Eligible Employee or on any other individual, except that any amendment or termination of the Policy that would reduce the benefits provided hereunder or impair an Eligible Employee's eligibility under the Policy will not be effective with respect to such Eligible Employee without such Eligible Employee's prior written consent. Any action in amending or terminating the Policy will be taken in a non-fiduciary capacity.

16. **Claims Procedure**: Any Eligible Employee who believes he or she is entitled to any payment under the Policy may submit a claim in writing to the Administrator. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also describe any additional information needed to support the claim and the Policy's procedures for appealing the denial. The denial notice will be provided within ninety (90) days after the claim is received. If special circumstances require an extension of time (up to ninety (90) days), written notice of the extension will be given within the initial ninety (90) day period. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision on the claim.

17. **Appeal Procedure**: If the claimant's claim is denied, the claimant (or his or her authorized representative) may apply in writing to the Administrator for a review of the decision denying the claim. Review must be requested within sixty (60) days following the date the claimant received the written notice of their claim denial or else the claimant loses the right to review. The claimant (or representative) then has the right to review and obtain copies of all documents and other information relevant to the claim, upon request and at no charge, and to submit issues and comments in writing. The Administrator will provide written notice of the decision on review within sixty (60) days after it receives a review request. If additional time (up to sixty (60) days) is needed to review the request, the claimant (or representative) will be given written notice of the reason for the delay. This notice of extension will indicate the special circumstances requiring the extension of time and the date by which the Administrator expects to render its decision. If the claim is denied (in full or in part), the claimant will be provided a written notice explaining the specific reasons for the denial and referring to the provisions of the Policy on which the denial is based. The notice will also include a statement that the claimant will be provided, upon request and free of charge, reasonable access to, and copies of, all documents and other information relevant to the claim and a statement regarding the claimant's right to bring an action under Section 502(a) of ERISA.

18. **Successors**: Any successor to the Company of all or substantially all of the Company's business and/or assets (whether direct or indirect and whether by purchase, merger, consolidation, liquidation or other transaction) will assume the obligations under the Policy and agree expressly to perform the obligations under the Policy in the same manner and to the same extent as the Company would be required to perform such obligations in the absence of a succession. For all purposes under the Policy, the term "Company" will include any successor to the Company's business and/or assets which becomes bound by the terms of the Policy by operation of law, or otherwise.

19. **Applicable Law**: The provisions of the Policy will be construed, administered, and enforced in accordance with ERISA and, to the extent applicable, the internal substantive laws of the state of

California (but not its conflict of laws provisions).

20. **Definitions**: The following terms will have the following meanings for purposes of this Policy:

    a. "**Affiliate**" means the Company and any other parent or subsidiary corporation of the Company, as such terms are defined in Section 424(e) and (1) of the Code.

    b. "**Base Salary**" means the Eligible Employee's annual base salary as in effect immediately prior to his or her Qualified Termination (or if the Qualified Termination is due to Good Reason based on a material reduction in base salary under Section 20.m.(i), then the Eligible Employee's annual base salary in effect immediately prior to such reduction).

    c. "**Board**" means the Board of Directors of the iRhythm Holdings, Inc..

    d. "**Bonus Severance**" means the severance payments set forth in Section 6.

    e. "**Cause**" means: (i) Eligible Employee's conviction of, or plea of guilty or nolo contendre to, a felony or a crime involving moral turpitude; (ii) Eligible Employee's admission or conviction of, or plea of guilty or nolo contendre to, an intentional act of fraud, embezzlement or theft in connection with Eligible Employee's duties or in the course of employment with the Company or an Affiliate; (iii) Eligible Employee's intentional wrongful damage to property of the Company or an Affiliate; (iv) Eligible Employee's intentional unauthorized or wrongful use or disclosure of secret processes or of proprietary or confidential information of the Company or an Affiliate (or any other party to whom Eligible Employee owes an obligation of nonuse or nondisclosure as a result of Eligible Employee's employment relationship with the Company or an Affiliate), including but not limited to trade secrets and customer lists; (iv) Eligible Employee's violation of any agreement not to compete with the Company or an Affiliate or to solicit either its customers or employees on behalf of competitors while remaining employed with the Company or an Affiliate, in each case to the extent enforceable under applicable law; (v) Eligible Employee's intentional violation of any policy or policies regarding ethical conduct; (vi) Employee's failure to reasonably cooperate in good faith with a governmental or internal investigation authorized by the Company or any governmental or self-regulatory entity; (vii) an act of dishonesty made by Eligible Employee in connection with Eligible Employee's responsibilities as an employee which materially harms the Company or an Affiliate, or (viii) Eligible Employee's intentional or continued failure to perform Eligible Employee's duties with the Company or an Affiliate, as determined in good faith by the Company or an Affiliate after being provided with notice of such failure, such notice specifying in reasonable detail the tasks which must be accomplished and a timeline for the accomplishment to avoid termination for Cause, and an opportunity to cure within thirty (30) days of receipt of such notice.

    f. "**Change in Control**" means the occurrence of any of the following events; provided, however, that references to the Company in this definition of "Change in Control" refer solely to iRhythm Holdings, Inc.:

        i. A change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group ("**Person**"), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than fifty percent (50%) of the total voting power of the stock of the Company; provided, however, that for purposes of this subsection, the acquisition of additional stock by any one Person, who is considered to own

more than fifty percent (50%) of the total voting power of the stock of the Company, will not be considered a Change in Control; or

ii. Any action or event occurring within an one year period, as a result of which less than a majority of the members of the Board are Incumbent Directors. "**Incumbent Directors**" will mean members of the Board who either (A) are members of the Board as of the date hereof, or (B) are elected, or nominated for election, to the Board with the affirmative votes of a majority of the Incumbent Directors at the time of such election or nomination (but will not include an individual whose election or nomination is in connection with an actual or threatened proxy contest relating to the election of members of the Board); or

iii. A change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the twelve (12) month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than fifty percent (50%) of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions; provided, however, that for purposes of this subsection (iii), the following will not constitute a change in the ownership of a substantial portion of the Company's assets: (A) a transfer to an entity that is controlled by the Company's stockholders immediately after the transfer, or (B) a transfer of assets by the Company to: (1) a stockholder of the Company (immediately before the asset transfer) in exchange for or with respect to the Company's stock, (2) an entity, fifty percent (50%) or more of the total value or voting power of which is owned, directly or indirectly, by the Company, (3) a Person, that owns, directly or indirectly, fifty percent (50%) or more of the total value or voting power of all the outstanding stock of the Company, or (4) an entity, at least fifty percent (50%) of the total value or voting power of which is owned, directly or indirectly, by a Person described in this subsection (iii)(B)(3). For purposes of this subsection (iii), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets.

For purposes of this definition, persons will be considered to be acting as a group if they are owners of a corporation that enters into a merger, consolidation, purchase or acquisition of stock, or similar business transaction with the Company.

Notwithstanding the foregoing, a transaction will not be deemed a Change in Control unless the transaction qualifies as a change in control event within the meaning of Section 409A.

Further and for the avoidance of doubt, a transaction will not constitute a Change in Control if: (i) its sole purpose is to change the state of the Company's incorporation, or (ii) its sole purpose is to create a holding company that will be owned in substantially the same proportions by the persons who held the Company's securities immediately before such transaction.

g. "**Change in Control Period**" means the period beginning on a Change in Control and ending twenty-four (24) months following a Change in Control.

h. "**COBRA**" means the Consolidated Omnibus Budget Reconciliation Act of 1985, as

amended.

i. "**COBRA Benefit**" means the COBRA premium payments and COBRA Replacement Payments set forth in Sections 4.a. and 4.b.

j. "**Code**" means the Internal Revenue Code of 1986, as amended.

k. "**Disability**" means that the Eligible Employee has been unable to perform Eligible Employee's Company duties as the result of Eligible Employee's incapacity due to physical or mental illness, and such inability, at least twenty-six (26) weeks after its commencement or 180 days in any consecutive twelve (12) month period, is determined to be total and permanent by a physician selected by the Company or its insurers and acceptable to Eligible Employee or Eligible Employee's legal representative (such agreement as to acceptability not to be unreasonably withheld). Termination resulting from Disability may only be effected after at least thirty (30) days' written notice by the Company of its intention to terminate the Eligible Employee's employment. In the event that the Eligible Employee resumes the performance of substantially all of Eligible Employee's duties hereunder before the termination of Eligible Employee's employment becomes effective, the notice of intent to terminate will automatically be deemed to have been revoked.

l. "**Equity Benefits**" means the equity award acceleration benefits set forth in Section 5(b).

m. "**Good Reason**" means Eligible Employee's resignation within thirty (30) days following the expiration of any Company cure period (discussed below) following the occurrence of one or more of the following, without Eligible Employee's express written consent: (i) a material reduction by the Company of Eligible Employee's base salary in effect immediately prior to such reduction; (ii) a material reduction of Eligible Employee's duties or responsibilities relative to Eligible Employee's duties or responsibilities in effect immediately prior to such reduction; or (iii) Eligible Employee's relocation at the Company's direction to a facility or location more than fifty (50) miles from Eligible Employee's then present location of providing services. Eligible Employee's resignation will not be deemed to be for Good Reason unless Eligible Employee has first provided the Company with written notice of the acts or omissions constituting the grounds for "Good Reason" within ninety (90) days of the initial existence of the grounds for "Good Reason" and a reasonable cure period of not less than thirty (30) days following the date the Company receives such notice, and such condition has not been cured during such period.

n. "**Qualified Termination**" means a termination of the Eligible Employee's employment either (i) by the Company without Cause (excluding by reason of the Eligible Employee's death or Disability) or (ii) by the Executive for Good Reason, in either case, during the Change in Control Period (a "**CIC Qualified Termination**") or outside of the Change in Control Period (a "**Non-CIC Qualified Termination**").

o. "**Salary Severance**" means the severance payments set forth in Sections 3.a. and 3.b.

p. "**Tier**" means the tier of severance benefits an Eligible Employee is entitled to receive under the Policy, depending on the rank of the Eligible Employee on the date the right to severance benefits under the Policy is triggered through a Qualified Termination, as set forth below.

    i. "**Tier 1**" applies to the Chief Executive Officer of iRhythm Technologies, Inc.

ii. "**Tier 2**" applies to the Chief Financial Officer, Chief People Officer (if any) and all Executive Vice Presidents of iRhythm Technologies, Inc.

iii. "**Tier 3**" applies to the Vice Presidents and Senior Vice Presidents of iRhythm Technologies, Inc.

21. **Additional Information**:

Plan Name:	iRhythm Holdings, Inc. Amended and Restated Executive Change in Control and Severance Policy
Plan Sponsor:	iRhythm Holdings, Inc. 699 8th Street, Suite 600 San Francisco, California
Identification Numbers:	002
Plan Year:	Fiscal Year of iRhythm Holdings, Inc.
Plan Administrator:	iRhythm Holdings, Inc. *Attention:* Administrator of the iRhythm Holdings, Inc. Amended and Restated Executive Change in Control and Severance Policy 699 8th Street, Suite 600 San Francisco, California
Agent for Service of Legal Process:	iRhythm Holdings, Inc. *Attention:* General Counsel 699 8th Street, Suite 600 San Francisco, California Service of process may also be made upon the Plan Administrator.
Type of Plan	Severance Plan/Employee Welfare Benefit Plan
Plan Costs	The cost of the Policy is paid by the Company.

22. **Statement of ERISA Rights**:

Eligible Employees have certain rights and protections under ERISA:

They may examine (without charge) all Policy documents, including any amendments and copies of all documents filed with the U.S. Department of Labor, such as the Policy's annual report (Internal Revenue Service Form 5500). These documents are available for review in the Company's Human Resources Department.

They may obtain copies of all Policy documents and other Policy information upon written request to the Plan Administrator. A reasonable charge may be made for such copies.

In addition to creating rights for Eligible Employees, ERISA imposes duties upon the people who are responsible for the operation of the Policy. The people who operate the Policy (called "fiduciaries") have a duty to do so prudently and in the interests of Eligible Employees. No one, including the Company or any other person, may fire or otherwise discriminate against an Eligible Employee in any way to prevent them from obtaining a benefit under the Policy or exercising rights under ERISA. If an Eligible Employee's claim for a severance benefit is denied, in whole or in part, they must receive a written explanation of the reason for the denial. An Eligible Employee has the right to have the denial of their claim reviewed. (The claim review procedure is explained above.)

Under ERISA, there are steps Eligible Employees can take to enforce the above rights. For instance, if an Eligible Employee requests materials and does not receive them within thirty (30) days, they may file suit in a federal court. In such a case, the court may require the Administrator to provide the materials and to pay the Eligible Employee up to $110 a day until they receive the materials, unless the materials were not sent because of reasons beyond the control of the Plan Administrator. If an Eligible Employee has a claim which is denied or ignored, in whole or in part, he or she may file suit in a state or federal court. If it should happen that an Eligible Employee is discriminated against for asserting their rights, he or she may seek assistance from the U.S. Department of Labor, or may file suit in a federal court.

In any case, the court will decide who will pay court costs and legal fees. If the Eligible Employee is successful, the court may order the person sued to pay these costs and fees. If the Eligible Employee loses, the court may order the Eligible Employee to pay these costs and fees, for example, if it finds that the claim is frivolous.

If an Eligible Employee has any questions regarding the Policy, please contact the Plan Administrator. If an Eligible Employee has any questions about this statement or about their rights under ERISA, they may contact the nearest area office of the Employee Benefits Security Administration (formerly the Pension and Welfare Benefits Administration), U.S. Department of Labor, listed in the telephone directory, or the Division of Technical Assistance and Inquiries, Employee Benefits Security Administration, U.S. Department of Labor, 200 Constitution Avenue, N.W. Washington, D.C. 20210. An Eligible Employee may also obtain certain publications about their rights and responsibilities under ERISA by calling the publications hotline of the Employee Benefits Security Administration.

EXHIBIT A

Amended and Restated Executive Change in Control and Severance Policy

Participation Agreement

This Participation Agreement ("**Agreement**") is made and entered into by and between [_____] on the one hand, and iRhythm Holdings, Inc. (the "**Company**") on the other.

You have been designated as eligible to participate in the Company's Amended and Restated Executive Change in Control and Severance Policy (the "**Policy**"), a copy of which is attached hereto, pursuant to which you are eligible to receive the applicable Salary Severance, COBRA Benefit, Bonus Severance, and Equity Benefits set forth in the Policy upon a Qualified Termination, subject to the terms and conditions of the Policy. Capitalized terms used but not defined in this Agreement have the meanings given to them in the Policy.

You agree that the Policy and the Agreement constitute the entire agreement of the parties hereto and supersede in their entirety all prior representations, understandings, undertakings or agreements (whether oral or written and whether expressed or implied) of the parties, and will specifically supersede any severance and/or change in control provisions of any offer letter, employment agreement, or equity award agreement entered into between you and the Company, including, but not limited to, any Participation Agreement previously entered into with respect to participation under the Policy.

This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

By its signature below, each of the parties signifies its acceptance of the terms of the Policy, in the case of the Company by its duly authorized officer effective as of the last date set forth below.

IRHYTHM HOLDINGS, INC.	**ELIGIBLE EMPLOYEE**
By:_____	Signature:_____
Date:_____	Date:_____

INSIDER TRADING POLICY

This policy was approved by the Board of Directors of iRhythm Technologies, Inc. on February 5, 2025 and assumed by iRhythm Holdings, Inc. on January 12, 2026

PURPOSE

iRhythm Holdings, Inc. (together with its subsidiaries, the "***Company***," "***we***," "***us***" or "***our***") is committed to promoting high standards of honest and ethical business conduct and compliance with laws, rules and regulations. Because stock is an important part of the Company's compensation program, our Board of Directors ("***Board***") has adopted this Insider Trading Policy ("***Policy***") governing the purchase, sale and other dispositions of the Company's securities by the individuals and entities covered by this Policy to promote compliance with insider trading laws, rules and regulations, as well as applicable stock exchange listing standards.

Insider trading happens when someone who is in possession of material nonpublic information ("***MNPI***") trades securities on the basis of that information or discloses MNPI to someone else who trades on the basis of that information.

If you are considering trading our stock or other securities, please keep these three key points in mind:

- Never buy or sell our securities when in possession of MNPI;
- Keep all MNPI confidential, including from your family and friends; and
- When in doubt about whether you have MNPI, ask before trading.

You are responsible for understanding and following this Policy and for the consequences of any actions you may take. The Board has designed the Company's Chief Legal Officer and Chief Financial Officer as its insider trading compliance officer (the "***Compliance Officer***"), and in the event of the Chief Legal Officer and Chief Financial Officer's unavailability, the Company's Chief Executive Officer shall be authorized to serve as the Compliance Officer in the interim. The Compliance Officer will assist with implementing, interpreting and enforcing this Policy, pre-clearing trading activities of certain people, and pre-approving any 10b5-1 Plans (as discussed more fully later in this Policy).

Persons Covered By This Policy

This Policy applies to our employees, contractors, consultants and Board members, as well as to their immediate family members, people sharing their households and anyone subject to their influence or control. It applies as well to entities such as venture capital funds, partnerships, trusts and corporations which are associated or affiliated with our employees, contractors, consultants and Board members. An "***immediate family member***" under this Policy means any child, stepchild, parent, stepparent, spouse, domestic partner, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of a person security holder, and includes any person (other than a tenant or employee) sharing the household of that person. We will refer to all of these individuals and entities to whom this Policy applies individually as "***you***" and "***Insider***" and collectively as "***Insiders***."

Additional trading restrictions in this Policy apply to Section 16 Insiders and Designated Insiders (each as defined below).

- The Company has designated those persons listed on Exhibit A attached hereto as the officers (as defined in Rule 16a-1(f) of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***")) and directors who are subject to the reporting provisions and trading restrictions of Section 16 of the Exchange Act and the underlying rules and regulations promulgated by the Securities Exchange Commission (the "***SEC***"). Each such person, and each entity affiliated or associated with any such officer or director, is referred herein as a "***Section 16 Insider***," and collectively the "***Section 16 Insiders***." Section 16 Insiders must obtain prior approval of all trades in Company securities from the Compliance Officer in accordance with the procedures set forth herein. The Company will amend Exhibit A from time to time as necessary to reflect the addition and the resignation, departure or change of status of Section 16 Insiders. Each Section 16 Insider must notify the Compliance Officer in writing when such Section 16 Insider believes that he or she is no longer subject to Section 16 of the Exchange Act. If the Company agrees that such Section 16 Insider is no longer so subject, or if the Company determines independently that such Section 16 Insider is no longer so subject, then such Section 16 Insider automatically will be deemed to be removed from Exhibit A effective when it is determined that such Section 16 Insider is no longer subject to Section 16 of the Exchange Act. The Company will notify any Section 16 Insider in writing if the Company independently determines that such Section 16 Insider is no longer legally subject to Section 16 of the Exchange Act.

- The Company has designated those persons listed on Exhibit B attached hereto as the persons who have regular access to material nonpublic information in the normal course of their duties for the Company (other than Section 16 Insiders); each person listed on Exhibit B is referred to herein as a "***Designated Insider***." The executive leadership team, which is comprised of the Section 16 Insiders, with input from departmental team leaders, shall determine the list of Designated Insiders for each fiscal year before the start of such fiscal year. Designated Insiders must obtain prior approval of all trades in Company securities from the Compliance Officer in accordance with the procedures set forth herein. The Company will amend Exhibit B from time to time as necessary to reflect the addition and the resignation, departure or change of status of Designated Insiders. If the Company determines that such Designated Insider is no longer subject to the requirements of this paragraph, then such Designated Insider will be deemed to be removed from Exhibit B effective when it was so determined. The Company will notify any Designated Insider in writing if the Company independently determines that such Designated Insider no longer has access to MNPI about the Company.

If you are aware of MNPI when your employment or service relationship with the Company ends, you still may not trade our securities until that MNPI has become public or is no longer material.

Additionally, the Company will not transact in its securities unless in compliance with applicable U.S. securities laws, rules and regulations.

What This Policy Covers

The primary purpose of this Policy is to prevent people who are in possession of MNPI from trading in our stock or other securities on the basis of that MNPI or disclosing MNPI to someone else who trades on the basis of that information.

"***Material information***" is information about the Company, positive or negative, that a reasonable stockholder would consider important in making a decision to purchase or sell the Company's securities. Material information can be positive or negative and can relate to virtually any aspect of the Company's business or its securities.

Examples of material information may include:

- financial information (especially quarterly and year-end earnings, and significant changes in financial performance or liquidity);
- significant regulatory communications and developments;
- significant new products or services or other product developments;
- significant developments regarding the Company's technology or business operations;
- results of any studies and trials involving the Company's products;
- entry into a new commercial agreement or termination of an existing commercial agreement;
- mergers or acquisitions;
- important pipeline expansion;
- significant cybersecurity incidents or data breaches;
- significant new litigation or regulatory inquires or developments in existing litigation or inquires;
- significant developments in borrowings, or financings or capital investments;
- significant changes in corporate strategy;
- restatements of historical financial statements;
- stock offerings or stock splits; and
- changes in senior executive management or our Board.

This list is illustrative only and is not intended to provide a comprehensive list of circumstances that could result in material information. Determination of what may constitute material information will depend upon the facts and circumstances in each particular situation.

"***Nonpublic***" means that the confidential information has not yet been shared broadly outside the Company. Please remember as well that we may possess confidential information relating to, belonging to or impacting our collaborators, partners or other third parties and that it is equally important that we treat this information with the same care with which we treat our own information. Otherwise, you can be liable for trading in another company's securities while in possession of MNPI about that company or for disclosing such information to others who may trade while in possession of it. For example, you may be involved in a proposed transaction involving a prospective business relationship or transaction with another company. If information about that transaction constitutes MNPI that could impact another company, including a company not involved in the transaction, you could be liable for engaging in transactions involving the securities of such other company (as well as transactions involving the Company's securities, if that information is material to the Company). It is important to note that "materiality" is different for different companies. Information that is not material to the Company may be material to another company. If you are not sure whether information is considered public, you should either consult with our Compliance Officer or assume that the information is nonpublic and treat it as confidential.

This Policy applies to all transactions involving our securities, including common stock, restricted stock units ("***RSUs***"), options and warrants to purchase common stock and any other debt or equity securities the Company may issue from time to time, such as bonds, preferred stock and convertible notes, as well as to derivative securities relating to the Company's securities, whether or not issued by the Company, such as exchange-traded options.

PROHIBITED ACTIVITIES AND OTHER RESTRICTIONS

Insider Restrictions

The following is a list of prohibited activities for all Insiders:

- Trade our securities while in possession of MNPI (other than pursuant to a 10b5-1 Plan entered into in accordance with this Policy).

- Trade our securities outside of a Trading Window or during a Blackout Period designated by our Compliance Officer (other than pursuant to a 10b5-1 Plan entered into in accordance with this Policy). See the definition of "***Trading Window***" and "***Blackout Period***" below.

- Unless approved in advance by our Compliance Officer, make a gift, charitable contribution or other transfer without consideration of our securities during a period when the Insider cannot trade.

- Share MNPI with any outside person, *unless* required by your job and such person is under NDA, or as authorized by our Compliance Officer.

- Give trading advice about the Company, *unless* the advice is to tell someone not to trade our securities because the trade would violate this Policy or the law.

- Other than the exercise of equity awards issued by us, engage in transactions involving options or other derivative securities on our stock, such as puts and calls, whether on an exchange or in any other market.

- Engage in hedging or monetization transactions involving our securities, such as zero cost collars and forward sale contracts, or contribute our securities to exchange funds in a manner that could be interpreted as hedging in our stock.

- Engage in short sales of our securities, meaning a sale of securities that you do not own, including short sales "against the box."

- Use or pledge our securities as collateral in a margin account or as collateral for a loan *unless* the pledge has been approved by our Compliance Officer and is conducted in accordance with any applicable policy or guidelines of the Company regarding pledging.

- Distribute our securities to limited partners, general partners or stockholders of any entity outside of a Trading Window or during a Blackout Period, unless those limited partners, general partners or stockholders have agreed in writing to hold the securities until the next open Trading Window.

- Engage in any of the above activities for securities you own in any other company if you have MNPI about that company obtained in the course of your service to the Company.

Additional Restrictions Applicable to Section 16 Insiders and Designated Insiders

In addition to the restrictions noted above and elsewhere in this Policy, if you are a Section 16 Insider or a Designated Insider, prior to trading our securities other than pursuant to a 10b5-1 Plan, you must obtain pre-approval from our Compliance Officer (or in the case of the Compliance Officer, by a different Section 16 Insider) by: (a) providing written notification of the amount and nature of the proposed trade, (b) certifying no earlier than two business days prior to the proposed trade that you have no MNPI and, to your knowledge, you will have no MNPI as of the proposed trade date, and (c) receiving email confirmation from our Compliance Officer approving the trade, which approval can be granted or denied at his or her discretion. You may satisfy (a) and (b) by emailing the required information and certification to our Compliance Officer and must notify the Compliance Officer promptly via email of any changes to the certification in (b) prior to the proposed trade.

Exceptions to Prohibited Activities

The trading restrictions of this Policy do not apply to the following:

- *401(k) Plan*. Investing 401(k) plan contributions in a company stock fund in accordance with the terms of our 401(k) plan. However, any changes in your investment election regarding the Company's securities are subject to trading restrictions under this Policy.

- *ESPP*. Purchasing our stock through periodic, automatic payroll contributions under our Employee Stock Purchase Plan. However, any sales of stock acquired under the ESPP are subject to trading restrictions under this Policy. No employee may make changes in elections under the ESPP while in possession of MNPI. Employees, other than Section 16 Insiders and Designated Insiders may make changes in elections under the ESPP outside of a Trading Window or during a Blackout Period. Section 16 Insiders and Designated Insiders may not make any decrease in their elections under, or withdraw from, the ESPP outside a Trading Window or during a Blackout Period.

- *Options*. Exercising stock options granted under our equity incentive plans for cash or by delivering to the Company previously owned Company stock or through a net exercise of a stock option that is permitted by the Company's equity incentive plans and that does not involve a sale of shares in the open market. Payment of taxes in connection with exercising stock options granted under our equity incentive plans pursuant to net withholding arrangements approved by the Company for the payment of taxes upon the exercise of stock options and that does not involve a sale of shares in the open market. However, the sale of any shares issued on the exercise of Company-granted stock options, as well as any cashless exercise of Company-granted stock options in which stock is sold on the open market to pay the exercise price or taxes (i.e., "same-day sales") are subject to trading restrictions under this Policy.

- *RSUs*. The settlement of RSUs pursuant to a net settlement or a "sale to cover" for non-discretionary, automatic tax withholdings initiated and approved by the Company for the payment of taxes upon the vesting of RSUs.

Other Legal Restrictions

The trading prohibitions of this Policy are not the only stock-trading rules and regulations you need to follow. You should be aware of additional prohibitions and restrictions set by contract or by federal and state securities laws and regulations (e.g., contractual restrictions on the resale of securities, rules on short swing trading by Section 16 Insiders, compliance with Rule 144 under the Securities Act of 1933, as amended, and others). Any Insider who is uncertain whether other prohibitions or restrictions apply should ask our Compliance Officer.

WHEN TRADING IS ALLOWED

To promote compliance with insider trading laws, we have designated periods where Insiders can trade in our securities, which are described below:

Trading Windows and Blackout Periods

- *Trading Windows for Section 16 Insiders, Designated Insiders and all Employees with a Title of Senior Vice President or Higher.* All Section 16 Insiders, all Designated Insiders and all employees with a title of Senior Vice President or higher (each, a "***Restricted Person***") may only sell or dispose of shares pursuant to a 10b5-1 Plan approved in accordance with this Policy.

- *Trading Window for Employees*. All employees who are not Restricted Persons are allowed to trade our securities only during a trading window period, which opens after the close of trading on the next full trading day following the widespread public release of our quarterly or year end operating results, and closes at the close of trading on the fourteenth (14th) of each final month of the quarter (the "Trading Window").

- *Even During a Trading Window, You Are Not Allowed to Trade While in Possession of MNPI*. Even during a Trading Window, you still may not trade our securities if you possess MNPI at that time. An Insider who possesses MNPI during a Trading Window may only trade our securities after the close of trading on the next full trading day following our widespread public release of that MNPI.

- *You Cannot Trade During a Blackout Period*. Even during a Trading Window, our Compliance Officer, at his, her or their discretion, may designate special trading restrictions (a "***Blackout Period***") that apply to specific individuals or groups of people (including all Insiders) for as long as our Compliance Officer determines. No Insider subject to a Blackout Period may trade our securities during any such Blackout Period. Additionally, no Insider subject to a Blackout Period is permitted to tell anyone not subject to the Blackout Period that a Blackout Period has been designated or that one previously was in place because that also is confidential information that cannot be disclosed internally or externally.

Permitted Trades Under 10b5-1 Plans

We allow Insiders to trade in our securities while in possession of MNPI, outside of a Trading Window or during a Blackout Period, pursuant to a "10b5-1 Plan."

What Is a 10b5-1 Plan? A "***10b5-1 Plan***" is a written plan for selling or purchasing a predetermined number of shares that is entered into while an Insider is not in possession of MNPI as contemplated in Rule 10b5-1.

How Do I Adopt a 10b5-1 Plan? We engage E*TRADE Securities LLC to administer our 10b5-1 Plans, and any 10b5-1 Plan that you adopt must be adopted through E*TRADE Securities LLC unless otherwise approved by our Compliance Officer. If you are interested in setting up a 10b5-1 Plan, you should consult with our Compliance Officer and make sure that:

- The 10b5-1 Plan complies with the requirements of Rule 10b5-1 under the Exchange Act and this Policy.

- You have certified to our Compliance Officer in writing, no earlier than two business days prior to the date that the 10b5-1 Plan is formally adopted (and shall not have withdrawn such certification prior to such adoption), that as of such date and as of the adoption date of the 10b5-1 Plan, (i) you are not and, to your knowledge, will not be, aware of MNPI, (ii) all trades to be made pursuant to the 10b5-1 Plan will be in accordance with applicable SEC rules, (iii) you are adopting the 10b5-1 Plan in good faith and not as part of a plan or scheme to evade the prohibitions of Section 10(b) of the Exchange Act and Rule 10b-5 of the Exchange Act and (iv) you will act in good faith with respect to the 10b5-1 Plan throughout its duration.

This certification may be made in an email to our Compliance Officer. You must notify the Compliance Officer promptly via email and withdraw the certification if any changes of circumstances prior to the adoption date of the 10b5-1 Plan have or will render such certification to be inaccurate as of that time.

- The first trade under the 10b5-1 Plan does not occur (i) for a Section 16 Insider: until the later of (A) ninety (90) days after adoption of the 10b5-1 Plan and (B) two (2) business days following the disclosure of the Company's financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the 10b5-1 Plan was adopted that discloses the Company's financial results (but not to exceed 120 days following the adoption of the 10b5-1 Plan); and (ii) for persons other than Section 16 Insiders: thirty (30) days after adoption of the 10b5-1 Plan, in each case, following our Compliance Officer's approval of the 10b5-1 Plan. These waiting periods are collectively referred to as the "***Cooling-Off Period***."

- The 10b5-1 Plan is not a single-trade 10b5-1 Plan adopted during the 12-month period immediately following the person's adoption of another single-trade 10b5-1 Plan, subject to the exceptions noted in Rule 10b5-1, which are provided for you in the Appendix.

- The 10b5-1 Plan is adopted during a Trading Window and not during any Blackout Period.

- A person may have no more than one 10b5-1 Plan adopted at any point in time (i.e., multiple concurrent or overlapping plans are prohibited), subject to the exceptions noted in Rule 10b5-1, which are provided for you in the Appendix. One of these exceptions is for plans authorizing certain "sell-to-cover" transactions.

Approval of a 10b5-1 Plan by our Compliance Officer and/or an acknowledgment of a 10b5-1 Plan by the Company shall not be considered a determination by us, our Compliance Officer, or the Company that the 10b5-1 Plan satisfies the requirements of Rule 10b5-1.

How Do I Modify a 10b5-1 Plan? Once you have an approved 10b5-1 Plan in place, you will need approval from our Compliance Officer to make certain changes to it. Modifying or changing the amount, price or timing of the purchase or sale of our securities underlying the 10b5-1 Plan (or a modification or change to a written formula or algorithm, or computer program that affects the amount, price, or timing of the purchase or sale of such securities) (any such modification or change, a "***Plan Modification***") will be deemed to be the same as terminating your existing 10b5-1 Plan and entering into a new 10b5-1 Plan. As a result, the approval process for a Plan Modification is the same as the approval process for initially adopting a 10b5-1 Plan, including being subject to a new Cooling-Off Period. We discourage you from making multiple Plan Modifications, as that may give the appearance that you are trading on MNPI under the guise of that plan. Plan Modifications can only be made during a Trading Window and not during any Blackout Period and only when you are not in possession of MNPI. For other modifications to a 10b5-1 Plan, you must notify the Compliance Officer of such modification in writing at least two business days prior to the modification and such modification must be approved by the Compliance Officer.

How Do I Terminate a 10b5-1 Plan? Once you have an approved 10b5-1 Plan in place, you will need approval from our Compliance Officer to terminate it.

Other Trading Arrangements

Insiders are not allowed to enter into "non-Rule 10b5-1 trading arrangements" (as defined in Regulation S-K Item 408(c)) unless otherwise approved in advance by the Compliance Officer.

THERE ARE SIGNIFICANT CONSEQUENCES FOR VIOLATING INSIDER TRADING LAWS

The consequences of violating the insider trading laws can be severe. People who violate insider trading laws may be required to disgorge profits made or losses avoided by trading, pay the loss suffered by the persons who purchased securities from or sold securities to the insider tippee, pay civil fines of up to three times the profit made or loss avoided, pay a criminal penalty of up to $5 million for individuals and $25 million for entities and serve a prison term of up to 20 years. In addition, individual directors, officers and other supervisory personnel may also be required to pay major civil or criminal penalties for failure to take appropriate steps to prevent insider trading by those under their supervision, influence or control.

CONSEQUENCES OF VIOLATING THIS POLICY

We may impose discipline on anyone violating this Policy, up to and including termination of employment, and we may issue stop transfer orders to our transfer agent to prevent any attempted trades that would violate this Policy.

ADMINISTRATION

The Compliance Officer will administer and interpret this Policy and enforce compliance as needed. The Compliance Officer may consult with the Company's outside legal counsel as needed. The Compliance Officer may designate other individuals to perform the Compliance Officer's duties under this Policy.

Neither the Company nor the Compliance Officer will be liable for any act made under this Policy. Neither the Company nor the Compliance Officer is responsible for any failure to approve a trade or for imposing any Blackout Period.

REPORTING VIOLATIONS

Any Insider who violates this Policy or any federal or state laws governing insider trading or tipping, or who knows of any such violation by any other Insider, must report the violation immediately to our Compliance Officer. To anonymously submit a concern or complaint regarding a possible violation of this Policy, you should follow the procedures outlined in our Whistleblower Policy. Anyone who violates this Policy may be subject to disciplinary measures, which may include termination of employment.

CHANGES TO THIS POLICY

Our Board reserves the right in its sole discretion to modify or grant waivers to this Policy. Any amendments or waiver may be publicly disclosed if required by applicable laws, rules and regulations. For the avoidance of doubt, unless explicitly stated by the Board, any waiver, amendment or modification of the Policy by the Board shall not be considered a waiver of the Company's Code of Business Conduct and Ethics.

EFFECTIVE DATE

The effective date of this Policy is January 12, 2026. The amendments to this Policy would not apply to any existing 10b5-1 Plan that was entered into prior to the effective date of this Policy, except to the extent that a Plan Modification is made to such plan after the effective date of this Policy.

EXHIBIT A

Section 16 Insiders

Quentin S. Blackford
Abhijit Y. Talwalkar
C. Noel Bairey Merz, M.D.
Bruce G. Bodaken
Karen Ling
Karen McGinnis
Kevin O'Boyle
Brian Yoor
Sean Freeman
Brian Lawrence
Patrick M. Murphy
Chad Patterson
Marc Rosenbaum
Mintu Turakhia, M.D., M.S.
Sumi Shrishrimal
Daniel Wilson

EXHIBIT B

Designated Insiders

All Vice President level employees and above

All members of the legal, investor relations and the finance functions that prepare (or assist with preparing) SEC filings and earnings materials

Appendix

Exceptions to the Multiple, Overlapping 10b5-1 Plan Restriction

Such exceptions are:

- An eligible "sell-to-cover" 10b5-1 Plan where such plan authorizes an agent to sell only such securities as are necessary to satisfy tax withholding obligations arising exclusively from the vesting of a compensatory award, such as restricted stock or stock appreciation rights, and the Insider does not otherwise exercise control over the timing of such sales. For the avoidance of doubt, this exception does not extend to sales incident to the exercise of option awards.

- A series of separate contracts with different broker-dealers or other agents acting on behalf of the person (other than the Company) to execute trades thereunder may be treated as a single 10b5-1 Plan, provided that the individual constituent contracts with each broker-dealer or other agent, when taken together as a whole, meet all of the applicable conditions of and remain collectively subject to the provisions of Rule 10b5-1, including that a modification of any individual contract acts as modification of the whole 10b5-1 Plan, as defined in Rule 10b5-1(c)(1)(iv). The substitution of a broker-dealer or other agent acting on behalf of the person (other than the Company) for another broker-dealer that is executing trades pursuant to a 10b5-1 Plan shall not be a "Plan Modification" as long as the purchase or sales instructions applicable to the substitute and substituted broker are identical with respect to the prices of securities to be purchased or sold, dates of the purchases or sales to be executed, and amount of securities to be purchased or sold.

- One later-commencing 10b5-1 Plan for purchases or sales of any securities of the Company on the open market under which trading is not authorized to begin until after all trades under the earlier-commencing 10b5-1 Plan are completed or expired without execution. However, the first trade under such later-commencing 10b5-1 Plan must be scheduled after the "Effective Cooling-Off Period," or the Cooling-Off Period that would be applicable to the later-commencing 10b5-1 Plan if the date of adoption of the later-commencing 10b5-1 Plan were deemed to be the date of termination of the earlier-commencing 10b5-1 Plan.

Exceptions to the Single-Trade 10b5-1 Plan Restriction

There is an exception for eligible "sell-to-cover" 10b5-1 Plans where the plan authorizes an agent to sell only such securities as are necessary to satisfy tax withholding obligations arising exclusively from the vesting of a compensatory award, such as restricted stock or stock appreciation rights, and the Insider does not otherwise exercise control over the timing of such sales.

Exhibit 21.1

List of Subsidiaries

Company Name	Place of Incorporation
iRhythm Technologies, Inc.	Delaware
iRhythm Technologies Ltd.	United Kingdom
iRhythm Technologies Netherlands B.V.	The Netherlands
iRhythm Singapore PTE. Ltd.	Singapore
iRhythm Japan GK (1)	Japan
iRhythm Philippines, Inc. (1)	Philippines

(1) iRhythm Japan GK and iRhythm Philippines, Inc. are indirect subsidiaries through iRhythm Singapore PTE. Ltd.

Exhibit 22.1

List of Issuers of Guaranteed Securities

As of December 31, 2025, the following wholly-owned subsidiary of iRhythm Holdings, Inc. was the issuer of the 1.50% Convertible Senior Notes due 2029, which are guaranteed by iRhythm Holdings, Inc.

Name of Subsidiary	Jurisdiction of Incorporation
iRhythm Technologies, Inc.	Delaware

Exhibit 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 333-263066, 333-256762, 333-236838, 333-233033, 333-223351, 333-217077, and 333-214203) of iRhythm Holdings, Inc. of our report dated February 19, 2026 relating to the financial statements and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
San Jose, California
February 19, 2026

Exhibit 31.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
Pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Quentin S. Blackford, certify that:

1. I have reviewed this Annual Report on Form 10-K of iRhythm Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant’s other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2026

By: /s/ Quentin S. Blackford

Quentin S. Blackford,
President and Chief Executive Officer
(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
Pursuant to
Securities Exchange Act Rules 13a-14(a) and 15d-14(a),
As Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Daniel Wilson, certify that:

1. I have reviewed this Annual Report on Form 10-K of iRhythm Holdings, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: February 19, 2026

By: /s/ Daniel Wilson

Daniel Wilson
Chief Financial Officer

Exhibit 32.1

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

In connection with the Annual Report of iRhythm Holdings, Inc. (the "Company") on Form 10-K for the year ending December 31, 2025 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: February 19, 2026

By: /s/ Quentin S. Blackford
Quentin S. Blackford
President and Chief Executive Officer
(Principal Executive Officer)

By: /s/ Daniel Wilson
Daniel Wilson
Chief Financial Officer
(Principal Financial Officer)

IRHYTHM HOLDINGS, INC.
COMPENSATION RECOVERY POLICY

(Effective August 10, 2023 when adopted by iRhythm Technologies, Inc.; assumed by iRhythm Holdings, Inc. on January 12, 2026)

The Board has determined that it is in the best interests of the Company and its stockholders to adopt this Policy enabling the Company and/or its subsidiaries to recover from specified current and former Company executives certain incentive-based compensation in the event of an accounting restatement resulting from material noncompliance with any financial reporting requirements under the federal securities laws. Capitalized terms are defined in Section 14.

This Policy is designed to comply with Rule 10D-1 of the Exchange Act and shall become effective on the Effective Date and shall apply to Incentive-Based Compensation Received by Covered Persons on or after the Listing Rule Effective Date.

1. Administration

This Policy shall be administered by the Administrator. The Administrator is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. The Administrator may retain, at the Company's expense, outside legal counsel and such compensation, tax or other consultants as it may determine are advisable for purposes of administering this Policy.

2. Covered Persons and Applicable Compensation

This Policy applies to any Incentive-Based Compensation Received by a person (a) after beginning service as a Covered Person; (b) who served as a Covered Person at any time during the performance period for that Incentive-Based Compensation; and (c) was a Covered Person during the Clawback Period.

However, recovery is not required with respect to:

i. Incentive-Based Compensation Received prior to an individual becoming a Covered Person, even if the individual served as a Covered Person during the Clawback Period.

ii. Incentive-Based Compensation Received prior to the Listing Rule Effective Date.

iii. Incentive-Based Compensation Received prior to the Clawback Period.

iv. Incentive-Based Compensation Received while the Company or its predecessor registrant iRhythm Technologies, Inc., a Delaware corporation ("***iRhythm Technologies***"), did not have a class of listed securities on a national securities exchange or a national securities association, including the Exchange.

The Administrator will not consider the Covered Person's responsibility or fault or lack thereof in enforcing this Policy with respect to recoupment under the Final Rules.

3. Triggering Event

Subject to and in accordance with the provisions of this Policy, if there is a Triggering Event, the Administrator shall take steps to recover the Recoupment Amount applicable to such Covered Person. A Company's obligation to recover the Recoupment Amount is not dependent on if or when the restated financial statements are filed.

4. Calculation of Recoupment Amount

The Recoupment Amount will be calculated in accordance with the Final Rules, illustrative, non-exclusive examples of which are provided in the Calculation Guidelines attached hereto as Exhibit B.

5. Method of Recoupment

Subject to compliance with the Final Rules and applicable law, the Administrator will determine, in its sole discretion, the method for recouping the Recoupment Amount hereunder which may include, without limitation:

i. Requiring reimbursement or forfeiture of the pre-tax amount of cash Incentive-Based Compensation previously paid;

ii. Offsetting the Recoupment Amount from any compensation otherwise owed by the Company to the Covered Person, including without limitation, any prior cash incentive payments, executive retirement benefits, wages, equity grants or other amounts payable by the Company to the Covered Person in the future;

iii. Seeking recovery of any gain realized on the vesting, exercise, settlement, cash sale, transfer, or other disposition of any equity-based awards; and/or

iv. Taking any other remedial and recovery action permitted by law, as determined by the Administrator.

6. Arbitration

To the fullest extent permitted by law, any disputes under this Policy shall be submitted to mandatory binding arbitration (the "***Arbitrable Claims***"), governed by the Federal Arbitration Act (the "***FAA***"). Further, to the fullest extent permitted by law, no class or collective actions can be asserted in arbitration or otherwise. All claims, whether in arbitration or otherwise, must be brought solely in the Covered Person's individual capacity, and not as a plaintiff or class member in any purported class or collective proceeding.

SUBJECT TO THE ABOVE PROVISO, ANY RIGHTS THAT A COVERED PERSON MAY HAVE TO TRIAL BY JURY IN REGARD TO ARBITRABLE CLAIMS ARE WAIVED. ANY RIGHTS THAT A COVERED PERSON MAY HAVE TO PURSUE OR PARTICIPATE IN A CLASS OR COLLECTIVE ACTION PERTAINING TO ANY CLAIMS BETWEEN A COVERED PERSON AND THE COMPANY ARE WAIVED.

The Covered Person is not restricted from filing administrative claims that may be brought before any government agency where, as a matter of law, the Covered Person's ability to file such claims may not be restricted. However, to the fullest extent permitted by law, arbitration shall be the exclusive remedy for the subject matter of such administrative claims. The arbitration shall be conducted in San Francisco County, CA through JAMS before a single neutral arbitrator, in accordance with the JAMS Comprehensive Arbitration Rules and Procedures then in effect, provided however, that the FAA, including its procedural provisions for compelling arbitration, shall govern and apply to this Arbitration provision. The arbitrator shall issue a written decision that contains the essential findings and conclusions on which the decision is based. If, for any reason, any term of this Arbitration provision is held to be invalid or unenforceable, all other valid terms and conditions herein shall be severable in nature and remain fully enforceable.

7. Recovery Process; Impracticability

Actions by the Administrator to recover the Recoupment Amount will be reasonably prompt.

The Administrator must cause the Company to recover the Recoupment Amount unless the Administrator shall have previously determined that recovery is impracticable and one of the following conditions is met:

i. The direct expense paid to a third party to assist in enforcing this Policy would exceed the amount to be recovered; before concluding that it would be impracticable to recover any Recoupment Amount based on expense of enforcement, the Company must make a reasonable attempt to recover such Recoupment Amount, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange;

ii. Recovery would violate home country law where that law was adopted prior to November 28, 2022; before concluding that it would be impracticable to recover any Recoupment Amount based on violation of home country law, the Company must obtain an opinion of home country counsel, acceptable to the Exchange, that recovery would result in such a violation, and must provide such opinion to the Exchange; or

iii. Recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company and/or its subsidiaries, to fail to meet the requirements of 26 U.S.C. 401(a)(13) or 26 U.S.C. 411(a) and regulations thereunder.

8. Non-Exclusivity

The Administrator intends that this Policy will be applied to the fullest extent of the law. Without limitation to any broader or alternate clawback authorized in any written document with a Covered Person, (i) the Administrator may require that any employment agreement, equity award agreement, or similar agreement entered into on or after the Effective Date shall, as a condition to the grant of any benefit thereunder, require a Covered Person to agree to abide by the terms of this Policy, and (ii) this Policy will nonetheless apply to Incentive-Based Compensation as required by the Final Rules, whether or not specifically referenced in those arrangements. Any right of recoupment under this Policy is in addition to, and not in lieu of, any other remedies or rights of

recoupment that may be available to the Company pursuant to the terms of any similar policy in any employment agreement, equity award agreement, or similar agreement and any other legal remedies or regulations available or applicable to the Company (including SOX 304). If recovery is required under both SOX 304 and this Policy, any amounts recovered pursuant to SOX 304 may be credited toward the amount recovered under this Policy, or vice versa. This Policy and the Certification do not supersede or replace any policy or agreement relating to the recoupment or recovery of compensation in the event of a Covered Person's misconduct as defined in such policy or agreement.

9. No Indemnification

The Company shall not indemnify any Covered Persons against (i) the loss of the Recoupment Amount or any adverse tax consequences associated with any Recoupment Amount or any recoupment hereunder, or (ii) any claims relating to the Company enforcement of its rights under this Policy. For the avoidance of doubt, this prohibition on indemnification will also prohibit the Company from reimbursing or paying any premium or payment of any third-party insurance policy to fund potential recovery obligations obtained by the Covered Person directly. No Covered Person will seek or retain any such prohibited indemnification or reimbursement.

Further, the Company shall not enter into any agreement that exempts any Incentive-Based Compensation from the application of this Policy or that waives the Company's right to recovery of any Recoupment Amount and this Policy shall supersede any such agreement (whether entered into before, on or after the Effective Date).

10. Covered Person Acknowledgement and Agreement

All Covered Persons subject to this Policy must acknowledge their understanding of, and agreement to comply with, the Policy by executing the certification attached hereto as Exhibit A. **Notwithstanding the foregoing, this Policy will apply to Covered Persons whether or not they execute such certification.**

11. Successors

This Policy shall be binding and enforceable against all Covered Persons and their beneficiaries, heirs, executors, administrators or other legal representatives and shall inure to the benefit of any successor to the Company.

12. Interpretation of Policy

To the extent there is any ambiguity between this Policy and the Final Rules, this Policy shall be interpreted so that it complies with the Final Rules. If any provision of this Policy, or the application of such provision to any Covered Person or circumstance, shall be held invalid, the remainder of this Policy, or the application of such provision to Covered Persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.

In the event any provision of this Policy is inconsistent with any requirement of any Final Rules, the Administrator, in its sole discretion, shall amend and administer this Policy and bring it into compliance with such rules.

Any determination under this Policy by the Administrator shall be conclusive and binding on the applicable Covered Person. Determinations of the Administrator need not be uniform with respect to Covered Persons or from one payment or grant to another.

13. Amendments; Termination

The Administrator may make any amendments to this Policy as required under applicable law, rules and regulations, or as otherwise determined by the Administrator in its sole discretion.

The Administrator may terminate this Policy at any time.

14. Definitions

"***Administrator***" means the Compensation Committee of the Board, or in the absence of a committee of independent directors responsible for executive compensation decisions, a majority of the independent directors serving on the Board.

"***Board***" means the Board of Directors of the Company.

"***Clawback Measurement Date***" is the earlier to occur of:

i. The date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an accounting restatement as described in this Policy; or

ii. The date a court, regulator, or other legally authorized body directs the Company to prepare an accounting restatement as described in this Policy.

"***Clawback Period***" means the three (3) completed fiscal years immediately prior to the Clawback Measurement Date and any transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year (that results from a change in the Company's fiscal year) within or immediately following such three (3)-year period; provided that any transition period between the last day of the Company's previous fiscal year end and the first day of its new fiscal year that comprises a period of 9 to 12 months will be deemed a completed fiscal year.

"***Company***" means iRhythm Holdings, Inc., a Delaware corporation, or, prior to January 12, 2026, iRhythm Technologies, Inc., a Delaware corporation.

"***Covered Person***" means any Executive Officer (as defined in the Final Rules), including, but not limited to, those persons who are or have been determined to be "officers" of the Company within the meaning of Section 16 of Rule 16a-1(f) of the rules promulgated under the Exchange Act, and "executive officers" of the Company within the meaning of Item 401(b) of Regulation S-K, Rule 3b-7 promulgated under the Exchange Act, and Rule 405 promulgated under the Securities Act of 1933, as amended; provided that the Administrator may identify additional employees who shall be treated as Covered Persons for the purposes of this Policy with prospective effect, in accordance with the Final Rules.

"***Effective Date***" means August 10, 2023, the date the Policy was adopted by the Board (or an authorized committee of the Board) of iRhythm Technologies.

"***Exchange***" means the Nasdaq Global Select Market or any other national securities exchange or national securities association in the United States on which the Company has listed its securities for trading.

"***Exchange Act***" means the Securities Exchange Act of 1934, as amended.

"***Final Rules***" means the final rules promulgated by the SEC under Section 954 of the Dodd-Frank Act, Rule 10D-1 and Exchange listing standards, as may be amended from time to time.

"***Financial Reporting Measure***" are measures that are determined and presented in accordance with the accounting principles used in preparing the Company's financial statements, and any measures that are derived wholly or in part from such measures. Stock price and TSR are also financial reporting measures. A financial reporting measure need not be presented within the financial statements or included in a filing with the SEC.

"***Incentive-Based Compensation***" means compensation from the Company or its subsidiaries that is granted, earned or vested based wholly or in part on the attainment of any Financial Reporting Measure. Examples of "Incentive-Based Compensation" include, but are not limited to: non-equity incentive plan awards that are earned based wholly or in part on satisfying a Financial Reporting Measure performance goal; bonuses paid from a "bonus pool," the size of which is determined based wholly or in part on satisfying a Financial Reporting Measure performance goal; other cash awards based on satisfaction of a Financial Reporting Measure performance goal; restricted stock, restricted stock units, performance share units, stock options, and SARs that are granted or become vested based wholly or in part on satisfying a Financial Reporting Measure goal; and proceeds received upon the sale of shares acquired through an incentive plan that were granted or vested based wholly or in part on satisfying a Financial Reporting Measure goal. "Incentive-Based Compensation" excludes, for example, time-based awards such as stock options or restricted stock units that are granted or vest *solely* upon completion of a service period; awards based on non-financial strategic or operating metrics such as the consummation of a merger or achievement of non-financial business goals; service-based retention bonuses; discretionary compensation; and salary.

"***Listing Rule Effective Date***" means October 2, 2023.

"***Policy***" means this Compensation Recovery Policy.

Incentive-Based Compensation is deemed "***Received***" in the Company's fiscal period during which the relevant Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, irrespective of whether the payment or grant occurs on a later date or if there are additional vesting or payment requirements, such as time-based vesting or certification or approval by the Compensation Committee or Board, that have not yet been satisfied.

"***Recoupment Amount***" means the amount of Incentive-Based Compensation Received by the Covered Person based on the financial statements prior to the restatement that exceeds the amount such Covered Person would have received had the Incentive-Based Compensation been

determined based on the financial restatement, computed without regard to any taxes paid (*i.e.*, gross of taxes withheld).

"***SARs***" means stock appreciation rights.

"***SEC***" means the U.S. Securities and Exchange Commission.

"***SOX 304***" means Section 304 of the Sarbanes-Oxley Act of 2002.

"***Triggering Event***" means any event in which the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.

"***TSR***" means total stockholder return.

EXHIBIT A

Certification

I certify that:

1. I have read and understand the Company's Compensation Recovery Policy (the "***Policy***"). I understand that the Chief Legal Officer is available to answer any questions I have regarding the Policy.

2. I understand that the Policy applies to all of my existing and future compensation-related agreements with the Company Received after the Listing Rule Effective Date, whether or not explicitly stated therein.

3. I agree that notwithstanding the Company's certificate of incorporation, bylaws, and any agreement I have with the Company, including any indemnity agreement I have with the Company, I will not be entitled to, and will not seek indemnification from the Company for, any amounts recovered or recoverable by the Company in accordance with the Policy.

4. I understand and agree that in the event of a conflict between the Policy and the foregoing agreements and understandings on the one hand, and any prior, existing or future agreement, arrangement or understanding, whether oral or written, with respect to the subject matter of the Policy and this Certification, on the other hand, the terms of the Policy and this Certification shall control, and the terms of this Certification shall supersede any provision of such an agreement, arrangement or understanding to the extent of such conflict with respect to the subject matter of the Policy and this Certification. Notwithstanding the foregoing or anything to the contrary in the Policy, the Policy and this Certification do not supersede or replace any policy or agreement relating to the recoupment or recovery of compensation in the event of your misconduct as defined in such policy or agreement.

5. I agree to abide by the terms of the Policy, including, without limitation, by returning any Recoupment Amount to the Company to the extent required by, and in a manner permitted by, the Policy.

Signature: _____

Name: _____

Title: _____

Date: _____

EXHIBIT B

Calculation Guidelines

The Recoupment Amount will be calculated in accordance with the Final Rules as determined by the Administrator, illustrative, non-exclusive examples of which are provided in the Calculation Guidelines below:

i. For cash awards not paid from bonus pools, the erroneously awarded compensation is the difference between the amount of the cash award (whether payable as a lump sum or over time) that was received and the amount that should have been received applying the restated Financial Reporting Measure.

ii. For cash awards paid from bonus pools, the erroneously awarded compensation is the pro rata portion of any deficiency that results from the aggregate bonus pool that is reduced based on applying the restated Financial Reporting Measure.

iii. For equity awards, if the shares, options, restricted stock units, or SARs are still held at the time of recovery, the erroneously awarded compensation is the number of such securities received in excess of the number that should have been received applying the restated Financial Reporting Measure (or the value of that excess number). If the options or SARs have been exercised, but the underlying shares have not been sold, the erroneously awarded compensation is the number of shares underlying the excess options or SARs (or the value thereof). If the underlying shares have been sold, the Company may recoup proceeds received from the sale of shares.

iv. For Incentive-Based Compensation based on stock price or TSR, where the amount of erroneously awarded compensation is not subject to mathematical recalculation directly from the information in an accounting restatement:

   a. The amount must be based on a reasonable estimate of the effect of the accounting restatement on the stock price or TSR upon which the Incentive-Based Compensation was Received; and

   b. The Company must maintain documentation of the determination of that reasonable estimate and the Company must provide such documentation to the Exchange in all cases.