

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): April 1, 2024



Acutus Medical, Inc.

(Exact name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction
of Incorporation)

001-39430

(Commission File Number)

45-1306615

(IRS Employer
Identification No.)

**2210 Faraday Ave., Suite 100
Carlsbad, CA**

(Address of Principal Executive Offices)

92008

(Zip Code)

Registrant's Telephone Number, Including Area Code: (442) 232-6080

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of Each Class	Trading Symbol(s)	Name of Each Exchange on Which Registered
Common Stock, par value \$0.001	AFIB	The Nasdaq Stock Market LLC (Nasdaq Capital Market)

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§ 240.12b-2 of this chapter).

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.

Item 2.02. Results of Operations and Financial Condition.

On April 1, 2024, the Company issued a press release announcing its financial results for the fiscal year ended December 31, 2023. A copy of this press release is attached as Exhibit 99.1 to this current report on Form 8-K.

The information under Item 2.02 in this current report on Form 8-K and the related information in the exhibit attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”) or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits

Exhibit Number	Description
99.1	Press release dated April 1, 2024
104.0	Cover Page Interactive Data File (embedded within the Inline XBRL document)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Acutus Medical, Inc.

Date: April 1, 2024

By: /s/ Takeo Mukai

Takeo Mukai
Chief Executive Officer



Acutus Medical Reports Fourth Quarter and Full Year 2023 Financial Results

CARLSBAD, Calif., April 1, 2024 (GLOBE NEWSWIRE) — Acutus Medical, Inc. (“Acutus” or the “Company”) (Nasdaq: AFIB) today reported results for the fourth quarter and full year ended December 31, 2023.

Recent Highlights:

- Announced strategic realignment of resources and corporate restructuring on November 8, 2023 with the objective of optimizing financial position and maximizing free cash flow.
- The Continuing Operations focuses on the implementation of the business model to shift to solely support the manufacturing and distribution of Medtronic’s left-heart access product portfolio.
- Discontinued Operations relates to the Company’s mapping and ablation business that was wound down as part of the strategic realignment of resources and corporate restructuring.
- Fourth quarter revenue from Continuing Operations of \$2.4 million grew 118% year-over-year, from \$1.1 million in the year ago fourth quarter.
- Full year revenue from Continuing Operations of \$7.2 million, grew 136% year-over-year from \$3.0 million in 2022.

Full Year 2024 Financial Results

Revenue from Continuing Operations was \$2.4 million for the fourth quarter of 2023, an increase of 118% compared to \$1.1 million for the fourth quarter of 2022. The improvement over last year was primarily driven by sales through the Company’s distribution agreement with Medtronic.

Full Year 2024 Financial Results

Revenue from Continuing Operations was \$7.2 million for the full year of 2023, an increase of 136% compared to \$3.0 million for the full year of 2022. The improvement over last year was driven by sales through the Company’s distribution agreement with Medtronic.

Gross margin on a GAAP basis was negative 44% for the full year ended December 31, 2023 compared to negative 63% for the full year ended December 31, 2022. The improvement was driven by higher production volumes related to left-heart access manufacturing, operational efficiencies implemented on the production line, and reduced manufacturing overhead expenses.

Operating expenses for continuing operations, consisting of research and development, and selling, general and administrative expenses on a GAAP basis were \$17.5 million for the year ended December 31, 2023 compared to \$23.4 million for the same period last year. The decrease in operating expenses resulted from reduced discretionary spend, and the reprioritization of certain research and development programs.

Net loss on continuing operations on a GAAP basis was \$11.9 million for the full year ended December 31, 2023 and net loss per share was \$0.41 on a weighted average basic and diluted outstanding share count of 29.1 million, compared to a net income of \$28.8 million and a net earnings per share of \$1.02 on a weighted average basic outstanding share count of 28.5, and a net earnings per share of \$0.78 on a weighted average diluted outstanding share count of 37.2 million for the same quarter last year. The decrease in net Income is primarily related to the change in the gain on sale of the Left Heart Access business to Medtronic from the year ended December 31, 2022.

Cash, cash equivalents, marketable securities and restricted cash were \$29.4 million as of December 31, 2023.

Loss on Discontinued Operations

Loss on discontinued operations was \$69.7 million for the year ended December 31, 2023, compared to \$68.4 million for the year ended December 31, 2022. This increase of \$1.3 million was primarily attributable to an increase in restructuring expense of \$21.9 million, which includes the \$16.4 million loss recorded on classification of held for sale, offset by a decrease in selling and marketing expenses of \$8.5 million, a decrease in research and development expenses of \$6.7 million and an improvement in gross profit margin of 2,900 basis points, during the year ended December 31, 2023.

Outlook

Due to the announced plan to realign resources to support the left-heart access distribution business and exit from the electrophysiology mapping and ablation businesses, the Company will no longer provide financial guidance.

About Acutus

Acutus is focused on the production of left-heart access products under its distribution agreement with Medtronic, Inc. Founded in 2011, Acutus is based in Carlsbad, California.

Caution Regarding Forward-Looking Statements

This press release includes statements that may constitute “forward-looking” statements, usually containing the words “believe,” “estimate,” “project,” “expect” or similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, the Company’s ability to continue to manage expenses and cash burn rate at sustainable levels, successful completion of the Company’s restructuring plan, continued acceptance of the Company’s left-heart access products in the marketplace, the effect of global economic conditions on the ability and willingness of Medtronic to purchase the Company’s left-heart access products and the timing of such purchases, competitive factors, changes resulting from healthcare policy in the United States and globally including changes in government reimbursement of procedures, dependence upon third-party vendors and distributors, timing of regulatory approvals, the Company’s ability to maintain its listing on Nasdaq, and other risks discussed in the Company’s periodic and other filings with the Securities and Exchange Commission. By making these forward-looking statements, Acutus undertakes no obligation to update these statements for revisions or changes after the date of this release, except as required by law.

Investor Contact:

Chad Hollister
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Acutus Medical, Inc.
Consolidated Balance Sheets

<i>(in thousands, except share and per share amounts)</i>	December 31, 2023	December 31, 2022
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 19,170	\$ 25,584
Marketable securities, short-term	3,233	44,863
Restricted cash, short-term	7,030	5,764
Accounts receivable	11,353	17,919
Inventory	4,278	1,794
Employer retention credit receivable	—	4,703
Prepaid expenses and other current assets	678	1,254
Current assets of discontinued operations (Note 3)	510	15,986
Total current assets	46,252	117,867
Property and equipment, net	825	1,669
Right-of-use assets, net	3,189	3,872
Other assets	94	94
Non-current assets of discontinued operations (Note 3)	3,600	9,938
Total assets	\$ 53,960	\$ 133,440
LIABILITIES AND STOCKHOLDERS' (DEFICIT) EQUITY		
Current liabilities:		
Accounts payable	2,761	2,473
Accrued liabilities	2,887	3,310
Contingent consideration, short-term	—	1,800
Operating lease liabilities, short-term	718	319
Long-term debt, current portion	1,864	—
Warrant liability	409	3,346
Current liabilities of discontinued operations (Note 3)	10,303	8,624
Total current liabilities	18,942	19,872
Operating lease liabilities, long-term	3,243	4,103
Long-term debt	32,654	34,434
Other long-term liabilities	—	12
Total liabilities	54,839	58,421
Commitments and contingencies (Note 12)		
Stockholders' (deficit) equity		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized as of December 31, 2023 and December 31, 2022; 6,666 shares of the preferred stock, designated as Series A Common Equivalent Preferred Stock, are issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	—	—
Common stock, \$0.001 par value; 260,000,000 shares authorized as of December 31, 2023 and December 31, 2022; 29,313,667 and 28,554,656 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	29	29
Additional paid-in capital	599,935	594,173
Accumulated deficit	(599,977)	(518,314)
Accumulated other comprehensive loss	(866)	(869)
Total stockholders' equity	(879)	75,019
Total liabilities and stockholders' equity	\$ 53,960	\$ 133,440

Acutus Medical, Inc.
Consolidated Statements of Operations and Comprehensive Loss

	Year Ended December 31, 2023	
	2023	2022
<i>(in thousands, except share and per share amounts)</i>		
Revenue	\$ 7,164	\$ 3,031
Cost of products sold	10,301	4,941
Gross loss	(3,137)	(1,910)
Operating expenses (income):		
Research and development	3,482	3,118
Selling, general and administrative	14,066	20,315
Goodwill impairment	—	12,026
Change in fair value of contingent consideration	123	1,053
Gain on sale of business	(9,080)	(79,465)
Total operating expenses (income)	8,591	(42,953)
(Loss) income from operations	(11,728)	41,043
Other income (expense):		
Loss on debt extinguishment	—	(7,947)
Change in fair value of warrant liability	2,937	33
Interest income	2,588	868
Interest expense	(5,655)	(5,149)
Total other expense, net	(130)	(12,195)
(Loss) income from continuing operations before income taxes	(11,858)	28,848
Income tax expense	63	15
Net (loss) income from continuing operations	(11,921)	28,833
Discontinued operations:		
Loss from discontinued operations before income taxes	(69,530)	(68,382)
Income tax expense - discontinued operations	212	67
Loss from discontinued operations	(69,742)	(68,449)
Net loss	\$ (81,663)	\$ (39,616)
Other comprehensive income (loss):		
Unrealized gain on marketable securities	7	39
Foreign currency translation adjustment	(4)	(691)
Comprehensive loss	\$ (81,660)	\$ (40,268)
Net (loss) earnings per share, basic:		
(Loss) income from continuing operations	\$ (0.41)	\$ 1.02
Loss from discontinued operations	\$ (2.40)	\$ (2.42)
Net loss per common share, basic	\$ (2.81)	\$ (1.40)
Net earnings (loss) per share, diluted:		
(Loss) income from continuing operations	\$ (0.41)	\$ 0.78
Loss from discontinued operations	\$ (2.40)	\$ (2.42)

Net loss per common share, diluted	\$ (2.81)	\$ (1.40)
Weighted average number of common shares outstanding, basic	29,095,294	28,471,389
Weighted average number of common shares outstanding, diluted- continuing operations	29,095,294	37,152,367
Weighted average number of common shares outstanding, diluted- discontinued operations and net loss per common share	29,095,294	28,471,389

Acutus Medical, Inc.
Consolidated Statements of Cash Flows

<i>(in thousands)</i>	Year Ended December 31, 2023	
	2023	2022
Cash flows from operating activities		
Net loss	\$ (81,663)	\$ (39,616)
Less: Loss on discontinued operations	69,742	68,449
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	191	339
AcQMap Systems converted to sales	—	—
Sales-type lease gain	—	—
Amortization of intangible assets	—	220
Non-cash stock-based compensation expense	3,032	3,400
Accretion of discounts on marketable securities, net	(1,428)	(24)
Amortization of debt issuance costs	571	850
Amortization of operating lease right-of-use assets	683	649
Loss on debt extinguishment	—	7,947
Goodwill impairment	—	12,026
Gain on sale of business, net	(9,080)	(79,465)
Direct costs paid related to sale of business	—	(4,027)
Change in fair value of warrant liability	(2,937)	(33)
Loss on disposal of property and equipment	—	—
Change in fair value of contingent consideration	123	1,053
Changes in operating assets and liabilities:		
Accounts receivable	(1,074)	(464)
Inventory	(2,484)	(65)
Employer retention credit receivable	4,703	(4,703)
Prepaid expenses and other current assets	656	2,452
Other assets	—	—
Accounts payable	288	(204)
Accrued liabilities	(700)	1,434
Operating lease liabilities	(461)	(526)
Other long-term liabilities	(12)	(538)
Net cash used in operating activities - continuing operations	(19,850)	(30,846)
Net cash used in operating activities - discontinued operations	(43,268)	(58,071)
Net cash used in operating activities	(63,118)	(88,917)
Cash flows from investing activities		
Proceeds from sale of business	17,000	70,000
Purchases of available-for-sale marketable securities	(39,765)	(54,508)
Sales of available-for-sale marketable securities	750	18,599
Maturities of available-for-sale marketable securities	82,000	74,642
Purchases of property and equipment	(219)	(228)
Net cash provided by investing activities - continuing operations	59,766	108,505
Net cash used in investing activities - discontinued operations	(1,211)	(3,754)
Net cash provided by investing activities	58,555	104,751
Cash flows from financing activities		
Repayment of debt	—	(44,550)
Penalty fees paid for early prepayment of debt	—	(1,063)
Borrowing under new debt, net of fees	—	34,825
Payment of debt issuance costs	(490)	(626)
Proceeds from the exercise of stock options	4	67
Repurchase of common shares to pay employee withholding taxes	—	(111)
Proceeds from employee stock purchase plan	25	214
Payment of contingent consideration	(1,923)	(372)
Net cash used in financing activities - continuing operations	(2,384)	(11,616)
Net cash used in financing activities - discontinued operations	(280)	—
Net cash used in financing activities	(2,664)	(11,616)

Effect of exchange rate changes on cash, cash equivalents and restricted cash	2,079	2,909
Net change in cash, cash equivalents and restricted cash	(5,148)	7,127
Cash, cash equivalents and restricted cash, at the beginning of the period	31,348	24,221
Cash, cash equivalents and restricted cash, at the end of the period	\$ 26,200	\$ 31,348
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 5,012	\$ 4,231
Supplemental disclosure of noncash investing and financing activities:		
Changes between assets and liabilities in discontinued operations	\$ 5,445	\$ (11,341)
Accounts receivable from sale of business	\$ 9,360	\$ 17,000
Change in unrealized (gain) loss on marketable securities	\$ (7)	\$ (39)
Change in unpaid purchases of property and equipment	\$ —	\$ 54
Contingent consideration escrow release	\$ —	\$ 381
Net book value on AcQMap system sales-type leases	\$ —	\$ 244
Amount of debt proceeds allocated to warrant liability	\$ —	\$ 3,379