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

FORM 10-Q

(Mark one)

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

For the quarterly period ended September 30, 2024

OR

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

For the transition period from _____ to _____

Commission File Number 001-39430

ACUTUS® MEDICAL

ACUTUS MEDICAL, INC.
(Exact name of registrant as specified in its charter)

Delaware	**45-1306615**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
2210 Faraday Ave., Suite 100, Carlsbad, CA	**92008**
(Address of principal executive offices)	(Zip Code)

(Registrant's telephone number, including area code) (442) 232-6080

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

Title of each class	Trading Symbol	Name of each exchange on which registered [1]
Common Stock, par value $0.001 per share	**AFIB**	**N/A**

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the registrant's classes of common stock, as of the latest practicable date.

Class of Common Stock	Outstanding Shares as of November 8, 2024
Common Stock, $0.001 par value	29,912,305

[1] On May 16, 2024, Nasdaq filed a Form 25 to delist our common stock and remove such securities from registration under

Section 12(b) of the Securities Exchange Act of 1934 (the “Exchange Act”) and such delisting took effect on May 26, 2024. The deregistration of our common stock under Section 12(b) of the Exchange Act was effective 90 days after the Form 25 filing. Our common stock currently trades on the OTC Pink Market under the symbol “AFIB.”

Acutus Medical, Inc.
Form 10-Q
For the Quarter Ended September 30, 2024

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Item 1. Financial Statements.

Acutus Medical, Inc.
Condensed Consolidated Balance Sheets

(in thousands, except share and per share amounts)	September 30, 2024 (unaudited)	December 31, 2023
ASSETS		
Current assets:		
Cash and cash equivalents	$ 12,595	$ 19,170
Marketable securities, short-term	—	3,233
Restricted cash, short-term	—	7,030
Accounts receivable	9,970	11,353
Inventory	4,191	4,278
Prepaid expenses and other current assets	403	678
Current assets of discontinued operations (Note 3)	—	510
Total current assets	27,159	46,252
Property and equipment, net	736	825
Right-of-use assets, net	2,647	3,189
Other assets	94	94
Non-current assets of discontinued operations (Note 3)	1,531	3,600
Total assets	**$ 32,167**	**$ 53,960**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	1,711	2,761
Accrued liabilities	1,702	2,887
Operating lease liabilities, short-term	897	718
Long-term debt, current portion	7,084	1,864
Warrant liability	302	409
Current liabilities of discontinued operations (Note 3)	2,969	10,303
Total current liabilities	14,665	18,942
Operating lease liabilities, long-term	2,532	3,243
Long-term debt	25,269	32,654
Total liabilities	42,466	54,839
Commitments and contingencies (Note 11)		
Stockholders' deficit		
Preferred stock, $0.001 par value; 5,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 6,666 shares of preferred stock, designated as Series A Common Equivalent Preferred Stock, are issued and outstanding as of September 30, 2024 and December 31, 2023	—	—
Common stock, $0.001 par value; 260,000,000 shares authorized as of September 30, 2024 and December 31, 2023; 29,912,305 and 29,313,667 shares issued and outstanding as of September 30, 2024 and December 31, 2023, respectively	30	29
Additional paid-in capital	598,670	599,935
Accumulated deficit	(608,118)	(599,977)
Accumulated other comprehensive loss	(881)	(866)
Total stockholders' deficit	(10,299)	(879)
Total liabilities and stockholders' deficit	**$ 32,167**	**$ 53,960**

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

Acutus Medical, Inc.
Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	**2023**	**2024**	**2023**
(in thousands, except share and per share amounts)		**(unaudited)**		
Revenue	$ 5,266	$ 2,060	$ 13,027	$ 4,816
Cost of products sold	4,894	3,150	13,019	7,835
Gross profit (loss)	372	(1,090)	8	(3,019)
Operating expenses (income):				
Research and development	—	896	—	2,752
Selling, general and administrative	2,318	2,354	7,880	9,502
Change in fair value of contingent consideration	—	—	—	123
Gain on sale of business	(2,435)	(2,648)	(8,096)	(5,927)
Total operating expenses (income)	(117)	602	(216)	6,450
Gain (loss) from operations	489	(1,692)	224	(9,469)
Other income (expense):				
Change in fair value of warrant liability	(174)	636	107	1,478
Interest income	153	547	641	2,223
Interest expense	(1,395)	(1,409)	(4,384)	(4,110)
Other revenue	111	—	187	—
Total other expense, net	(1,305)	(226)	(3,449)	(409)
Loss from continuing operations before income taxes	(816)	(1,918)	(3,225)	(9,878)
Net loss from continuing operations	(816)	(1,918)	(3,225)	(9,878)
Discontinued operations:				
Loss from discontinued operations before taxes	(4,791)	(11,244)	(4,906)	(37,945)
Income tax expense - discontinued operations	—	75	10	75
Net loss from discontinued operations	(4,791)	(11,319)	(4,916)	(38,020)
Net loss	$ (5,607)	$ (13,237)	$ (8,141)	$ (47,898)
Other comprehensive loss				
Unrealized loss on marketable securities	—	4	—	7
Foreign currency translation adjustment	(15)	(66)	(15)	(91)
Comprehensive loss	**$ (5,622)**	**$ (13,299)**	**$ (8,156)**	**$ (47,982)**
Net loss per share, basic and diluted:				
Loss from continuing operations	$ (0.03)	$ (0.07)	$ (0.11)	$ (0.34)
Loss from discontinued operations	$ (0.16)	$ (0.39)	$ (0.17)	$ (1.31)
Net loss per common share	$ (0.19)	$ (0.45)	$ (0.27)	$ (1.65)
Weighted average shares outstanding, basic and diluted	29,799,241	29,262,768	29,768,208	29,024,353

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

Acutus Medical, Inc.
Condensed Consolidated Statements of Stockholders' (Deficit) Equity

For the Three Months Ended September 30, 2024

(in thousands, except share amounts)	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2024	**6,666**	**$ —**	**29,775,630**	**$ 30**	**$ 598,542**	**$ (602,511)**	**$ (866)**	**$ (4,805)**
Foreign currency translation adjustment	—	—	—	—	—	—	(15)	(15)
Stock-based compensation	—	—	136,675	—	128	—	—	128
Net loss	—	—	—	—	—	(5,607)	—	(5,607)
Balance as of September 30, 2024 (unaudited)	**6,666**	**$ —**	**29,912,305**	**$ 30**	**$ 598,670**	**$ (608,118)**	**$ (881)**	**$ (10,299)**

For the Three Months Ended September 30, 2023

(in thousands, except share amounts)	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of June 30, 2023	**6,666**	**$ —**	**29,206,570**	**$ 29**	**$ 597,578**	**$ (552,975)**	**$ (891)**	**$ 43,741**
Unrealized gain on marketable securities	—	—	—	—	—	—	4	4
Foreign currency translation adjustment	—	—	—	—	—	—	(66)	(66)
Stock-based compensation	—	—	83,364	—	1,264	—	—	1,264
Net income	—	—	—	—	—	(13,237)	—	(13,237)
Balance as of September 30, 2023 (unaudited)	**6,666**	**$ —**	**29,289,934**	**$ 29**	**$ 598,842**	**$ (566,212)**	**$ (953)**	**$ 31,706**

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

Acutus Medical, Inc.
Condensed Consolidated Statements of Stockholders' (Deficit) Equity

For the Nine Months Ended September 30, 2024

(in thousands, except share amounts)	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Deficit
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2023	**6,666**	**$ —**	**29,313,667**	**$ 29**	**$ 599,935**	**$ (599,977)**	**$ (866)**	**$ (879)**
Foreign currency translation adjustment	—	—	—	—	—	—	(15)	(15)
Stock-based compensation	—	—	598,638	1	(1,265)	—	—	(1,264)
Net loss	—	—	—	—	—	(8,141)	—	(8,141)
Balance as of September 30, 2024 (unaudited)	**6,666**	**$ —**	**29,912,305**	**$ 30**	**$ 598,670**	**$ (608,118)**	**$ (881)**	**$ (10,299)**

For the Nine Months Ended September 30, 2023

(in thousands, except share amounts)	Preferred Stock		Common Stock		Additional Paid-in Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
Balance as of December 31, 2022	**6,666**	**$ —**	**28,554,656**	**$ 29**	**$ 594,173**	**$ (518,314)**	**$ (869)**	**$ 75,019**
Unrealized loss on marketable securities	—	—	—	—	—	—	7	7
Foreign currency translation adjustment	—	—	—	—	—	—	(91)	(91)
Stock option exercises	—	—	3,218	—	4	—	—	4
Stock-based compensation	—	—	686,898	—	4,640	—	—	4,640
Employee stock purchase plan shares issued	—	—	45,162	—	25	—	—	25
Net loss	—	—	—	—	—	(47,898)	—	(47,898)
Balance as of September 30, 2023 (unaudited)	**6,666**	**$ —**	**29,289,934**	**$ 29**	**$ 598,842**	**$ (566,212)**	**$ (953)**	**$ 31,706**

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

Acutus Medical, Inc.
Condensed Consolidated Statements of Cash Flows

	Nine Months Ended September 30,	
	2024	2023
(in thousands)	(unaudited)	
Cash flows from operating activities		
Net loss	$ (8,141)	$ (47,898)
Less: Loss from discontinued operations	4,916	38,020
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation expense	235	384
Non-cash stock-based compensation expense	459	1,272
Accretion of discounts on marketable securities, net	(28)	(1,318)
Amortization of debt issuance costs	460	325
Amortization of operating lease right-of-use assets	542	513
Gain on sale of business, net	(8,096)	(5,927)
Change in fair value of warrant liability	(107)	(1,478)
Change in fair value of contingent consideration	—	123
Changes in operating assets and liabilities:		
Accounts receivable	(3,499)	3,247
Inventory	87	11,567
Employer retention credit receivable	—	4,703
Prepaid expenses and other current assets	286	2,010
Accounts payable	(1,050)	(3,020)
Accrued liabilities	(1,442)	(8,043)
Operating lease liabilities	(532)	(253)
Other long-term liabilities	—	20
Net cash used in operating activities - continuing operations	(15,910)	(5,753)
Net cash used in operating activities - discontinued operations	(11,692)	(39,352)
Net cash used in operating activities	(27,602)	(45,105)
Cash flows from investing activities		
Proceeds from sale of business	13,235	17,000
Purchases of available-for-sale marketable securities	—	(38,521)
Sales of available-for-sale marketable securities	500	—
Maturities of available-for-sale marketable securities	2,750	70,250
Purchases of property and equipment	(148)	(1,187)
Net cash provided by investing activities - continuing operations	16,337	47,542
Net cash provided by (used in) investing activities - discontinued operations	339	(207)
Net cash provided by investing activities	16,676	47,335
Cash flows from financing activities		
Repayment of debt	(2,625)	—
Proceeds from the exercise of stock options	—	4
Repurchase of common shares to pay employee withholding taxes	—	(35)
Proceeds from employee stock purchase plan	—	25
Payment of contingent consideration	—	(1,923)
Net cash used in financing activities - continuing operations	(2,625)	(1,929)
Net cash used in financing activities - discontinued operations	(41)	(240)
Net cash used in financing activities	(2,666)	(2,169)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(13)	(294)
Net change in cash, cash equivalents and restricted cash	(13,605)	(233)
Cash, cash equivalents and restricted cash, at the beginning of the period	26,200	31,348
Cash, cash equivalents and restricted cash, at the end of the period	**$ 12,595**	**$ 31,115**
Supplemental disclosure of cash flow information:		
Cash paid for interest	3,394	3,731
Supplemental disclosure of noncash investing and financing activities:		
Accounts receivable from sale of business	$ 4,478	$ 6,111
Change in unrealized (gain) on marketable securities	$ —	$ (7)
Change in unpaid purchases of property and equipment	$ —	$ 35

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

Acutus Medical, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Note 1—Organization and Description of Business

Acutus Medical, Inc. (the "Company") historically designed, manufactured and marketed a range of tools for catheter-based ablation procedures to treat various arrhythmias. Prior to November 2023, the Company's product portfolio included novel access sheaths, diagnostic and mapping catheters, ablation catheters, mapping and imaging consoles and accessories, as well as supporting algorithms and software programs.

In November 2023, the Company's board of directors approved a strategic realignment of resources and corporate restructuring (the "Restructuring"). The Company began implementation of a shift in its business model to solely support the manufacturing and distribution of Medtronic Inc.'s ("Medtronic") left-heart access product portfolio, including to potentially earn earnout payments from Medtronic pursuant to its manufacturing and distribution arrangements with Medtronic. As part of the Restructuring, the Company wound down its mapping and ablation businesses and no longer manufactures or distributes the AcQMap Mapping System, the AcQMap 3D Mapping Catheter, the AcQBlate Force-Sensing Ablation Catheter, the AcQGuide Max 2.0 Steerable Sheath or associated accessories, and is exploring strategic alternatives for these businesses (specifically a sale of related assets). The Company substantially completed the Restructuring in the first quarter of 2024.

As previously disclosed, The Nasdaq Stock Market, LLC ("Nasdaq") suspended trading in the Company's common stock on May 9, 2024, due to noncompliance with Nasdaq Listing Rule 5550(a)(2) and 5550(b). On May 15, 2024, Nasdaq announced that it would formally delist the Company's common stock that was previously suspended. On May 16, 2024, Nasdaq filed a Form 25 Notification of Delisting with the Securities and Exchange Commission (the "SEC") to complete the delisting and remove such securities from registration under Section 12(b) of the Exchange Act, and such delisting took effect on May 26, 2024. The deregistration of the Company's common stock under Section 12(b) of the Exchange Act was effective 90 days after the Form 25 filing.

On May 9, 2024, the Company's common stock began trading over the counter on the OTC Pink Market under the trading symbol "AFIB."

The Company was incorporated in the state of Delaware on March 25, 2011, and is located in Carlsbad, California.

Liquidity and Capital Resources

The Company has limited revenue, and has incurred significant operating losses and negative cash flows from operations since its inception, and if it is unable to realize the expected benefits of the Restructuring, anticipates that it could incur losses for at least the next several years. As of September 30, 2024 and December 31, 2023, the Company had cash, cash equivalents, restricted cash and marketable securities of $12.6 million and $29.4 million, respectively. For the nine months ended September 30, 2024 and 2023, net losses from continuing operations were $3.2 million and $9.9 million, respectively. For the nine months ended September 30, 2024 and 2023, discontinued operations generated net losses of $4.9 million and $38.0 million, respectively. For the nine months ended September 30, 2024 and 2023, net cash used in operating activities from continuing operations was $15.9 million and $5.8 million, respectively, and net cash used in operating activities from discontinued operations was $11.7 million and $39.4 million, respectively. As of September 30, 2024 and December 31, 2023, the Company had an accumulated deficit of $608.1 million and $600.0 million, respectively, and working capital of $12.5 million and $27.3 million, respectively.

The Restructuring is intended to reduce the Company's operating expenses and optimize its cash resources by focusing exclusively on the manufacturing and distribution of the Products (as defined in *Note 4 – Sale of Business,* below) to Medtronic to continue to generate revenue from such sales in addition to the associated earnout payments discussed further below. Following the Restructuring, the Company's primary uses of capital have been investments in manufacturing and distributing the Products to Medtronic and related expenses, raw materials and supplies, legal and other regulatory expenses, general administrative costs and working capital.

On June 30, 2022, Medtronic paid the Company $50.0 million at the first closing (the "First Closing") of the sale of the Company's left-heart access portfolio to Medtronic, of which $4.0 million was paid into an indemnity escrow account for a period of 18 months following the First Closing to secure the Company's indemnification obligations under the asset purchase agreement ("Asset Purchase Agreement") entered into with Medtronic on April 26, 2022. Following the termination of the

escrow account in accordance with the Asset Purchase Agreement, the amounts in escrow were released. The OEM Earnout (as defined in *Note 4 - Sale of Business*, below) under the Asset Purchase Agreement with Medtronic was achieved on October 31, 2022, with $20.0 million paid by Medtronic to the Company in November 2022. Additionally, the Transfer Earnout (as defined in *Note 4 - Sale of Business*, below) under the Asset Purchase Agreement with Medtronic was achieved on December 21, 2022, with $17.0 million paid by Medtronic to the Company in January 2023. Beginning in February 2023, following Medtronic's first commercial sale of the Products after the Company's achievement of the OEM Earnout (as defined in *Note 4 - Sale of Business*, below), the Company became eligible to earn amounts equal to 100%, 75%, 50% and 50%, respectively, of quarterly Net Sales (as defined in the Asset Purchase Agreement) of the Products achieved by Medtronic each year over four years. During the nine months ended September 30, 2024, the Company earned $8.4 million in contingent consideration based on Medtronic's Products sales.

Management believes the Company's current cash, cash equivalents and marketable securities are sufficient to fund operations for at least the next 12 months from the date of this filing.

Note 2—Summary of Significant Accounting Policies

Basis of Presentation

The condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP") for interim financial information and the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and notes required by U.S. GAAP for complete financial statements. In the opinion of management, the condensed consolidated financial statements reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the balances and results for the periods presented. Certain information and note disclosures normally included in the Company's annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These condensed consolidated financial statement results are not necessarily indicative of results to be expected for the full fiscal year or any future period.

Principles of Consolidation

The condensed consolidated financial statements include the accounts of Acutus Medical, Inc. and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated in consolidation.

Discontinued Operations

In accordance with Accounting Standards Codification ("ASC") 205, *Presentation of Financial Statements,* under subtopic 205-20 Discontinued Operations, a disposal of a component of an entity or a group of components of an entity is required to be reported as discontinued operations if the disposal represents a strategic shift that has (or will have) a major effect on an entity's operations and financial results when the components of an entity meets the criteria in paragraph 205-20-45-10. In the period in which the component meets held-for-sale or discontinued operations criteria the major current assets, non-current assets, current liabilities, and non-current liabilities are reported as components of total assets and liabilities separate from those balances of the continuing operations. At the same time, the results of all discontinued operations, less applicable income taxes, are reported as components of net loss separate from the net loss of continuing operations.

The strategic shift approved by the Company's board of directors (discussed in *Note 1 – Organization and Description of Business,* above*)* met the definition of a discontinued operation as of September 30, 2024 and December 31, 2023. Accordingly, the major current assets, non-current assets, current liabilities, and non-current liabilities are reported as components of total assets and liabilities separate from those balances of the continuing operations as of September 30, 2024 and December 31, 2023, and the operating results of the components disposed are reported as loss from discontinued operations in the accompanying condensed consolidated statements of operations and comprehensive income (loss) for the three- and nine- months ended September 30, 2024 and 2023. For additional information, see *Note 3 - Discontinued Operations, Assets Held for Sale and Restructuring.*

Use of Estimates and Assumptions

The preparation of the condensed consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, expenses and disclosures of contingent assets and liabilities. These estimates and assumptions are based on current facts, historical experience and various

other factors believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenue and expenses that are not readily apparent from other sources. Actual results could differ from those estimates.

Segments

Operating segments are identified as components of an enterprise about which separate discrete financial information is available for evaluation by the chief operating decision maker in making decisions regarding resource allocation and assessing performance. The Company views its operations and manages its business as one operating segment and reportable segment.

Cash and Cash Equivalents and Restricted Cash

The Company considers all highly liquid investments with maturities of three months or less when purchased to be cash equivalents. All of the Company's cash equivalents have liquid markets and high credit ratings. The Company maintains its cash in bank deposits and other accounts, the balances of which, at times and as of September 30, 2024 and December 31, 2023, exceeded federally insured limits.

Restricted cash consists of (i) deposited cash collateral for the Company's corporate credit card program and (ii) cash received for the sale of business to Medtronic held in an indemnity escrow account until certain terms of sale are met. Following the termination of the escrow account in accordance with the Asset Purchase Agreement, the amounts in escrow were released. As of September 30, 2024, the Company recorded no restricted cash on the condensed consolidated balance sheet.

Marketable Securities

The Company's marketable securities portfolio consists of investments in money market funds, commercial paper, U.S. treasury securities and Yankee debt securities.

The Company considers its debt securities to be available-for-sale securities. Available-for-sale securities are classified as cash equivalents or short-term or long-term marketable securities based on the maturity date at time of purchase and their availability to meet current operating requirements. Marketable securities that mature in three months or less from the date of purchase are classified as cash equivalents. Marketable securities, excluding cash equivalents, that mature in one year or less are classified as short-term available-for-sale securities and are reported as a component of current assets.

Securities that are classified as available-for-sale are measured at fair value with temporary unrealized gains and losses reported in other comprehensive income (loss), and as a component of stockholders' equity until their disposition or maturity. See "Fair Value Measurements," below. The Company reviews all available-for-sale securities at each period end to determine if they remain available-for-sale based on the Company's current intent and ability to sell the security if it is required to do so. Realized gains and losses from the sale of marketable securities, if any, are calculated using the specific-identification method.

Marketable securities are subject to a periodic impairment review. The Company may recognize an impairment charge when a decline in the fair value of investments below the cost basis is determined to be other-than-temporary. In determining whether a decline in market value is other-than-temporary, various factors are considered, including the cause, duration of time and severity of the impairment, any adverse changes in the investee's financial condition and the Company's intent and ability to hold the security for a period of time sufficient to allow for an anticipated recovery in market value. Declines in value judged to be other-than-temporary are included in the Company's condensed consolidated statements of operations and comprehensive income (loss). The Company did not record any other-than-temporary impairments related to marketable securities in the Company's condensed consolidated statements of operations and comprehensive income (loss) for the three and nine months ended September 30, 2024 and 2023.

Concentrations of Credit Risk and Off-Balance Sheet Risk

Financial instruments that potentially subject the Company to credit risk consist principally of cash, cash equivalents, restricted cash, accounts receivable and marketable securities. Cash and restricted cash (if applicable) are maintained in accounts with financial institutions which, at times, may exceed the federal depository insurance coverage of $0.25 million. The Company has not experienced losses on these accounts, and management believes, based upon the quality of the financial institutions, that the credit risk with regard to these deposits is not significant.

Revenue from Contracts with Customers

The Company accounts for revenue earned from contracts with customers under ASC 606, *Revenue from Contracts with Customers* (“ASC 606”), and ASC 842, *Leases* ("ASC 842"). The core principle of ASC 606 is that a company should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The following five steps are applied to achieve that core principle:

- Step 1: Identify the contract with the customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognize revenue when, or as, the company satisfies a performance obligation.

ASC 842 provides guidance on determining whether an agreement contains a lease. ASC 842 defines a lease as a contract, or part of a contract, that conveys the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration.

The below description applies to products that are no longer being manufactured and sold by the Company due to the Restructuring. S*ee Note 1 – Organization and Description of Business – Liquidity and Capital Resources*, above.

Historically, for new customers, the Company had placed its medical diagnostic equipment, the AcQMap System, at customer sites under evaluation agreements and had generated revenue from the sale of disposable products used with the AcQMap System. Disposable products primarily included AcQMap catheters and AcQGuide steerable sheaths. Outside of the United States, the Company also had the Qubic Force Device which generated revenue from the sale of the AcQBlate Force Ablation Catheters. The Company had provided the disposable products in exchange for consideration, which occurred when a customer submitted a purchase order and the Company provided disposables at the agreed upon prices in the invoice. Generally, customers purchased disposable products using separate purchase orders after the equipment had been provided to the customer for free with no binding agreement or requirement to purchase any disposable products. The Company had elected the practical expedient and accounting policy election to account for the shipping and handling as activities to fulfill the promise to transfer the disposable products and not as a separate performance obligation.

Additionally, the Company had sold the AcQMap System to customers along with software updates on a when-and-if-available basis, as well as the Qubic Force Device and a transseptal crossing line of products which could be used in a variety of heart procedures and did not need to be accompanied with an AcQMap System or Qubic Force Device.

The Company had also entered into deferred equipment agreements that were generally structured such that the Company agreed to provide an AcQMap System at no up-front charge, with title of the device transferring to the customer at the end of the contract term, in exchange for the customer’s commitment to purchase disposables at a specified price over the term of the agreement, which generally ranged from two years to four years. The Company had determined that such deferred equipment agreements included an embedded sales-type lease. The Company had allocated contract consideration under deferred equipment agreements containing fixed annual disposable purchase commitments to the underlying lease and non-lease components at contract inception. The Company had expensed the cost of the device at the inception of the agreement and recorded a financial lease asset equal to the gross consideration allocated to the lease. The lease asset had been reduced by payments for minimum disposable purchases that were allocated to the lease.

Lastly, the Company had entered into short-term operating leases for the rental of the AcQMap System after an evaluation. These lease agreements imposed no requirement on the customer to purchase the equipment, and the equipment was not transferred to the customer at the end of the lease term. The short-term nature of the lease agreements did not result in lease payments accumulating to an amount that equaled the value of the equipment nor was the lease term reflective of the economic life of the equipment.

The Company’s contracts had primarily included fixed consideration. Generally, there were no discounts, rebates, returns or other forms of variable consideration. Customers were generally required to pay within 30 days to 60 days.

The delivery of disposable products were performance obligations satisfied at a point in time. The disposable products were shipped via Free on Board (“FOB”) shipping point or FOB destination. For disposable products that were shipped via FOB shipping point, the customer had the significant risks and rewards of ownership and legal title to the assets when the disposable products left the Company’s shipping facilities, at which point the customer obtained control and thus revenue was recognized at that point in time. Revenue had been recognized on delivery for disposable products shipped via FOB destination.

For direct customers, the installation and delivery of the AcQMap System was satisfied at a point in time when the installation was complete, which was when the customer could benefit and had control of the system. For AcQMap System sales sold to Biotronik SE & Co. KG (“Biotronik”), the installation was not a performance obligation as it was performed by Biotronik, and therefore the AcQMap System was satisfied at a point in time when they had control of the system. The Company’s software updates and equipment service performance obligations were satisfied evenly over time as the customer simultaneously received and consumed the benefits of the Company’s performance for these services throughout the service period.

The Company had allocated the transaction price to each performance obligation identified in the contract based on the relative standalone selling price (“SSP”). The Company had determined SSP for the purposes of allocating the transaction price to each performance obligation based on the adjusted market assessment approach that maximizes the use of observable inputs, which included, but was not limited to, sales transactions where the specific performance obligations were sold separately, Company listed prices and specific offers to customers.

Except for the deferred equipment agreements noted above, the Company’s contracts with customers generally had an expected duration of one year or less, and therefore the Company had elected the practical expedient in ASC 606 to not disclose information about its remaining performance obligations. Any incremental costs to obtain contracts were recorded as selling, general and administrative ("SG&A") expense as incurred due to the short duration of the Company’s contracts. The Company’s contract balances consisted solely of accounts receivable as of September 30, 2024 and December 31, 2023.

In May 2020, the Company entered into bi-lateral distribution agreements (the “Bi-Lateral Distribution Agreements”) with Biotronik. Pursuant to the Bi-Lateral Distribution Agreements, the Company obtained a non-exclusive license to distribute a range of Biotronik’s products and accessories in the United States, Canada, China, Hong Kong and multiple Western European countries under the Company’s private label. Moreover, if an investigational device exemption (“IDE”) clinical trial was required for these products to obtain regulatory approval in the United States, or a clinical trial was required for these products to obtain regulatory approval in China, the Company would obtain an exclusive distribution right in such territories for a term of up to five years commencing on the date of regulatory approval if the Company covered the cost of the IDE or other clinical trial and the Company conducted such study within a specified period. Biotronik also agreed to distribute the Company’s products and accessories in Germany, Japan, Mexico, Switzerland and multiple countries in Asia-Pacific, Eastern Europe, the Middle East and South America. The Company also granted Biotronik a co-exclusive right to distribute these products in Hong Kong. Each party would pay to the other party a specified transfer price on the sale of the other party’s products and, accordingly, would earn a distribution margin on the sale of the other party’s products. In February 2024, Biotronik sent a notice to the Company, stating that Biotronik rescinds and terminates the Bi-Lateral Distribution Agreements, effective immediately, based on the alleged repudiation of its contractual obligations under the Bi-Lateral Distribution Agreements. In October 2024, resulting from the Company's Restructuring and the Arbitration that ensued with Biotronik Parties, the Company entered into a Settlement Agreement and Release terminating the Relevant Agreements (except for certain surviving obligations specified therein), settling the Arbitration relating to the Relevant Agreements and releasing and discharging each party of all claims against the other, including any claims that were or could have been asserted in the Arbitration.

In 2022, the Company sold its left-heart access transseptal crossing business to Medtronic. In connection with the sale, the Company entered into a distribution agreement (the "Distribution Agreement") with Medtronic, pursuant to which the Company acts as the original equipment manufacturer ("OEM") supplier of these Products. The Company will produce and sell the Products to Medtronic for a period of up to four years. Revenue is recognized when the title to the products are transferred to Medtronic, which occurs when the products are shipped from the Company's facility (or via FOB shipping point). See *Note 4 – Sale of Business*, below, for further details. As part of the Restructuring, the Company currently focuses exclusively on the manufacturing and distribution of the Products and associated services to Medtronic to continue to generate revenue from such sales and potentially earn the associated earnout payments.

The following table sets forth the Company’s revenue for disposables, systems and service/other for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Disposables	$ 5,266	$ 1,862	$ 12,499	$ 4,106
Service/Other	—	198	528	710
Total revenue	$ 5,266	$ 2,060	$ 13,027	$ 4,816

For the three and nine months ended September 30, 2024 and 2023, revenue was all U.S.-based.

Inventory

Inventory is stated at the lower of cost (first-in, first-out basis) or net realizable value. The Company recorded write-downs for excess and obsolete inventory of $0.5 million and $0.3 million for the three months ended September 30, 2024 and 2023, respectively, and $1.1 million and $0.9 million for the nine months ended September 30, 2024 and 2023, respectively, based on management's review of inventories on hand, comparisons to estimated future usage and sales, observed shelf-life and assumptions about the likelihood of obsolescence.

Accounts Receivable

Trade accounts receivable are recorded net of allowances for uncollectible accounts. The Company evaluates the collectability of its accounts receivable based on various factors including historical experience, the length of time the receivables are past due and the financial health of the customer. The Company reserves specific receivables if collectability is no longer reasonably assured. Based upon the assessment of these factors, the Company did not record an allowance for uncollectible accounts as of September 30, 2024 or December 31, 2023.

Accounts receivable recorded on the condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023 consists of the following (in thousands):

	September 30, 2024	December 31, 2023
	(unaudited)	
Trade accounts receivable	$ 5,492	$ 1,993
Earnouts receivable from Medtronic	4,478	9,360
Total accounts receivable	$ 9,970	$ 11,353

Property and Equipment, Net

Property and equipment are recorded at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the related assets, generally three to five years, or, in the case of leasehold improvements, over the lesser of the useful life of the related asset or the lease term.

Impairment of Long-Lived Assets

The Company reviews long-lived assets, including property and equipment and finite-lived intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of the assets may not be fully recoverable. An impairment loss is recognized when the asset's carrying value exceeds the total undiscounted cash flows expected from its use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value. For the three and nine months ended September 30, 2024 and 2023, the Company determined that there was no impairment of property and equipment.

Foreign Currency Translation and Transactions

The assets, liabilities and results of operations of Acutus Medical N.V. and Acutus Medical UK Limited are measured using their functional currency, the Euro and British Pound Sterling, respectively, which is the currency of the primary foreign economic environment in which the subsidiaries operate. Upon consolidating these entities with the Company, their assets and liabilities are translated to U.S. dollars at currency exchange rates as of the balance sheet date and their revenues and expenses are translated at the weighted average currency exchange rates during the applicable reporting periods. Translation adjustments resulting from the process of translating the entities' financial statements are reported in accumulated other comprehensive loss in the condensed consolidated balance sheets and foreign currency translation adjustment in the condensed consolidated statements of operations and comprehensive income (loss).

Lease Property

The Company leases office space in Carlsbad, California as its corporate headquarters and for manufacturing operations. Additionally, it leases office space in Zaventem, Belgium for CE Mark compliance. The Company accounts for its lease property under ASC 842. Under this guidance, arrangements meeting the definition of a lease are classified as operating or financing leases, and are recorded on the condensed consolidated balance sheets as both a right-of-use asset and a lease liability,

calculated by discounting fixed lease payments over the lease term at the rate implicit in the lease or the Company's incremental borrowing rate, which is the rate for collateralized borrowings based on the current economic environment, credit history, credit rating, value of leases, currency in which the lease obligation is satisfied, rate sensitivity, lease term and materiality. Lease liabilities are increased by interest and reduced by payments each period, and the right-of-use asset is amortized over the lease term. For operating leases, interest on the lease liability and the amortization of the right-of-use asset results in straight-line rent expense over the lease term. Variable lease expenses are recorded when incurred.

Cost of Products Sold

Cost of products sold includes raw materials, direct labor (including stock-based compensation), manufacturing overhead, shipping and receiving costs and other less significant indirect costs related to the production of the Company's products.

Research and Development

Prior to the Restructuring, the Company was actively engaged in new product research and development efforts. Research and development expenses consisted primarily of salaries and employee-related costs (including stock-based compensation) for personnel directly engaged in research and development activities, clinical trial expenses, equipment costs, material costs, allocated rent and facilities costs and depreciation.

Research and development expenses relating to possible future products were expensed as incurred. The Company also accrued and expensed costs for activities associated with clinical trials performed by third parties as incurred. All other costs relative to setting up clinical trial sites were expensed as incurred. Clinical trial site costs related to patient enrollment were accrued as patients were entered into the trials.

Following the Restructuring, we have no research and development expense as we discontinued research and development to focus on solely manufacturing and distributing the Products and associated services under our Distribution Agreement with Medtronic.

Selling, General and Administrative

SG&A expenses consist primarily of salaries and employee-related costs (including stock-based compensation) for personnel in executive, finance and other administrative functions, allocated rent and facilities costs, legal fees relating to intellectual property and corporate matters, professional fees for accounting and consulting services, insurance costs, and additionally, prior to the Restructuring, salaries and employee-related costs for personnel in sales, marketing, and other administrative functions.

Restructuring Expenses

The Company undertook a strategic realignment of resources and corporate restructuring (i.e., the Restructuring), including an organizational workforce reduction and additional cost reduction measures. The Company's restructuring and exit-related charges consisted of severance expenses and related benefit costs for employees affected by the organizational workforce reduction, retention bonuses for certain employees that are assisting with the Restructuring, other restructuring costs and impairment charges in connection with the disposition of certain assets, including inventory, fixed assets and intangibles. Refer to Note 3 - Discontinued Operations, Assets Held for Sale and Restructuring for additional details.

Fair Value Measurements

Financial Instruments

Fair value measurements are based on the premise that fair value is an exit price representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the following three-tier fair value hierarchy is used in determining the inputs for measuring fair value:

Level 1—Quoted prices in active markets for identical assets or liabilities.

Level 2—Observable inputs other than Level 1 prices for similar assets or liabilities that are directly or indirectly observable in the marketplace.

Level 3—Unobservable inputs which are supported by little or no market activity and consist of financial instruments valued using pricing models, discounted cash flow methodologies or similar techniques, as well as instruments for which the determination of fair value requires significant judgment or estimation.

Financial instruments measured at fair value are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Management's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the asset or liability. The use of different assumptions and/or estimation methodologies may have a material effect on estimated fair values. Accordingly, the fair value estimates disclosed or initial amounts recorded may not be indicative of the amount that the Company or holders of the instruments could realize in a current market exchange. There were no transfers made among the three levels in the fair value hierarchy for the three and nine months ended September 30, 2024 and 2023.

As of September 30, 2024 and December 31, 2023, the Company's cash (excluding cash equivalents which are recorded at fair value on a recurring basis), restricted cash, accounts receivable, accounts payable and accrued expenses were carried at cost, which approximates the fair values due to the short-term nature of each instrument. The carrying amount of the Company's long-term debt approximates fair value due to its variable market interest rate and management's opinion that current rates and terms that would be available to the Company with the same maturity and security structure would be essentially equivalent to that of the Company's long-term debt.

The following tables classify the Company's financial assets and liabilities measured at fair value on a recurring basis into the fair value hierarchy as of September 30, 2024 and December 31, 2023 (in thousands):

	Fair Value Measurements as of September 30, 2024 (unaudited)			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 11,788	$ —	$ —	$ 11,788
Marketable securities at fair value				
Commercial paper	—	—	—	—
Total fair value	$ 11,788	$ —	$ —	$ 11,788
Liabilities included in:				
Warrant liability	$ —	$ —	$ 302	$ 302
Total fair value	$ —	$ —	$ 302	$ 302

	Fair Value Measurements as of December 31, 2023			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets included in:				
Cash and cash equivalents				
Money market securities	$ 16,911	$ —	$ —	$ 16,911
Marketable securities at fair value				
U.S. treasury securities	—	1,978	—	1,978
Commercial paper	—	497	—	497
Yankee debt securities	—	758	—	758
Total fair value	$ 16,911	$ 3,233	$ —	$ 20,144
Liabilities included in:				
Warrant liability	$ —	$ —	$ 409	$ 409
Total fair value	$ —	$ —	$ 409	$ 409

The fair value of the Company's money market securities is determined using quoted market prices in active markets for identical assets.

The fair value for the available-for-sale marketable securities is determined based on valuation models using inputs that are observable either directly or indirectly (Level 2 inputs) such as quoted prices for similar assets, yield curve, volatility factors, credit spreads, default rates, loss severity, current market and contractual prices for the underlying instruments, broker and dealer quotes, as well as other relevant economic measures.

Financial Obligations

The following table presents changes in Level 3 liabilities measured at fair value for the nine months ended September 30, 2024 (in thousands):

	Warrant Liability
Balance, December 31, 2023	$ 409
Change in fair value	(107)
Balance, September 30, 2024 (unaudited)	$ 302

As of September 30, 2024, the fair value of the common stock warrants was estimated using the Black-Scholes option pricing model. The fair value was estimated to be $0.0799 per warrant as of September 30, 2024 and the significant inputs used in the estimation of the fair value were as follows:

	September 30, 2024 (unaudited)
Risk-free interest rate	3.58%
Expected term in years	5.8
Expected volatility	200.0%

Expected volatility was set at 200% as agreed upon per the Amendment (as defined below) to the 2022 Warrants and 2022 Warrant Purchase Agreement with Deerfield, entered into by the Company on March 4, 2024. See *Note 12—Warrants* for additional details.

Stock-Based Compensation

The Company accounts for all stock-based payments to employees and non-employees, including grants of stock options, restricted stock units ("RSUs"), and restricted stock awards ("RSAs"), to be recognized in the consolidated financial statements based on their respective grant date fair values. The Company estimates the fair value of stock option grants using the Black-Scholes option pricing model. The RSUs and RSAs are valued based on the fair value of the Company's common stock on the date of grant. The Company expenses stock-based compensation related to stock options, RSUs and RSAs over the requisite service period. All stock-based compensation costs are recorded in cost of products sold, research and development expense or SG&A expense in the condensed consolidated statements of operations and comprehensive income (loss) based upon the respective employee's or non-employee's roles within the Company. Forfeitures are recorded as they occur. See *Note 14—Stock-Based Compensation* for additional details.

Income Taxes

Income taxes are recorded in accordance with ASC 740, *Income Taxes* ("ASC 740"), which provides for deferred taxes using an asset and liability approach. The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the consolidated financial statements or tax returns. Deferred tax assets and liabilities are determined based on the difference between the financial statement and tax bases of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse, and net operating loss ("NOL") carryforwards and research and development tax credit carryforwards. Valuation allowances are provided if, based upon the weight of available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

The Company accounts for uncertain tax positions in accordance with the provisions of ASC 740. When uncertain tax positions exist, the Company recognizes the tax benefit of tax positions to the extent that the benefit would more likely than not be realized assuming examination by the taxing authority. The determination as to whether the tax benefit will more likely than not be realized is based upon the technical merits of the tax position as well as consideration of the available facts and circumstances. To date, there have been no interest or penalties charged in relation to the unrecognized tax benefits.

Warrant Liability

The Company accounts for certain common stock warrants outstanding as a liability at fair value, determined using the Black-Scholes option pricing model, on the condensed consolidated balance sheets in accordance with ASC 815, *Derivatives and Hedging* ("ASC 815"). The liability is subject to re-measurement at each reporting period and any change in fair value is recognized in the condensed consolidated statements of operations and comprehensive income (loss). See *Note 12—Warrants* for additional details.

Business Combinations

The Company accounts for business acquisitions using the acquisition method of accounting based on ASC 805, *Business Combinations* ("ASC 805"), which requires recognition and measurement of all identifiable assets acquired and liabilities assumed at their fair value as of the date control is obtained. The Company determines the fair value of assets acquired and liabilities assumed based upon its best estimates of the acquisition-date fair value of assets acquired and liabilities assumed in

the acquisition. Goodwill is calculated as the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired.

Recently Adopted Accounting Pronouncements

The following Accounting Standard Updates ("ASUs") applicable to the Company were effective January 1, 2024:

•ASU 2023-07, Segment Reporting
•ASU 2022-03, Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions

The adoption of the above noted ASUs did not have a material effect on the Company's condensed consolidated financial statements.

Note 3—Discontinued Operations, Assets Held for Sale and Restructuring

In November 2023, with approval of the Restructuring, the Company began implementation of its business model shift to solely support the manufacturing and distribution of Medtronic's left-heart access product portfolio. As part of the Restructuring, the Company no longer manufactures or distributes the AcQMap Mapping System, the AcQMap 3D Mapping Catheter, the AcQBlate Force-Sensing Ablation Catheter, the AcQGuide Max 2.0 Steerable Sheath, and associated accessories. Additionally, the Company has halted any further research and development related to this suite of products.

Discontinued operations comprise those activities that were disposed of during the period, abandoned or which were classified as held for sale at the end of the period and relate to the Company's mapping and ablation businesses, which it began winding down in late 2023, and was substantially completed by the end of the first quarter of 2024.

Assets Held for Sale

The Company considers assets to be held for sale when management approves and commits to a plan to actively market the assets for sale at a reasonable price in relation to its fair value, the assets are available for immediate sale in their present condition, an active program to locate a buyer and other actions required to complete the sale have been initiated, or the sale of the assets is expected to be completed within one year and it is unlikely that significant changes will be made to the plan. Upon designation as held for sale, the Company ceases to record depreciation and amortization expenses and measures the assets at the lower of their carrying value or estimated fair value less costs to sell. At September 30, 2024 and December 31, 2023, assets held for sale are included as non-current assets in the Company's consolidated balance sheets and the loss recognized on classification of assets held for sale is included in the Company's restructuring expenses. The assets held for sale were determined to be non-current assets as any proceeds from disposal will be used to pay down the Company's long-term debt.

The major assets and liabilities (at carrying value) associated with discontinued operations included in the Company's consolidated balance sheets are as follows (in thousands):

Carrying amounts of major classes of assets included as part of discontinued operations	September 30, 2024 (unaudited)	December 31, 2023	
Accounts receivable	$ —	$ 510	
Inventory	12,780	12,780	*
Prepaid expenses and other current assets	897	902	*
Property and equipment, net	4,537	4,871	*
Intangible assets, net	1,416	1,416	*
Other assets	—	—	
Less: loss recognized on classification as held for sale	(18,099)	(16,369)	*
Total assets of the disposal group classified as discontinued operations in the statement of financial position	$ 1,531	$ 4,110	

* These comprise assets held for sale, at their carrying value of $3.6 million as of December 31, 2023. The Company recorded the loss on classification of held for sale as a valuation allowance on the group of assets held for sale, without allocation to the individual assets within the group.

** At September 30, 2024, an additional valuation allowance of $1.7 million was recorded to reflect an estimate of the additional cost to sell the assets held for sale based on the Biotronik settlement. See further details in *Footnote 11, Commitments and Contingencies*.

Carrying amounts of major classes of liabilities included as part of discontinued operations			
Accounts payable	306	1,892	
Accrued restructure	2,663	5,649	
Accrued liabilities	—	2,762	
Total liabilities of the disposal group classified as discontinued operations in the statement of financial position	$ 2,969	$ 10,303	

Inventory in discontinued operations consisted of the following (in thousands):

	September 30, 2024 (unaudited)	December 31, 2023
Raw materials	$ 8,020	$ 8,020
Work in process	2,211	2,211
Finished goods	2,549	2,549
Total inventory transferred to held for sale	$ 12,780	$ 12,780

There was no reserve for obsolescence as of September 30, 2024 as management determined that the inventory was unexpired, usable, sellable and above net realizable value. An impairment charge of $0.4 million was taken as of December 31, 2023.

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

	September 30, 2024	December 31, 2023
	(unaudited)	
Furniture and fixtures	$ 20	$ 20
Laboratory equipment and software	17,569	18,295
Construction in process	1,141	1,141
Total property and equipment	18,730	19,456
Less: accumulated depreciation	(14,193)	(14,585)
Total property and equipment, net, related to discontinued operations	$ 4,537	$ 4,871

Fixed assets transferred to held for sale are no longer depreciated. There was no depreciation expense recorded for the three and nine months ended September 30, 2024. Depreciation expense was $0.9 million and $3.1 million, respectively for the three and nine months ended September 30, 2023, which is reflected in the loss from discontinued operations in the condensed consolidated statements of operations and comprehensive income (loss). There was no impairment as of September 30, 2024. An impairment charge of $0.6 million was taken as of December 31, 2023. During the three and nine months ended September 30, 2024, net assets held for sale of less than $0.1 million and $0.3 million, respectively, were sold.

Intangibles, net, consist solely of licensed intangible assets acquired from Biotronik relating to the Force Sensing Ablation Catheter, which is part of the Company's operations that it intends to sell. Intangible assets held for sale are no longer amortized. There was no amortization expense recorded for the three and nine months ended September 30, 2024. The Company recorded amortization expense related to the above intangible assets of less than $0.1 million and $0.1 million for the three and nine months ended September 30, 2023, respectively, which is reflected in the loss from discontinued operations in the condensed consolidated statements of operations and comprehensive income (loss).

The revenues and expenses associated with discontinued operations included in the Company's condensed consolidated statements of operations and comprehensive loss for the three months ended September 30, 2024 were as follows (in thousands):

Major line items constituting pretax loss of discontinued operations	Three Months Ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Revenue	$ —	$ 3,178
Cost of products sold	—	(5,445)
Research and development	(15)	(3,899)
Selling, general and administrative	(190)	(5,078)
Restructuring	(2,856)	—
Loss on assets held for sale	(1,730)	—
Loss from discontinued operations before income taxes	(4,791)	(11,244)
Income tax expense	—	75
Net loss from discontinued operations	$ (4,791)	$ (11,319)

Net loss for the three months ended September 30, 2024 is primarily due to an additional restructuring expense of $2.5 million related to the Biotronik settlement and an additional $1.7 million cost related to contingent payment consideration on the sale of assets held for sale per the Biotronik settlement (see *Footnote 11, Commitments and Contingencies,* for further information), and SG&A expenses related to the wind down of the discontinued operations, offset by recording a credit to stock-based compensation resulting from restructuring termination forfeitures and RSU accelerated vesting modification treatment. (See *Footnote 14, Stock-Based Compensation,* for further information.)

The revenues and expenses associated with discontinued operations included in the Company's condensed consolidated statements of operations and comprehensive income (loss) for the nine months ended September 30, 2024 were as follows (in thousands):

Major line items constituting pretax loss of discontinued operations	Nine Months Ended	
	September 30, 2024 (unaudited)	September 30, 2023 (unaudited)
Revenue	$ —	$ 9,880
Cost of products sold	—	(15,612)
Research and development	197	(14,960)
Selling, general and administrative	(493)	(16,778)
Restructuring	(2,880)	(475)
Loss on assets held for sale	(1,730)	—
Loss from discontinued operations before income taxes	(4,906)	(37,945)
Income tax expense	10	75
Net loss from discontinued operations	$ (4,916)	$ (38,020)

Net loss for the nine months ended September 30, 2024 is primarily due to additional restructuring expense of $2.5 million related to the Biotronik settlement and an additional $1.7 million cost related to contingent payment consideration on the sale of assets held for sale per the Biotronik arbitration settlement (see *Footnote 11, Commitments and Contingencies,* for further information), and SG&A expenses related to the wind down of the discontinued operations, offset by recording a credit to

stock-based compensation resulting from restructuring termination forfeitures and RSU accelerated vesting modification treatment. (See *Footnote 14, Stock-Based Compensation,* for further information.)

For the three and nine months ended September 30, 2024, there were no revenues from discontinued operations.

The following table sets forth the breakdown of the Company's discontinued operations revenue for disposables and service/other for the three and nine months ended September 30, 2023 (in thousands):

	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2023
Disposables	$ 2,845	$ 8,632
Service/Other	333	1,248
Total revenue	$ 3,178	$ 9,880

Prior to the Restructuring, revenue was subject to fluctuation based on the foreign currency in which our products were sold. For the three and nine months ended September 30, 2023, approximately 60% and 60%, respectively, of sales from discontinued operations were sold outside of the United States.

Restructuring Activities

In connection with the strategic decision to wind down the ablation and mapping business, restructuring actions were taken related to this shift in business model, resulting in the realignment of resources, including an organizational workforce reduction and corporate restructure. Restructuring and exit-related charges consisting of severance expenses and related benefit costs for employees affected by the organizational workforce reduction, retention bonuses for certain employees that are assisting with the Restructuring, contract termination costs and other restructuring costs were recorded as restructuring expense, cost of product sold or SG&A expense and are included in the loss from discontinued operations.

The Company identified three major types of restructuring activities related to the disposal of the mapping and ablation businesses. These three types of activities are employee termination costs, contract termination costs, and other costs. Other cost activities had been completed as of December 31, 2023. The restructuring activities related to employee termination and contract termination activities were substantially completed by the end of the first quarter of 2024. However, due to the Biotronik settlement (see *Footnote 11, Commitments and Contingencies,* for further information), an additional $2.5 million of restructuring expense was accrued related to other restructuring costs. The Company continues to actively market the mapping and ablation businesses to explore opportunities to dispose of the business.

The following summarizes the restructuring activities and their related accruals as of September 30, 2024:

	Employee Termination Costs	Contract Termination Costs	Other Costs	Total
Restructure Accrual Balance at 12/31/2023	$ 3,493	$ 2,156	$ —	$ 5,649
Payments	(3,194)	(498)	—	(3,692)
Accrual release (non-cash)	(185)	(631)	—	(816)
Restructure Accrual Balance at 3/31/2024	$ 114	$ 1,027	$ —	$ 1,141
Payments	(78)	(673)	—	(751)
Accrual release (non-cash)	(9)	(219)	—	(228)
Restructure Accrual Balance at 6/30/2024	$ 27	$ 135	$ —	$ 162
Biotronik Settlement	—	—	2,510	2,510
Payments	—	—	—	—
Accrual release (non-cash)	(9)			(9)
Restructure Accrual Balance at 9/30/2024	$ 18	$ 135	$ 2,510	$ 2,663

Note 4—Sale of Business

On June 30, 2022, the Company completed the First Closing in accordance with the Asset Purchase Agreement with Medtronic, pursuant to which the Company agreed to sell to Medtronic certain transseptal access and sheath assets which make up the Company's left-heart access portfolio (and which comprised the Rhythm Xience product line acquired as part of the Rhythm Xience acquisition). The assets transferred to Medtronic upon the First Closing (the "Assets") include patents, trademarks, patent and trademark applications, know-how, copyrights, prototypes and other intellectual property owned or licensed by the Company, business records and documents (including regulatory and clinical materials) and manufacturing equipment related to the AcQCross® line of sheath-compatible septal crossing devices, AcQGuide® MINI integrated crossing device and sheath, AcQGuide® FLEX Steerable Introducer with integrated transseptal dilator and needle, and AcQGuide® VUE steerable sheaths (i.e., the Products).

Pursuant to the Asset Purchase Agreement, Medtronic paid $50.0 million at the First Closing, of which $4.0 million was paid into an indemnity escrow account for a period of 18 months following the First Closing to secure indemnification obligations of the Company under the Asset Purchase Agreement, which the Company had recorded as restricted cash on its condensed consolidated balance sheets. Following the termination of the escrow account in accordance with the Asset Purchase Agreement, the amounts in escrow were released. As of September 30, 2024, the Company recorded no restricted cash on the condensed consolidated balance sheet.

The Company is also eligible to receive the following contingent cash consideration pursuant to the Asset Purchase Agreement:

(i) $20.0 million upon the Company's completion, to the reasonable satisfaction of Medtronic, of certain conditions set forth in the Asset Purchase Agreement relating to the Company becoming a qualified supplier of Medtronic for the Products, including demonstration of ISO 14971:2019 compliance, completion of certain test method validations and compliance with certain other reporting requirements (the "OEM Earnout");

(ii) $17.0 million upon the earlier of (A) the Second Closing (as defined below) or (B) the Company's initial submission for CE Mark certification of the Products under the European Union Medical Devices Regulation, to the reasonable satisfaction of a third-party regulatory consultant, subject to certain other conditions as set forth in the Asset Purchase Agreement (the "Transfer Earnout"); and

(iii) amounts equal to 100%, 75%, 50% and 50%, respectively, of quarterly Net Sales (as defined in the Asset Purchase Agreement) from sales of the Products achieved by Medtronic over each year of a four-year period beginning on the first full quarter after Medtronic's first commercial sale of a Product and achievement of the OEM Earnout.

The $20.0 million OEM Earnout was achieved in October 2022 and payment was received in November 2022, of which $1.6 million was held in escrow and recorded as restricted cash on the condensed consolidated balance sheets. The $17.0 million Transfer Earnout was achieved in December 2022 and payment was received in January 2023, of which $1.4 million was held in escrow and recorded as restricted cash on the condensed consolidated balance sheets. Following the termination of the escrow account in accordance with the Asset Purchase Agreement, all amounts in escrow were released. As of September 30, 2024, the Company recorded no restricted cash on the condensed consolidated balance sheet. During the nine months ended September 30, 2024, $8.4 million was earned (before transaction costs) under item (iii) and recorded as a receivable on the condensed consolidated balance sheet as of September 30, 2024.

With the achievement of the OEM Earnout Conditions (as defined in the Asset Purchase Agreement) and upon notice from Medtronic, Medtronic became the Company's exclusive distributor of the Products under the Distribution Agreement.

The Company recorded the following amounts for the nine months ended September 30, 2024, resulting in a net gain of $8.1 million related to the sale of business to Medtronic, calculated as the difference between the non-contingent consideration earned, less direct transaction costs (in thousands):

	Nine Months Ended September 30, 2024 (unaudited)
Product Net Sales Earnout accrued as of September 30, 2024	$ 8,353
Transaction costs	(257)
Gain on sale of business, net	$ 8,096

The net gain on sale will be adjusted in future periods by the contingent consideration, based on the achievement of the predetermined milestones mentioned above. The sale was accounted for as a derecognition of a group of assets that is a

business pursuant to ASC 810 - *Consolidation*, with the resulting gain classified as operating income within loss from operations on the condensed consolidated statements of operations and comprehensive income (loss). The sale did not represent a strategic shift having a major effect on the Company's operations and financial results and, consequently, did not qualify as a discontinued operation.

Note 5—Marketable Securities

Marketable securities consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	September 30, 2024 (unaudited)			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities - short-term:				
Commercial paper	$ —	$ —	$ —	$ —
Total available-for-sale securities - short-term	—	—	—	—
Total available-for-sale securities	$ —	$ —	$ —	$ —

	December 31, 2023			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale securities - short-term:				
U.S. treasury securities	$ 1,978	$ —	$ —	$ 1,978
Commercial paper	497	—	—	497
Yankee debt securities	758	—	—	758
Total available-for-sale securities - short-term	3,233	—	—	3,233
Total available-for-sale securities	$ 3,233	$ —	$ —	$ 3,233

As of December 31, 2023, the Company’s available-for-sale securities classified as short-term of $3.2 million mature in 1 year or less and there were none held long-term.

Note 6—Inventory

Inventory as of September 30, 2024 and December 31, 2023 consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
	(unaudited)	
Raw materials	$ 1,948	$ 3,428
Work in process	611	319
Finished goods	1,632	531
Total inventory	$ 4,191	$ 4,278

Note 7—Property and Equipment, Net

The Company’s property and equipment, net, consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	September 30, 2024	December 31, 2023
	(unaudited)	
Furniture and fixtures	432	432
Office equipment	1,537	1,537
Laboratory equipment and software	1,501	1,494
Leasehold improvements	1,086	979
Construction in process	41	7
Total property and equipment	4,597	4,449
Less: accumulated depreciation	(3,861)	(3,624)
Property and equipment, net	$ 736	$ 825

Depreciation expense from continuing operations was $0.1 million and $0.2 million for the three months ended September 30, 2024 and 2023, respectively, and $0.2 million and $0.4 million for the nine months ended September 30, 2024 and 2023, respectively.

Note 8—Accrued Liabilities

Accrued liabilities consisted of the following as of September 30, 2024 and December 31, 2023 (in thousands):

	September 30, 2024	December 31, 2023
	(unaudited)	
Compensation and related expenses	$ 1,128	$ 2,225
Professional fees	181	378
Other	393	284
Total accrued liabilities	$ 1,702	$ 2,887

Note 9—Debt

Outstanding debt as of September 30, 2024 and December 31, 2023 consisted of the following (in thousands):

	September 30, 2024	December 31, 2023
	(unaudited)	
2022 Credit Agreement[(1)]	$ 34,125	$ 36,792
Total outstanding debt, gross	34,125	36,792
Less: unamortized debt discount and fees	(1,772)	(2,274)
Total outstanding debt	$ 32,353	$ 34,518

[(1)] The 2022 Credit Agreement includes final payment fees of $1.8 million.

The first principal payment of $2.5 million with associated fees under the Company's 2022 Credit Agreement (as defined below) was paid in June 2024.

2022 Amended and Restated Credit Agreement

On June 30, 2022, the Company amended and restated its prior debt facility. The amended and restated credit agreement (as amended by Amendment No. 1, dated August 4, 2023, Amendment No. 2, dated November 8, 2023, and Amendment No. 3, dated March 4, 2024, and as further amended from time to time, the "2022 Credit Agreement") is with related parties Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. (collectively referred to as “Deerfield” or “Lenders”) and is for an aggregate principal amount of $35.0 million and has a 5-year term. Proceeds from the 2022 Credit Agreement, along with cash on hand, were used to repay the prior debt facility and to pay related fees and expenses.

The 2022 Credit Agreement bears an annual interest of 9% plus the one-month adjusted term Secured Overnight Financing Rate (applying a 2.5% minimum rate). From date of closing, amortization payments are due as follows:

- $2.5 million of the principal due at the end of month 24;
- $7.5 million of the principal due at the end of month 36;
- $10.0 million of the principal due at the end of 48; and
- $15.0 million due at the end of month 60.

The 2022 Credit Agreement is subject to prepayment penalties and provides for final payment fees of an additional $1.8 million due upon prepayment, on the maturity date or upon acceleration.

The 2022 Credit Agreement is secured by a first-priority perfected lien on and security interest in substantially all of the Company's existing and after-acquired tangible and intangible assets, subject to certain exceptions noted therein.

The 2022 Credit Agreement is subject to certain customary affirmative covenants, representations and warranties and other terms and conditions. It also contains certain customary negative covenants, including, but not limited to, restrictions on the Company's ability and that of its subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, pay dividends or make other restricted payments, sell or otherwise transfer assets or enter into transactions with affiliates. As of and for the three and nine months ended September 30, 2024, the Company was in compliance with all such covenants.

In addition, the 2022 Credit Agreement includes customary events of default and other provisions that could require all amounts due thereunder to become immediately due and payable, either automatically or at the option of the Lenders, if the Company fails to comply with the terms.

On August 4, 2023, the Company and Deerfield entered into Amendment No. 1, dated August 4, 2023 ("Amendment No.1") to the 2022 Credit Agreement. Pursuant to Amendment No. 1, the 2022 Credit Agreement was amended to decrease the amount of cash the Company is required to maintain pursuant to the minimum liquidity covenant in the 2022 Credit Agreement to $5,000,000 for a period of 18 months, at which point the amount required under the minimum liquidity covenant shall increase to $20,000,000 (or, if certain conditions are met, $10,000,000), in exchange for a fee paid by the Company.

On November 8, 2023, the Company and Deerfield entered into Amendment No. 2, dated November 8, 2023 ("Amendment No. 2") to the 2022 Credit Agreement. Pursuant to Amendment No. 2, the 2022 Credit Agreement was amended to, among other things: (i) adjust and increase the amortization schedule such that payments commence on June 30, 2024 and are made 12, 24 and 36 months (i.e., the scheduled maturity date) following June 30, 2024; (ii) limit the business activities the Company may engage in; and (iii) require the Company to maintain a minimum liquidity of $10,000,000 at all times, in exchange for fees paid by the Company.

On March 4, 2024, the Company entered into Waiver and Amendment No. 3 ("Amendment No. 3") to the 2022 Credit Agreement. Previously, on February 16, 2024, Biotronik and VascoMed GmbH (the "Biotronik Parties") filed a Demand for Arbitration (the "Demand") against Acutus with the American Arbitration Association (who notified the Company of the Demand on February 29, 2024), alleging that the Company breached its contractual obligations under five agreements relating to the licensing, manufacturing, distribution and development of medical devices as a result of the wind down of its businesses. Pursuant to Amendment No. 3, Deerfield has agreed to waive any Default or Event of Default (each defined in the 2022 Credit Agreement) that has arisen or may arise in connection with the Demand. In addition, pursuant to Amendment No. 3 among other things, (i) the 2022 Credit Agreement was amended such that (x) a Change in Control (as defined in the 2022 Credit Agreement) under the 2022 Credit Agreement would not be deemed to occur in the event the Company's common stock ceases to be listed on Nasdaq (without a comparable re-listing) (a "Delisting") and (y) exposure incurred in excess of $3.0 million in respect of proceedings in relation to the Demand and/or related proceedings and/or between such parties is deemed an Event of Default (as defined in the 2022 Credit Agreement) under the 2022 Credit Agreement.

In connection with entering into the 2022 Credit Agreement, the Company entered into a warrant purchase agreement (the "2022 Warrant Purchase Agreement") with Deerfield, pursuant to which the Company issued to Deerfield warrants to purchase up to an aggregate 3,779,018 shares of common stock at an exercise price of $1.1114 per warrant share for a period of eight years following issuance (the "2022 Warrants"). On March 4, 2024, the Company entered into an amendment (the "Amendment") to the 2022 Warrants and 2022 Warrant Purchase Agreement with Deerfield. Pursuant to the Amendment, (i) the 2022 Warrants were amended to remove Deerfield's option to require the Company to repurchase the 2022 Warrants from

Deerfield upon a Delisting, and modify the volatility rate that would be used to calculate the Black-Scholes value of the 2022 Warrants that would apply to certain other transactions involving the Company pursuant to the 2022 Warrants, and (ii) the Warrant Purchase Agreement was amended to remove the Company obligation to take all commercially reasonable actions necessary to cause the Company's common stock to remain listed on Nasdaq at all times during the term of the 2022 Warrants.

The 2022 Warrants represent a freestanding financial instrument and are conditionally puttable at the holder's option upon an event that is outside of the Company's control. Therefore, the 2022 Warrants are classified as liability pursuant to ASC 480*, Distinguishing Liabilities from Equity*, initially and subsequently recognized at fair value, with changes in fair value recognized in the condensed consolidated statements of operations and comprehensive income (loss). Refer to Fair Value Measurements in *Note 2 - Summary of Significant Accounting Policies* and *Note 12 - Warrants* for more information.

On November 13, 2024, the Company entered into Amendment No. 4 to Amended and Restated Credit Agreement ("Amendment No. 4") to amend the Amended and Restated Credit Agreement, dated as of June 30, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, the Lenders from time to time party thereto and Wilmington Trust, National Association, as the Administrative Agent.
Pursuant to Amendment No. 4, the Credit Agreement was amended to (i) adjust the amortization schedule of the Credit Agreement such that the $7.5 million installment payment of principal due on June 30, 2025 would be made over three equal installments of $2.5 million on each of June 30, 2025, September 30, 2025 and December 31, 2025 and (ii) increase the exit fee associated with prepayment or repayment of the loans from 5.0% to 6.0% of the principal amount of the loans prepaid or repaid.

Except as amended by Amendment No. 4, the remaining terms of the Credit Agreement remain in full force and effect.

Note 10—Operating Leases

The Company leases approximately 50,800 square feet of office space for its corporate headquarters and manufacturing facility in Carlsbad, California under a non-cancelable operating lease that expires on December 31, 2027. The lease is subject to variable charges for common area maintenance and other costs that are determined annually based on actual costs. The base rent is subject to an annual increase each year. The Company has a renewal option for an additional five-year term upon the expiration date of the lease, which has been excluded from the calculation of the right-of-use asset as it is not reasonably certain to be exercised.

Additionally, the Company leases approximately 3,900 square feet of office space in Zaventem, Belgium under a non-cancelable operating lease that expires on December 31, 2024. The lease is subject to variable charges that are determined annually for common area maintenance and other costs based on actual costs, and base rent is subject to an annual increase each year based on an index rate.

The Carlsbad and Belgium leases were not impacted by the Restructuring. The Carlsbad office will continue as the corporate headquarters and the facility to manufacture the Products. The Belgium office will continue to facilitate the upkeep of the Company's CE Mark.

During the second quarter of 2024, the Company entered into two subleases with unrelated third parties at the Carlsbad property. The Company was not relieved of its primary obligations under the Carlsbad lease ("head lease") and, therefore, became the intermediate lessor of the subleases. Pursuant to ASC 842, the subleases are operating leases related to property, plant and equipment. The Company determined that the sublease income was more than the remaining lease cost on the head lease, and as such, there was no impairment of the head lease's right-to-use assets. The Company also determined that the head lease did not need to be remeasured as the lease term of the subleases was not longer than the remaining term of the head lease. Additionally, there are no residual value guarantees on the subleases. The Company recorded the sublease income as other revenue in the other income (expense) section of the condensed consolidated statements of operations and comprehensive income (loss). For the three and nine months ended September 30, 2024, sublease income was less than$0.1 million for both periods.

The following table summarizes quantitative information about the Company's operating leases for the nine months ended September 30, 2024 and 2023 (dollars in thousands):

	Nine Months Ended September 30,	
	2024	2023
	(unaudited)	
Operating cash flows from operating leases	$ 290	$ 282
Weighted average remaining lease term – operating leases (in years)	3.2	4.2
Weighted average discount rate – operating leases	7.0%	7.0%

The following table provides the components of the Company's operating lease expense for the three and nine months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Operating leases				
Operating lease cost	$ 256	$ 252	$ 767	$ 755
Variable lease cost	91	81	274	243
Total operating lease expense	$ 347	$ 333	$ 1,041	$ 998

As of September 30, 2024, future minimum payments under the non-cancelable operating leases under ASC 842 were as follows (in thousands):

Three months ending December 31, 2024	$ 292
Year ending December 31, 2025	1,151
Year ending December 31, 2026	1,185
Year ending December 31, 2027	1,221
Total	3,849
Less: present value discount	(420)
Operating lease liabilities	$ 3,429

Note 11—Commitments and Contingencies

Securities Litigation

The Company and certain of its current and former officers were named as defendants in two putative securities class action lawsuits filed in the United States District Court for the Southern District of California on February 14, 2022 and March 23, 2022. On July 19, 2022, the court consolidated the two actions, appointed a lead plaintiff and appointed lead counsel for the proposed class. On September 16, 2022, the lead plaintiff filed a consolidated amended complaint. The defendants thereafter filed a motion to dismiss. On September 27, 2023, the court granted the defendant's motion to dismiss in its entirety, but gave plaintiffs leave to file an amended complaint. On October 27, 2023, the plaintiffs filed a second amended complaint asserting similar claims. The defendants thereafter filed a motion to dismiss. On March 26, 2024, the court granted the defendant's motion and, on April 29, 2024, dismissed the case and entered judgment. On May 29, 2024, plaintiff filed a notice of appeal. On June 28, 2024, plaintiff voluntarily dismissed the appeal with prejudice, and the Company considers this matter closed.

Biotronik Arbitration

On October 15, 2024, the Company and Biotronik SE & Co. KG ("Biotronik") and VascoMed GmbH ("VascoMed", and together with Biotronik, the "BIO Parties") entered into a Settlement Agreement and Release (the "Settlement Agreement") terminating the Relevant Agreements (as defined below) (except for certain surviving obligations specified therein), settling the Arbitration (as defined below) relating to the Relevant Agreements and releasing and discharging each party of all claims against the other, including any claims that were or could have been asserted in the Arbitration.

Pursuant to the Settlement Agreement, the Company must pay to Biotronik (i) an initial settlement payment of approximately $2.6 million; (ii) contingent payments of (x) in the event of a Qualifying Asset Sale (as defined in the Settlement Agreement), an amount equal to 50% of the aggregate cash consideration received; (y) in the event of a Change of Control (as defined in the Settlement Agreement) of the Company involving a Competitive Company (as defined in the Settlement Agreement), (A) initial amounts of $8.0 million and 5% of the aggregate upfront consideration received, with the latter not to exceed approximately

$25.0 million ("Agreed Upfront Consideration") and (B) additional amounts if additional consideration is received, up to approximately $25.0 million in aggregate (including the Agreed Upfront Consideration); and (z) in the event of a Change of Control not involving a Competitive Company, with certain exceptions, an amount equal to 25% of the aggregate cash consideration received.

At September 30, 2024, the Company recorded $2.5 million in discontinued operations restructuring liability related to the Biotronik settlement. A Qualifying Asset Sale per the Settlement Agreement can be triggered by an asset only sale which is a lower threshold than a business combination. The Company has already designated certain assets as held for sale on its balance sheet (see *Footnote 3, Discontinued Operations, Assets Held for Sale and Restructuring*, for further details), which such disposal transaction would give rise to a Qualifying Asset Sale but not a Change of Control. The Company determined that the contingent payment as a result of a potential Qualifying Asset Sale represents an additional cost to sell. As such, the Company adjusted its valuation allowance against the assets held for sale by $1.7 million, based on the formula prescribed in the Settlement Agreement, to account for the contingent payment to the BIO Parties. However, a definitive offer for the assets held for sale has not been received, and, as such, it is reasonably possible that the contingent payment amount could differ from the amount recorded. With regard to a Change of Control event, the Company determined a Change of Control event cannot be considered probable and, therefore, should not be accrued until such transaction has occurred.

Note 12—Warrants

As of September 30, 2024 and December 31, 2023, the outstanding warrants to purchase the Company's common stock consisted of the following:

	Exercise Price	Expiration Date	September 30, 2024	December 31, 2023
			(unaudited)	
Warrants issued in 2015	$ 5.25	1/30/25	3,808	3,808
Warrants issued with 2018 Convertible Notes	$ 0.10	6/7/28	346,689	346,689
Warrants issued with 2018 Term Loan	$ 16.67	7/31/28	26,998	26,998
Warrants issued with 2019 Credit Agreement	$ 16.67	5/20/29	419,992	419,992
Warrants issued with 2022 Credit Agreement	$ 1.11	6/30/30	3,779,018	3,779,018
Total Warrants			4,576,505	4,576,505

There was no warrant activity during the nine months ended September 30, 2024.

The Company's warrants provide the holder the option to purchase a specified number of shares for a specified price within a specified duration or upon the occurrence of a specific event. The holder may exercise the warrant either by cash payment or by exercise pursuant to a cashless exercise whereby a calculated number of shares are withheld upon exercise to satisfy the exercise price. The warrants do not provide the holder any voting rights until the warrants are exercised.

In accordance with ASC 480, the 2022 Warrants are recorded at fair value on the condensed consolidated balance sheets as a warrant liability. Changes in fair value are recognized as a change in fair value of warrant liability in the condensed consolidated statements of operations and comprehensive income (loss). For the nine months ended September 30, 2024, the fair value of the warrant liability decreased $0.1 million.

In connection with the Series A Common Equivalent Preferred Stock Exchange Agreements (as defined below), four warrant holders are limited to exercising their warrants such that following any such exercise, the number of shares of common stock beneficially owned by such holder cannot exceed 4.9% of the outstanding common stock of the Company (two of the holders may, at their option and upon sufficient prior written notice to the Company, increase such percentage to 9.9%). In the event the common share limit has been met and the holder chooses to exercise their warrants, the holder can sell any common stock they hold. Therefore, the amendment to the warrant agreements does not restrict the holder from fully exercising the warrants under the original terms of the warrant agreements.

Note 13—Stockholders' Equity

Series A Common Equivalent Preferred Stock

In August 2021, the Company entered into exchange agreements (the "Exchange Agreements") with four investors pursuant to which the investors exchanged 6,665,841 shares of the Company's common stock for 6,666 shares of a new series of non-voting convertible preferred stock of the Company designated as "Series A Common Equivalent Preferred Stock," par value $0.001 per share (the "Preferred Stock"). In connection with the issuance of the Preferred Stock pursuant to the Exchange Agreements, on August 23, 2021, the Company filed a Certificate of Designation of Preferences, Rights and Limitations of the Series A Common Equivalent Preferred Stock of the Company with the Secretary of State of the State of Delaware. The Preferred Stock ranks senior to the common stock with respect to rights on the distribution of assets on any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Company, having a liquidation preference equal to its par value of $0.001 per share. The Preferred Stock will participate equally and ratably on an as-converted basis with the holders of common stock in all cash dividends paid on the common stock. The Preferred Stock is non-voting.

Upon election, each holder may convert each share of Preferred Stock into 1,000 shares of common stock, except to the extent that following such conversion the number of shares of common stock held by such holder, its affiliates and any other persons whose beneficial ownership of common stock would be aggregated with such holder's for purposes of Section 13(d) of the Exchange Act including shares held by any "group" (as defined in Section 13(d) of the Exchange Act and applicable regulations of the SEC of which such holder is a member, but excluding shares beneficially owned by virtue of the ownership of securities or rights to acquire securities that have limitations on the right to convert, exercise or purchase similar to the limitation set forth in the Series A Certificate of Designation, exceeds 4.9% (or, at the election of the holders, OrbiMed Private Investments IV, LP or OrbiMed Royalty Opportunities II, LP, made by delivering at least 61 days advance written notice to the Company of its intention to increase the beneficial ownership cap applicable to such holder, 9.9%) of the total number of shares of common stock then issued and outstanding.

Common Stock

During the nine months ended September 30, 2024 and 2023, stock options to acquire 0 shares and 3,218 shares, respectively, were exercised for shares of the Company's common stock with proceeds of $0.0 million and less than $0.1 million, respectively. Additionally in relation to the 2020 Employee Stock Purchase Plan (the "2020 ESPP"), during the nine months ended September 30, 2024 and 2023, 0 shares and 45,162 shares, respectively, of common stock were issued for consideration of $0.0 million (as the 2020 ESPP was terminated in November 2023 due to the Restructuring) and less than $0.1 million, respectively. During the nine months ended September 30, 2024 and 2023, the Company issued 598,638 shares and 686,898 shares, respectively, of common stock upon vesting of RSUs, which included RSU accelerated vesting of certain RSU awards of employees terminated due to the Restructuring and 88,750 in accelerated awards in January 2024 and 21,250 in accelerated awards in February 2024, in connection with the departure of certain executive officers due to the Restructuring.

Note 14—Stock-Based Compensation

2022 Inducement Equity Incentive Plan

The 2022 Inducement Equity Incentive Plan (the "2022 Plan"), which permits the granting of nonstatutory stock options, RSUs, RSAs, stock appreciation rights, performance share units ("PSUs"), performance shares and other equity-based awards to employees, directors and consultants, became effective on March 30, 2022. As of September 30, 2024, 6,000,000 shares of common stock were authorized for issuance under the 2022 Plan, of which 5,958,365 remain available for issuance under the 2022 Plan.

2020 Equity Incentive Plan

The 2020 Equity Incentive Plan (the "2020 Plan"), which permits the granting of nonstatutory stock options, RSAs, RSUs, stock appreciation rights, PSUs, performance shares and other equity-based awards to employees, directors and consultants became effective on August 5, 2020. As of September 30, 2024, 4,431,305 shares of common stock were authorized for issuance under the 2020 Plan. As of September 30, 2024, 5,887,381 shares remain available for issuance under the 2020 Plan.

2011 Equity Incentive Plan

The Company's 2011 Equity Incentive Plan (the "2011 Plan") permits the granting of incentive stock options, non-statutory stock options, RSAs, RSUs and other stock-based awards to employees, directors, officers and consultants. As of September 30, 2024, 16,902 shares of common stock were authorized for issuance under the 2011 Plan and no shares remain available for issuance under the 2011 Plan. No additional awards will be granted under the 2011 Plan. Shares that become available for

issuance from the outstanding awards under the 2011 Plan due to forfeiture, or otherwise, will become available for issuance from future awards under the 2020 Plan.

Stock Options

Stock options granted generally vest over four years and have a ten-year contractual term. The fair value of each employee and non-employee stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The Company's common stock became publicly traded in August 2020 and lacks company-specific historical and implied volatility information. Therefore, the Company estimates its expected stock volatility based on the historical volatility of a set of publicly traded peer companies. Due to the lack of historical exercise history, the expected term of the Company's stock options has been determined using the "simplified" method for awards. The risk-free interest rate is determined by reference to the U.S. Treasury yield curve in effect at the time of grant of the award for time periods approximately equal to the expected term of the award. Expected dividend yield is zero based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

No stock option awards were granted during the nine months ended September 30, 2024. The following assumptions were used to estimate the fair value of stock options for the nine months ended September 30, 2023:

	Nine Months Ended September 30, 2023
Risk-free interest rate	3.91% - 4.27%
Expected dividend yield	—
Expected term in years	5.5 - 5.6
Expected volatility	75% - 85%

The Company's stock option activity for the nine months ended September 30, 2024 was as follows:

	Stock Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding as of December 31, 2023	1,904,723	$ 1.98	7.8	$ —
Options granted	—	—		
Options exercised	—	—		$ —
Options forfeited	(1,395,921)	1.34		
Outstanding as of September 30, 2024 (unaudited)	508,802	$ 3.72	7.6	$ —
Options vested and exercisable as of September 30, 2024 (unaudited)	508,802	$ 3.72	7.6	$ —

For options in the money, the aggregate intrinsic value for options outstanding in the above table represents the product of the number of options outstanding multiplied by the difference between the per share fair value of the Company's common stock on the last day of the fiscal period, which was $0.08 and $0.70 as of September 30, 2024 and December 31, 2023, respectively, and the exercise price. The aggregate intrinsic value for options exercised in the above table represents the product of the number of options exercised multiplied by the difference between the per share fair value of the Company's stock on the date of exercise and the exercise price. No stock option awards were granted during the nine months ended September 30, 2024. As of September 30, 2024, all outstanding stock options were approved by the Company's board of directors for accelerated vesting, and therefore, the total unrecognized compensation related to unvested stock option awards granted was $0.0 million, which the Company expects to recognize over a weighted-average period of approximately 0.0 years.

Restricted Stock Units (RSUs)

The Company's RSU activity for the nine months ended September 30, 2024 was as follows:

	Number of Shares	Weighted Average Grant Price
Unvested as of December 31, 2023	2,185,330	$ 2.18
Granted	—	—
Forfeited	(1,286,853)	2.51
Vested	(898,477)	1.70
Unvested as of September 30, 2024 (unaudited)	—	$ —

As of September 30, 2024, all outstanding RSUs were approved by the Company's board of directors for accelerated vesting, and therefore, there was $0.0 million of unrecognized compensation related to unvested RSUs.

Total Stock-Based Compensation

The following table summarizes the total stock-based compensation expense for the stock options, PSUs, RSUs, RSAs and ESPP expense recorded in the condensed consolidated statements of operations and comprehensive income (loss) for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,		Three Months Ended September 30, 2024		Three Months Ended September 30, 2023	
	2024	2023	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
	(unaudited)		(unaudited)		(unaudited)	
Cost of products sold	$ 21	$ 146	$ 21	$ —	$ —	$ 146
Research and development	—	317	—	—	11	306
Selling, general and administrative	107	815	107	—	241	574
Total stock-based compensation	$ 128	$ 1,278	$ 128	$ —	$ 252	$ 1,026

As noted above during September 2024, the Company's board of directors approved accelerated vesting of the remaining unvested stock options and RSUs. This was considered a Type 1 equity modification. The fair value of the modified awards was determined using the Black-Scholes option pricing model on the date of the modification and the resulting incremental stock-based compensation of less than $0.1 million was recorded as of September 30, 2024, in the Company's condensed consolidated statements of operations.

The following table summarizes the total stock-based compensation expense for the stock options, PSUs, RSUs, RSAs and ESPP expense recorded in the condensed consolidated statements of operations and comprehensive income (loss) for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,		Nine Months Ended September 30, 2024		Nine Months Ended September 30, 2023	
	2024	2023	Continuing Operations	Discontinued Operations	Continuing Operations	Discontinued Operations
	(unaudited)		(unaudited)		(unaudited)	
Cost of products sold	$ (89)	$ 373	$ 53	$ (142)	$ —	$ 373
Research and development	(559)	999	—	(559)	36	963
Selling, general and administrative	(617)	3,543	406	(1,023)	1,236	2,307
Total stock-based compensation	$ (1,265)	$ 4,915	$ 459	$ (1,724)	$ 1,272	$ 3,643

The employee terminations in conjunction with the Restructuring resulted in the credit to stock-based compensation during the nine months ended September 30, 2024 due to forfeitures being a credit of $1.0 million and Type III equity modifications related to accelerated RSU vesting being a credit of $0.5 million, which was the result of the decline in the Company's stock price. The Type I modifications related to the Company's board of directors approving accelerated vesting on remaining unvested stock options and RSUs resulted in de minimis incremental stock-based compensation (as noted above).

Note 15—Net Loss Per Common Share

Basic net loss per common share is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period. Diluted net loss per common share includes the potential impact of the Company's convertible preferred stock, common stock options, RSUs, RSAs, intended ESPP purchases and warrants when such shares are not anti-dilutive. In accordance with ASC 260, Earnings Per Share, if a Company had discontinued operations, the Company uses income from continuing operations, adjusted for preferred dividends and similar adjustments, as its control number to determine whether potential common shares are dilutive.

The table below provides potentially dilutive securities not included in the calculation of the diluted net loss per common share because to do so would be anti-dilutive:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	2024	2023
	(unaudited)		(unaudited)	
Shares issuable upon:				
Conversion of Series A Common Equivalent Preferred Stock	6,665,841	6,665,841	6,665,841	6,665,841
Exercise of common stock warrants	4,576,505	4,576,505	4,576,505	4,576,505
Exercise of stock options	—	2,216,938	—	1,098,279
Vesting of RSUs and RSAs	65,832	2,423,022	692,745	2,290,728
Issuance of shares under 2020 ESPP	—	61,361	—	61,361
Total potentially dilutive securities	11,308,178	15,943,667	11,935,091	14,692,714

Note 16—401(k) Retirement Plan

The Company has a 401(k) retirement savings plan that provides retirement benefits to substantially all full-time U.S. employees. Eligible employees may contribute a percentage of their annual compensation, subject to Internal Revenue Service limitations. The Company provided no contributions to the 401(k) retirement savings plan for the three and nine months ended September 30, 2024 and 2023.

Note 17—Related Party Transactions

Consulting Agreement

The Company had a consulting agreement with the former chairman of the Company's board of directors, which terminated when he stepped down in the first quarter of 2024. The Company recorded no consulting fees and less than $0.1 million of expense related to the agreement for the three months ended September 30, 2024 and 2023, respectively, and less than $0.1 million expense related to the agreement for the nine months ended September 30, 2024 and 2023.

Credit Agreements

The Company's prior credit agreement (the "2019 Credit Agreement") was between the Company and related parties OrbiMed Royalty Opportunities II, LP and Deerfield Private Design Fund II, L.P., and provided for a loan of up to $70.0 million with a maturity date of May 20, 2024. On June 30, 2022, the loan balance of $40.0 million was repaid in full out of the proceeds of the 2022 Credit Agreement. The 2022 Credit Agreement with related parties Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. replaced the 2019 Credit Agreement and provides for an aggregate principal amount of $35.0 million and a maturity date five years from the closing of the loan. Refer to *Note 9 - Debt* for additional details.

The liability for the loan balance related to the 2022 Credit Agreement recorded on the Company's condensed consolidated balance sheets was $32.4 million and $34.8 million as of September 30, 2024 and December 31, 2023, respectively. The Company recorded interest expense related to the debt on the condensed consolidated statement of operations and comprehensive income (loss) of $1.4 million and $1.4 million for the three months ended September 30, 2024 and 2023, respectively, and $4.4 million and $4.1 million for the nine months ended September 30, 2024 and 2023, respectively.

Warrants

In connection with the 2022 Credit Agreement, the Company entered into the 2022 Warrant Purchase Agreement with Deerfield, pursuant to which the Company issued warrants for the purchase of up to an aggregate 3,779,018 shares of the Company's common stock at an exercise price of $1.1114 per share for a period of eight years following issuance. Refer to *Note 12 - Warrants* for additional details.

Registration Rights Agreement

On June 30, 2022, in connection with the issuance of the 2022 Warrants, the Company also entered into a registration rights agreement (the "Registration Rights Agreement") with Deerfield, pursuant to which the Company filed a shelf registration statement on Form S-3 with the SEC to register the resale of certain securities held by Deerfield and their affiliates (the "Registrable Securities"). In addition, for a period of five years following the execution of the Registration Rights Agreement, or until all Registrable Securities are registered or no longer subject to restrictions on transfer (whichever is earlier), Deerfield will hold certain "piggy-back" registration rights with respect to registration statements filed during such period. The Company will generally pay all reasonable expenses incidental to its obligations and performance under the Registration Rights Agreement, other than underwriting discounts and commissions and such other charges.

Note 18—Subsequent Events

On November 13, 2024, the Company and Deerfield Partners, L.P. and Deerfield Private Design Fund III, L.P. (collectively, the "Lenders") entered into Amendment No. 4 to Amended and Restated Credit Agreement ("Amendment No. 4") to amend the Amended and Restated Credit Agreement, dated as of June 30, 2022 (as amended, restated, supplemented or otherwise modified from time to time, the "Credit Agreement"), among the Company, the Lenders from time to time party thereto and Wilmington Trust, National Association, as the Administrative Agent.
Pursuant to Amendment No. 4, the Credit Agreement was amended to (i) adjust the amortization schedule of the Credit Agreement such that the $7.5 million installment payment of principal due on June 30, 2025 would be made over three equal installments of $2.5 million on each of June 30, 2025, September 30, 2025 and December 31, 2025 and (ii) increase the exit fee associated with prepayment or repayment of the loans from 5.0% to 6.0% of the principal amount of the loans prepaid or repaid.

Except as amended by Amendment No. 4, the remaining terms of the Credit Agreement remain in full force and effect.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and related notes and other financial information included elsewhere in this Form 10-Q. Some of the information contained in this discussion and analysis or set forth elsewhere in this Form 10-Q, including information with respect to our plans and strategy for our business, includes "forward-looking statements" within the meaning of Section 21E of the Exchange Act. In some cases, you can identify these statements by forward-looking words such as "may," "will," "expect," "believe," "anticipate," "intend," "could," "should," "estimate" or "continue," and similar expressions or variations. Such forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results and the timing of certain events to differ materially from future results expressed or implied by such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in the section titled "Risk Factors" included in this Form 10-Q and in the section titled "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2023. The forward-looking statements in this Form 10-Q represent our views as of the date of this Form 10-Q. Except as may be required by law, we assume no obligation to update these forward-looking statements or the reasons that results could differ from these forward-looking statements. You should, therefore, not rely on these forward-looking statements as representing our views as of any date subsequent to the date of this Form 10-Q.

Overview

Historically, we designed, manufactured and marketed a range of tools for catheter-based ablation procedures to treat various arrhythmias. Our product portfolio included novel access sheaths, diagnostic and mapping catheters, conventional and contact ablation catheters, mapping and imaging consoles and accessories, as well as supporting algorithms and software programs. Our foundational product was our AcQMap Imaging and Mapping System, which was designed to rapidly and accurately identify ablation targets and to confirm both ablation success and procedural completion.

In April 2022, we announced that we agreed to sell our left-heart access product portfolio to Medtronic and refinanced existing debt with a new longer-term credit facility to recapitalize our business and fund our strategic growth priorities. Pursuant to the sale transaction, Medtronic paid upfront cash consideration of $20.0 million (of which $4.0 million was paid into an indemnity escrow account for a period of 18 months and then subsequently released after the termination of the escrow account pursuant to the terms of the Asset Purchase Agreement), and we became eligible for contingent cash consideration of up to $37.0 million (of which we earned $20.0 million on October 31, 2022 and $17.0 million on December 31, 2022) plus a portion of Medtronic's future net sales of the left-heart access product portfolio. In conjunction with the sale of our left-heart access product portfolio, we executed a Distribution Agreement with Medtronic, pursuant to which we agreed to manufacture and supply these left-heart access products to Medtronic as exclusive distributor of the product line for an initial term of up to four years at specified transfer prices. We will also continue to be eligible for earnout payments on Medtronic's net sales of the left-heart access product portfolio through 2027.

In November 2023, we announced, following an extensive strategic review by our board of directors, and in light of the current financing environment and the capital investments required to achieve leadership in the electrophysiology market, that we had determined to reallocate capital from our mapping and ablation businesses to the manufacturing of left-heart access products for Medtronic under the Distribution Agreement, which we believe will maximize the potential for future contingent cash consideration and cash flow. As a result of this Restructuring, we rely solely on our strategic partnership with Medtronic to generate revenue through (i) the manufacture of the left-heart access product portfolio for Medtronic at transfer prices specified under our Distribution Agreement and (ii) potential earnouts from Medtronic's sales of the left-heart access product portfolio to end-users.

We were incorporated in the state of Delaware on March 25, 2011 and are headquartered in Carlsbad, California.

Left-Heart Access Portfolio Sale and Distribution Agreement

On June 30, 2022, we completed the First Closing of the sale of our left-heart access portfolio in accordance with the Asset Purchase Agreement with Medtronic, pursuant to which we sold to Medtronic our AcQCross® line of sheath-compatible septal crossing devices, the AcQGuide® MINI integrated crossing device and sheath, the AcQGuide FLEX steerable introducer with integrated transseptal dilator and needle and the AcQGuide® VUE steerable sheaths (i.e., the Products). Pursuant to the Asset Purchase Agreement, Medtronic paid cash consideration of $50.0 million at the First Closing, of which $4.0 million was paid into an indemnity escrow account for a period of 18 months following the First Closing and then subsequently released after the termination of the escrow account pursuant to the terms of the Asset Purchase Agreement, and acquired from us, among other things, intellectual property rights to the Products and certain equipment used in the manufacturing of the Products. A second closing would occur on a date determined by Medtronic, but no later than the fourth anniversary of the First Closing, subject to

the satisfaction of customary closing conditions (i.e., the Second Closing). At the Second Closing, Medtronic would acquire certain additional assets relating to the Products, primarily supplier agreements and permits and design and specification files required for Medtronic to become the manufacturer of record of the Products, for no additional consideration.

Under the Asset Purchase Agreement, we also became eligible to receive contingent cash consideration of up to $37.0 million plus a portion of Medtronic's future net sales from the Products, as follows:

(i) $20.0 million upon our completion, to the reasonable satisfaction of Medtronic, of certain conditions set forth in the Asset Purchase Agreement relating to our becoming a qualified supplier of Medtronic for the Products, including demonstration of ISO 14971:2019 compliance, completion of certain test method validations and compliance with certain other reporting requirements (i.e., the OEM Earnout);

(ii) $17.0 million upon the earlier of (A) the Second Closing or (B) our initial submission for Conformité Européenne Mark, or CE Mark, certification of the Products under the European Union Medical Devices Regulation, or MDR, to the reasonable satisfaction of a third-party regulatory consultant, subject to certain other conditions as set forth in the Asset Purchase Agreement (i.e., the Transfer Earnout); and

(iii) amounts equal to 100%, 75%, 50% and 50%, respectively, of quarterly Net Sales (as defined in the Asset Purchase Agreement) from sales of the Products achieved by Medtronic over each year over a four-year period beginning on the first full quarter after Medtronic's first commercial sale of a Product and achievement of the OEM Earnout (i.e., the Net Sales Earnouts).

On October 31, 2022, we achieved the OEM Earnout, and payment of $20.0 million from Medtronic was received in November 2022. Further, on December 1, 2022, Medtronic qualified us as an original equipment manufacturer ("OEM") and accordingly, we began to manufacture the Products exclusively for Medtronic under the Distribution Agreement. The Distribution Agreement has an initial term ending on the date of the Second Closing. If the Second Closing has not occurred on or prior to the fourth anniversary of the First Closing, then the Distribution Agreement will automatically renew thereafter for successive one-year periods, unless either we or Medtronic provides notice of non-renewal at least 180 days before the end of the then current term.

On December 31, 2022, we achieved the Transfer Earnout for our submission for CE Mark certification of the Products under the European Union MDR, to the reasonable satisfaction of a third-party regulatory consultant, and payment of $17.0 million was received from Medtronic on January 14, 2023.

The quarterly measurement period for the Net Sales Earnouts began on January 30, 2023, and such earnout payments began in January 2024 and will continue quarterly each quarter thereafter until 2027. We have earned $17.7 million of Net Sales Earnouts (before transactions costs) from inception of the measurement period to September 30, 2024, with $8.4 million earned (before transactions costs of $0.3 million) for the nine months ended September 30, 2024. We have received payments of $13.2 million during the nine months ended September 30, 2024.

Strategic Realignment and Restructuring

In November 2023, our board of directors approved a strategic realignment of resources and corporate restructuring (i.e., the Restructuring). We began implementation of a shift in our business model to solely support the manufacturing and distribution of Medtronic's left-heart access product portfolio under the Distribution Agreement, including to earn potential Net Sales Earnouts. As part of this Restructuring, we wound down our mapping and ablation businesses and no longer manufacture or distribute our AcQMap Mapping System, AcQMap 3D Mapping Catheter, AcQBlate Force-Sensing Ablation Catheter, AcQGuide Max 2.0 Steerable Sheath, or associated accessories, though we continue to explore strategic alternatives for these businesses (including a potential sale of related assets). The Restructuring included a reduction in workforce of approximately 65% of our employees. We also entered into retention arrangements with certain employees who remained with us to assist with the Restructuring and operation of our left-heart access distribution business.

As of September 30, 2024, we have recognized $24.1 million of the estimated $21.0 million to $32.0 million of pre-tax restructuring and exit-related charges. $1.0 million of the estimated $2.0 million to $3.0 million represented cash expenditures for the payment of severance and related benefit costs and $2.9 million of the estimated $3.0 million to $4.0 million represented cash expenditures for the payment of retention bonuses to certain employees that are assisting with the Restructuring. In addition, $1.2 million of the estimated $2.0 million to $5.0 million represented cash expenditures for other restructuring costs, and $19.0 million of the estimated $14.0 million to $20.0 million represented non-cash pre-tax impairment charges in connection with the disposition of certain assets, including inventory, fixed assets and intangibles and the release of certain restructuring accruals. A majority of the non-cash charges was incurred in the fourth quarter of 2023, while the majority of the cash expenditures charges were incurred in the first quarter of 2024, with management considering the Restructuring as substantially complete. Management continues to actively market the mapping and ablation businesses for potential sale. Additionally as of September 30, 2024, we recognized an additional $2.5 million in restructuring expense related to other

restructuring costs due to the Settlement Agreement with the BIO Parties, which terminated the Relevant Agreements (except for certain surviving obligations specified therein), settled the Arbitration relating to the Relevant Agreements and released and discharged each parties of all claims against the other, including any claims that were or could have been asserted in the Arbitration. Furthermore, we increased the valuation allowance against the assets held for sale, which resulted in an additional loss of $1.7 million to account for an estimated contingent payment upon a Qualified Sale pursuant to the Settlement Agreement. (See *Footnote 11, Commitments and Contingencies* for further information.)

For the nine months ended September 30, 2024 and 2023, we generated revenue of $13.0 million and $4.8 million, respectively. Since our inception, we have generated significant losses. Net loss from continuing operations was $3.2 million and $9.9 million for the nine months ended September 30, 2024 and 2023, respectively. Discontinued operations generated net loss of $4.9 million and $38.0 million for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024 and December 31, 2023, we had an accumulated deficit of $608.1 million and $600.0 million, respectively, and working capital of $12.5 million and $27.3 million, respectively.

Delisting from Nasdaq

As previously disclosed, Nasdaq suspended trading in our common stock on May 9, 2024, due to noncompliance with Nasdaq Listing Rule 5550(a)(2) and 5550(b). On May 15, 2024, Nasdaq announced that it would formally delist our common stock that was previously suspended. On May 16, 2024, Nasdaq filed a Form 25 Notification of Delisting with the SEC to complete the delisting and remove such securities from registration under Section 12(b) of the Exchange Act, and such delisting took effect on May 26, 2024. The deregistration of our common stock under Section12(b) of the Exchange Act was effective 90 days after the Form 25 filing.

On May 9, 2024, our common stock began trading over the counter on the OTC Pink Market under the trading symbol “AFIB.”

Factors Affecting Our Performance

There are a number of factors that have impacted, and we believe will continue to impact, or that we expect to impact, our results of operations and growth.

Medtronic Partnership

As part of the Asset Purchase Agreement with Medtronic, we will be their OEM supplier of the Products for up to the next four years. Following the Restructuring, we rely solely on our strategic partnership with Medtronic to generate revenue through (i) sales of the Products to Medtronic at transfer prices specified under the Distribution Agreement and (ii) potential earnouts from Medtronic’s sales of the Products to end-users that we may be eligible to receive under the Asset Purchase Agreement. We rely solely on Medtronic to market and sell the Products as we have no marketing and sales capabilities on our own. This strategy leaves us largely dependent upon the success of Medtronic. If Medtronic stops buying Products from us, or stops marketing or selling the Products or is unsuccessful in its efforts to sell the Products to end users, our business, results of operations and financial condition would be materially and adversely affected.

Manufacture and Supply

Our ability to perform as a business depends on the proper functioning of our manufacturing and supplier operations. Following Medtronic’s qualification of us as their OEM supplier, we have manufactured the Products for Medtronic at our approximately 50,800 square foot facility in Carlsbad, California. This facility provides approximately 15,750 square feet of space for our production operations, including manufacturing, quality control and storage. Following the Restructuring, our business model focuses exclusively on manufacturing the Products for Medtronic. Our manufacturing operations require timely delivery of sufficient amounts of materials and components. We rely on a single or limited number of suppliers for certain materials and components, and we generally have no long-term supply arrangements with our suppliers, as we generally order on a purchase order basis. In the future, we may face unanticipated interruptions and delays in manufacturing through our supply chain. Manufacturing or supplier disruptions could result in product shortages, declining production, reputational damage or significant costs. Our ability to transition our operations to full-time manufacturing of the Products for Medtronic and produce at optimal capacity when and as planned following the Restructuring could affect our revenue and operating expenses.

Restructuring

On November 8, 2023, we announced our plans for the Restructuring, designed to simplify our operational footprint and cut costs while maximizing free cash flow. As part of the Restructuring, we wound down our mapping and ablation businesses. We

also implemented a corporate restructuring plan, which resulted in reducing our workforce by approximately 65% across different areas and functions. We believe the Restructuring is substantially complete, however, we may not achieve the anticipated cost savings, operating efficiencies or other benefits of such activities. We will continue to review our operations to optimize our business.

Manufacturing Costs

Our financial results, including our gross margins, may fluctuate from period to period due to a variety of factors, including: the cost of direct materials; manufacturing costs; product yields; headcount and cost-reduction strategies (including the Restructuring).

Future gross margins for the Products may fluctuate due to a variety of other factors, including the introduction by others of competing products or the attempted integration by third parties of capabilities similar to ours into their existing products, and Medtronic's demand for the Products, including due to seasonality.

Competition

Our industry is intensely competitive, subject to rapid change and significantly affected by new product introductions and other market activities of industry participants. Our most significant competitors are large, well-capitalized companies. Publication of clinical results by Medtronic, our competitors and other third parties can also have a significant influence on whether, and the degree to which, Medtronic is able to gain market share and increase utilization of the Products.

Global Supply Chain Disruption

Our costs are subject to fluctuations, particularly due to change in the price of raw and packing materials and the cost of labor, transportation and operating supplies. In addition, it is possible that we may be negatively affected from unexpected delays resulting from global supply-chain disruptions and other adverse global conditions, including supply shortages of key electronic components and other raw materials, vendor disruptions related to a global pandemic, extended lead times for raw material procurement, or geopolitical factors that could restrict the manufacturing and delivery of raw materials or other components.

Variability in Operating Results

In addition, we may experience meaningful variability in our yearly revenue and gross profit/loss as a result of a number of factors, including, but not limited to: inventory write-offs and write-downs; costs, the availability and cost of components and raw materials; inflation rates and interest rates; and our ability to realize the benefits the Restructuring. We continue to take proactive steps to recover and mitigate inflationary cost pressures by managing our costs through efficiency and labor productivity. These efforts may not be successful for various reasons, including the pace of inflation.

While certain of these factors may present significant opportunities for us, they also pose significant risks and challenges that we must address. See the section titled "Risk Factors" for more information.

Components of Results of Operations

Revenue

Prior to November 8, 2023, our revenue consisted primarily of revenue from: (i) the sale of our disposable products; (ii) the sale, rental or leasing of systems; and (iii) service/other revenue. In the United States and select markets in Western Europe where we had developed a direct selling presence, we historically installed our AcQMap console and workstation with our customer accounts and then generated revenue from the sale of our disposable products to these accounts for use with our system. We also generated revenue from the direct sale of our AcQMap console into hospital accounts as well as revenue through long-term customer commitments on disposable purchases. In other international markets, we historically leveraged our partnership with Biotronik to install our AcQMap console and workstation with customer accounts and then generated revenue from Biotronik's sale of our disposable products to these accounts for use with our system. These sources of revenue are no longer relevant following the Restructuring. Prior to November 8, 2023, our marketed disposable products included access sheaths, diagnostic and mapping catheters, ablation catheters and accessories. Following the Restructuring, we generate revenue solely under our Distribution Agreement with Medtronic, as Medtronic's exclusive OEM supplier of the left-heart access

Products sold to Medtronic under the Asset Purchase Agreement and potential earnouts from Medtronic's sales of the Products to end-users that we may be eligible to receive under the Asset Purchase Agreement.

For the nine months ended September 30, 2024 and 2023, revenue from continuing operations were all U.S.-based.

Costs and Operating Expenses

Cost of Products Sold

Cost of products sold consist primarily of raw materials, direct labor (including stock-based compensation), manufacturing overhead associated with the production and sale of the Products and additionally, prior to the Restructuring, production and depreciation of our AcQMap console and workstation that we install with our customer accounts. We depreciate equipment over a three-year period. Cost of products sold also includes expenditures for warranty, field service, freight, royalties, and inventory reserve provisions. We expect cost of products sold to increase in absolute dollars in future periods as our revenue increases.

Research and Development Expenses

Historically, research and development expenses consisted primarily of salaries and employee-related costs (including stock-based compensation) for personnel directly engaged in research and development activities, clinical trial expenses, equipment costs, materials costs, allocated rent and facilities costs and depreciation.

Research and development expenses related to possible future products were expensed as incurred. We also accrued and expensed costs for activities associated with clinical trials performed by third parties as incurred. All other costs relative to setting up clinical trial sites were expensed as incurred. Clinical trial site costs related to patient enrollment are accrued as patients were entered into the trials.

Due to our shift in business model as part of the Restructuring, we no longer have any research and development expenses.

Selling, General and Administrative Expenses

SG&A expenses consist primarily of salaries and employee-related costs (including stock-based compensation) for personnel in executive, finance and other administrative functions, allocated rent and facilities costs, legal fees relating to intellectual property and corporate matters, professional fees for accounting and consulting services, insurance costs, and additionally, prior to the Restructuring, salaries and employee-related costs for personnel in sales, marketing, and other administrative functions

To align resources with our current strategic direction, we implemented an organizational workforce reduction and additional cost reduction measures. Due to the strategic realignment, which is substantially complete, we continue to expect our SG&A expenses to decrease in absolute dollars in the upcoming years.

Restructuring Expenses

In 2023, we undertook a strategic realignment of resources and corporate restructuring (i.e., the Restructuring), including an organizational workforce reduction and additional cost reduction measures. Our restructuring and exit-related charges consist of severance expenses and related benefit costs for employees affected by the organizational workforce reduction, retention bonuses for certain employees that are assisting with the Restructuring, other restructuring costs and impairment charges in connection with the disposition of certain assets, including inventory, fixed assets and intangibles. Refer to *Note 3 - Discontinued Operations, Assets Held for Sale and Restructuring* and *Note 18, Subsequent Events,* for additional details.

Change in Fair Value of Contingent Consideration

The change in fair value of contingent consideration relates to our June 2019 acquisition of Rhythm Xience. The acquisition included potential earn-out considerations based on the achievement of certain regulatory and revenue milestones. The value of such contingencies is estimated and recorded on the condensed consolidated balance sheets and are adjusted to fair value each period with increases and decreases in the estimated fair value of the contingent consideration earn-out recognized in the condensed consolidated statements of operations and comprehensive income (loss). The earnout period under the Rhythm Xience acquisition agreement concluded on June 19, 2023. Accordingly, no contingent consideration liability was recorded at fair value on the condensed consolidated balance sheet as of September 30, 2024.

Gain on Sale of Business

Gain on sale of business consists of the value of consideration received by us in excess of the book value of assets transferred to the buyer and net of direct selling costs. In 2022, we completed the First Closing of the sale of certain assets to Medtronic whereby the value received was in excess of the book value of the assets transferred, resulting in a recognized gain of $79.5 million. Gain on sale of business also consists of consideration contingent upon the satisfaction of certain contractual conditions. Associated with the sale and included in the above recognized gain, in 2022, we achieved both an OEM Earnout entitling us to $20.0 million and a Transfer Earnout entitling us to $17.0 million in contingent consideration.

Additionally, over the next four years, we expect to receive a percentage of Medtronic's quarterly commercial sales of the Products, ranging from 100% in the first year to 50% in the fourth year. For the nine months ended September 30, 2024, we recognized an estimated gain (earned sales less transactions costs) of $8.1 million related to the Net Sales Earnouts, and, for the full year 2023 we recognized an estimated gain of $9.1 million. Refer to *Note 4 - Sale of Business* for more information.

Other Income (Expense)

Change in Fair Value of Warrant Liability

Warrants meeting specific conditions are required to be recorded as liabilities at fair value on the condensed consolidated balance sheets. We issued warrants associated with various recorded transactions, some of which meet these specific conditions. The change in fair value of warrant liability recorded on our condensed consolidated results of operations and comprehensive income (loss) reflect changes in the fair value of these recorded liabilities.

Under the terms of our 2022 Credit Agreement effective June 30, 2022, we issued warrants meeting the conditions for treatment as a liability. The recorded fair value of the liability associated with such warrants is adjusted each reporting period with an entry to the condensed consolidated statements of operations and comprehensive income (loss). Refer to *Note 12 - Warrants* for more information.

Interest Income

Interest income consists primarily of interest earned on our cash, cash equivalents and marketable securities.

Interest Expense

Interest expense for the nine months ended September 30, 2024 primarily relates to interest paid on our 2022 Credit Agreement. Refer to *Note 9 - Debt* for more information.

Other Revenue

Other revenue for the nine months ended September 30, 2024 primarily relates to sublease income. Refer to *Note 10 - Operating Leases* for more information.

Results of Operations for the Three Months Ended September 30, 2024 and 2023

The results of operations presented below should be reviewed in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this quarterly report on Form 10-Q. The following table sets forth our results of operations for the three months ended September 30, 2024 and 2023:

(dollars in thousands)	Three Months Ended September 30,		Change	
	2024	2023	$	%
	(unaudited)			
Revenue[1]	$ 5,266	$ 2,060	$ 3,206	156 %
Costs of products sold[2]	4,894	3,150	1,744	55 %
Gross profit (loss)	372	(1,090)	1,462	(134)%
Operating expenses (income):				
Research and development[2]	—	896	(896)	(100)%
Selling, general and administrative[2]	2,318	2,354	(36)	(2)%
Gain on sale of business	(2,435)	(2,648)	213	(8)%
Total operating expenses	(117)	602	(719)	(119)%
Loss from operations	489	(1,692)	2,181	(129)%
Other income (expense):				
Change in fair value of warrant liability	(174)	636	(810)	(127)%
Interest income	153	547	(394)	(72)%
Interest expense	(1,395)	(1,409)	14	(1)%
Other revenue	111	—	111	100
Total other expense, net	(1,305)	(226)	(1,079)	477 %
Loss from continuing operations before income taxes	(816)	(1,918)	1,102	(57)%
Income tax expense	—	—	—	*
Net loss from continuing operations	(816)	(1,918)	1,102	(57)%
Discontinued operations:				
Loss from discontinued operations before income taxes	(4,791)	(11,244)	6,453	(57)%
Income tax expense - discontinued operations	—	75	(75)	(100)%
Net loss from discontinued operations	(4,791)	(11,319)	6,528	(58)%
Net loss	$ (5,607)	$ (13,237)	$ 7,630	(58)%
Other comprehensive income (loss)				
Unrealized loss on marketable securities	—	4	(4)	(100)%
Foreign currency translation adjustment	(15)	(66)	51	(77)%
Comprehensive loss	$ (5,622)	$ (13,299)	$ 7,677	(58)%

* - Not meaningful

(1) The following table sets forth our revenue from continuing operations for disposables and service/other for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,	
	2024	2023
	(unaudited)	
Disposables	$ 5,266	$ 1,862
Service/Other	—	198
Total revenue	$ 5,266	$ 2,060

Revenue from continuing operations is all based in the United States for the three months ended September 30, 2024 and 2023, respectively.

(2) The following table sets forth the stock-based compensation expense included in our results of continuing operations for the three months ended September 30, 2024 and 2023 (in thousands):

	Three Months Ended September 30,	
	2024	2023
	(unaudited)	
Cost of products sold	$ 21	$ —
Research and development	—	11
Selling, general and administrative	107	241
Total stock-based compensation	$ 128	$ 252

For more information regarding our discontinued operations, please see the section titled "Discontinued Operations" below.

Revenue of Continuing Operations

Revenue was $5.3 million for the three months ended September 30, 2024, compared to $2.1 million for the three months ended September 30, 2023. This increase of $3.2 million, or 156%, was primarily attributable to an increase in the volume of left-heart access Product sales through our partner Medtronic.

Costs and Operating Expenses of Continuing Operations

Cost of Products Sold

Cost of products sold was $4.9 million for the three months ended September 30, 2024, compared to $3.1 million for the three months ended September 30, 2023. This increase of $1.7 million, or 55%, was primarily attributable to increased sales volumes, offset by improvements in manufacturing efficiencies. Gross margin was 7% for the three months ended September 30, 2024, compared to negative 53% for the three months ended September 30, 2023, with the improvement in margin from the gained manufacturing efficiencies.

Research and Development Expenses

Research and development expenses were $0.0 million for the three months ended September 30, 2024, compared to $0.9 million for the three months ended September 30, 2023. This decrease of $0.9 million, or 100%, was attributable to the Restructuring as we discontinued research and development to focus on solely manufacturing and distributing the Products under our Distribution Agreement with Medtronic.

Selling, General and Administrative Expenses

SG&A expenses were $2.3 million for the three months ended September 30, 2024, as compared to $2.4 million for the three months ended September 30, 2023. This decrease of $0.1 million, or 2%, was primarily attributable to a decrease in compensation and related costs resulting from previous reductions in work force and a decrease in insurance premiums.

Gain on Sale of Business

During the three months ended September 30, 2024, the Company recognized an estimated gain on sale of $2.4 million related to Medtronic's left-heart access Net Sales Earnouts, compared to a $2.6 million gain on sale that was recognized during the three months ended September 30, 2023. The decrease in gain on sale of $0.2 million was attributable to the true-up of the previous quarter's Net Sales Earnout. When excluding the true-up from the previous quarter, gain on sale of business for the current quarter would have been the same as the prior year.

Other Expense (Income) of Continuing Operations

Change in Fair Value of Warrant Liability

For the three months ended September 30, 2024 the change in the fair value of warrant liability decreased by $0.8 million, compared to the three months ended September 30, 2023. The change in fair value of the warrants is primarily due to a decrease of the Company's share price as of September 30, 2024.

Interest Income and Interest Expense, Net

Our interest income and interest expense are a direct reflection of amounts we hold for investment and amounts we owe to debtholders, respectively, both of which change according to our cash requirements. Additionally, as both our holdings and our debt bear interest at variable market rates, both are subject to market factors outside our immediate control. During the three months ended September 30, 2024, interest income decreased by $0.4 million, compared to the three months ended September 30, 2023, resulting from decreased cash and marketable securities balances. During the three months ended September 30, 2024, when compared to the three months ended September 30, 2023, interest expense was flat.

Other Revenue

Other revenue was $0.1 million for the three months ended September 30, 2024, compared to $0 for the three months ended September 30, 2023. This increase of $0.1 million is attributable to the sublease rent received from the two subleases that were in effect in the second quarter of 2024. There were no subleases in 2023.

Discontinued Operations

Net Loss on Discontinued Operations

Net loss on discontinued operations was $4.8 million for the three months ended September 30, 2024, compared to net loss of $11.3 million for the three months ended September 30, 2023. This change of $6.5 million was attributable to the Restructuring in which we halted all activities related to the mapping and ablation businesses in 2023.

Results of Operations for the Nine Months Ended September 30, 2024 and 2023

The results of operations presented below should be reviewed in conjunction with our condensed consolidated financial statements and related notes included elsewhere in this quarterly report on Form 10-Q. The following table sets forth our results of operations for the nine months ended September 30, 2024 and 2023:

(dollars in thousands)	Nine Months Ended September 30,		Change	
	2024	2023	$	%
	(unaudited)			
Revenue[1]	$ 13,027	$ 4,816	$ 8,211	170 %
Costs of products sold[2]	13,019	7,835	5,184	66 %
Gross profit (loss)	8	(3,019)	3,027	(100)%
Operating expenses (income):				
Research and development[2]	—	2,752	(2,752)	(100)%
Selling, general and administrative[2]	7,880	9,502	(1,622)	(17)%
Change in fair value of contingent consideration	—	123	(123)	(100)%
Gain on sale of business	(8,096)	(5,927)	(2,169)	37 %
Total operating expenses	(216)	6,450	(6,666)	(103)%
Loss from operations	224	(9,469)	9,693	(102)%
Other income (expense):				
Change in fair value of warrant liability	107	1,478	(1,371)	(93)%
Interest income	641	2,223	(1,582)	(71)%
Interest expense	(4,384)	(4,110)	(274)	7 %
Other revenue	187	—	187	100
Total other expense, net	(3,449)	(409)	(3,040)	743 %
Loss from continuing operations before income taxes	(3,225)	(9,878)	6,653	(67)%
Income tax expense	—	—	—	*
Net loss from continuing operations	(3,225)	(9,878)	6,653	(67)%
Discontinued operations:				
Loss from discontinued operations before income taxes	(4,906)	(37,945)	33,039	(87)%
Income tax expense - discontinued operations	10	75	(65)	(87)%
Net loss from discontinued operations	(4,916)	(38,020)	33,104	(87)%
Net loss	$ (8,141)	$ (47,898)	$ 39,757	(83)%
Other comprehensive income (loss)				
Unrealized gain on marketable securities	—	7	(7)	(100)%
Foreign currency translation adjustment	(15)	(91)	76	(84)%
Comprehensive loss	$ (8,156)	$ (47,982)	$ 39,826	(83)%

* - Not meaningful

(1) The following table sets forth our revenue from continuing operations for disposables and service/other for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,	
	2024	2023
	(unaudited)	
Disposables	$ 12,499	$ 4,106
Service/Other	528	710
Total revenue	$ 13,027	$ 4,816

Revenue from continuing operations is entirely U.S.-based for the nine months ended September 30, 2024 and 2023.

(2) The following table sets forth the stock-based compensation expense included in our results of continuing operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,	
	2024	2023
	(unaudited)	
Cost of products sold	$ 53	$ —
Research and development	—	36
Selling, general and administrative	406	1,236
Total stock-based compensation	$ 459	$ 1,272

For more information regarding our discontinued operations, please see the section titled "Discontinued Operations" below.

Revenue of Continuing Operations

Revenue was $13.0 million for the nine months ended September 30, 2024, compared to $4.8 million for the nine months ended September 30, 2023. This increase of $8.2 million, or 170%, was attributable to an increase in volume of left-heart access Product sales through our partner Medtronic.

Costs and Operating Expenses of Continuing Operations

Cost of Products Sold

Cost of products sold was $13.0 million for the nine months ended September 30, 2024, compared to $7.8 million for the nine months ended September 30, 2023. This increase of $5.2 million, or 66%, was primarily attributable to increased sales volumes, offset by improvements in manufacturing efficiencies. Gross margin was 0% for the nine months ended September 30, 2024, compared to negative 63% for the nine months ended September 30, 2023, with the improvement in margin from the gained manufacturing efficiencies.

Research and Development Expenses

Research and development expenses were $0.0 million for the nine months ended September 30, 2024, compared to $2.8 million for the nine months ended September 30, 2023. This decrease of $2.8 million, or 100%, was attributable to the Restructuring as we discontinued research and development to focus on solely manufacturing and distributing the Products under our Distribution Agreement with Medtronic.

Selling, General and Administrative Expenses

SG&A expenses were $7.9 million for the nine months ended September 30, 2024, as compared to $9.5 million for the nine months ended September 30, 2023. This decrease of $1.6 million, or 17%, was primarily attributable to a decrease in compensation and related costs resulting from previous reductions in work force and a decrease in insurance premiums.

Change in Fair Value of Contingent Consideration

For the nine months ended September 30, 2024 and 2023, we recorded $0.0 million activity and an increase of $0.1 million, respectively, for the change in the fair value of the contingent consideration for the acquisition of Rhythm Xience. The earn-out period under the Rhythm Xience acquisition agreement concluded on June 19, 2023. Accordingly, there is no activity related to

it in 2024. The change in fair value recorded in the prior year period included an adjustment in 2023 to align the earn-out liability to the final consideration owed.

Gain on Sale of Business

During the nine months ended September 30, 2024, the Company recognized an estimated gain on sale of $8.1 million related to Medtronic's left-heart access Net Sales Earnouts, compared to a $5.9 million gain on sale that was recognized during the nine months ended September 30, 2023. The increase in gain on sale of $2.2 million is directly attributable to the increase in volume of Product sales through our partner Medtronic.

Other Expense (Income) of Continuing Operations

Change in Fair Value of Warrant Liability

For the nine months ended September 30, 2024 the fair value of warrant liability decreased by $0.1 million, compared to the nine month ended September 30, 2023. The fair value of the warrants (as calculated by the Black-Scholes option pricing model) had been declining due to the decrease in our stock price, and as such, a favorable change in the fair value of the warrant liability was recorded during the nine months ended September 30, 2023. The fair value of the warrants increased during the nine months ended September 30, 2024 primarily due to using 200% volatility (pursuant to the Warrant Amendment) in the Black-Scholes option pricing model, offset by a further decline in our stock price, resulting in an unfavorable change in fair value recorded during the nine months ended September 30, 2024. See *Note 12, Warrants* for further information.

Interest Income and Interest Expense, Net

Our interest income and interest expense are a direct reflection of amounts we hold for investment and amounts we owe to debtholders, respectively, both of which change according to our cash requirements. Additionally, as both our holdings and our debt bear interest at variable market rates, both are subject to market factors outside our immediate control. During the nine months ended September 30, 2024, interest income decreased by $1.6 million, compared to the nine months ended September 30, 2023, resulting from decreased cash and marketable securities balances. During the nine months ended September 30, 2024, the $0.3 million increase in interest expense, compared to the nine months ended September 30, 2023, was primarily the result of higher interest rates charged on our debt.

Other Revenue

Other revenue was $0.2 million for the nine months ended September 30, 2024, compared to $0.0 million for the nine months ended September 30, 2023. This increase of $0.2 million is attributable to the sublease rent received from the two subleases that were in effect in the second quarter of 2024. There were no subleases in 2023.

Discontinued Operations

Net Loss on Discontinued Operations

Net loss on discontinued operations was $4.9 million for the nine months ended September 30, 2024, compared to net loss of $38.0 million for the nine months ended September 30, 2023. This change of $33.1 million was primarily attributable to the Restructuring in which we halted all activities related to the mapping and ablation businesses in 2023 and the credit to stock-based compensation of $1.7 million recorded in the first quarter of 2024 due to forfeitures and RSU vesting modifications resulting from employee terminations pursuant to the Restructuring.

Liquidity, Capital Resources, and Going Concern

We have limited revenue and have incurred significant operating losses and negative cash flows from operations since our inception, and, if we are unable to realize the expected benefits of the Restructuring, we anticipate that we will incur losses for at least the next several years. As of September 30, 2024, and December 31, 2023, we had cash, cash equivalents, restricted cash and marketable securities of $12.6 million and $29.4 million, respectively. For the nine months ended September 30, 2024 and 2023, net losses from continuing operations were $3.2 million and $9.9 million, respectively, and net cash used in operating activities from continuing operations were $15.9 million and $5.8 million, respectively. For the nine months ended September 30, 2024 and 2023, discontinued operations generated net loss of $4.9 million and net loss of $38.0 million, respectively, and net cash used in operating activities from discontinued operations was $11.7 million and $39.4 million,

respectively. As of September 30, 2024, and December 31, 2023, we had an accumulated deficit of $608.1 million and $600.0 million, respectively, and working capital of $12.5 million and $27.3 million, respectively.

The Restructuring is intended to reduce our operating expenses and optimize our cash resources by focusing exclusively on the manufacturing and distribution of the left-heart access Products to Medtronic to continue to generate revenue from such sales and potentially earn the associated earnout payments. Following our Restructuring, our primary uses of capital are, and we expect to continue to be investments in manufacturing and distributing the left-heart access Products to Medtronic and related expenses, raw materials and supplies, legal and other regulatory expenses, general administrative costs and working capital.

On June 30, 2022, Medtronic paid us $20.0 million at the First Closing of the sale of our left-heart access portfolio to Medtronic, of which $4.0 million was paid into an indemnity escrow account for a period of 18 months following the First Closing to secure our indemnification obligations under the Asset Purchase Agreement and then subsequently released after the termination of the escrow account pursuant to the terms of the Asset Purchase Agreement.. We achieved a $20.0 million OEM Earnout as set forth in the Asset Purchase Agreement on October 31, 2022, which was paid to us in the fourth quarter of 2022. Additionally, we achieved a $17.0 million Transfer Earnout as set forth under the Asset Purchase Agreement on December 21, 2022 in which payment was received in January 2023. We received Net Sales Earnout payments of $13.2 million during the nine months ended September 30, 2024. As part of the Restructuring, we focus exclusively on the manufacturing and distribution of the left-heart access Products and other associated services to Medtronic to continue to generate revenue from such sales and potentially earn the associated earnout payments.

Since inception, we have recorded no impairments to or write-offs of our accounts receivable. Accounts receivable for the nine months ended September 30, 2024 and 2023 consists of the following (in thousands):

	September 30, 2024	December 31, 2023
	(unaudited)	
Trade accounts receivable	$ 5,492	$ 1,993
Earnouts receivable from Medtronic	4,478	9,360
Total accounts receivable	$ 9,970	$ 11,353

To ensure that we have sufficient resources to fund operations, management continues to review cost improvement opportunities and pathways to reduce expenses and cash burn.

If we determine to raise additional funds, we may do so through equity or debt financings, which may not be available to us on the timing needed or on terms that we deem to be favorable. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of existing common stockholders. Debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions such as incurring additional debt, making acquisitions or capital expenditures or declaring dividends. If we are unable to maintain sufficient financial resources, our business, financial condition and results of operations will be materially and adversely affected, including potentially requiring us to delay, limit, reduce or terminate certain of our manufacturing and distribution activities.

Our future liquidity and capital funding requirements will depend on numerous factors, including:

- Medtronic's success in selling Products and our ability to achieve earnouts pursuant to the Asset Purchase Agreement with Medtronic;
- the emergence and effect of competing or complementary products;
- the ability to retain our employees, especially our manufacturing employees; and
- debt service requirements.

Historically, our primary uses of capital were investment in our commercial organization and related expenses, clinical research and development services, laboratory and related supplies, legal and other regulatory expenses, general administrative costs and working capital. In the past, we have acquired and invested in additional businesses, products or technologies that we believe could complement or expand our portfolio, enhance our technical capabilities or otherwise offer growth opportunities. For example, in June 2019, we acquired Rhythm Xience a company specializing in the design and manufacture of transseptal crossing and steerable introducer systems, for $3.0 million in cash. The former owners of Rhythm Xience were also issued

119,993 shares of our Series D convertible preferred stock in February 2020 and paid a total of $8.7 million in earnout consideration based on the achievement of certain regulatory and revenue milestones through the earnout period which ended June 2023. In addition, pursuant to a license agreement with Biotronik, we paid Biotronik a total of $10.0 million inclusive of an upfront fee at the time the agreement was signed and a technology transfer fee. In February 2020, Biotronik was issued $5.0 million in shares of our Series D convertible preferred stock. Additionally, the Biotronik Parties were paid $2.0 million in contingent consideration based on the achievement of various regulatory and sales-related milestones, as well as unit-based royalties on any sales of Force Sensing Catheters. As a result of our Restructuring and ensuing Arbitration with the Biotronik Parties, we entered into a Settlement Agreement terminating the Relevant Agreements (except for certain surviving obligations specified therein), settling the Arbitration relating to the Relevant Agreements and releasing and discharging each party of all claims against the other, including any claims that were or could have been asserted in the Arbitration and recorded an additional $2.5 million in restructuring expense, which we accrued as of September 30, 2024.

We also incur costs as a public company that we have not previously incurred or have previously incurred at lower rates.

In addition, our Restructuring is intended to reduce our operating expenses and optimize our cash resources. We have paid $5.1 million of the anticipated $7.0 million to $12.0 million of restructuring costs to be paid in cash and we believe the Restructuring is substantially complete; however, there can be no assurance that we will realize the benefits of the Restructuring on the anticipated timeline, or at all.

Under ASC Subtopic 205-40, *Presentation of Financial Statements—Going Concern*, we have the responsibility to evaluate whether conditions and/or events could raise substantial doubt about our ability to meet our future financial obligations as they become due within one year after the date that the financial statements are issued. Management believes our current cash, cash equivalents and marketable securities and anticipated cash earnouts generated from Medtronic's sales of the Products are sufficient to fund operations for at least the next 12 months.

Debt Obligations

On June 30, 2022, we entered into the 2022 Credit Agreement with related parties Deerfield Private Design Fund III, L.P. and Deerfield Partners, L.P. The 2022 Credit Agreement provided us with a term loan facility in an aggregate principal amount of $35.0 million. The 2022 Credit Agreement bears interest at the one-month adjusted term Secured Overnight Financing Rate, with a floor of 2.50% per annum, plus 9.0% per annum. The principal amount of the term loan will be paid in installments with the final principal payment due on June 30, 2027. The 2022 Credit Agreement can be prepaid but is subject to prepayment penalties. The 2022 Credit Agreement provides for final payment fees of an additional $1.8 million that are due upon prepayment, on the maturity date or upon acceleration. Proceeds from the 2022 Credit Agreement, along with cash on hand, were used to repay the 2019 Credit Agreement and to pay related fees and expenses and for working capital purposes.

The 2022 Credit Agreement contains certain customary negative covenants, including, but not limited to, restrictions on our ability and that of our subsidiaries to merge and consolidate with other companies, incur indebtedness, grant liens or security interests on assets, pay dividends or make other restricted payments, sell or otherwise transfer assets or enter into transactions with affiliates. The 2022 Credit Agreement provides that, upon the occurrence of certain events of default, our obligations thereunder may be accelerated. Such events of default include payment defaults to the Lenders, material inaccuracies of representations and warranties, covenant defaults, cross-defaults to certain other indebtedness, voluntary and involuntary bankruptcy proceedings, certain money judgments, change of control events and other customary events of default.

Our obligations under the 2022 Credit Agreement are secured by substantially all of our assets, including our intellectual property.

On August 4, 2023, we entered into Amendment No. 1 to the 2022 Credit Agreement with Deerfield. Pursuant to Amendment No. 1, the 2022 Credit Agreement was amended to decrease the amount of cash we are required to maintain pursuant to the minimum liquidity covenant in the 2022 Credit Agreement to $5,000,000 for a period of 18 months, at which point the amount required under the minimum liquidity covenant shall increase to $20,000,000 (or, if certain conditions are met, $10,000,000), in exchange for a fee paid by us.

On November 8, 2023, we entered into Amendment No. 2 to the 2022 Credit Agreement with Deerfield. Pursuant to Amendment No. 2, the 2022 Credit Agreement was amended to, among other things: (i) adjust and increase the amortization schedule such that payments commence on June 30, 2024 and are made 12, 24 and 36 months (i.e., the scheduled maturity date) following June 30, 2024; (ii) limit the business activities the Company may engage in; and (iii) require us to maintain a minimum liquidity of $10,000,000 at all times, in exchange for fees paid by us.

On March 4, 2024, we entered into Amendment No. 3 to the 2022 Credit Agreement. Previously, on February 16, 2024, the Biotronik Parties filed the Demand against us with the American Arbitration Association, alleging that we breached our contractual obligations under five agreements relating to the licensing, manufacturing, distribution and development of medical devices as a result of the wind down of our businesses. Pursuant to Amendment No. 3, Deerfield has agreed to waive any Default or Event of Default (each defined in the 2022 Credit Agreement) that has arisen or may arise in connection with the Demand. In addition, pursuant to Amendment No. 3 among other things, (i) the 2022 Credit Agreement was amended such that (x) a Change in Control (as defined in the 2022 Credit Agreement) under the 2022 Credit Agreement would not be deemed to occur in the event our common stock ceases to be Delisted and (y) exposure incurred in excess of $3.0 million in respect of proceedings in relation to the Demand and/or related proceedings and/or between such parties is deemed an Event of Default (as defined in the 2022 Credit Agreement) under the 2022 Credit Agreement.

In connection with entering into the 2022 Credit Agreement, we entered into the 2022 Warrant Purchase Agreement (which was amended on March 4, 2024 by the Amendment) with Deerfield, pursuant to which we issued to Deerfield warrants to purchase up to an aggregate 3,779,018 shares of our common stock, par value $0.001 per share common stock, at an exercise price of $1.1114 per warrant share for a period of eight years following the issuance thereof. Pursuant to the Amendment, (i) the 2022 Warrants were amended to remove Deerfield's option to require us to repurchase the 2022 Warrants from Deerfield upon a Delisting, and to modify the volatility rate that would be used to calculate the Black-Scholes value of the 2022 Warrants that would apply to certain other transactions involving us pursuant to the 2022 Warrants, and (ii) the Warrant Purchase Agreement was amended to remove our obligation to take all commercially reasonable actions necessary to cause our common stock to remain listed on Nasdaq at all times during the term of the 2022 Warrants.

On November 13, 2024, we entered into Amendment No. 4 to the 2022 Credit Agreement. Pursuant to Amendment No. 4, the Credit Agreement was amended to (i) adjust the amortization schedule of the Credit Agreement such that the $7.5 million installment payment of principal due on June 30, 2025 would be made over three equal installments of $2.5 million on each of June 30, 2025, September 30, 2025 and December 31, 2025 and (ii) increase the exit fee associated with prepayment or repayment of the loans from 5.0% to 6.0% of the principal amount of the loans prepaid or repaid. Except as amended by Amendment No. 4, the remaining terms of the Credit Agreement remain in full force and effect.

Cash Flows from Continuing Operations

The following table shows a summary of our cash flows from continuing operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,	
	2024	**2023**
	(unaudited)	
Net cash used in operating activities - continuing operations	(15,910)	(5,753)
Net cash provided by investing activities - continuing operations	16,337	47,542
Net cash provided by (used in) financing activities - continuing operations	(2,625)	(1,929)
Effect of exchange rate changes on cash, cash equivalents and restricted cash	(13)	(294)
Net change in cash, cash equivalents and restricted cash	(13,605)	(233)

Operating Activities from Continuing Operations

During the nine months ended September 30, 2024, operating activities from continuing operations used $15.9 million of cash, an increase of $10.2 million from the nine months ended September 30, 2023. This increase was attributable to unfavorable changes in operating assets and liabilities of $16.4 million and unfavorable changes in non-cash items and reclasses of $0.4 million, offset by a decrease in net losses of $6.7 million. The change in operating assets and liabilities is due to a $24.7 million unfavorable change in assets, primarily due to the $11.5 million decrease in inventory, the $6.7 million decrease in accounts receivable, the $4.7 million decrease in ERC receivable, which had been fully collected in September 2023, and the $1.7 million decrease of prepaid assets, offset by a favorable change of $8.3 million in liabilities, primarily due to $2.0 million related to accounts payables and $6.6 million related to accrued liabilities, of which $2.5 million pertains to the Biotronik settlement.The changes in non-cash items and reclasses compared to the prior period were primarily due to the change in gain on sale of business of $2.2 million and decrease of accretion of discounts on marketable securities of $1.3 million, offset by reduced stock-based compensation expense of $0.8 million during the nine months ended September 30, 2023.

Investing Activities from Continuing Operations

During the nine months ended September 30, 2024, investing activities from continuing operations provided $16.3 million of cash, a decrease of $31.2 million from the nine months ended September 30, 2023. This decrease was attributable to a decrease

in net proceeds from the Medtronic left-heart access portfolio sale of $3.8 million compared to the prior period (with receipt of Product Net Sales Earnout payment of $13.2 million in the current period versus receipt of $17.0 million OEM milestone payment in the prior period) and a decrease in maturities of marketable securities of $67.5 million compared to the prior period. This decrease was offset by the change in the purchases of marketable securities of $38.5 million compared to the prior period, an increase in the sale of marketable securities of $0.5 million compared to the prior period and a decrease in purchase of property and equipment of $1.0 million compared to the prior period.

Financing Activities from Continuing Operations

During the nine months ended September 30, 2024, financing activities from continuing operations used $2.6 million compared to a de minimus amount provided from the nine months ended September 30, 2023. This increase in cash used was attributable to the first debt principal payment of $2.5 million with associated fees under the Company's 2022 Credit Agreement, that was paid in June 2024.

Cash Flows from Discontinued Operations

The following table shows a summary of our cash flows from discontinued operations for the nine months ended September 30, 2024 and 2023 (in thousands):

	Nine Months Ended September 30,	
	2024	2023
	(unaudited)	
Net cash used in operating activities - discontinued operations	(11,692)	(39,352)
Net cash provided by investing activities - discontinued operations	339	(207)
Net cash used in financing activities - discontinued operations	(41)	(240)

Operating Activities from Discontinued Operations

During the nine months ended September 30, 2024, operating activities from discontinued operations used $11.7 million of cash, a decrease of $27.7 million from the nine months ended September 30, 2023. This decrease was primarily attributable to the favorable change in net loss of $33.1 million due to the wind-down of the mapping and ablation business, offset primarily by the decrease in accounts payable due to the payments made to discontinued vendors of $7.3 million.

Investing Activities from Discontinued Operations

During the nine months ended September 30, 2024, investing activities from discontinued operations provided $0.3 million of cash, an increase of $0.5 million from the nine months ended September 30, 2023. This increase was attributable to the sale of R&D equipment and no purchases of fixed assets due to the Restructuring in the current period, whereas cash was used to purchase equipment in the prior year period.

Financing Activities from Discontinued Operations

During the nine months ended September 30, 2024, financing activities from discontinued operations used less than $0.1 million of cash, a decrease of $0.2 million from the nine months ended September 30, 2023. This decrease is primarily attributable to repurchasing less shares of common stock to cover taxes on vested awards in the current period.

Contractual Obligations and Commitments

Rhythm Xience

The agreement to acquire Rhythm Xience required us to pay the former owners of Rhythm Xience up to $17.0 million in earn-out consideration based on the achievement of certain regulatory and revenue milestones. In February 2020, we issued to the former owners of Rhythm Xience 119,993 shares of our Series D convertible preferred stock valued at $2.2 million and paid them $2.5 million in the first quarter of 2020, an additional $3.4 million and $1.3 million in 2021 and 2022, respectively, in connection with the regulatory and revenue milestones earned to date. No payments were made to Rhythm Xience during the nine months ended September 30, 2023 and the Rhythm Xience earnout period ended June 2023. Final payment made in July 2023 under the agreement totaled $1.9 million.

Biotronik

Pursuant to a license agreement with Biotronik, we issued to Biotronik $5.0 million in shares of our Series D convertible preferred stock in February 2020, and we are required to pay the Biotronik Parties up to $10.0 million, of which $2.0 million has been paid as of December 31, 2023, upon the achievement of various regulatory and sales-related milestones, as well as unit-based royalties on any sales of Force Sensing Catheters.

On October 15, 2024, we and the Biotronik Parties entered into a Settlement Agreement terminating the Relevant Agreements, including the license agreement (except for certain surviving obligations specified therein), settling the Arbitration relating to the Relevant Agreements and releasing and discharging each party of all claims against the other, including any claims that were or could have been asserted in the Arbitration.

Pursuant to the Settlement Agreement, we must pay to Biotronik (i) an initial settlement payment of approximately $2.5 million; (ii) contingent payments of (x) in the event of a Qualifying Asset Sale (as defined in the Settlement Agreement), an amount equal to 50% of the aggregate cash consideration received; (y) in the event of a Change of Control (as defined in the Settlement Agreement) of the Company involving a Competitive Company (as defined in the Settlement Agreement), (A) initial amounts of $8 million and 5% of the aggregate upfront consideration received, with the latter not to exceed approximately $25 million ("Agreed Upfront Consideration") and (B) additional amounts if additional consideration is received, up to approximately $25 million in aggregate (including the Agreed Upfront Consideration); and (z) in the event of a Change of Control not involving a Competitive Company, with certain exceptions, an amount equal to 25% of the aggregate cash consideration received. At September 30, 2024, we recorded $2.5M in discontinued operations restructure liability related to the Biotronik settlement.

Off-Balance Sheet Arrangements

As of September 30, 2024 and December 31, 2023, we did not have, and we do not currently have, any off-balance sheet arrangements, as defined in the SEC rules and regulations.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these condensed consolidated financial statements requires us to make estimates and assumptions for the reported amounts of assets, liabilities, revenue and expenses. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions and any such differences may be material.

During the nine months ended September 30, 2024, there have been no material changes to our critical accounting policies and estimates from those disclosed in "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in our annual report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on April 1, 2024.

Our significant accounting policies are described in *Note 2 - Summary of Significant Accounting Policies* to our condensed consolidated financial statements.

Recent Accounting Pronouncements

See Note 2 - S*ummary of Significant Accounting Policies* to our condensed consolidated financial statements for a description of recent accounting pronouncements applicable to our condensed consolidated financial statements.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

As a "smaller reporting company" as defined by Item 10 of Regulation S-K, we are not required to provide the information required by this item.

Item 4. Controls and Procedures

Disclosure Controls and Procedures

We maintain "disclosure controls and procedures," as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act, that are designed to ensure 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 SEC rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

The design of any disclosure controls and procedures also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.

With respect to the quarter ended September 30, 2024, under the supervision and with the participation of our management, we conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures. Based upon this evaluation, our Chief Executive Officer and Chief Financial Officer has concluded that our disclosure controls and procedures are effective. Management does not expect that our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in a cost-effective control system, no evaluation of internal control over financial reporting can provide absolute assurance that misstatements due to error or fraud will not occur or that all control issues and instances of fraud, if any, have been or will be detected.

Changes in Internal Control over Financial Reporting:

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the quarter ended September 30, 2024 which have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in legal proceedings, including litigation arising from the normal course of our business activities. We have also received, and may from time to time receive, letters from third parties alleging patent infringement, violation of employment practices or trademark infringement, and we may in the future participate in litigation to defend ourselves. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. Other than the matters listed below, we are not currently party to any pending legal proceedings that we believe would, individually or in the aggregate, have a material adverse effect on our financial condition, cash flows or results of operations.

We and certain of our current officers were named as defendants in two putative securities class action lawsuits filed by putative stockholders in the United States District Court for the Southern District of California on February 15, 2022 and March 23, 2022 (case numbers 22CV206 and 22CV0388). Plaintiffs alleged violations of Section 10(b) of the Exchange Act and Rule 10b-5, and Section 20(a) of the Exchange Act. The complaints alleged that the defendants made false and misleading statements about our business, prospects and operations. The putative claims were based upon statements made in filings made by us with the SEC, press releases and on earnings calls between May 13, 2021 and November 11, 2021. The lawsuits sought, among other relief, a determination that the alleged claims may be asserted on a class-wide basis, unspecified compensatory damages, attorney's fees, other expenses and costs. On July 19, 2022, the court consolidated the two actions, appointed a lead plaintiff and appointed lead counsel for the proposed class. On September 16, 2022, the lead plaintiff filed a consolidated amended complaint. We thereafter filed a motion to dismiss. On September 27, 2023, the court granted the defendant's motion to dismiss in its entirety, but gave plaintiffs leave to file an amended complaint. On October 27, 2023, the plaintiffs filed a second amended complaint asserting similar claims. The defendants thereafter filed a motion to dismiss. On March 26, 2024, the court granted the defendant's motion and, on April 29, 2024, dismissed the case and entered judgment. On May 29, 2024, plaintiff filed a notice of appeal. On June 28, 2024, plaintiff voluntarily dismissed the appeal with prejudice, and the Company considers this matter closed.

On February 16, 2024, the Biotronik Parties filed the Demand against Acutus with the American Arbitration Association (who notified us of the Demand on February 29, 2024), alleging that we breached our contractual obligations under five agreements (i.e., the Relevant Agreements) relating to the licensing, manufacturing, distribution and development of medical devices as a result of the wind down of our businesses. The Biotronik Parties allege that we breached, among other things, our obligations (i) to develop, manufacture, use and commercialize certain product lines under the LDA and the MSA; (ii) to distribute Biotronik products and manufacture and supply Acutus products under the Bi-Lateral Distribution Agreements, as applicable; and (iii) to use commercially reasonable efforts to perform and complete our responsibilities under the F&DA. The claim seeks, among other relief, $38.0 million in damages, attorney's fees, other expenses and costs.

On October 15, 2024, we and the Biotronik Parties entered into a Settlement Agreement terminating the Relevant Agreements (except for certain surviving obligations specified therein), settling the Arbitration relating to the Relevant Agreements and releasing and discharging each party of all claims against the other, including any claims that were or could have been asserted in the Arbitration.

Pursuant to the Settlement Agreement, we must pay to Biotronik (i) an initial settlement payment of approximately $2.5 million; (ii) contingent payments of (x) in the event of a Qualifying Asset Sale (as defined in the Settlement Agreement), an amount equal to 50% of the aggregate cash consideration received; (y) in the event of a Change of Control (as defined in the Settlement Agreement) of the Company involving a Competitive Company (as defined in the Settlement Agreements), (A) initial amounts of $8 million and 5% of the aggregate upfront consideration received, with the latter not to exceed approximately $25 million ("Agreed Upfront Consideration") and (B) additional amounts if additional consideration is received, up to approximately $25 million in aggregate (including the Agreed Upfront Consideration); and (z) in the event of a Change of Control not involving a Competitive Company, with certain exceptions, an amount equal to 25% of the aggregate cash consideration received.

Item 1A. Risk Factors

As of the date of this Quarterly Report on Form 10-Q, there have been no material changes from the risk factors disclosed in our annual report on Form 10-K for the year ended December 31, 2023, as filed with the SEC on April 1, 2024. Any of these factors could result in a significant or material adverse effect on our result of operations or financial conditions. Additional risk factors not presently known to us or that we currently deem immaterial may also impair our business or results of operations. We may disclose changes to such factors or disclose additional factors from time to time in our future filings with the SEC.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

None.

Item 5. Other Information.

During the three months ended September 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated a "10b5-1 trading arrangement" or “non-Rule 10b5-1 trading arrangement,” as such terms are defined under Item 408 of Regulation S-K.

Item 6. Exhibits

Exhibit No.	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.1	Amended and Restated Certificate of Incorporation	8-K	001-39430	3.1	August 10, 2020	
3.2	Amended and Restated Bylaws	8-K	001-39430	3.2	August 10, 2020	
3.3	Certificate of Designation of Preferences, Rights and Limitations of the Series A Common Equivalent Preferred Stock, par value $0.001 per share, of the Company.	8-K	001-39430	3.1	August 23, 2021	
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a)/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 the Principal Financial Officer pursuant to Rule 13a-14(a)/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 the Principal Executive Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
32.2**	Certification of the Principal Financial Officer pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.					X
101	The following financial information from the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024, formatted in Inline Extensible Business Reporting Language (XBRL): (i) the Condensed Consolidated Balance Sheets, (ii) the Condensed Consolidated Statements of Operations and Comprehensive Income (Loss), (iii) the Condensed Consolidated Statements of Stockholders' Equity, (iv) the Condensed Consolidated Statements of Cash Flows, and (v) Notes to the Condensed Consolidated Financial Statements (filed herewith).					
104	Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)					

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Exchange Act, except to the extent that the registrant specifically incorporates them by reference.

SIGNATURES

Pursuant to the requirements 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.

Acutus Medical, Inc.
(Registrant)

Date: November 14, 2024

By: /s/ Takeo Mukai

Takeo Mukai
Chief Executive Officer (Principal Executive Officer) & Chief Financial Officer (Principal Financial & Accounting Officer)

Exhibit 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

I, Takeo Mukai, certify that:

1. I have reviewed this report on Form 10-Q of Acutus Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) for the registrant and have:

   (1) 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;

   (2) 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;

   (3) 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

   (4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (1) 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

   (2) 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.

/s/ Takeo Mukai

Takeo Mukai
Chief Executive Officer
(Principal Executive Officer)
November 14, 2024

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with Form 10-Q (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Takeo Mukai, Chief Executive Officer of Acutus Medical, Inc. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, to the best of my knowledge, the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024 filed with the Securities and Exchange Commission (the "Report"):

- Fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Takeo Mukai

Takeo Mukai
Chief Executive Officer
(Principal Executive Officer)
November 14, 2024

Exhibit 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

I, Takeo Mukai, certify that:

1. I have reviewed this report on Form 10-Q of Acutus Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f)) for the registrant and have:

(1) 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;

(2) 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;

(3) 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

(4) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(1) 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

(2) 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.

/s/ Takeo Mukai

Takeo Mukai
Chief Financial Officer
(Principal Financial Officer)

November 14, 2024

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with Form 10-Q (the “Report”) for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Takeo Mukai, Chief Financial Officer of Acutus Medical, Inc. (the “Company”), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, to the best of my knowledge, the Company’s Quarterly Report on Form 10-Q for the period ended September 30, 2024 filed with the Securities and Exchange Commission (the "Report"):

- Fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Takeo Mukai

Takeo Mukai
Chief Financial Officer
(Principal Financial Officer)

November 14, 2024

Exhibit 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

I, Takeo Mukai, certify that:

1. I have reviewed this report on Form 10-Q of Acutus Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Takeo Mukai

Takeo Mukai
Chief Executive Officer
(Principal Executive Officer)

November 14, 2024

Exhibit 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

I, Takeo Mukai, certify that:

1. I have reviewed this report on Form 10-Q of Acutus Medical, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Takeo Mukai

Takeo Mukai
Chief Financial Officer
(Principal Financial Officer)

November 14, 2024

Exhibit 32.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with Form 10-Q (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Takeo Mukai, Chief Executive Officer of Acutus Medical, Inc. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, to the best of my knowledge, the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024 filed with the Securities and Exchange Commission (the "Report"):

- Fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Takeo Mukai

Takeo Mukai
Chief Executive Officer
(Principal Executive Officer)
November 14, 2024

Exhibit 32.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER

PURSUANT TO 18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The certification set forth below is being submitted in connection with Form 10-Q (the "Report") for the purpose of complying with Rule 13a-14(b) or Rule 15d-14(b) of the Securities Exchange Act of 1934 and Section 1350 of Chapter 63 of Title 18 of the United States Code.

I, Takeo Mukai, Chief Financial Officer of Acutus Medical, Inc. (the "Company"), in compliance with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, hereby certify that, to the best of my knowledge, the Company's Quarterly Report on Form 10-Q for the period ended September 30, 2024 filed with the Securities and Exchange Commission (the "Report"):

- Fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Takeo Mukai

Takeo Mukai
Chief Financial Officer
(Principal Financial Officer)
November 14, 2024