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

FORM 8-K

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

Date of Report (date of earliest event reported)
August 4, 2022

electroCore, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**001-38538**	**20-3454976**
(State or other jurisdiction of incorporation or organization)	**(Commission File Number)**	**(I.R.S. Employer Identification Number)**

200 Forge Way, Suite 205
Rockaway, NJ 07866
(Address of principal executive offices and zip code)

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	**Trading symbol(s)**	**Name of each exchange on which registered**
Common Stock, Par Value $0.001 Per Share	**ECOR**	**NASDAQ Capital Market**

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

Emerging growth company ☒

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

Item 2.02 Results of Operations and Financial Condition.

On August 4, 2022, electroCore, Inc. issued a press release announcing its financial results for the quarter ended June 30, 2022. A copy of the press release is furnished herewith as Exhibit 99.1 and incorporated by reference.

Except for information relating to Adjusted EBITDA net loss from operations and its reconciliation to generally accepted accounting principles (GAAP), the information contained in this Item 2.02 and Item 9.01 in this Current Report on Form 8-K, including the accompanying Exhibit 99.1 hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, regardless of any general incorporation language in such filings, unless expressly incorporated by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description of Exhibit
99.1	Press release dated August 4, 2022.

SIGNATURES

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

electroCore, Inc.

August 4, 2022

/s/ Brian M. Posner
Brian M. Posner
Chief Financial Officer

electroCore Announces Record Second Quarter 2022 Financial Results

Record second quarter 2022 net sales of $2.2 million, increased 70% over second quarter 2021 and 14% sequentially

Company to host a conference call and webcast today, August 4, 2022 at 4:30 pm EDT

ROCKAWAY, NJ, Aug. 04, 2022 (GLOBE NEWSWIRE) -- electroCore, Inc. (Nasdaq: ECOR), a commercial-stage bioelectronic medicine company, announced second quarter 2022 financial results and provided an operational update.

Second Quarter 2022 and Recent Highlights

- Posted revenue of $2.2 million, representing an increase of approximately 70% over second quarter 2021 and 14% sequentially;
- Net cash used in operating activities was $3.2 million during the second quarter 2022 leaving approximately $26.6 million of cash and cash equivalents at June 30, 2022;
- Announced gammaCore™ non-invasive vagus nerve stimulator (nVNS) selected for Department of Defense Biotech Optimized for Operational Solutions and Tactics (BOOST) program; and
- Announced exclusive license agreement with Teijin Limited (Teijin) for Japan.

Second Quarter 2022 Financial Results

For the quarter ended June 30, 2022, electroCore reported net sales of $2.2 million as compared to $1.9 million in the first quarter of 2022 and $1.3 million during the same period of 2021.

Channel	Three months ended June 30	Three months ended March 31	% Change	Three months ended June 30	% Change
	2022	2022		2021	
Department of Veteran Affairs (VA) and Department of Defense (DoD)	$ 1,189,000	$ 1,261,000	(5.7)%	$ 779,000	52.6%
United States Commercial	$ 501,000	$ 333,000	50.5%	$ 104,000	381.7%
Outside the United States	$ 419,000	$ 305,000	37.4%	$ 387,000	8.3%
Teijin License Revenue	$ 48,000	$ -	N/A	$ -	N/A

Gross profit for the second quarter of 2022 was $1.8 million as compared to $1.5 million for the first quarter of 2022 and $895,000 for the second quarter of 2021. Gross margin for the second quarter of 2022 was 83%, compared to 81% in the first quarter of 2022 and 71% in the second quarter of 2021.

The company's evolving commercial strategy has resulted in the launch of cash payment models under which it licenses certain starter devices. The cost of the licensed starter device is being recognized as cost of goods sold over the estimated useful life of the starter device versus expensing the cost of goods at the time of sale. Moreover, in recent quarters, the company has sold an increasing amount of longer duration therapy, resulting in a higher average selling price. These factors, including Teijin license revenue with no associated cost of goods and favorable absorption of labor and overhead costs due to an increase in the number of units sold, contributed to the increase in gross margin.

Total operating expenses in the second quarter of 2022 were approximately $7.6 million as compared to $7.1 million in the first quarter of 2022 and $6.1 million in the second quarter of 2021.

Research and development expense in the second quarter of 2022 was $1.3 million as compared to $934,000 in the first quarter of 2022 and $825,000 in the second quarter of 2021. This increase was primarily due to investments in the future iterations of our therapy delivery platform, including the use of our intellectual property around the delivery of smartphone-integrated and smartphone-connected non-invasive therapies.

Selling, general and administrative expense in the second quarter of 2022 was $6.3 million as compared to $6.2 million in the first quarter of 2022 and $5.3 million in the second quarter of 2021. This increase was attributable to investments made to support commercial efforts.

GAAP net loss in the second quarter of 2022 was $5.3 million compared to the first quarter of 2022 GAAP net loss of $5.6 million and $2.9 million in the second quarter of 2021.

Adjusted EBITDA net loss in the second quarter of 2022 was $4.9 million as compared to $4.6 million during the first quarter of 2022 and as compared to a loss of $4.1 million in the second quarter of 2021.

The company defines adjusted EBITDA net loss as GAAP net loss as adjusted to exclude non-operating gains and losses, depreciation and amortization, stock-based compensation expense, legal fees associated with stockholders’ litigation, benefit from income taxes, and gain on extinguishment of debt. A reconciliation of GAAP net loss to non-GAAP adjusted EBITDA net loss has been provided in the financial statement tables included in this press release.

Net cash used in operating activities in the quarter ended June 30, 2022, was approximately $3.2 million as compared to $4.8 million in the first quarter of 2022, and $1.7 million in the second quarter of 2021. Cash proceeds from the sale of the company's New Jersey net operating loss (NOL) carryforwards are included in both the second quarter 2022 and 2021 results.

Cash, cash equivalents and restricted cash at June 30, 2022 totaled approximately $26.6 million, as compared to approximately $34.7 million at December 31, 2021.

Third Quarter 2022 Outlook

For the third quarter of 2022, the Company expects net revenue to be approximately Q2 2022 levels and net cash usage to be between $4.5 million and $5.0 million.

Webcast and Conference Call Information

electroCore's management team will host a conference call today, August 4, 2022, beginning at 4:30 PM EDT.

Investors interested in listening to the conference call, or webcast may do so by dialing 877-269-7756 for domestic callers or 201-689-7817 for international callers, using Conference ID: 13731362, or by connecting to the Web: electroCore Earnings Webcast. An archived webcast of the event will be available on the "Investors" section of the company's website at: www.electrocore.com.

About electroCore, Inc.

electroCore, Inc. is a commercial stage bioelectronic medicine company dedicated to improving patient outcomes through its non-invasive vagus nerve stimulation therapy platform, initially focused on the treatment of multiple conditions in neurology. The company's current indications are the preventive treatment of cluster headache and migraine, the acute treatment of migraine and episodic cluster headache, the acute and preventive treatment of migraines in adolescents, and paroxysmal hemicrania and hemicrania continua in adults.

For more information, visit www.electrocore.com.

About gammaCore™

gammaCore™ (nVNS) is the first non-invasive, hand-held medical therapy applied at the neck to treat migraine and cluster headache through the utilization of a mild electrical stimulation to the vagus nerve that passes through the skin. Designed as a portable, easy-to-use technology, gammaCore is self-administered by patients, as needed, without the potential side effects associated with commonly prescribed drugs. When placed on a patient's neck over the vagus nerve, gammaCore stimulates the nerve's afferent fibers, which may lead to a reduction of pain in patients.

gammaCore (nVNS) is FDA cleared in the United States for adjunctive use for the preventive treatment of cluster headache in adult patients, the acute treatment of pain associated with episodic cluster headache in adult patients, and the acute and preventive treatment of migraine in adolescent (ages 12 and older) and adult patients, and paroxysmal hemicrania and hemicrania continua in adult patients. gammaCore is CE-marked in the European Union for the acute and/or prophylactic treatment of primary headache (Migraine, Cluster Headache, Trigeminal Autonomic Cephalalgias and Hemicrania Continua) and Medication Overuse Headache in adults.

gammaCore is contraindicated for patients if they:

- Have an active implantable medical device, such as a pacemaker, hearing aid implant, or any implanted electronic device
- Have a metallic device, such as a stent, bone plate, or bone screw, implanted at or near the neck
- Are using another device at the same time (e.g., TENS Unit, muscle stimulator) or any portable electronic device (e.g., mobile phone)

Safety and efficacy of gammaCore have not been evaluated in the following patients:

- Adolescent patients with congenital cardiac issues
- Patients diagnosed with narrowing of the arteries (carotid atherosclerosis)
- Patients who have had surgery to cut the vagus nerve in the neck (cervical vagotomy)
- Pediatric patients (less than 12 years)
- Pregnant women
- Patients with clinically significant hypertension, hypotension, bradycardia, or tachycardia

For more information, please visit gammaCore.com.

Forward-Looking Statements

This press release and other written and oral statements made by representatives of electroCore may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include, but are not limited to, statements about electroCore's business prospects and clinical and product development plans (including with respect to enrollment in ongoing studies such as the BOOST program); its expected revenue and net cash used in operating activities for the third quarter of 2022; its pipeline, future product development and potential markets for its technologies; the timing, outcome and impact of regulatory, clinical and commercial developments including online, e-commerce, direct-to-consumer channels, telehealth portal, and cash pay initiatives; the issuance of U.S. and international patents providing expanded IP coverage; the possibility of future business models and revenue streams from the company's potential use of nVNS for the acute treatment of PTSD, stroke and hemorrhagic brain injury, the potential of nVNS generally and gammaCore in particular and other statements that are not historical in nature, particularly those that utilize terminology such as "anticipates," "will," "expects," "believes," "intends," other words of similar meaning, derivations of such words and the use of future dates. Actual results could differ from those projected in any forward-looking statements due to numerous factors. Such factors include, among others, the ability to raise the additional funding needed to continue to pursue electroCore's business and product development plans, the inherent uncertainties associated with developing new products or technologies, the ability to commercialize gammaCore™, the potential impact and effects of COVID-19 on the business of electroCore, electroCore's results of operations and financial performance, and any measures electroCore has and may take in response to COVID-19 and any expectations electroCore may have with respect thereto, competition in the industry in which electroCore operates and overall market conditions. Any forward-looking statements are made as of the date of this press release, and electroCore assumes no obligation to update the forward-looking statements or to update the reasons why actual results could differ from those projected in the forward-looking statements, except as required by law. Investors should consult all of the information set forth herein and should also refer to the risk factor disclosure set forth in the reports and other documents electroCore files with the SEC available at www.sec.gov.

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electroCore, Inc.
Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net sales	$ 2,157	$ 1,269	$ 4,056	$ 2,473
Cost of goods sold	358	374	718	738
Gross profit	1,799	895	3,338	1,735
Operating expenses				
Research and development	1,341	825	2,275	1,324
Selling, general and administrative	6,278	5,272	12,464	10,997
Total operating expenses	7,619	6,097	14,739	12,321
Loss from operations	(5,820)	(5,202)	(11,401)	(10,586)
Other (income) expense				
Gain on extinguishment of debt	—	(1,422)	—	(1,422)
Interest and other income	(38)	(1)	(42)	(1)
Other expense	—	—	5	—
Total other (income) expense	(38)	(1,423)	(37)	(1,423)
Loss before income taxes	(5,782)	(3,779)	(11,364)	(9,163)
Benefit from income taxes	445	885	445	885
Net loss	$ (5,337)	$ (2,894)	$ (10,919)	$ (8,278)
Net loss per share of common stock - Basic and Diluted	$ (0.08)	$ (0.06)	$ (0.15)	$ (0.17)
Weighted average number of common shares outstanding - Basic and Diluted	70,816	48,520	70,744	48,089

electroCore, Inc.
Condensed Consolidated Balance Sheet Information
(unaudited)
(in thousands)

	June 30, 2022	December 31, 2021
Cash and cash equivalents	$ 26,330	$ 34,689
Restricted cash	$ 250	$ —
Total assets	$ 33,481	$ 42,833
Current liabilities	$ 5,644	$ 5,485
Total liabilities	$ 6,308	$ 6,185
Total equity	$ 27,173	$ 36,648

(Unaudited) Use of Non-GAAP Financial Measure

The company is presenting adjusted EBITDA net loss because it believes this measure is a useful indicator of its operating performance. electroCore management uses this non-GAAP measure principally as a measure of the company's core operating performance and believes that this measure is useful to investors because it is frequently used by the financial community, investors, and other interested parties to evaluate companies in the company's industry. The company also believes that this measure is useful to its management and investors as a measure of comparative operating performance from period to period. Additionally, the company believes its use of non-GAAP adjusted EBITDA net loss from operations facilitates management's internal comparisons to historical operating results by factoring out potential differences caused by gains and charges not related to its regular, ongoing business, including, without limitation, non-cash charges and certain large and unpredictable charges such as restructuring expenses.

The company defines adjusted EBITDA net loss as GAAP net loss, adjusting to exclude non-operating gains and losses, depreciation and amortization, stock-compensation expense, legal fees associated with stockholders' litigation, interest and other income/expense, benefit from income taxes, and gain on extinguishment of debt.

Following is a reconciliation of GAAP net loss to Non-GAAP adjusted EBITDA net loss (in thousands):

	Three Months ended June 30,		Six Months ended June 30,	
	2022	2021	2022	2021
GAAP net loss	**$ (5,337)**	**$ (2,894)**	**$ (10,919)**	**$ (8,278)**
Depreciation and amortization	141	95	247	191
Stock-based compensation	752	838	1,529	1,780
Legal fees associated with stockholders' litigation	71	166	132	317
Interest and other (income) expense	(38)	(1)	(37)	(1)
Benefit from income taxes	(445)	(885)	(445)	(885)
Gain on extinguishment of debt	—	(1,422)	—	(1,422)
Adjusted EBITDA net loss	**$ (4,856)**	**$ (4,103)**	**$ (9,493)**	**$ (8,298)**

The company's use of a non-GAAP measure has limitations as an analytical tool, and you should not consider it in isolation or as a substitute for analysis of its results as reported under GAAP. Some of these limitations are: the non-GAAP measure does not reflect interest or tax payments that may represent a reduction in cash available; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized may have to be replaced in the future, and the non-GAAP measure does not reflect cash capital expenditure requirements for such replacements or for new capital expenditure requirements; the non-GAAP measure does not reflect the potentially dilutive impact of equity-based compensation; and the non-GAAP measure does not reflect changes in, or cash requirements for, working capital needs; other companies, including companies in electroCore's industry, may calculate adjusted EBITDA net loss differently, which reduces its usefulness as a comparative measure.

Because of these and other limitations, you should consider the non-GAAP measure together with other GAAP-based financial performance measures, including various cash flow metrics, net loss, and other GAAP results. A reconciliation of GAAP net loss to non-GAAP adjusted EBITDA net loss has been provided in the preceding financial statements table of this press release.