

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)  
November 3, 2022

**electroCore, Inc.**

(Exact name of registrant as specified in its charter)

Delaware  
(State or other jurisdiction of  
incorporation or organization)

001-38538  
(Commission File Number)

20-3454976  
(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.

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## Item 2.02 Results of Operations and Financial Condition.

On November 3, 2022, electroCore, Inc. issued a press release announcing its financial results for the quarter ended September 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.

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
99.1	<a href="#">Press release dated November 3, 2022.</a>

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## 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.

November 3, 2022

**electroCore, Inc.**

/s/ Brian M. Posner

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Brian M. Posner

Chief Financial Officer

## electroCore Announces Third Quarter 2022 Financial Results

Third quarter 2022 revenue grew 33% over third quarter 2021

Company to host a conference call and webcast today, November 3, 2022 at 4:30 pm EDT

ROCKAWAY, NJ, Nov. 03, 2022 (GLOBE NEWSWIRE) -- electroCore, Inc. (Nasdaq: ECOR), a commercial-stage bioelectronic medicine company, announced third quarter 2022 financial results and provided an operational update.

### Third Quarter 2022 and Recent Highlights

- Posted revenue of approximately \$2.0 million, representing an increase of approximately 33% over third quarter 2021
- Net cash used in operating activities was \$4.6 million during the third quarter 2022 leaving approximately \$21.9 million of cash and cash equivalents at September 30, 2022
- Strengthened patent portfolio with issuance of four new U.S. patent related to nVNS and other technologies

### Third Quarter 2022 Financial Results

For the quarter ended September 30, 2022, electroCore reported net sales of \$2.0 million as compared to \$1.5 million during the same period of 2021.

Channel	Three months ended	Three months ended	% Change
	September 30	September 30	
	2022	2021	
Department of Veteran Affairs (VA) and Department of Defense (DoD)	\$ 1,148,000	\$ 946,000	21%
United States Commercial	411,000	158,000	160%
Outside the United States	372,000	383,000	-3%
Teijin Licensing Revenue	45,000	-	N/A
	\$ 1,976,000	\$ 1,487,000	33%

Gross profit for the third quarter of 2022 was \$1.7 million as compared to \$1.1 million for the third quarter of 2021. Gross margin for the third quarter of 2022 was 87%, compared to 76% in the third quarter of 2021. Our evolving commercial strategy has resulted in the launch of cash payment models under which we license a portion of our devices. The cost of the licensed device is being recognized as cost of goods sold over estimated useful life of our devices. The incremental favorable impact on gross margin associated with licensing a portion of our devices was 9% in the three months ended September 30, 2022. Moreover, in recent quarters, we have sold an increasing amount of longer duration therapy, resulting in a higher average selling price, as well as selling an increased number of refill kits with a lower cost of goods. These factors and favorable absorption of labor and overhead costs associated with the increased number of units sold contributed to the increase in gross margin.

Total operating expenses in the third quarter of 2022 were approximately \$7.3 million, as compared to \$5.1 million in the third quarter of 2021.

Research and development expense in the third quarter of 2022 was \$1.6 million as compared to \$470 thousand in the third quarter of 2021. The \$1.1 million increase was primarily due to targeted investments to support the future iterations of our therapy delivery platform, including the use of our intellectual property around the delivery of smart phone-integrated and smart phone-connected non-invasive therapies.

Selling, general and administrative expense in the third quarter of 2022 was \$5.7 million as compared to \$4.6 million in the third quarter of 2021. The increase of approximately \$1.1 million, or 24%, was due to continued targeted investments to support commercial efforts.

GAAP net loss in the third quarter of 2022 was \$5.5 million compared to a loss of \$4.0 million in the third quarter of 2021.

Adjusted EBITDA net loss in the third quarter of 2022 was \$4.8 million as compared to a loss of \$3.1 million in the third 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, provision/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 September 30, 2022, was approximately \$4.6 million as compared to \$3.4 million in the third quarter of 2021.

Cash, cash equivalents and restricted cash at September 30, 2022 totaled approximately \$21.9 million, as compared to approximately \$34.7 million as of December 31, 2021.

#### **Fourth Quarter 2022 Outlook**

For the fourth quarter of 2022, the Company expects net revenue to be between \$2.2 million and \$2.3 million and net cash usage to be between \$4.0 million and \$4.5 million.

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## Webcast and Conference Call Information

electroCore's management team will host a conference call today, November 3, 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: 13733010, 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](http://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](http://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](http://gammaCore.com).

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## **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); its pipeline or potential markets for its technologies; the timing, outcome and impact of regulatory, clinical and commercial developments; 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 traumatic brain injury and concussion, 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](http://www.sec.gov).

### **Contact:**

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

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2022	2021	2022	2021
Net sales	\$ 1,976	\$ 1,487	\$ 6,032	\$ 3,960
Cost of goods sold	258	355	976	1,093
Gross profit	1,718	1,132	5,056	2,867
Operating expenses				
Research and development	1,617	470	3,892	1,794
Selling, general and administrative	5,657	4,647	18,121	15,644
Total operating expenses	7,274	5,117	22,013	17,438
Loss from operations	(5,556)	(3,985)	(16,957)	(14,571)
Other (income) expense				
Gain on extinguishment of debt	—	—	—	(1,422)
Interest and other income	(103)	(4)	(145)	(8)
Other expense	—	4	5	7
Total other (income) expense	(103)	—	(140)	(1,423)
Loss before income taxes	(5,453)	(3,985)	(16,817)	(13,148)
(Provision) benefit from income taxes	—	(8)	445	877
Net loss	\$ (5,453)	\$ (3,993)	\$ (16,372)	\$ (12,271)
Net loss per share of common stock - Basic and Diluted	\$ (0.08)	\$ (0.06)	\$ (0.23)	\$ (0.22)
Weighted average number of common shares outstanding - Basic and Diluted	71,090	69,511	70,862	55,308



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

	<b>September 30, 2022</b>	<b>December 31, 2021</b>
Cash and cash equivalents	\$ 21,645	\$ 34,689
Restricted cash	\$ 250	\$ —
<b>Total assets</b>	<b>\$ 29,491</b>	<b>\$ 42,833</b>
Current liabilities	\$ 6,642	\$ 5,485
<b>Total liabilities</b>	<b>\$ 7,287</b>	<b>\$ 6,185</b>
Total equity	\$ 22,204	\$ 36,648

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**(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):

	<b>Three Months ended September</b>		<b>Nine Months ended September 30,</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
<b>GAAP net loss</b>	<b>\$ (5,453)</b>	<b>\$ (3,993)</b>	<b>\$ (16,372)</b>	<b>\$ (12,271)</b>
Depreciation and amortization	153	96	400	287
Stock-based compensation	566	761	2,095	2,541
Legal fees associated with stockholders' litigation	17	77	149	395
Interest and other (income) expense	(103)	—	(140)	(1)
Provision (benefit) from income taxes	—	8	(445)	(877)
Gain on extinguishment of debt	—	—	—	(1,422)
<b>Adjusted EBITDA net loss</b>	<b>\$ (4,820)</b>	<b>\$ (3,051)</b>	<b>\$ (14,313)</b>	<b>\$ (11,348)</b>

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.