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 13, 2020

VENUS CONCEPT INC.

(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation) 001-38238 (Commission File Number) 06-1681204 (IRS Employer Identification Number)

235 Yorkland Blvd, Suite 900 Toronto, Ontario M2J 4Y8 (Address of principal executive offices, including Zip Code)

Registrant's telephone number, including area code (877) 848-8430

(Former name or former address, if changed since last report)

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

□ 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:

<u>Title of each class</u> Common Stock, \$0.0001 par value per share Trading <u>Symbol(s)</u> VERO Name of each exchange <u>on which registered</u> The Nasdaq Global 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 13, 2020, Venus Concept Inc. (the "Company") issued a press release relating to its financial results for the three months and six months ended June 30, 2020. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information in this Item 2.02 of this Form 8-K and the Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that Section, or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

Item 9.01. Financial Statements and Exhibits.

The following exhibit is filed herewith.

 Exhibit No.
 Description

 99.1
 Press release dated August 13, 2020.
 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 hereunto duly authorized.

Date: August 13, 2020

VENUS CONCEPT INC.

By: /s/ Domenic Della Penna

Domenic Della Penna Chief Financial Officer



Venus Concept Announces Second Quarter and First Six Months of 2020 Financial Results

TORONTO, August 13, 2020 (PR Newswire) – Venus Concept Inc. ("Venus Concept" or the "Company") (NASDAQ: VERO), a global medical aesthetic technology leader, announced financial results for the three and six months ended June 30, 2020.

Second Quarter 2020 Financial Summary:

- Total GAAP revenue for the second quarter of 2020 decreased 39% year-over-year, to \$17.0 million, compared to \$27.8 million for the second quarter 2019, driven by the negative impact on our business as a result of the global pandemic caused by COVID-19.
 - Total GAAP revenue for the second quarter of 2020 includes \$3.3 million of revenue from Venus Concept Inc. (formerly Restoration Robotics, Inc.) for the three months ended June 30, 2020.
- GAAP operating loss for the second quarter of 2020 of \$9.2 million, compared to \$3.9 million for the second quarter 2019.
 - The Company realized more than \$7.0 million, of the projected \$20.0 million for full year 2020, in cost savings from the new restructuring program announced in response to the challenging business environment caused by COVID-19.
- GAAP net loss attributable to Venus Concept Inc. for the second quarter of 2020 of \$13.2 million, compared to \$5.9 million for the second quarter 2019.
 - Net loss attributable to Venus Concept Inc. for the second quarter of 2020 included a deemed dividend beneficial conversion feature of \$3.6 million (non-cash), related to the Series A Preferred Stock conversion which occurred on June 16, 2020.
- Adjusted EBITDA loss of \$2.6 million, compared to adjusted EBITDA of \$0.2 million in the second quarter 2019.
- The Company had \$14.0 million and \$15.7 million of cash and cash equivalents as of June 30, 2020 and December 31, 2019, respectively, and total debt obligations of approximately \$73.3 million and \$69.0 million as of June 30, 2020 and December 31, 2019, respectively.

Second Quarter 2020 Highlights:

- On June 15, 2020, the Company announced that it received FDA 510(k) clearance to market and sell Venus Epileve, a device intended for treatment of hair removal, permanent hair reduction and pseudofolliculitis barbae. Venus Epileve represents a new product introduction to the U.S. aesthetics market that expands the Company's diode laser hair removal offering beyond the Venus Velocity which was introduced to the medical aesthetics market in 2017.
- On June 16, 2020, the Company announced that it entered into a common stock purchase agreement for the sale of up to \$31.0 million of shares of common stock to Lincoln Park Capital Fund, LLC ("Lincoln Park"), a Chicago-based institutional investor. Upon execution of the purchase agreement, Lincoln Park made an initial purchase of \$1.0 million of common stock.

- On June 26, 2020, the Company announced that it was added to the Russell 2000[®], Russell 3000[®] and Russell Microcap[®] Indexes.
- On July 1, 2020, the Company announced that it had received FDA 510(k) clearance to market and sell Venus Viva MD, a non-invasive device intended to be used by aesthetic-related physicians or dermatologists. Venus Viva MD expands the Company's skin rejuvenation offerings beyond the Venus Viva[™] and Venus Versa[™], which were introduced to the medical aesthetics market in 2015 and 2016, respectively.

Management Commentary:

"We delivered second quarter revenue results at the high-end of our preliminary revenue range announced on July 15th," said Domenic Serafino, Chief Executive Officer of Venus Concept. "As expected, our second quarter revenue performance was significantly impacted by the COVID-19 global pandemic, but we were encouraged by the improving business trends in key markets beginning in May which resulted in a significant improvement in sales trends in the month of June, particularly in the U.S. and EMEA. Our new commercial targeting strategy, enhanced messaging for key product lines, including our Venus Bliss, and leveraging our unique pricing and payment options via our subscription model are providing us with early evidence that our strategic focus-areas represent multiple drivers of improving sales performance in the future. The strong second quarter results for our ARTAS iX[®] and NeoGraft hair restoration systems, including strong adoption of our ARTAS iX[®] by new customers, and, improving year-over-year procedure growth from existing customers, give us confidence that the new commercial strategy in the hair restoration market is on track as well."

Mr. Serafino continued: "While the near-term outlook has been challenged by this global pandemic, we continue to believe the long-term opportunity remains extremely compelling for us as a leading player in both the global minimally invasive/non-invasive medical aesthetics market and the minimally invasive surgical hair restoration market. Importantly, our efforts to reduce the operating expense profile of the combined company are progressing well. We continue to expect our restructuring program, combined with previously announced synergies and cost reductions, to result in cost savings of approximately \$38 million in 2020 and continuing into 2021. Finally, the recently announced common stock purchase agreement with Lincoln Park Capital Fund, LLC for up to \$31 million is available to continue to enhance our balance sheet and financial condition to support our future growth initiatives."

Second Quarter and First Six Months of 2020 Revenue by Region and by Product Type:

	E 2020	Three Months <u>nded June 30</u> <u>2019</u> ars in thousands)	Ended 2020	Six Months Ended June 30 2020 2019 (dollars in thousands)		
Revenues by region:	((,		
United States	\$ 8,9	15 \$11,682	\$14,555	\$21,221		
International	8,0	81 16,136	16,949	31,177		
Total revenue	\$16,9	96 \$27,818	\$31,504	\$52,398		

		Three M Ended Ju		Six M Ended	onths June 30
	<u>202</u> (do)		2019 nousands)	2020 (dollars in	2019 thousands)
Revenues by product:	(40)		iousunus)	(uonuro m	uno uo un uo j
Subscription—Systems	\$7,	465	\$16,643	\$14,278	\$32,385
Products—Systems	6,	757	7,769	10,255	14,084
Products—Other1	1,	787	1,622	4,504	2,950
Services ²		987	1,784	2,467	2,979
Total revenue	\$16,	,996	\$27,818	\$31,504	\$52,398

Second Quarter 2020 Financial Results:

	Three Months Ended June 30,						
	20	2020 2019			Change		
(in thousands, except percentages)	\$	% of Total	\$	% of Total	\$	%	
Revenues:							
Subscription—Systems	\$ 7,465	43.9	\$16,643	59.8	\$ (9,178)	(55.1)	
Products—Systems	6,757	39.8	7,769	27.9	(1,012)	(13.0)	
Products—Other	1,787	10.5	1,622	5.9	165	10.2	
Services	987	5.8	1,784	6.4	(797)	(44.7)	
Total	\$16,996	100.0	\$27,818	100.0	\$(10,822)	(38.9)	

Products other include ARTAS procedure kits, Venus Concept's Venus Skin and hair products, and other consumables. Services include VeroGrafters[™] technician services, 2two5 ad agency services and extended warranty sales. 1

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Total revenue for the second quarter of 2020 decreased \$10.8 million, or 39%, to \$17.0 million, compared to \$27.8 million for the second quarter of 2019. Total leases revenue decreased \$9.2 million, or 55%, to \$7.5 million, compared to \$16.6 million for the second quarter of 2019. Total products and services revenue for the second quarter of 2020 decreased \$1.6 million, or 15%, to \$9.5 million, compared to \$11.2 million for the second quarter of 2019.

The decrease in total revenue, by geography, for the second quarter of 2020 was driven by a decrease of \$8.0 million, or 50%, in international revenue and a decrease of \$2.8 million, or 24%, in the U.S. revenue, compared to the prior year period. The decrease in revenue in the United States and international markets was driven by COVID-19 related lockdown restrictions and shelter-in-place orders imposed by federal, state, and local governments in most countries and markets in which we operate. In both the United States and international markets, these business closures and the resultant uncertainty negatively impacted our ability to access and sell into our customary channels. Where accessibility was possible, selling efforts were hampered by target customer concerns over economic uncertainty.

The decrease in total revenue, by product category, for the second quarter of 2020 was driven by a decrease of \$9.2 million, or 55%, in lease revenue, a decrease of \$1.0 million, or 13%, in system revenue and a decrease of \$0.8 million, or 45%, in service revenue, offset partially by an increase of \$0.2 million, or 10%, in other products revenue, which includes ARTAS® and ARTAS iX® procedure kits, Venus Concept's Venus Skin and hair products, and other consumables. The decrease in lease revenue for the second quarter of 2020 was driven primarily by COVID-19 related disruptions, lockdown restrictions and shelter-in-place orders imposed by federal and local governments. The percentage of systems revenue derived from our subscription model was approximately 52% in the three months ended June 30, 2020 compared to 68% in the three months ended June 30, 2019. The decrease in system revenue for the second quarter of 2020 was driven by a 40% decrease in revenue from Venus Concept systems, offset partially by the contribution of revenue from the sale of ARTAS® and ARTAS iX® systems which did not contribute to system revenue in the second quarter of 2019. The decrease in service revenue for the second quarter of 2020 was driven by COVID-19 related lockdown restrictions and shelter-in-place orders imposed by federal, state, and local governments and a corresponding decline in VeroGraftersTM technician services, offset by the contribution of warranty revenue on ARTAS® systems which did not contribute to service revenue in the second quarter of 2019.

Gross profit for the second quarter of 2020 decreased \$8.2 million, or 41%, to \$11.9 million, compared to \$20.1 million for the second quarter of 2019. The decrease in gross profit is primarily due to lower revenues caused by COVID-19 related disruptions, lockdown restrictions and shelter-in-place orders imposed by federal and local governments in countries and markets in which we operate. Gross margin was 70.0% of revenue for the second quarter of 2019. The decrease in gross margin is primarily due to sales of ARTAS® systems in 2020, which have lower margins than our other systems, and inventory fair value adjustments recognized on the business combination with Venus Concept Ltd. expensed through cost of goods sold during the three months ended June 30, 2020.

Operating expenses for the second quarter of 2020 decreased \$2.9 million, or 12%, to \$21.1 million, compared to \$24.0 million for the second quarter of 2019. The year-over-year decrease in operating expenses was primarily driven by a decrease of \$5.7 million, or 56%, in sales and marketing expenses and a decrease of \$0.4 million, or 18%, in R&D expenses, partially offset by a \$3.1 million increase in general & administrative expenses or 26%. The year-over-year increase in general and administrative expenses was driven primarily by increased costs related to public company reporting obligations, a \$3.0 million increase in COVID-related bad debt expense and additional amortization of intangible assets recognized on the business combination with Venus Concept Ltd. The Company realized more than \$7.0 million, of the projected \$20.0 million for full year 2020, in cost savings from the new restructuring program in response to the challenging business environment from COVID-19, which was previously announced.

Operating loss for the second quarter of 2020 was \$9.2 million, compared to operating loss of \$3.9 million for the second quarter of 2019.

Net loss attributable to Venus Concept Inc. stockholders for the second quarter of 2020 was \$13.2 million, or \$0.39 per share, compared to net loss attributable to Venus Concept Inc. stockholders of \$5.9 million, or \$1.24 per share, for the second quarter of 2019. Weighted average shares used to compute net loss attributable to Venus Concept Inc. stockholders per share were 33.3 million and 4.8 million for the second quarters of 2020 and 2019, respectively.

Adjusted EBITDA loss for the second quarter of 2020 was \$2.6 million, compared to adjusted EBITDA of \$0.2 million for the second quarter of 2019.

First Six Months of 2020 Financial Results:

		Six Months E				
	20	2020 2019			Change	
(in thousands, except percentages)	\$	% of Total	\$	% of Total	\$	%
Revenues:						
Subscription—Systems	\$14,278	45.3	\$32,385	61.8	\$(18,107)	(55.9)
Products—Systems	10,255	32.6	14,084	26.9	(3,829)	(27.2)
Products other	4,504	14.3	2,950	5.6	1,554	52.7
Services	2,467	7.8	2,979	5.7	(512)	(17.2)
Total	\$31,504	100.0	\$52,398	100.0	\$(20,894)	(39.9)

Total revenue for the first six months of 2020 decreased \$20.9 million, or 40%, to \$31.5 million, compared to \$52.4 million for the first six months of 2019. Total products and services revenue decreased \$18.1 million, or 56%, to \$14.3 million, or 14%, to \$17.2 million, compared to \$20.0 million for the first six months of 2019. Total products and services revenue for the first six months of 2020 decreased \$2.8 million, or 14%, to \$17.2 million, compared to \$20.0 million for the first six months of 2019. The decrease in total revenue, by geography, for the first six months of 2020 was driven by a decrease of \$14.2 million, or 46%, in international revenue and a decrease of \$6.7 million, or 31%, in the U.S. revenue, compared to the prior year period. The decrease in revenue in the United States was driven by COVID-19 related lockdown restrictions and shelter-in-place orders imposed by federal, state and local governments. The decrease in revenue in international markets is largely due to disruptions in supply chain caused by restrictions imposed by the Chinese government due to the COVID-19 pandemic in January and February of 2020 followed by lockdown restrictions and shelter-in-place orders imposed subsequently by federal, state and local governments in other countries and markets in which we operate.

Net loss attributable to Venus Concept Inc. stockholders for the first six months of 2020 was \$63.3 million, or \$2.01 per share, compared to net loss attributable to Venus Concept Inc. stockholders of \$11.2 million, or \$2.34 per share, for the first six months of 2019. Weighted average shares used to compute net loss attributable to Venus Concept Inc. stockholders per share were 31.6 million and 4.8 million for the first six months of 2020 and 2019, respectively.

Adjusted EBITDA loss for the first six months of 2020 was \$16.4 million, compared to adjusted EBITDA loss of \$1.0 million for the first six months of 2019.

Fiscal Year 2020 Revenue Guidance:

On March 30, 2020, due to the rapidly evolving market conditions and continued uncertainties from the impact of COVID-19, the Company withdrew its previously announced fiscal year 2020 revenue guidance which was issued on January 13, 2020. At this date the Company cannot predict the specific extent or duration of the impact of the COVID-19 outbreak on its financial and operating results for the fiscal year 2020. The Company plans to provide additional information, to the extent practicable, during its third quarter of 2020 earnings call in November.

Conference Call Details:

Management will host a conference call at 5:00 p.m. Eastern Time on August 13, 2020 to discuss the results of the second quarter with a question and answer session. Those who would like to participate may dial 877-407-2991 (201-389-0925 for international callers) and provide access code 13706095. A live webcast of the call will also be provided on the investor relations section of the Company's website at <u>ir.venusconcept.com</u>.

For those unable to participate, a replay of the call will be available for two weeks at 877-660-6853 (201-612-7415 for international callers); access code 13706095. The webcast will be archived at <u>ir.venusconcept.com</u>.

About Venus Concept

Venus Concept is an innovative global medical aesthetic technology leader with a broad product portfolio of minimally invasive and non-invasive medical aesthetic and hair restoration technologies and reach in over 60 countries and 26 direct markets. Venus Concept focuses its product sales strategy on a subscription-based business model in North America and in its well-established direct global markets. Venus Concept's product portfolio consists of aesthetic device platforms, including Venus Versa, Venus Legacy, Venus Velocity, Venus Fiore, Venus Viva, Venus Freeze Plus, Venus Heal, Venus Glow, Venus Bliss, Venus Epileve and Venus Viva MD. Venus Concept's hair restoration systems includes NeoGraft[®], an automated hair restoration system that facilitates the harvesting of follicles during a FUE process and the ARTAS[®] and ARTAS iX[®] Robotic Hair Restoration systems, which harvest follicular units directly from the scalp and create recipient implant sites using proprietary algorithms. Venus Concept has been backed by leading healthcare industry growth equity investors including EW Healthcare Partners (formerly Essex Woodlands), HealthQuest Capital, Longitude Capital Management, and Aperture Venture Partners.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains contains "forward-looking" statements within the meaning of Section 27A of the Securities Act of 1933, as amended (the "1933 Act") and Section 21E of the Securities Exchange Act of 1934, as amended (the "1934 Act"). Any statements contained herein that are not of historical facts may be deemed to be forward-looking statements. In some cases, you can identify these statements by words such as such as "anticipates," "believes," "plans," "expects," "projects," "future," "intends," "may," "should," "could," "estimates," "predicts," "potential," "continue," "quidance," and other similar expressions that are predictions of or indicate future events and future trends. These forward-looking statements include, but are not limited to, statements about the expected synergies and cost savings from our merger with Venus Concept Ltd.; our financial performance; the growth in demand for our systems and other products; and general economic conditions, including the global economic impact of COVID-19, involve risks and uncertainties that may cause results to differ materially from those set forth in the statements. These forwardlooking statements are based on current expectations, estimates, forecasts, and projections about our business and the industry in which we operate and management's beliefs and assumptions and are not guarantees of future performance or developments and involve known and unknown risks, uncertainties, and other factors that are in some cases beyond our control. As a result, any or all of our forward-looking statements in this communication may turn out to be inaccurate. Factors that could materially affect our business operations and financial performance and condition include, but are not limited to, those risks and uncertainties described under Part I Item 1A-"Risk Factors" in our most recent Annual Report on Form 10-K, Part II Item 1A-""Risk Factors" in our Form 10-Q for the quarter ended June 30,, 2020, and in other documents we may file with the SEC. You are urged to consider these factors carefully in evaluating the forward-looking statements and are cautioned not to place undue reliance on the forward-looking statements. The forward-looking statements are based on information available to us as of the date of this communication. Unless required by law, we do not intend to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise.



Investor Relations Contact:

Westwicke Partners on behalf of Venus Concept:

Mike Piccinino, CFA

VenusConcept IR @westwicke.com

Venus Concept Inc.

Condensed Consolidated Balance Sheets

(In thousands of U.S. dollars, except share and per share data)

Accounts receivable, net of allowance of \$14,277 and \$10,494 as of June 30, 2020, and December 31, 2019 57,539 58,93 Deferred expenses 10 57 58,93 Deferred expenses 2,422 2,55 Advances to suppliers 2,769 44 Other current assets 42,17 3,10 Total current assets 42,17 3,10 Dong-term receivables 24,343 35,66 Severance pay funds 638 7 Property and equipment, net 3,397 4,56 Intrangible assets 20,600 22,33 Total long-term exists 50,819 9,14,2 Total long-term assets 50,819 9,14,2 Total long-term assets 50,819 9,12 Total long-term assets 50,819 9,12 Line of credit \$ 3,861 \$ 7,77 Tade payables 9,139 9,47 Tade payables 9,139 9,47 Total current liabilities 5,3961 \$ 7,77 Tade payable 2,579 2,11 <t< th=""><th></th><th>June 30, 2020</th><th>December 31, 2019</th></t<>		June 30, 2020	December 31, 2019
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Severance pay funds 638 71 Property and equipment, net 3,971 4,66 Intangible assets 20,602 22,33 Goodwill — 27,43 Total long-term assets 50,819 91,42 TOTAL ASSETS 5150,922 \$ 191,12 LIABILITIES AND STOCKHOLDERS' EQUITY 2 11,12 CURRENT LIABILITIES: \$ 3,861 \$ 7,77 Trade payables 9,139 9,44 Accrued expenses and other current liabilities 15,967 21,17 Unearned interest income 2,937 3.94 Warranty accrual 1,016 1,22 Deferred revenues 1,915 2,44 Total current liabilities 3,758 48,17 LONG-TERM LIABILITIES: 40,110 - Long-term debt 65,364 61,22 Government assistance loans 4,110 - Accrued severance pay 688 82 Deferred tax liabilities 3,030 66,27 Total long-term liabilities 7,030 </td <td></td> <td></td> <td></td>			
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Intangible assets 20,602 22,33 Good will — 27,43 Total long-term assets 50,819 91,43 TOTAL ASSETS \$ 150,922 \$ 191,12 LIABLITTIES AND STOCKHOLDERS' EQUITY * * CURRENT LIABLITTIES: \$ 3,861 \$ 7,76 Tade payables 9,139 9,44 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,22 Deferred revenues 1,915 2,46 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES:			710
Goodwill — 27,45 Total long-term assets 50,819 91,42 STOTAL ASSETS \$150,922 \$191,12 LIABILITIES AND STOCKHOLDERS' EQUITY 1 CURRENT LIABILITIES: 9,139 9,44 Accrued expenses and other current liabilities 9,139 9,44 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,22 Deferred revenues 1,150 1,225 Coord current liabilities 37,558 48,17 LONG-TERM LIABLITIES:			
Total long-term assets 50,819 91,42 TOTAL ASSETS \$ 150,922 \$ 191,12 LIABILITIES AND STOCKHOLDERS' EQUITY \$ 3,861 \$ 7,75 CURRENT LIABILITIES: \$ 3,861 \$ 7,76 Trade payables 9,139 9,40 Accrued expenses and other current liabilities 15,967 21,11 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,99 Warranty accrual 1,160 1,25 Deferred revenues 1,915 2,46 Total current liabilities 37,558 48,15 LONG-TERM LIABILITIES: 200 41,10 - Covernment assistance loans 4,110 - - Accrued severance pay 858 862 20 Deferred tax liabilities 423 1,00 - Unearned interest income 1,246 1,66 423 1,00 Unearned interest income 5,303 72 70 114,46 1,66 Warranty accrual 100,528 <td></td> <td>20,602</td> <td></td>		20,602	
TOTAL ASSETS \$ 150,922 \$ 191,12 LIABLITTES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES: Line of credit \$ 3,861 \$ 7,76 Trade payables 9,139 9,44 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 1,915 2,44 Total current liabilities 37,558 48,17 LONG-TERM LIABLITTES:			27,450
LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES: Line of credit \$ 3,861 \$ 7,76 Trade payables 9,139 9,44 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 1,915 2,46 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES: Long-term debt 65,364 61,22 Government assistance loans 4,110 Accrued severance pay 8 88 82 Deferred tax liabilities 4,110 Accrued severance pay 8 88 82 Deferred tax liabilities 4,110 Accrued severance pay 8 85 8 Deferred tax liabilities 4,110 Accrued severance pay 8 8 Deferred tax liabilities 4,110 Accrued severance pay 8 8 Deferred tax liabilities 4,110 Accrued severance pay 8 8 Deferred tax liabilities 4,110 Accrued severance pay 8 Commitments and Contingencies (Note 8) STOCKHOLDERS' EQUITY (Note 1): Common Stock, \$0,0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; TOTAL STOCKHOLDERS' EQUITY (Note 1): Common Stock, SO,0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and	Total long-term assets	50,819	91,424
CURRENT LIABILITIES: \$ 3,861 \$ 7,76 Line of credit \$ 3,861 \$ 7,76 Trade payables 9,139 9,44 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearmed interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 1,915 2,48 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES:	TOTAL ASSETS	\$ 150,922	\$ 191,127
Trade payables 9,139 9,40 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,171 Tuxes payable 2,579 2,171 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 1,915 2,44 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES: 4,110 - Covernment assistance loans 4,110 - Accrued severance pay 858 82 Deferred tax liabilities 423 1,00 Unearned interest income 1,246 1,66 Warranty accrual 499 77 Total long-term liabilities 73,030 66,27 Total long-term liabilities 73,030 66,27 TOTAL LIABILITIES 110,588 114,44 Commitments and Contingencies (Note 8) 730,00 66,27 STOCKHOLDERS' EQUITY (Note 1): 73,030 66,27 Communent sapid (Note 2) 110,588 114,44 Common Stock, \$0,0001 pa	LIABILITIES AND STOCKHOLDERS' EQUITY CURRENT LIABILITIES:		
Trade payables 9,139 9,40 Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 1,915 2,44 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES: 4,110 - Long-term debt 65,364 61,22 Government assistance loans 4,110 - Accrued severance pay 858 82 Deferred tax liabilities 423 1,00 Unearned interest income 1,246 1,66 Warranty accrual 499 77 Total long-term liabilities 730,30 66,27 Total long-term liabilities 730,30 66,27 TOTAL LIABILITIES 110,588 114,44 Commitments and Contingencies (Note 8) 730,30 66,27 STOCKHOLDERS' EQUITY (Note 1): 730,30 66,27 Communent soutie, 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 79,830,122 and 28,666	Line of credit	\$ 3,861	\$ 7,789
Accrued expenses and other current liabilities 15,967 21,12 Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,22 Deferred revenues 1,915 2,46 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES: 37,558 48,17 Covernment assistance loans 4,110 - Accrued severance pay 65,364 61,22 Government iabilities 423 10,01 Unearned interest income 4,243 10,01 Unearned interest income 1,246 1,66 Waranty accrual 499 77 Other long-term liabilities 530 757 Total long-term liabilities 530 757 Total LABILITIES 110,588 114,44 Commitments and Contingencies (Note 8) 570 73,030 66,22 STOCKHOLDERS' EQUITY (Note 1): 758 21,246 149,84 Common Stock, \$0,0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830, 124,44 74,622 <td< td=""><td>Trade payables</td><td></td><td>9,401</td></td<>	Trade payables		9,401
Taxes payable 2,579 2,17 Unearned interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 37,558 48,17 LONG-TERM LIABILITIES: 37,558 48,17 Conderer devenues 65,364 61,22 Government assistance loans 4,110 - Accrued severance pay 858 82 Deferred tax liabilities 423 1,01 Unearned interest income 1,246 1,66 Warranty accrual 499 72 Other long-term liabilities 530 77 Total long-term liabilities 73,030 66,27 TOTAL LIABILITIES 110,588 114,42 Commitments and Contingencies (Note 8) 73,030 66,27 STOCKHOLDERS' EQUITY (Note 1): 73,030 66,27 Commutest and Contingencies (Note 8) 114,42 149,84 Accumulated deficit			21,120
Uneamed interest income 2,937 3,94 Warranty accrual 1,160 1,25 Deferred revenues 1,151 2,45 Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES: 65,364 61,22 Government assistance loans 4,110 - Accrued severance pay 858 68 Deferred tax liabilities 423 1,01 Uneamed interest income 1,246 1,66 Warranty accrual 499 72 Other long-term liabilities 530 77 Total long-term liabilities 530 66,27 TOTAL LIABILITIES 110,588 114,44 Commitments and Contingencies (Note 8) 114,44 110,588 STOCKHOLDERS' EQUITY (Note 1): 73,030 66,27 Commont Stock, \$0,0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,666,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,666,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 25 22 Additional paid-in capital (Note 2)			2,172
Deferred revenues 1,915 2,443 Total current liabilities 37,558 48,17 LONG-TERM LIABILITTES:			3,942
Deferred revenues 1,915 2,443 Total current liabilities 37,558 48,17 LONG-TERM LIABILITTES:	Warranty accrual		1,254
Total current liabilities 37,558 48,17 LONG-TERM LIABILITIES:	Deferred revenues	1,915	2,495
LONG-TERM LIABILITIES: 65,364 61,22 Long-term debt 65,364 61,22 Government assistance loans 4,110	Total current liabilities	37,558	48,173
Long-term debt 65,364 61,22 Government assistance loans 4,110 Accrued severance pay 858 82 Deferred tax liabilities 423 1,01 Unearned interest income 1,246 1,66 Warranty accrual 499 72 Other long-term liabilities 530 75 Total long-term liabilities 530 66,27 TOTAL LIABILITIES 110,588 114,44 Commitments and Contingencies (Note 8) 110,588 114,44 Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 174,622 149,84 Accumulated deficit (135,464) (75,667 75,667 TOTAL STOCKHOLDERS' EQUITY 39,183 74,17 Non-controlling interests 1,151 2,500 <		57,555	10,170
Government assistance loans 4,110		65.364	61.229
Accrued severance pay 858 82 Deferred tax liabilities 423 1,01 Unearned interest income 1,246 1,66 Warranty accrual 499 72 Other long-term liabilities 530 79 Total long-term liabilities 530 66,27 TOTAL LIABILITIES 110,588 114,44 Commitments and Contingencies (Note 8) 110,588 114,44 STOCKHOLDERS' EQUITY (Note 1): 530 75 Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 25 22 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 174,622 149,84 Accumulated deficit (135,464) (75,66 76,67 TOTAL STOCKHOLDERS' EQUITY 39,183 74,17 Non-controlling interests 1,151 2,50 40,334 76,67			
Deferred tax liabilities4231,01Unearned interest income1,2461,66Warranty accrual49972Other long-term liabilities53079Total long-term liabilities73,03066,27TOTAL LIABILITIES110,588114,44Commitments and Contingencies (Note 8)110,588114,44Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively2522Additional paid-in capital (Note 2)174,622149,84(75,66Accumulated deficit(135,464)(75,66(75,66TOTAL STOCKHOLDERS' EQUITY39,18374,1774,151Non-controlling interests1,1512,5040,33476,67			827
Unearned interest income 1,246 1,66 Warranty accrual 499 72 Other long-term liabilities 530 79 Total long-term liabilities 73,030 66,27 TOTAL LIABILITIES 73,030 66,27 Commitments and Contingencies (Note 8) 110,588 114,44 Common Stock, \$0,0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 25 2 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 25 2 Accumulated deficit (135,464) (75,66 TOTAL STOCKHOLDERS' EQUITY 39,183 74,17 Non-controlling interests 1,151 2,50 40,334 76,67	Deferred tax liabilities		1,017
Warranty accrual49972Other long-term liabilities53079Total long-term liabilities73,03066,27TOTAL LIABILITIES110,588114,44Commitments and Contingencies (Note 8)110,588114,44STOCKHOLDERS' EQUITY (Note 1):11Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019; 174,6222522Additional paid-in capital (Note 2)174,622149,84Accumulated deficit(135,464)(75,662TOTAL STOCKHOLDERS' EQUITY39,18374,17Non-controlling interests1,1512,50240,33476,672	Unearned interest income	1.246	1,681
Other long-term liabilities53079Total long-term liabilities73,03066,27TOTAL LIABILITIES110,588114,44Commitments and Contingencies (Note 8)51STOCKHOLDERS' EQUITY (Note 1):52Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively252Additional paid-in capital (Note 2)174,622149,84Accumulated deficit(135,464)(75,68TOTAL STOCKHOLDERS' EQUITY39,18374,17Non-controlling interests1,1512,5040,33476,67	Warranty accrual	,	723
Total long-term liabilities73,03066,27TOTAL LIABILITIES110,588114,44Commitments and Contingencies (Note 8)STOCKHOLDERS' EQUITY (Note 1):100,588Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively2522Additional paid-in capital (Note 2)174,622149,84Accumulated deficit(135,464)(75,68TOTAL STOCKHOLDERS' EQUITY39,18374,17Non-controlling interests1,1512,5040,33476,67		530	799
TOTAL LIABILITIES110,588114,44Commitments and Contingencies (Note 8)STOCKHOLDERS' EQUITY (Note 1):Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively2522Additional paid-in capital (Note 2)174,622149,84Accumulated deficit(135,464)(75,68TOTAL STOCKHOLDERS' EQUITY39,18374,17Non-controlling interests1,1512,5040,33476,67	5		66,276
Commitments and Contingencies (Note 8)STOCKHOLDERS' EQUITY (Note 1): Common Stock, \$0.0001 par value: 300,000,000 shares authorized as of June 30, 2020 and December 31, 2019; 39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively2522Additional paid-in capital (Note 2)174,622149,84Accumulated deficit(135,464)(75,68TOTAL STOCKHOLDERS' EQUITY39,18374,17Non-controlling interests1,1512,5040,33476,67			
STOCKHOLDERS' EQUITY (Note 1):		110,500	
39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively 25 2 Additional paid-in capital (Note 2) 174,622 149,84 Accumulated deficit (135,464) (75,68 TOTAL STOCKHOLDERS' EQUITY 39,183 74,17 Non-controlling interests 1,151 2,50 40,334 76,67	STOCKHOLDERS' EQUITY (Note 1):		
Accumulated deficit (135,464) (75,68 TOTAL STOCKHOLDERS' EQUITY 39,183 74,17 Non-controlling interests 1,151 2,50 40,334 76,67	39,830,122 and 28,686,116 issued and outstanding as of June 30, 2020 and December 31, 2019, respectively		24
TOTAL STOCKHOLDERS' EQUITY 39,183 74,17 Non-controlling interests 1,151 2,50 40,334 76,67			
Non-controlling interests 1,151 2,50 40,334 76,67			
40,334 76,67			74,178
	Non-controlling interests	1,151	2,500
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY \$ 150,922 \$ 191,12		40,334	76,678
	TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ 150,922	\$ 191,127

Venus Concept Inc. Condensed Consolidated Statements of Operations (In thousands of U.S. dollars, except per share data)

Revenue2020201920202019Leases\$ 7,65\$ 16,643\$ 14,278\$ 32,385Products and services9,5111,17517,22620,013Leases9,5111,17517,22620,013Leases1,5413,2832,9936,762Products and services3,5584,4617,3347,497Leases1,5413,2832,9936,762Products and services3,5584,4617,3347,497Selling and marketing3,5584,4617,3347,497Goerariang expenses:11,87720,07421,17738,139Operating expenses:11,87511,85329,51510,782General and administrative14,97511,85329,51520,192Research and development1,5701,9204,1943,981Goodvill impairment $ -$ 27,450 $-$ Total operations(9,193)(3,494)(5,2774)(5,816)Other expenses: $-$ 21,5244,30513,355Foreign exchange loss (income)(1,166)(684)3,11313Finance expenses(2,371)(6,0,512)(9,636)(1,633)(1,44)947Net loss(9,765)(5,478)(60,468)(10,538)(10,538)(10,538)(11,183)(Loss introuce tartibutable to non-controlling interest(177)432(60,946)(10,533)Deemed dividend (Note 13)(3,544) $-$ <			Three M Ended J	une 30	Six M Ended J	June 30
Leases \$ 7,465 \$16,643 \$ 14,278 \$ 32,385 Products and services 9,531 11,175 17,226 20,013 Leases 1,6196 27,818 31,504 52,398 Cost of goods sold	Devenue		2020	2019	2020	2019
Products and services 9,31 11,175 17,226 20,013 16,996 27,818 31,504 52,388 Cost of goods sold 1 1,541 3,283 2,993 6,762 Products and services 3,558 4,461 7,334 7,497 5,099 7,744 10,327 14,259 Gross profit 11,897 20,074 21,177 38,139 Operating expenses: 5 0,250 13,156 19,782 General and administrative 14,897 11,853 29,151 20,192 Research and development 1,570 1,920 4,194 3,981 Goodwill impairment - - - 27,450 - Total operating expenses 21,090 24,023 73,951 43,955 Loss from operations (9,193) (3,249) (52,774) (5,815) Other expenses 2,371 2,152 4,625 3,807 Loss before income taxes (10,398) (5,417) (60,512) (6,636) Income tax(benefit) expense (633) 61 <		¢	7 465	\$16.643	\$ 14 278	\$ 32 385
Cost of gods sold16,996 $\overline{27,818}$ $\overline{31,504}$ $\overline{52,398}$ Cost of gods sold1,5413.2832.9936.762Products and services3,5584,461 $7,334$ $7,497$ 5,099 $7,744$ 10,32714,259Gross profit11,89720,07421,17738,139Operating expenses: $14,975$ 11,85329,15120,192Research and development1,5701,9204,1943,951Coodwill impairment $ -$ 27,450 $-$ Total operating expenses:21,09024,02373,95143,955Loss from operations(9,193)(3,949)(52,774)(5,816)Other expenses:(1,166)(684)3,11313Finance expenses2,3712,1524,6253,807Loss before income taxes(10,398)(5,417)(60,512)(9,636)Income tax (benefit) expense(633)61(44)947Net loss(9,755)(5,478)(60,468)(10,583)Deemed dividend (Note 13)(3,564)-(3,564)-Loss attributable to stockholders of the Company(13,152)(5,910)(63,342)(11,183)(Loss) income attributable to non-controlling interest(177)432(690)600Net loss per share:E33,3154,77631,5644,776Basic\$ (0,29)\$ (1,24)\$ (2,01)\$ (2,34)Weighted-average number of shares used in per share calcu		Ψ	,		. ,	
Cost of goods sold 1,541 3,283 2,993 6,762 Products and services 3,558 4,461 7,334 7,497 5,099 7,744 10,327 14,259 Gross profit 11,897 20,074 21,177 38,139 Operating expenses:						
Leases 1,541 3,283 2,993 6,762 Products and services 3,558 4,461 7,334 7,497 5,099 7,744 10,327 14,259 Gross profit 11,897 20,074 21,177 38,139 Operating expenses:	Cost of goods sold		10,550	27,010	51,504	52,550
Products and services 3,558 4,461 7,334 7,497 5,099 7,744 10,327 14,259 Gross profit 11,897 20,074 21,177 38,139 Operating expenses: 5 11,897 20,074 21,177 38,139 General and administrative 4,545 10,250 13,156 19,782 General and administrative 14,975 11,853 29,151 20,192 Research and development 1,570 1,920 4,194 3,981 Goodwill impairment — — 27,450 — Total operating expenses 21,090 24,023 73,951 43,955 Loss from operations (9,193) (3,349) (52,774) (5,816) Other expenses: — — — — Foreign exchange loss (income) (11,166) (684) 3,113 13 Finance expenses 2,371 2,152 4,625 3,807 Loss before income taxes (10,398) (5,417) <	-		1,541	3,283	2,993	6,762
Gross profit11,89720,07421,17738,139Operating expenses: $ -$	Products and services					7,497
Gross profit11,89720,07421,17738,139Operating expenses: $ -$			5,099	7,744	10,327	14,259
Operating expenses:	Gross profit		11,897		21,177	38,139
Selling and marketing $4,545$ $10,250$ $13,156$ $19,782$ General and administrative $14,975$ $11,853$ $29,151$ $20,192$ Research and development $1,570$ $1,920$ $4,194$ $3,981$ Goodwill impairment $ 27,450$ $-$ Total operating expenses $21,090$ $24,023$ $73,951$ $43,955$ Loss from operations $(9,193)$ $(3,949)$ $(52,774)$ $(5,816)$ Other expenses: $ -$ Foreign exchange loss (income) $(1,166)$ (684) $3,113$ 13 Finance expenses $2,371$ $2,152$ $4,625$ $3,807$ Loss before income taxes $(10,398)$ $(5,417)$ $(60,512)$ $(9,636)$ Income tax (benefit) expense (633) 61 (44) 947 Net loss $(9,765)$ $(5,478)$ $(60,468)$ $(10,583)$ Deemed dividend (Note 13) $(3,564)$ $ (3,564)$ $-$ Loss intributable to stockholders of the Company $(13,152)$ $(5,910)$ $(63,342)$ $(11,183)$ (Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share: $8aic$ $$(0,39)$ $$(1,24)$ $$(2,01)$ $$(2,34)$ Diluted $$(0,39)$ $$(1,24)$ $$(2,01)$ $$(2,34)$ Weighted-average number of shares used in per share calculation: $33,315$ $4,776$ $31,564$ $4,776$	-					
Research and development1,5701,9204,1943,981Goodwill impairment $ -$ 27,450 $-$ Total operating expenses21,09024,02373,95143,955Loss from operations(9,193)(3,949)(52,774)(5,816)Other expenses: $ -$ Foreign exchange loss (income)(1,166)(684) $3,113$ 13Finance expenses $2,371$ $2,152$ $4,625$ $3,807$ Loss before income taxes(10,398)(5,417)(60,512)(9,636)Income tax (benefit) expense(633)61(44)947Net loss(9,765)(5,478)(60,468)(10,583)Deemed dividend (Note 13)(3,564)(3,564)Loss income attributable to non-controlling interest(1177)432(690)600Net loss per share:Basic§ (0.39)§ (1.24)§ (2.01)§ (2.34)Weighted-average number of shares used in per share calculation:33,3154,77631,5644,776			4,545	10,250	13,156	19,782
Goodwill impairment — — 27,450 — Total operating expenses 21,090 24,023 73,951 43,955 Loss from operations (9,193) (3,949) (52,774) (5,816) Other expenses:	General and administrative		14,975	11,853	29,151	20,192
Total operating expenses $21,090$ $24,023$ $73,951$ $43,955$ Loss from operations(9,193)(3,949)(52,774)(5,816)Other expenses: Foreign exchange loss (income)(1,166)(684)3,11313Finance expenses2,3712,1524,6253,807Loss before income taxes(10,398)(5,417)(60,512)(9,636)Income tax (benefit) expense(633)61(44)947Net loss(9,765)(5,478)(60,468)(10,583)Deemed dividend (Note 13)(3,564)—(3,564)—Loss attributable to stockholders of the Company(13,152)(5,910)(63,342)(11,183)(Loss) income attributable to non-controlling interest(177)432(690)600Net loss per share: Basic\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Weighted-average number of shares used in per share calculation: Basic33,3154,77631,5644,776	1		1,570	1,920		3,981
Loss from operations $(9,193)$ $(3,949)$ $(52,774)$ $(5,816)$ Other expenses:(1,166)(684)3,11313Finance expenses2,3712,1524,6253,807Loss before income taxes(10,398)(5,417)(60,512)(9,636)Income tax (benefit) expense(633)61(44)947Net loss(9,765)(5,478)(60,468)(10,583)Deemed dividend (Note 13)(3,564)—(3,564)—Loss attributable to stockholders of the Company(13,152)(5,910)(63,342)(11,183)(Loss) income attributable to non-controlling interest(177)432(690)600Net loss per share:Basic\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Diluted\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Weighted-average number of shares used in per share calculation:33,3154,77631,5644,776	Goodwill impairment				27,450	
Other expenses: Image: space sp	Total operating expenses		21,090	24,023	73,951	43,955
Foreign exchange loss (income) $(1,166)$ (684) $3,113$ 13 Finance expenses $2,371$ $2,152$ $4,625$ $3,807$ Loss before income taxes $(10,398)$ $(5,417)$ $(60,512)$ $(9,636)$ Income tax (benefit) expense (633) 61 (44) 947 Net loss $(9,765)$ $(5,478)$ $(60,468)$ $(10,583)$ Deemed dividend (Note 13) $(3,564)$ $$ $(3,564)$ $$ Loss attributable to stockholders of the Company $(13,152)$ $(5,910)$ $(63,342)$ $(11,183)$ (Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share:Basic $$(0.39)$ $$(1.24)$ $$(2.01)$ $$(2.34)$ Weighted-average number of shares used in per share calculation: $33,315$ $4,776$ $31,564$ $4,776$	Loss from operations		(9,193)	(3,949)	(52,774)	(5,816)
Finance expenses 2,371 2,152 4,625 3,807 Loss before income taxes (10,398) (5,417) (60,512) (9,636) Income tax (benefit) expense (633) 61 (44) 947 Net loss (9,765) (5,478) (60,468) (10,583) Deemed dividend (Note 13) (3,564) (3,564) Loss attributable to stockholders of the Company (13,152) (5,910) (63,342) (11,183) (Loss) income attributable to non-controlling interest (177) 432 (600) 600 Net loss per share: Basic \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Diluted \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Weighted-average number of shares used in per share calculation:						
Loss before income taxes(10,398) $(5,417)$ $(60,512)$ $(9,636)$ Income tax (benefit) expense(633)61(44)947Net loss(9,765) $(5,478)$ $(60,468)$ $(10,583)$ Deemed dividend (Note 13)(3,564) $(3,564)$ Loss attributable to stockholders of the Company $(13,152)$ $(5,910)$ $(63,342)$ $(11,183)$ (Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share:Basic (0.39) § (1.24) § (2.01) § (2.34) Diluted§ (0.39) § (1.24) § (2.01) § (2.34) Weighted-average number of shares used in per share calculation: $33,315$ $4,776$ $31,564$ $4,776$	Foreign exchange loss (income)		(1,166)	(684)	3,113	13
Income tax (benefit) expense(6)3361(44)947Net loss(9,765)(5,478)(60,468)(10,583)Deemed dividend (Note 13)(3,564)-(3,564)-Loss attributable to stockholders of the Company(13,152)(5,910)(63,342)(11,183)(Loss) income attributable to non-controlling interest(177)432(690)600Net loss per share:8asic(0.39)\$ (1.24)\$ (2.01)\$ (2.34)Diluted\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Weighted-average number of shares used in per share calculation:33,3154,77631,5644,776	Finance expenses		2,371	2,152	4,625	3,807
Net loss $(9,765)$ $(5,478)$ $(60,468)$ $(10,583)$ Deemed dividend (Note 13) $(3,564)$ - $(3,564)$ -Loss attributable to stockholders of the Company $(13,152)$ $(5,910)$ $(63,342)$ $(11,183)$ (Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share:Basic (124) $\$$ (2.01) $\$$ (2.34) Diluted $\$$ (0.39) $\$$ (1.24) $\$$ (2.01) $\$$ (2.34) Basic $33,315$ $4,776$ $31,564$ $4,776$	Loss before income taxes	((10,398)	(5,417)	(60,512)	(9,636)
Deemed dividend (Note 13) (3,564) (3,564) Loss attributable to stockholders of the Company (13,152) (5,910) (63,342) (11,183) (Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share:	Income tax (benefit) expense		(633)	61	(44)	947
Loss attributable to stockholders of the Company $(13,152)$ $(5,910)$ $(63,342)$ $(11,183)$ (Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share:Basic\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Diluted\$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Weighted-average number of shares used in per share calculation: $33,315$ $4,776$ $31,564$ $4,776$	Net loss		(9,765)	(5,478)	(60,468)	(10,583)
(Loss) income attributable to non-controlling interest (177) 432 (690) 600 Net loss per share: Basic\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Diluted\$ (0.39)\$ (1.24)\$ (2.01)\$ (2.34)Weighted-average number of shares used in per share calculation: Basic $33,315$ $4,776$ $31,564$ $4,776$	Deemed dividend (Note 13)		(3,564)		(3,564)	
Net loss per share: \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Diluted \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Weighted-average number of shares used in per share calculation: 33,315 4,776 31,564 4,776	Loss attributable to stockholders of the Company	((13,152)	(5,910)	(63,342)	(11,183)
Basic \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Diluted \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Weighted-average number of shares used in per share calculation: 33,315 4,776 31,564 4,776	(Loss) income attributable to non-controlling interest	_	(177)	432	(690)	600
Diluted \$ (0.39) \$ (1.24) \$ (2.01) \$ (2.34) Weighted-average number of shares used in per share calculation: 33,315 4,776 31,564 4,776	Net loss per share:					
Weighted-average number of shares used in per share calculation:Basic33,3154,77631,5644,776	-	\$	(0.39)	\$ (1.24)	\$ (2.01)	\$ (2.34)
Basic <u>33,315 4,776 31,564 4,776</u>	Diluted	\$	(0.39)	\$ (1.24)	\$ (2.01)	\$ (2.34)
	Weighted-average number of shares used in per share calculation:					
Diluted 33,315 4,776 31,564 4,776	Basic		33,315	4,776	31,564	4,776
	Diluted	_	33,315	4,776	31,564	4,776

Use of Non-GAAP Financial Measures

Adjusted EBITDA is a non-GAAP measure defined as net loss income before foreign exchange loss, financial expenses, income tax expense, depreciation and amortization, stock-based compensation and non-recurring items for a given period. Adjusted EBITDA is not a measure of our financial performance under U.S. GAAP and should not be considered an alternative to net income or any other performance measures derived in accordance with U.S. GAAP. Accordingly, you should consider Adjusted EBITDA along with other financial performance measures, including net income, and our financial results presented in accordance with U.S. GAAP. Other companies, including companies in our industry, may calculate Adjusted EBITDA differently or not at all, which reduces its usefulness as a comparative measure. We understand that although Adjusted EBITDA is frequently used by securities analysts, lenders and others in their evaluation of companies, Adjusted EBITDA has limitations as an analytical tool, and you should not consider it in isolation, or as a substitute for analysis of our results as reported under U.S. GAAP. Some of these limitations are: Adjusted EBITDA does not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments; Adjusted EBITDA does not reflect changes in, or cash requirements for, our working capital needs; and although depreciation and amortization are a non-cash charges, the assets being depreciated will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements.

We believe that Adjusted EBITDA is a useful measure for analyzing the performance of our core business because it facilitates operating performance comparisons from period to period and company to company by backing out potential differences caused by changes in foreign exchange rates that impact financial assets and liabilities denominated in currencies other than the U.S. dollar, tax positions (such as the impact on periods or companies of changes in effective tax rates), the age and book depreciation of fixed assets (affecting relative depreciation expense), amortization of intangible assets, stock-based compensation expense (because it is a non-cash expense) and non-recurring items as explained below.

The following reconciliation of net loss to Adjusted EBITDA for the periods presented:

		Three M Ended J			onths June 30
	20)20	2019	2020	2019
Reconciliation of net loss to adjusted EBITDA		(in thousands) (in t		(in thousands)	
Net loss	\$(9	,765)	\$(5,478)	\$(60,468)	\$(10,583)
Foreign exchange loss	(1	,166)	(684)	3,113	13
Finance expenses	2	,371	2,152	4,625	3,807
Income tax expense (benefit)		(633)	61	(44)	947
Depreciation and amortization	1	,269	410	2,514	735
Stock-based compensation expense		539	1,044	1,056	1,419
Goodwill impairment charge		_	_	27,450	_
Other adjustments (1)	4	,756	2,650	5,394	2,650
Adjusted EBITDA	\$(2	,629)	\$ 155	\$(16,360)	\$ (1,012)

(1) For the three and six months ended June 30, 2020, the other adjustments are mainly represented by severance and retention payments (\$0.8 million and \$1.5 million, respectively), additional bad debt provision due to COVID-19 (\$3.0 million and \$3.5 million, respectively) as well as a loss on sale of subsidiary in Bulgaria (\$0.4 million and \$0.4 million, respectively). For the three and six months ended June 30, 2019, the other adjustments are mainly represented by professional fees related to the Merger.