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

FORM 10-Q

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

For the Quarterly Period Ended March 31, 2020

OR

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

For the transition period from ____________ to ____________

Commission File Number: 001-37714

Sensus Healthcare, Inc.
(Exact name of registrant as specified in its charter)

Delaware	**27-1647271**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
851 Broken Sound Pkwy., NW #215, Boca Raton, Florida	**33487**
(Address of principal executive office)	Zip Code)

(561) 922-5808
(Registrant's telephone number, including area code)

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 $0.01 per share	SRTS	Nasdaq Stock Market, LLC
Warrants to Purchase Common Stock	SRTSW	Nasdaq Stock Market, LLC

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

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

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

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

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

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

As of April 30, 2020, 16,515,038 shares of the Registrant's Common Stock, $0.01 par value, were outstanding.

SENSUS HEALTHCARE, INC.
QUARTERLY REPORT ON FORM 10-Q
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INTRODUCTORY NOTE

Caution Concerning Forward-Looking Statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements about our beliefs, plans, objectives, goals, expectations, estimates and intentions, among other things. The words “may,” “could,” “should,” “would,” “will,” “believe,” “anticipate,” “estimate,” “expect,” “intend,” “plan,” “target,” “goal, and similar expressions are intended to identify forward-looking statements. All forward-looking statements are subject to significant risks and uncertainties and are subject to change based on various factors, many of which are beyond our control. Accordingly, our actual future results may differ materially from those set forth in our forward-looking statements.

Our ability to achieve our financial objectives could be adversely affected by the factors discussed in detail in Part I, Item 2. “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 1A. “Risk Factors” in this Quarterly Report on Form 10-Q and in our Annual Report on Form 10-K, as well as:

- the effects of widespread public health epidemics, including the novel coronavirus (“COVID-19”), that are beyond our control and any adverse impact in our business, results of operations and financial condition;
- our ability to achieve and sustain profitability;
- market acceptance of our products;
- our ability to successfully commercialize our products;
- our ability to compete effectively in selling our products and services, including responding to technological change and cost containment efforts of our customers;
- the regulatory requirements applicable to us and our competitors, including any adverse regulatory action taken against us;
- our need and ability to obtain additional financing in the future, as well as complying with the restrictions our existing revolving credit facility imposes;
- our ability to expand, manage and maintain our direct sales and marketing organizations;
- our actual financial results may vary significantly from forecasts and from period to period;
- our ability to successfully develop new products, improve or enhance existing products or acquire complementary products, technologies, services or businesses;
- our ability to obtain and maintain intellectual property of sufficient scope to adequately protect our products, including the SRT-100, and our ability to avoid infringing or otherwise violating the intellectual property rights of third parties;
- market risks regarding consolidation in the healthcare industry;
- the willingness of healthcare providers to purchase our products if coverage, reimbursement and pricing from third party payors for procedures using our products declines;
- the level of availability of government and third-party pay or reimbursement for clinical procedures using our products;
- our ability to effectively manage our anticipated growth, including hiring and retaining qualified personnel;
- our ability to manufacture our products to meet demand;
- our reliance on third party manufacturers and sole- or single-source suppliers;
- our ability to reduce the per unit manufacturing cost of our products;
- our ability to efficiently manage our manufacturing processes;
- regulatory, legal risks, and operating risks, that our international operations subject us to;
- off-label use of our products;
- information technology risks including risks from cyberattacks and other data breaches, and their adverse effect on our reputation;
- the fact that product quality issues or product defects may harm our business;
- the accuracy of our financial statements and accounting estimates, including allowances for accounts receivable and inventory obsolescence;
- any product liability claims;
- limited trading in our shares and the concentration of ownership of our shares;
- new legislation, administrative rules, or executive orders, including those that impact taxes and international trade regulation;
- the provisions in our certificate of incorporation, bylaws, or Delaware law that discourage takeovers or that limit certain disputes to be brought exclusively in the Delaware Court of Chancery;
- the concentration of sales to customers in the U.S. and China, including any adverse impact of political developments in China and the coronavirus epidemic; and
- our ability to manage the risk of the foregoing.

Factors in addition to those listed above or in *Item 1A Risk Factors* in our Annual Report on Form 10-K or discussed in this Form 10-Q also could adversely affect our results, and you should not consider any such list of factors to be a complete set of all potential risks or uncertainties. Any forward-looking statements made by us or on our behalf speak only as of the date they are made. We do not undertake to update any forward-looking statement, except as required by applicable law.

PART I. FINANCIAL INFORMATION

Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SENSUS HEALTHCARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

	As of March 31, 2020 (unaudited)	As of December 31, 2019
Assets		
Current Assets		
Cash and cash equivalents	$ 12,097,617	$ 8,100,288
Investment in debt securities	3,688,015	7,389,407
Accounts receivable, net	7,838,638	14,011,180
Inventories	3,959,670	2,997,120
Prepaid and other current assets	1,952,406	1,505,175
Total Current Assets	29,536,346	34,003,170
Property and Equipment, Net	1,088,470	1,082,428
Patent Rights, Net	313,254	337,351
Deposits	99,198	101,561
Operating Lease Right-of-Use Assets, Net	1,316,796	1,400,037
Total Assets	$ 32,354,064	$ 36,924,547
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable and accrued expenses	$ 3,919,742	$ 4,779,435
Deferred revenue, current portion	1,270,247	1,191,898
Operating lease liabilities, current portion	305,396	309,524
Product warranties	137,736	187,454
Total Current Liabilities	5,633,121	6,468,311
Operating Lease Liabilities	1,041,091	1,115,529
Deferred Revenue, Net of Current Portion	1,112,896	1,339,285
Total Liabilities	7,787,108	8,923,125
Commitments and Contingencies		
Stockholders' Equity		
Preferred stock, 5,000,000 shares authorized and none issued and outstanding	—	—
Common stock, $0.01 par value – 50,000,000 authorized; 16,570,478 issued and 16,515,038 outstanding at March 31, 2020; 16,540,478 issued and 16,485,780 outstanding at December 31, 2019	165,704	165,404
Additional paid-in capital	43,469,602	43,314,123
Treasury stock, 55,440 and 54,698 shares at cost, at March 31, 2020 and December 31, 2019, respectively	(255,709)	(252,570)
Accumulated deficit	(18,812,641)	(15,225,535)
Total Stockholders' Equity	24,566,956	28,001,422
Total Liabilities and Stockholders' Equity	$ 32,354,064	$ 36,924,547

See accompanying notes to the unaudited condensed consolidated financial statements.

SENSUS HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)

	For the Three Months Ended March 31, 2020	2019
Revenues	$ 1,679,445	$ 5,436,599
Cost of Sales	970,944	2,120,621
Gross Profit	708,501	3,315,978
Operating Expenses		
Selling and marketing	1,790,970	2,530,346
General and administrative	1,329,557	1,013,162
Research and development	1,225,182	1,965,507
Total Operating Expenses	4,345,709	5,509,015
Loss From Operations	(3,637,208)	(2,193,037)
Other Income (Expense)		
Interest income	50,102	72,019
Other Income (Expense), net	50,102	72,019
Net Loss	$ (3,587,106)	$ (2,121,018)
Net Loss per share – basic and diluted	$ (0.22)	$ (0.13)
Weighted average number of shares used in computing net loss per share – basic and diluted	16,407,102	16,119,726

See accompanying notes to the unaudited condensed consolidated financial statements.

SENSUS HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock Shares	Common Stock Amount	Additional Paid-In Capital	Treasury Stock Shares	Treasury Stock Amount	Accumulated Deficit	Total
December 31, 2018	**16,145,915**	**$ 161,459**	**$39,957,905**	**(33,454)**	**$ (133,816)**	**$(13,525,532)**	**$26,460,016**

Stock based compensation	—	—	154,535	—	—	—	154,535
Exercise of warrants	400,281	4,002	2,697,895	—	—	—	2,701,897
Net loss	—	—	—	—	—	(2,121,018)	(2,121,018)
March 31, 2019 (unaudited)	**16,546,196**	**165,461**	**$42,810,335**	**(33,454)**	**$ (133,816)**	**$(15,646,550)**	**$27,195,430**
December 31, 2019	**16,540,478**	**$ 165,404**	**$43,314,123**	**(54,698)**	**$ (252,570)**	**$(15,225,535)**	**$28,001,422**
Stock based compensation	30,000	300	155,479	—	—	—	155,779
Surrender of Shares for tax withholding on stock compensation	—	—	—	(742)	(3,139)	—	(3,139)
Net loss	—	—	—	—	—	(3,587,106)	(3,587,106)
March 31, 2020 (unaudited)	**16,570,478**	**$ 165,704**	**$43,469,602**	**(55,440)**	**$ (255,709)**	**$(18,812,641)**	**$24,566,956**

See accompanying notes to the unaudited condensed consolidated financial statements.

SENSUS HEALTHCARE, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)

	For the Three Months Ended March 31, 2020	2019
Cash Flows From Operating Activities		
Net loss	$ (3,587,106)	$ (2,121,018)
Adjustments to reconcile net loss to net cash and cash equivalents provided by (used in) operating activities:		
Depreciation and amortization	152,742	128,435
Provision for product warranties	23,373	59,638
Stock based compensation	155,779	154,535
Decrease (increase) in:		
Accounts receivable	6,172,542	(3,735,738)
Inventories	(962,550)	(26,299)
Prepaid and other current assets	(361,626)	(445,874)
Increase (decrease) in:		
Accounts payable and accrued expenses	(938,260)	(1,144,269)
Deferred revenue	(148,040)	71,402
Product warranties	(73,091)	(57,913)
Total Adjustments	4,020,869	(4,996,083)
Net Cash Provided By (Used In) Operating Activities	433,763	(7,117,101)
Cash Flows from Investing Activities		
Acquisition of property and equipment	(134,687)	(9,404)
Investment in debt securities - held to maturity	—	(3,007,764)
Investments matured	3,701,392	1,200,000
Net Cash Provided By (Used In) Investing Activities	3,566,705	(1,817,168)
Cash Flows from Financing Activities		
Withholding taxes on stock compensation	(3,139)	—
Exercise of warrants	—	2,701,897
Net Cash Provided By (Used In) Financing Activities	(3,139)	2,701,897
Net Increase (Decrease) in Cash and Cash Equivalents	3,997,329	(6,232,372)
Cash and Cash Equivalents – Beginning	8,100,288	12,484,256
Cash and Cash Equivalents – Ending	$ 12,097,617	$ 6,251,884
Supplemental Disclosure of Cash Flow Information		
Non-Cash Investing and Financing Activities		
Transfer of inventory to property and equipment	$ —	$ 103,697
Lease liabilities arising from obtaining right-of-use-assets	$ —	$ 805,000

See accompanying notes to the unaudited condensed consolidated financial statements.

SENSUS HEALTHCARE, INC.
NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

Note 1 — Organization and Summary of Significant Accounting Policies

Description of the Business

Sensus Healthcare, Inc. (the "Company") is a manufacturer of radiation therapy devices and has established a distribution and marketing network to sell the devices to healthcare providers globally. The Company was organized on May 7, 2010 as a limited liability corporation. On January 1, 2016, the Company completed a corporate conversion pursuant to which Sensus Healthcare, Inc. succeeded to the business of Sensus Healthcare, LLC. In February 2018, the Company formed a subsidiary in Israel. The Company operates as one segment from its corporate headquarters located in Boca Raton, Florida.

Basis of Presentation

The accompanying unaudited condensed financial statements in this Quarterly Report on Form 10-Q have been prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, and the rules and regulations of the U.S. Securities and Exchange Commission, or SEC. Accordingly, they do not include certain footnotes and financial presentations normally required under accounting principles generally accepted in the United States of America for complete financial statements. The interim financial information is unaudited, but reflects all normal adjustments and accruals which are, in the opinion of management, considered necessary to provide a fair presentation for the interim periods presented. The accompanying condensed consolidated financial statements should be read in conjunction with the Company's audited financial statements and notes thereto for the year ended December 31, 2019 included in the Company's Form 10-K, filed with the SEC. The results for the three months ended March 31, 2020 are not necessarily indicative of results to be expected for the year ending December 31, 2020, any other interim periods, or any future year or period.

Principles of consolidation

The accompanying condensed consolidated financial statements include the financial statements of the Company and its wholly owned subsidiary in Israel. All inter-company balances and transactions have been eliminated.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates to which it is reasonably possible that a change could occur in the near term include, inventory reserves, receivable allowances, recoverability of long-lived assets and the Company's product warranties. Actual results could differ from those estimates.

Revenue Recognition

On January 1, 2018, the Company adopted Accounting Standards Codification ("ASC") Topic 606, "Revenue from Contracts with Customers" using the modified retrospective method for all contracts as of the date of adoption. The adoption of this standard did not result in a significant change to the Company's historical revenue recognition policies and there were no necessary adjustments required to retained earnings upon adoption.

Under ASC 606, a performance obligation is a promise within a contract to transfer a distinct good or service, or a series of distinct goods and services, to a customer. Revenue is recognized when performance obligations are satisfied and the customer obtains control of promised goods or services, which is generally upon shipment of the goods and performance of the service. The amount of revenue recognized reflects the consideration to which the Company expects to be entitled to receive in exchange for goods or services. Under the standard, a contract's transaction price is allocated to each distinct performance obligation. To determine revenue recognition for arrangements that the Company determines are within the scope of ASC 606, the Company performs the following five steps: (i) identifies the contracts with a customer; (ii) identifies the performance obligations within the contract, including whether they are distinct and capable of being distinct in the context of the contract; (iii) determines the transaction price; (iv) allocates the transaction price to the performance obligations in the contract; and (v) recognizes revenue when, or as, the Company satisfies each performance obligation.

The Company's revenue consists of sales of the Company's devices and services related to maintaining and repairing the devices. The agreement for the sale of the devices and the service contract are usually signed at the same time and in some instances a service contract is signed on a stand-alone basis. Revenue for service contracts is recognized over the service contract period on a straight-line basis. The Company determined that in practice no significant discount is given on the service contract when it is offered with the device purchase as compared to when it is sold on a stand-alone basis. The service level provided is identical when the service contract is purchased stand-alone or together with the device. There is no termination provision in the service contract nor any penalties in practice for cancellation of the service contract. The service contract is not considered a performance obligation until it is paid, and it does not provide a material right for a significant discount when purchased with the device. The service portion of a sales contract or a stand-alone service contract is accounted for over the period of time of the service contract only when the customer exercises the option by paying for the service contract.

Disaggregated revenue for the three months ended March 31, 2020 and 2019 was as follows:

	For the Three Months Ended March 31,	
	2020	**2019**
Product Revenue	$ 1,076,002	$ 4,930,924
Service Revenue	603,443	505,675
Total Revenue	$ 1,679,445	$ 5,436,599

The Company operates in a highly regulated environment in which state regulatory approval is sometimes required prior to the customer being able to use the product, primarily in the U.S. dermatology market. In these cases, where regulatory approval is pending, revenue is deferred until such time as regulatory approval is obtained.

Deferred revenue as of March 31, 2020 was as follows:

	Service
Balance, beginning of period	$ 2,531,183
Revenue recognized	(459,861)
Amounts invoiced	311,821
Balance, end of period	$ 2,383,143

The Company does not disclose information about remaining performance obligations with respect to deposits for products that have original expected durations of one year or less. Estimated service revenue to be recognized in the future related to the performance obligations that are unsatisfied (or partially unsatisfied) as of March 31, 2020 was as follows:

Year	**Service Revenue**
2020 (April 1 – December 31, 2020)	$ 990,846
2021	943,562
2022	389,235
2023	39,667
2024	19,833
Total	$ 2,383,143

The Company provides warranties in conjunction with the sale of its products. These warranties entitle the customer to repair, replacement, or modification of the defective product subject to the terms of the respective warranty. The Company records an estimate of future warranty claims at the time the Company recognizes revenue from the sale of the product based upon management's estimate of the future claims rate.

Shipping and handling costs are expensed as incurred and are included in cost of sales.

Segment and Geographical Information

The Company's revenue is generated primarily from customers in the United States, which represented approximately 99% and 81% of total revenue for the three months ended March 31, 2020 and 2019, respectively. A single customer in the U.S. accounted for approximately 11% and 53% of revenues for the three months ended March 31, 2020 and 2019, respectively, and approximately 75% and 79% of the accounts receivable as of March 31, 2020 and December 31, 2019, respectively.

Cash and Cash Equivalents

The Company maintains its cash and cash equivalents with financial institutions which balances exceed the federally insured limits. Federally insured limits are $250,000 for deposits. As of March 31, 2020 and December 31, 2019, the Company had approximately $11,819,000 and $7,740,000, respectively in excess of federally insured limits.

For purposes of the statement of cash flows, the Company considers all highly liquid financial instruments with a maturity of three months or less when purchased to be a cash equivalent.

Investments

Short-term investments consist of investments which the Company expects to convert into cash within one year and long-term investments after one year. The Company classifies its investments in debt securities at the time of purchase as held-to-maturity and reevaluates such classification on a quarterly basis. Held-to-maturity investments consist of securities that the Company has the intent and ability to retain until maturity. These securities are carried at amortized cost plus accrued interest and consist of the following:

	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Fair Value
Short-Term:				
Corporate bonds	$ 6,690,678	$ 4,251	$ —	$ 6,694,929
United States Treasury bonds	698,729	1,302	—	700,031
Total Short Term:	7,389,407	5,553	—	7,394,960
Total Investments December 31, 2019	$ 7,389,407	$ 5,553	$ —	$ 7,394,960
Short-Term:				
Corporate bonds	$ 2,985,788	$ —	$ 4,809	$ 2,980,979
United States Treasury bonds	702,228	3,300	—	705,528
Total Short Term:	3,688,016	3,300	4,809	3,686,507
Total Investments March 31, 2020	$ 3,688,016	$ 3,300	$ 4,809	$ 3,686,507

Accounts Receivable

The Company does business and extends credit based on an evaluation of each customer's financial condition, generally without requiring collateral. Exposure to losses on receivables is expected to vary by customer due to the financial condition of each customer. The Company monitors exposure to credit losses and maintains allowances for anticipated losses considered necessary under the circumstances. The allowance for doubtful accounts was approximately $0 and $80,000 as of March 31, 2020 and December 31, 2019.

Inventories

Inventories consist of finished product and components and are stated at the lower of cost or net realizable value, determined using the first-in-first-out method.

Earnings Per Share

Basic net income (loss) per share is calculated by dividing the net income (loss) by the weighted-average number of common shares outstanding for the period. The diluted net income per share is computed by giving effect to all potential dilutive common share equivalents outstanding for the period, using the treasury stock method for options and warrants, as well as unvested restricted shares. In periods when the Company has incurred a net loss, options, warrants and unvested shares are considered common share equivalents but have been excluded from the calculation of diluted net loss per share as their effect is antidilutive. Shares were excluded as follows:

	For the Three Months Ended March 31,	
	2020	**2019**
Warrants	—	256,035
Stock options	—	64,463
Shares	36,048	70,951

Advertising Costs

Advertising and promotion expenses are charged to expense as incurred. Advertising and promotion expense included in selling expense in the accompanying statements of operations amounted to approximately $270,000 and $539,000 for the three months ended March 31, 2020 and 2019, respectively.

Leases

The Company evaluates arrangements at inception to determine if an arrangement is or contains a lease. Operating lease assets represent the Company's right to use an underlying asset for the lease term and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating lease assets and liabilities are recognized at the commencement date of the lease based upon the present value of lease payments over the lease term. When determining the lease term, the Company includes options to extend or terminate the lease when it is reasonably certain that the Company will exercise that option. The Company uses an incremental borrowing rate that the Company would expect to incur for a fully collateralized loan over a similar term under similar economic conditions to determine the present value of the lease payments.

The lease payments used to determine the Company's operating lease assets may include lease incentives and stated rent increases and are recognized in the Company's operating lease assets in the Company's condensed consolidated balance sheets. Operating lease assets are amortized to rent expense over the lease term and included in operating expenses in the condensed consolidated statements of operations.

NOTE 2 — PROPERTY AND EQUIPMENT

	As of March 31, 2020 (unaudited)	As of December 31, 2019	Estimated Useful Lives
Operations equipment	$ 1,411,666	$ 1,280,209	3 years
Tradeshow and demo equipment	914,415	914,891	3 years
Computer equipment	120,815	117,596	3 years
	2,446,896	2,312,696	
Less accumulated depreciation	(1,358,426)	(1,230,268)	
Property and Equipment, Net	$ 1,088,470	$ 1,082,428	

Depreciation expense was approximately $129,000 and $104,000, for the three months ended March 31, 2020 and 2019, respectively.

NOTE 3 — PATENT RIGHTS

	As of March 31, 2020 (unaudited)	As of December 31, 2019
Gross carrying amount	$ 1,253,018	$ 1,253,018
Less accumulated amortization	(939,764)	(915,667)
Patent Rights, Net	$ 313,254	$ 337,351

Amortization expense was approximately $24,000 for the three months ended March 31, 2020 and 2019. As of March 31, 2020, future remaining amortization expense is as follows:

Year	
2020 (April 1 – December 31, 2020)	$ 72,289
2021	96,386
2022	96,386
2023	48,193
Total	$ 313,254

NOTE 4 — REVOLVING CREDIT FACILITY

The Company has a revolving credit facility that, through April 2020, provided for maximum borrowings equal to the lesser of (a) the $5 million commitment amount or (b) a borrowing base equal to 80% of eligible accounts receivable plus a $2.5 million non-formula sublimit. In October 2019, the term of the facility was extended through January 29, 2020, in January 2020; the term was further extended through April 28, 2020, and in April 2020, the term was further extended to April 1, 2022 and the maximum borrowings were increased to the lesser of (a) the $10 million commitment amount or (b) the borrowing base plus a $3 million non-formula sublimit.

Interest on any borrowings, at Prime plus 0.75% (4.00% at March 31, 2020) and Prime plus 1.50% on non-formula borrowings (4.75% at March 31, 2020), is payable monthly, and the outstanding principal and interest are due on the maturity date. The facility is secured by all of the Company's assets and limits the amount of additional indebtedness; restricts the sale, disposition or transfer of assets of the Company and requires the maintenance of a monthly adjusted quick ratio restrictive covenant, as defined in the agreement. The Company was in compliance with its financial covenants as of March 31, 2020 and December 31, 2019. There were no borrowings outstanding under the revolving credit facility at March 31, 2020 and December 31, 2019. The Company pays commitment fees of 0.25% per annum on the average unused portion of the line of credit.

NOTE 5 — PRODUCT WARRANTIES

Changes in product warranty liability were as follows for the three months ended March 31, 2020:

Balance, beginning of period	$ 187,454
Warranties accrued during the period	23,373
Payments on warranty claims	(73,091)
Balance, end of period	$ 137,736

NOTE 6 — LEASES

OPERATING LEASE AGREEMENTS

In July 2016, the Company renewed its lease with an unrelated third party for its headquarters office. The renewal was effective September 1, 2016 and expanded the office space being occupied. The lease expires in September 2022 and lease payments increase by 3% annually. In February 2017 and January 2018, the Company signed amendments to expand further the leased office space. The Company's Israeli subsidiary entered into a two-year lease for office space starting in September 2018. The leases include an option to extend with prior notice and with terms to be negotiated. The Company currently does not have any lease with a term under 12 months.

On March 19, 2019, the Company's Israeli subsidiary signed a 10-year lease for a manufacturing facility, effective April 1, 2019, for approximately 5,800 square feet. The landlord has provided a four-month grace period rent free from April to July 2019, after which the 10 year lease will begin. The monthly rental payment starts at approximately $5,300 and will be subject to periodic escalations at amounts specified in the lease plus the consumer price index. In addition, the Company is responsible for maintenance fees covering its portion of the expenses of common areas. After 2, 4, 6 and 8 years, and with 180 days prior notice, the Company has the right to terminate the lease at its sole discretion without penalty.

The following table presents information about the amount, timing and uncertainty of cash flows arising from the Company's operating leases as of March 31, 2020.

Maturity of Operating Lease Liabilities	**Amount**
2020 (April 1 – December 31, 2020)	$ 267,409
2021	348,122
2022	284,578
2023	104,343
2024	105,843
Thereafter	494,731
Total undiscounted operating leases payments	$ 1,605,026
Less: Imputed interest	(258,539)
Present Value of Operating Lease Liabilities	$ 1,346,487

Other Information	
Weighted-average remaining lease term	6.3 years
Weighted-average discount rate	5.0%

An initial ROU asset of approximately $805,000 was recognized as a non-cash assets addition with the adoption of the new lease accounting standard. The ROU asset was reduced by approximately $83,000 and $330,000 for the three months ended March 31, 2020 and the year ended December 31, 2019, respectively. Cash paid for amounts included in the present value of operating lease liabilities was approximately $91,000 and $310,000 for the three months ended March 31, 2020 and the year ended December 31, 2019, respectively, is included in operating cash flows. Operating lease cost was approximately $96,000 and $65,000 for the three months ended March 31, 2020 and 2019, respectively.

Note 7 — Commitments and Contingencies

Manufacturing Agreement

In 2010, the Company entered into a three-year contract manufacturing agreement with an unrelated third party for the production and manufacture of the SRT-100 (and subsequently the SRT-100 Vision and the SRT-100 Plus), in accordance with the Company's product specifications. The agreement renews for successive one-year periods unless either party notifies the other party in writing, at least 60 days prior to the anniversary date of this agreement that it will not renew the agreement. The Company or the manufacturer has the option to terminate the agreement upon 90 days written notice.

Purchases from this manufacturer totaled approximately $1,578,000 and $1,911,000 for the three months ended March 31, 2020 and 2019, respectively. As of March 31, 2020, and December 31, 2019 approximately $927,000 and $1,104,000, respectively, was due to this manufacturer, which is presented in accounts payable and accrued expenses in the accompanying balance sheets.

Legal contingencies

The Company is party to certain legal proceedings in the ordinary course of business. The Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and related contingencies.

In 2015, the Company learned that the Department of Justice (the "Department") had commenced an investigation of the billing to Medicare by a physician who had treated patients with the Company's SRT-100. The Company has received two Civil Investigative Demands from the Department seeking documents and written responses in connection with that investigation. The Company has fully cooperated with the investigation. The Department has advised the Company that it was considering expanding the investigation to determine whether the Company had any involvement in the physician's use of certain reimbursement codes. The Company disputes that it has engaged in any wrongdoing with respect to such reimbursement claims; among other things, the Company does not submit claims for reimbursement or provide coding or billing advice to physicians. To the Company's knowledge, the Department has made no determination as to whether the Company engaged in any wrongdoing, or whether to pursue any legal action against the Company. Should the Department decide to pursue legal action, the Company believes it has strong and meritorious defenses and will vigorously defend itself. At this time, the Company is unable to estimate the cost associated with this matter.

Note 8 — Employee Benefit Plans

The Company sponsors a 401(k) defined contribution retirement plan that allows eligible employees to contribute a portion of their compensation through payroll deductions in accordance with specified plan guidelines. The Company makes contributions to the plans that include matching a percentage of the employees' contributions up to certain limits. Expenses related to this plan totaled approximately $31,000 and $28,000 for the three months ended March 31, 2020 and 2019, respectively.

Note 9 — Stockholders' Equity

The Company has authorized 50,000,000 shares of common stock, of which 16,570,478 were issued and 16,515,038 outstanding at March 31, 2020; 16,540,478 shares were issued and 16,485,780 were outstanding as of December 31, 2019.

Warrants

The following table summarizes the Company's warrant activity:

	Warrants		
	Number of	Weighted Average Exercise	Weighted Average Remaining Contractual Term

	Warrants	Price	(In Years)
Outstanding – December 31, 2019	2,032,187	$ 6.75	0.51
Granted	—	—	—
Exercised	—	—	—
Expired	—	—	—
Outstanding – March 31, 2020	2,032,187	$ 6.75	0.26
Exercisable – March 31, 2020	2,032,187	$ 6.75	0.26

The intrinsic value of the common stock warrants was approximately $0 as of March 31, 2020, and December 31, 2019, respectively.

2016 and 2017 Equity Incentive Plans

On January 25, 2018, 80,000 fully vested shares were granted to the nonemployee directors, and stock options covering 229,334 shares with a four-year vesting period were granted to certain employees. The shares were recorded at the fair value of $5.55 per share for a total of $444,000 and the stock options were valued using a Black Scholes model at $3.52 per option using the assumptions noted in the following table:

Expected volatility	67.8%
Risk-free interest rate	2.5%
Expected life	6.25 years
Dividend yield	0.0%

Expected Volatility. Expected volatility is a measure of the amount by which the Company's stock price is expected to fluctuate. Expected volatility is based on the historical daily volatility of the price of our common shares. The Company estimated the expected volatility of the stock options at grant date.

Risk-Free Interest Rate. The risk-free interest rate is based on the implied yield on U.S. Treasury zero-coupon issues with remaining terms equivalent to the expected term of our stock-based awards.

Expected Term or Life. The expected term or life of stock options granted represents the expected weighted average period of time from the date of grant to the estimated date that the stock option would be fully exercised. The weighted average expected option term was determined using the "simplified method" for plain vanilla options as allowed by the accounting guidance. The "simplified method" calculates the expected term as the average of the vesting term and original contractual term of the options.

The stock options had an intrinsic value of $0 as of March 31, 2020 and December 31, 2019, respectively.

The Company recognizes forfeitures as they occur rather than estimating a forfeiture rate. The reduction of stock compensation expense related to the forfeitures was $0 for the three months ended March 31, 2020 and 2019, respectively.

Unrecognized stock compensation expense was approximately $638,000 as of March 31, 2020, which will be recognized over the remaining vesting period.

A summary of restricted stock activity is presented as follows:

	Shares	Weighted Average Grant Date Fair Value
Unvested balance at December 31, 2019	80,417	$ 5.70
Granted	30,000	4.11
Vested	(2,500)	4.99
Forfeited	—	—
Unvested balance at March 31, 2020	107,917	$ 5.27

The following table summarizes the Company's stock option activity:

	Number of Options	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (In Years)
Outstanding – December 31, 2019	229,334	$ 5.55	8.07
Granted	—	—	—
Exercised	—	—	—
Expired	—	—	—
Outstanding – March 31, 2020	229,334	$ 5.55	7.82
Exercisable – March 31, 2020	229,334	$ 5.55	7.82

Treasury Stock

The Company accounts for purchases of treasury stock under the cost method with the cost of such purchases reflected in treasury stock in the accompanying condensed balance sheet. As of March 31, 2020 and December 31, 2019, the Company had 55,440 and 54,698 treasury shares, respectively.

Note 10 — Income Taxes

Book income before taxes was negative for the three months ended March 31, 2020. Tax expense for the three months ended March 31, 2020 and 2019 was $0.

There are no uncertain tax positions that would require recognition in the financial statements. If the Company incurs an income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes. The Company's conclusions regarding uncertain tax positions may be subject to review and adjustment at a later date based upon ongoing analyses of tax laws, regulations and interpretations thereof as well as other factors.

The Company accounts for income taxes in accordance with ASC 740, Income Taxes, which prescribes a recognition threshold and measurement process for financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return. ASC 740 also provides guidance on de-recognition, classification, interest and penalties, accounting in interim period, disclosure and transition.

As of March 31, 2020, the Company has U.S. federal and certain state tax returns subject to examination, beginning with those filed for the year 2016.

NOTE 11 — SUBSEQUENT EVENTS

The Company evaluates subsequent events and transactions that occur after the balance sheet date up to the date that the financial statements were issued for potential recognition or disclosure. Other than as described below, the Company did not identify any subsequent events that would have required adjustment or disclosure in the financial statements.

The outbreak of the novel coronavirus COVID-19, which was declared a pandemic by the World Health Organization on March 11, 2020, has led to adverse impacts on the U.S. and global economies and created uncertainty regarding potential impacts to the Company's employees, operations, and customer demand. The Company, which provides medical devices, is considered an "essential business" and has been able to continue to operate. However, the COVID-19 pandemic has significantly impacted the Company's sales and could further impact the Company's operations and the operations of the Company's customers, suppliers and vendors as a result of quarantines, facility closures, and travel and logistics restrictions. The extent to which the COVID-19 pandemic impacts the Company's business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to the duration, spread, severity, and impact of the COVID-19 pandemic, the effects of the COVID-19 pandemic on the Company's customers, suppliers, and vendors and the remedial actions and stimulus measures adopted by local, state and federal governments, and to what extent normal economic and operating conditions can resume. Even after the COVID-19 pandemic has subsided, the Company may continue to experience adverse impacts to its business as a result of any economic recession or depression that has occurred or may occur in the future. Therefore, the Company cannot reasonably estimate the impact at this time.

In light of the COVID-19 pandemic, the Company has taken steps to manage its costs and bolster its liquidity. We increased our borrowing availability as a precautionary measure to preserve financial flexibility due to the current uncertainty in the global markets resulting from the COVID-19 pandemic. Specifically, on April 13, 2020, the Company amended its revolving credit facility to extend the maturity from April 28, 2020 to April 1, 2022 and to increase the amount available under the facility from the lesser of $5 million or the borrowing base, equal to 80% of eligible accounts receivable, plus the $2.5 million sublimit to the $10 million commitment amount or the borrowing base plus a $3 million sublimit.

On April 20, 2020, the Company received a loan under the Small Business Administration Paycheck Protection Program enabled by the CARES Act of 2020 in the amount of $1,022,785 to be used for employee compensation and facilities costs. The loan has a six-month deferral period during which no payments will be due; however, interest will accrue. The loan matures in April 2022 and provides for interest at the rate of 1% per annum. The loan is subject to forgiveness for principal that is used for the limited purposes that expressly qualify for forgiveness under SBA requirements; however, the Company has no assurance that the loan will be forgiven.

Item 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis in conjunction with the information set forth within the financial statements and the notes thereto included elsewhere in this Quarterly Report on Form 10-Q, and with our Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2019 ("Annual Report"). The statements in this discussion regarding our expectations of our future performance, liquidity and capital resources, our plans, estimates, beliefs and expectations that involve risks and uncertainties, and other non-historical statements in this discussion, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The words "may," "could," "should," "would," "believe," "anticipate," "estimate," "expect," "intend," "plan," "target," "goal," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described under "Risk Factors" and elsewhere in this Quarterly Report on Form 10-Q. Our actual results may differ materially from those contained in or implied by any forward-looking statements. Please see the Introductory Note and Item 1A. Risk Factors of our Annual Report, as updated in our subsequent quarterly reports filed on Form 10-Q, and in our other filings made from time to time with the SEC after the date of this report.

Overview

We are a medical device company that is committed to providing highly effective, non-invasive and cost-effective treatments for both oncological and non-oncological skin conditions. We use a proprietary low-energy X-ray technology known as superficial radiation therapy ("SRT"), which is a result of over a decade of dedicated research and development. We have successfully incorporated SRT into our portfolio of treatment devices: the SRT-100™, SRT-100+™ and SRT-100 Vision™. In February 2019, we received FDA clearance of our Sculptura™, a robotic radiation oncology system that provides targeted intraoperative triple-modulated radiotherapy and Brachytherapy utilizing our proprietary, state-of-the-art 3D Beam Sculpting™ to treat patients undergoing cancer treatment during surgery, or at the tumor site, with a single dose.

Components of our results of operations

We manage our business globally within one reportable segment, which is consistent with how our management reviews our business, prioritizes investment and resource allocation decisions and assesses operating performance.

Significant Developments

The extent to which the COVID-19 pandemic impacts our financial condition and results will depend on future developments which are uncertain and cannot be predicted. We provide medical devices, which is considered an "essential business" and we have been able to continue to operate. We are taking a variety of measures to ensure the availability and functioning of our essential operations and to promote the safety and security of all employees. Please see Note 11 to the financial statements.

Results of Operations

	For the Three Months Ended March 31, 2020	For the Three Months Ended March 31, 2019
Revenues	$ 1,679,445	$ 5,436,599
Cost of Sales	970,944	2,120,621
Gross Profit	708,501	3,315,978
Operating Expenses		

Selling and marketing	1,790,970	2,530,346
General and administrative	1,329,557	1,013,162
Research and development	1,225,182	1,965,507
Total Operating Expenses	4,345,709	5,509,015
Loss From Operations	(3,637,208)	(2,193,037)
Other Income (Expense)		
Interest income	50,102	72,019
Other Income (Expense), net	50,102	72,019
Net Loss	$ (3,587,106)	$ (2,121,018)

Three months ended March 31, 2020 compared to the three months ended March 31, 2019

Revenue. Revenue was $1,679,445 for the three months ended March 31, 2020 compared to $5,436,599 for the three months ended March 31, 2019, a decrease of $3,757,154 or 69.1%. The decrease was driven by the lower number of units sold, reflecting the impact of the COVID-19 outbreak, primarily near the end of the quarter. We expect COVID-19 to continue to be significant to our business through at least the second quarter of 2020.

Cost of sales. Cost of sales was $970,944 for the three months ended March 31, 2020 compared to $2,120,621 for the three months ended March 31, 2019, a decrease of $1,149,677, or 54.2%. The decrease in cost of sales was commensurate with the decrease in sales.

Gross profit. Gross profit was $708,501 for the three months ended March 31, 2020 compared to $3,315,978 for the three months ended March 31, 2019, a decrease of $2,607,477, or 78.6%. Our overall gross profit percentage was 42.2% in the three months ended March 31, 2020 compared to 61.0% in the corresponding period in 2019. The decrease in gross profit was mostly due to the decrease in sales as a result of the COVID-19 outbreak. As of the date of this report, we expect gross margin as a percentage of revenue for the second quarter of 2020 to be approximately the same as the gross margin reported for the first quarter of 2020 due to the anticipated lower revenue level.

Selling and marketing. Selling and marketing expense was $1,790,970 for the three months ended March 31, 2020 compared to $2,530,346 for the three months ended March 31, 2019, a decrease of $739,375, or 29.2%. The decrease was primarily attributable to a decrease in tradeshows expense due to cancellations related to COVID-19, a decrease in commission expense due to lower sales and reduced spending on marketing activities.

General and administrative. General and administrative expense was $1,329,557 for the three months ended March 31, 2020 compared to $1,013,162 for the three months ended March 31, 2019, an increase of $316,395, or 31.2%. The net increase in general and administrative expense was primarily due to one-time severance expenses and related legal fees.

Research and development. Research and development expense was $1,225,182 for the three months ended March 31, 2020 compared to $1,965,507 for the three months ended March 31, 2019, a decrease of $740,325, or 37.7%. The decrease in research and development spending was primarily attributable to the Sculptura™ project as production began.

Other income (expense). We incur interest expense in connection with our secured credit facility with Silicon Valley Bank and interest income from our cash and investments. No interest expense was incurred in 2020 due to no borrowings on the line of credit. Interest income decreased due to maturing of our investment in debt securities.

Financial Condition

Our cash, cash equivalent and investment balance increased to $15.8 million at March 31, 2020 from $15.5 million at December 31, 2019, primarily due to cash provided in operating activities of $0.4 million.

There were no borrowings under the revolving line of credit at March 31, 2020 or December 31, 2019.

In light of the COVID-19 pandemic, we have taken proactive steps to manage our costs and bolster our liquidity. We increased our borrowing availability as a precautionary measure to preserve financial flexibility due to the current uncertainty in the global markets resulting from the COVID-19 pandemic. In addition, we received a loan under the Small Business Administration Paycheck Protection Program enabled by the CARES Act of 2020 to be used for employee compensation and facilities costs. Please see Note 11 to the financial statements.

Liquidity and Capital Resources

Overview

Our liquidity position and capital requirements may be impacted by a number of factors, including the following:

- our ability to generate and increase revenue;
- fluctuations in gross margins, operating expenses and net results;
- the impact of COVID-19, see Note 11 “Subsequent Events”; and
- fluctuations in working capital.

Our primary short-term capital needs, which are subject to change, include expenditures related to:

- expansion of our sales, marketing and distribution activities; and
- expansion of our research and development activities.

We regularly evaluate our cash requirements for current operations, commitments, capital requirements and business development transactions, and we may elect to raise additional funds for these purposes in the future.

Cash flows

The following table provides a summary of our cash flows for the periods indicated:

For the Three Months

	Ended March 31, (unaudited)	
	2020	2019
Net Cash Provided by (Used In):		
Operating Activities	$ 433,763	$ (7,117,101)
Investing Activities	3,566,705	(1,817,168)
Financing Activities	(3,139)	2,701,897
Total	$ 3,997,329	$ (6,232,372)

Cash flows from operating activities

Net cash provided by operating activities was $433,763 for the three months ended March 31, 2020, consisting of a net loss of $3,587,106 partially offset by a decrease in net operating assets of $3,688,975 and by non-cash charges of $331,894. The decrease in net operating assets was primarily due to a decrease in accounts receivable, partially offset by an increase in inventories, prepaid and other current assets and accounts payables and accrued expenses, warranties and deferred revenue. Non-cash charges consisted of stock compensation expense, depreciation and amortization and warranty provision. Net cash used in operating activities was $7,117,101 for the three months ended March 31, 2019, primarily due to the operating loss and the increase in accounts receivable and accounts payable and accrued expenses.

Cash flows from investing activities

Net cash provided by investing activities was $3,566,705, mostly due to matured investments of $3,701,392 during the three months ended March 31, 2020. Net cash used in investing activities was $1,817,168 for the three months ended March 31, 2019 due to the purchase of debt securities held-to-maturity of $3,007,764, partially offset by $1,200,000 for investments matured.

Cash flows from financing activities

Net cash used in financing activities was $3,139 during the three months ended March 31, 2020 mostly from withholding taxes on stock compensation. Net cash provided by financing activities was $2,701,897 during the three months ended March 31, 2019, mainly from exercise of 400,281 investor warrants.

Indebtedness

Please see Note 4 to the financial statements.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and do not currently have, any off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Our discussion and analysis of our financial condition and results of operations are based on our financial statements, which have been prepared in accordance with generally accepted accounting principles in the U.S., or GAAP. We have identified certain accounting policies as critical to understanding our financial condition and results of our operations. For a detailed discussion on the application of these and other accounting policies, see the notes to our financial statements and our Annual Report on Form 10-K filed with the Securities and Exchange Commission for the year ended December 31, 2019.

JOBS Act

We qualify as an "emerging growth company" pursuant to the provisions of the JOBS Act. For as long as we are an "emerging growth company," we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, reduced disclosure obligations relating to the presentation of financial statements in Management's Discussion and Analysis of Financial Condition and Results of Operations, exemptions from the requirements of holding advisory "say-on-pay" votes on executive compensation and shareholder advisory votes on golden parachute compensation. We have availed ourselves of the reduced reporting obligations in this Quarterly Report on Form 10-Q, and expect to continue to avail ourselves of the reduced reporting obligations available to emerging growth companies in future filings.

In addition, an emerging growth company can delay its adoption of certain accounting standards until those standards would otherwise apply to private companies. However, we have chosen to "opt out" of such extended transition period, and as a result, we plan to comply with any new or revised accounting standards on the relevant dates on which non-emerging growth companies must adopt such standards. Section 107 of the JOBS Act provides that our decision to opt out of the extended transition period for complying with new or revised accounting standards is irrevocable.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Control and Procedures

As of March 31, 2020, the end of the period covered by this Form 10-Q, our management, including our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934). Based upon that evaluation, our Chief Executive Officer and Chief Financial Officer each concluded that, as of March 31, 2020, the end of the period covered by this Form 10-Q, we maintained effective disclosure controls and procedures.

Changes in Internal Control over Financial Reporting

There have been no significant changes in our internal control over financial reporting during our most recently completed fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

The Company is party to certain legal proceedings in the ordinary course of business. The Company assesses, in conjunction with its legal counsel, the need to record a liability for litigation and related contingencies. See Note 7, Commitments and Contingencies.

Item 1A. Risk Factors

The following updates the risk factors previously reported in Part 1, "Item 1A. Risk Factors" of our Annual Report on Form 10-K for the year ended December 31, 2019:

Our business, results of operations and financial condition could be materially adversely affected by the effects of widespread public health epidemics, including the novel coronavirus ("COVID-19"), that are beyond our control.

Any outbreaks of contagious diseases, public health epidemics and other adverse public health developments in countries where we, our customers, or our suppliers operate could have a material and adverse effect on our business, results of operations and financial condition. The COVID-19 outbreak, has impacted our sales as social distancing forced physicians to temporarily close their practices during the first quarter of 2020, and is expected to continue to adversely impact our business, and the nature and extent of the impact is highly uncertain and beyond our control. Uncertain factors relating to COVID-19 include the duration, spread and severity of the virus, the effects of the COVID-19 pandemic on the Company's customers, vendors and suppliers, and the actions or perception of actions that may be taken to contain or treat its impact, including declarations of states of emergency, business closures, manufacturing restrictions and a prolonged period of travel, commercial and/or other similar restrictions and limitations.

As a result of COVID-19 and the measures designed to contain its spread, our sales have been, and are expected to continue to be negatively impacted as a result of disruption in demand, which could have a material and adverse effect on our business, results of operations and financial condition. Similarly, our suppliers may not have the materials, capacity, or capability to manufacture our products according to our schedule and specifications. If our suppliers' operations are impacted, we may need to seek alternate suppliers, which may be more expensive, may not be available or may result in delays in shipments to us and subsequently to our customers, each of which would affect our results of operations. The duration of the related financial impact to us, cannot be estimated at this time. Should such disruption continue for an extended period of time, the impact could have a material adverse effect on our business, results of operations and financial condition.

An investment in our securities involves risks. You should carefully consider the risk factors disclosed in our Form 10-K filed with the SEC for the year ended December 31, 2019, together with the other information in this Quarterly Report on Form 10-Q, including the financial statements and related notes, before deciding whether to purchase, hold, or sell our securities. The occurrence of any of these risks could harm our business, financial condition, or results of operations or cause our actual results to differ materially from those contained in forward-looking statements we have made in this report and those we may make from time to time. You should consider all of the risk factors described when evaluating our business.

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

(a) Sales of Unregistered Securities

There were no unregistered sales of securities during the three months ended March 31, 2020.

(b) Use of Proceeds from the Sale of Registered Securities

None.

(c) Purchases of Equity Securities by the Registrant and Affiliated Purchases.

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

Exhibit No.	Description
10.1	Sixth Amendment to Second Amendment and Restated Loan and Security Agreement, dated April 13, 2020.
31.1	Certification of Joseph C. Sardano, Chairman and Chief Executive Officer of Sensus Healthcare, Inc., Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
31.2	Certification of Javier Rampolla, Chief Financial Officer of Sensus Healthcare, Inc., Pursuant to Rule 13a-14(a) of the Securities Exchange Act of 1934.
32.1	Certification of Joseph C. Sardano, Chairman and Chief Executive Officer of Sensus Healthcare, Inc., Pursuant to 18 U.S.C. Section 1350.
32.2	Certification of Javier Rampolla, Chief Financial Officer of Sensus Healthcare, Inc., Pursuant to 18 U.S.C. Section 1350.
101.INS	XBRL Instance Document
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document

101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document

SIGNATURES

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

	SENSUS HEALTHCARE, INC.
Date: May 11, 2020	/s/ Joseph C. Sardano Joseph C. Sardano Chief Executive Officer (Principal Executive Officer)
Date: May 11, 2020	/s/ Javier Rampolla Javier Rampolla Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

EX-10.1 2 f10q0320ex10-1_sensushealth.htm SIXTH AMENDMENT TO SECOND AMENDMENT AND RESTATED LOAN AND SECURITY AGREEMENT, DATED APRIL 13, 2020

Exhibit 10.1

SIXTH AMENDMENT
TO
SECOND AMENDED AND RESTATED LOAN AND SECURITY AGREEMENT

This Sixth Amendment to Second Amended and Restated Loan and Security Agreement (this “Amendment”) is entered into as of April 13, 2020, by and between Silicon Valley Bank (“Bank”) and Sensus Healthcare, Inc. (f/k/a Sensus Healthcare, LLC), a Delaware corporation (“Borrower”), whose address is 851 Broken Sound Parkway NW, Suite 215, Boca Raton, FL 33487.

Recitals

A. Bank and Borrower have entered into that certain Second Amended and Restated Loan and Security Agreement dated as of September 21, 2016 (as the same has been and may from time to time be further amended, modified, supplemented or restated, the “Loan Agreement”).

B. Bank has extended credit to Borrower for the purposes permitted in the Loan Agreement.

C. Borrower has requested that Bank amend the Loan Agreement to (i) increase the amount of the Revolving Line, (ii) extend the maturity date, and (iii) make certain other revisions to the Loan Agreement as more fully set forth herein.

D. Bank has agreed to so amend certain provisions of the Loan Agreement, but only to the extent, in accordance with the terms, subject to the conditions and in reliance upon the representations and warranties set forth below.

Agreement

Now, Therefore, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and adequacy of which is hereby acknowledged, and intending to be legally bound, the parties hereto agree as follows:

1. Definitions. Capitalized terms used but not defined in this Amendment shall have the meanings given to them in the Loan Agreement.

2. Amendments to Loan Agreement.

2.1 Section 2.3 (Payment of Interest on the Credit Extensions). Section 2.3(a) is amended in its entirety and replaced with the following:

(a) Interest Rate.

(i) Advances. Subject to Section 2.3(b), the principal amount outstanding under the Revolving Line (other than Non-Formula Advances) shall accrue interest at a floating per annum rate equal to (A) during any Streamline Period, the greater of (1) three-quarters of one percentage point (0.75%) above the Prime Rate and (2) four percent (4.00%), and (B) during any Non-Streamline Period, the greater of (1) one and one-half percentage points (1.50%) above the Prime Rate and (2) four and three-quarters percent (4.75%), in any case, which interest shall be payable monthly in accordance with Section 2.3(d) below.

(ii) Non-Formula Advances. Subject to Section 2.3(b), the outstanding principal amount of the Non-Formula Advances shall accrue interest at a floating per annum rate equal to the greater of (A) one and one-half percentage points (1.50%) above the Prime Rate and (B) four and three-quarters percent (4.75%), in either case, which interest shall be payable monthly in accordance with Section 2.3(d) below.

2.2 Section 2.4 (Fees). Section 2.4(e) is amended in its entirety and replaced with the following:

(e) Revolving Line Facility Fee. A non-refundable facility fee of One Hundred Thousand Dollars ($100,000), fully earned as of the Sixth Amendment Date, and payable as follows: (i) Fifty Thousand Dollars ($50,000), shall be due and payable on the Sixth Amendment Date, and (ii) Fifty Thousand Dollars ($50,000), shall be due and payable on the first anniversary of the Sixth Amendment Date (or any earlier termination of the Revolving Line);

2.3 Section 6.6 (Access to Collateral; Books and Records). Section 6.6 is amended by adding the following sentence to the end thereof:

Borrower hereby acknowledges that such an audit shall be conducted prior to the first Advance after the Sixth Amendment Date.

2.4 Section 6.8 (Operating Accounts). Section 6.8(a) is amended in its entirety and replaced with the following:

(a) Borrower and its Subsidiaries shall maintain account balances in any of its accounts at or through Bank representing at least seventy-five percent (75%) of all deposit account balances of Borrower and such Subsidiaries at any financial institution. Borrower and its Subsidiaries shall obtain any letters of credit exclusively from Bank.

2.5 Section 7.11 (Subsidiary Assets). A new Section 7.11 is added to the Loan Agreement as follows:

7.11 Subsidiary Assets. Permit its Subsidiaries' total cash to exceed One Hundred Thousand Dollars ($100,000) (exclusive of the One Hundred Thousand Dollars ($100,000) on deposit at Bank Hapoalim as of the Sixth Amendment Date).

2.6 Section 13 (Definitions). Clauses (b), (c), (d), (e), (q), and (v) of the defined term "Eligible Accounts" in Section 13.1 are amended in their entirety and replaced with the following:

(b) Accounts that the Account Debtor has not paid within ninety (90) days (one hundred eighty (180) days for Accounts of SkinCure Oncology) of invoice date regardless of invoice payment period terms;

(c) Accounts with credit balances over ninety (90) days (one hundred eighty (180) days for Accounts of SkinCure Oncology) from invoice date;

(d) Accounts owing from an Account Debtor, if fifty percent (50%) or more of the Accounts owing from such Account Debtor have not been paid within ninety (90) days (one hundred eighty (180) days for Accounts of SkinCure Oncology) of invoice date;

(e) Accounts owing from an Account Debtor which does not have its principal place of business in the United States other than Accounts owing from Account Debtors approved in writing by Bank on a case-by-case basis in its sole discretion;

(q) Accounts for which Borrower has permitted Account Debtor's payment to extend beyond ninety (90) days (one hundred eighty (180) days for Accounts of SkinCure Oncology);

(v) Accounts owing from an Account Debtor, whose total obligations to Borrower exceed twenty-five percent (25%) of all Accounts (except for SkinCure Oncology, for which such percentage is fifty percent (50%)), for the amounts that exceed that percentage, unless Bank approves in writing; and

2.7 Section 13 (Definitions). The defined term "Permitted Investments" in Section 13.1 is amended by deleting the word "and" from the end of clause (g), replacing the period at the end of clause (h) with "; and", and adding a new clause (i) as follows:

(i) Investments (i) by Borrower in Subsidiaries not to exceed (A) One Million Four Hundred Thousand Dollars ($1,400,000) in the aggregate for the 2020 fiscal year, and (B) Seven Hundred Fifty Thousand Dollars ($750,000) in the aggregate for the 2021 fiscal year and for each fiscal year thereafter, and (ii) by Subsidiaries in other Subsidiaries or in Borrower.

2.8 Section 13 (Definitions). The following terms and their respective definitions set forth in Section 13.1 are amended in their entirety and replaced with the following:

"Non-Formula Amount" is an amount equal to (a) at all times that Borrower maintains an Adjusted Quick Ratio, tested monthly, of at least 1.50 to 1.00, Three Million Dollars ($3,000,000), and (b) at all times that Borrower maintains an Adjusted Quick Ratio, tested monthly, of less than 1.50 to 1.00, Zero Dollars ($0).

"Revolving Line" is an aggregate principal amount equal to Ten Million Dollars ($10,000,000).

"Revolving Line Maturity Date" means April 1, 2022.

2.9 Section 13 (Definitions). The following term and its definition are added to Section 13.1, in appropriate alphabetical order, as follows:

"Sixth Amendment Date" is April 13, 2020.

2.10 Exhibit B (Compliance Certificate). Exhibit B to the Loan Agreement is amended in its entirety and replaced with Exhibit B attached hereto.

3. Limitation of Amendments.

3.1 The amendments set forth in Section 2, above, are effective for the purposes set forth herein and shall be limited precisely as written and shall not be deemed to (a) be a consent to any amendment, waiver or modification of any other term or condition of any Loan Document, or (b) otherwise prejudice any right or remedy which Bank may now have or may have in the future under or in connection with any Loan Document.

3.2 This Amendment shall be construed in connection with and as part of the Loan Documents and all terms, conditions, representations, warranties, covenants and agreements set forth in the Loan Documents, except as herein amended, are hereby ratified and confirmed and shall remain in full force and effect.

4. Representations and Warranties. To induce Bank to enter into this Amendment, Borrower hereby represents and warrants to Bank as follows:

4.1 Immediately after giving effect to this Amendment (a) the representations and warranties contained in the Loan Documents are true, accurate and complete in all material respects as of the date hereof (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct as of such date), and (b) no Event of Default has occurred and is continuing;

4.2 Borrower has the power and authority to execute and deliver this Amendment and to perform its obligations under the Loan Agreement, as amended by this Amendment;

4.3 The organizational documents of Borrower most recently delivered to Bank remain true, accurate and complete and have not been amended, supplemented or restated and are and continue to be in full force and effect;

4.4 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, have been duly authorized;

4.5 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not and will not contravene (a) any law or regulation binding on or affecting Borrower, (b) any contractual restriction with a Person binding on Borrower, (c) any order, judgment or decree of any court or other governmental or public body or authority, or subdivision thereof, binding on Borrower, or (d) the organizational documents of Borrower;

4.6 The execution and delivery by Borrower of this Amendment and the performance by Borrower of its obligations under the Loan Agreement, as amended by this Amendment, do not require any order, consent, approval, license, authorization or validation of, or filing, recording or registration with, or exemption by any governmental or public body or authority, or subdivision thereof, binding on Borrower, except as already has been obtained or made; and

4.7 This Amendment has been duly executed and delivered by Borrower and is the binding obligation of Borrower, enforceable against Borrower in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, reorganization, liquidation, moratorium or other similar laws of general application and equitable principles relating to or affecting creditors' rights.

5. Integration. This Amendment and the Loan Documents represent the entire agreement about this subject matter and supersede prior negotiations or agreements. All prior agreements, understandings, representations, warranties, and negotiations between the parties about the subject matter of this Amendment and the Loan Documents merge into this Amendment and the Loan Documents.

6. Counterparts. This Amendment may be executed in any number of counterparts and all of such counterparts taken together shall be deemed to constitute one and the same instrument.

7. Electronic Execution of Documents. Each party hereto may execute this Amendment by electronic means and recognizes and accepts the use of electronic signatures and records by any other party hereto in connection with the execution and storage hereof.

8. Effectiveness. This Amendment shall be deemed effective upon (a) the due execution and delivery to Bank of this Amendment by each party hereto, (b) Borrower's payment of the facility fee in an amount equal to Fifty Thousand Dollars ($50,000) pursuant to Section 2.4(e)(i) of the Loan Agreement (as amended hereby), and (c) payment of Bank's legal fees and expenses in connection with the negotiation and preparation of this Amendment.

[Signature page follows.]

In Witness Whereof, the parties hereto have caused this Amendment to be duly executed and delivered as of the date first written above.

BANK		**BORROWER**	
Silicon Valley Bank		Sensus Healthcare, Inc.	
By:	/s/ Dan Greaney	By:	/s/ Javier Rampolla
Name:	Dan Greaney	Name:	Javier Rampolla
Title:	Vice President I, Life Sciences	Title:	CFO

[Signature Page to Sixth Amendment to
Second Amended and Restated Loan and Security Agreement]

EXHIBIT B

COMPLIANCE CERTIFICATE

TO: SILICON VALLEY BANK Date: ________________
FROM: SENSUS HEALTHCARE, INC.

The undersigned authorized officer of SENSUS HEALTHCARE, INC. ("Borrower") certifies that under the terms and conditions of the Second Amended and Restated Loan and Security Agreement between Borrower and Bank (the "Agreement"), (1) Borrower is in complete compliance for the period ending ________________ with all required covenants except as noted below, (2) there are no Events of Default, (3) all representations and warranties in the Agreement are true and correct in all material respects on this date except as noted below; provided, however, that such materiality qualifier shall not be applicable to any representations and warranties that already are qualified or modified by materiality in the text thereof; and provided, further that those representations and warranties expressly referring to a specific date shall be true, accurate and complete in all material respects as of such date, (4) Borrower, and each of its Subsidiaries, has timely filed all required tax returns and reports, and Borrower has timely paid all foreign, federal, state and local taxes, assessments, deposits and contributions owed by Borrower except as otherwise permitted pursuant to the terms of Section 5.9 of the Agreement, and (5) no Liens have been levied or claims made against Borrower or any of its Subsidiaries relating to unpaid employee payroll or benefits of which Borrower has not previously provided written notification to Bank. Attached are the required documents supporting the certification. The undersigned certifies that these are prepared in accordance with GAAP consistently applied from one period to the next except as explained in an accompanying letter or footnotes. The undersigned acknowledges that no borrowings may be requested at any time or date of determination that Borrower is not in compliance with any of the terms of the Agreement, and that compliance is determined not just at the date this certificate is delivered. Capitalized terms used but not otherwise defined herein shall have the meanings given them in the Agreement.

Please indicate compliance status by circling Yes/No under "Complies" column.

Reporting Covenant	Required	Complies
Monthly financial statements with Compliance Certificate	Monthly within 30 days	Yes No
Annual financial statement (CPA Audited) + CC	FYE within 150 days	Yes No
10-Q, 10-K and 8-K	Monthly within 30 days	Yes No
Borrowing Base Report	Monthly within 30 days	Yes No
A/R & A/P Agings, Deferred Revenue report	Monthly within 30 days	Yes No
Annual Financial Projections	FYE within 30 days and as updated	Yes No

Financial Covenant	Required	Actual	Complies
Maintain on a Monthly Basis:			
Minimum Adjusted Quick Ratio	1.35:1.00	____:1.00	Yes No

Lockbox; Streamline Period; Non-Formula Availability		Applies
AQR ≥ 2.00:1.00*	No Lockbox Required; Streamline Period; Non-Formula = $3,000,000	Yes No
2.00:1.00 > AQR ≥ 1.50:1.00*	Lockbox Required; Streamline Period; Non-Formula = $3,000,000	Yes No
AQR < 1.50:1.00	Lockbox Required; Non-Streamline Period; Non-Formula = $0	Yes No

* At all times during the applicable Testing Month

The following financial covenant analysis and information set forth in Schedule 1 attached hereto are true and accurate as of the date of this Certificate.

The following are the exceptions with respect to the certification above: (If no exceptions exist, state "No exceptions to note.")

Sensus Healthcare, Inc.

By: ____________________

Name: ____________________

Title: ____________________

BANK USE ONLY

Received by: ____________________
AUTHORIZED SIGNER

Date: ____________________

Verified: ____________________
AUTHORIZED SIGNER

Date: ____________________

Compliance Status: Yes No

Schedule 1 to Compliance Certificate

Financial Covenants of Borrower

In the event of a conflict between this Schedule and the Loan Agreement, the terms of the Loan Agreement shall govern.

Dated: ____________________

I. Adjusted Quick Ratio

Required:
1.35:1.00 (For financial covenants)
2.00:1.00 (For Lockbox to not be required)
1.50:1.00 (For Streamline Period eligibility (at all times during the applicable Testing Month) and Non-Formula availability)

Actual:

A.	Aggregate value of the unrestricted cash and Cash Equivalents of Borrower maintained with Bank	$_________
B.	Aggregate value of the net billed accounts receivable of Borrower	$ _________
C.	Quick Assets (the sum of lines A and B)	$ _________
D.	Aggregate value of Obligations to Bank	$ _________
E.	Aggregate value of liabilities that should, under GAAP, be classified as liabilities on Borrower's consolidated balance sheet, including all Indebtedness and the current portion of Subordinated Debt, and not otherwise reflected in line D above that matures within one (1) year	$ _________
F.	Current Liabilities (the sum of lines D and E)	$ _________
G.	Aggregate value of all amounts received or invoiced by Borrower in advance of performance under contracts and not yet recognized as revenue	$ _________

H.	Line F minus line G	$ _________
I.	Adjusted Quick Ratio (line C divided by line H)	____:1.00

Is line I equal to or greater than 1.35:1.00?

_______ No: Not in compliance _______ Yes: In Compliance

Has line I been equal to or greater than 2.00:1.00 at all times during the term of this Agreement?

_______ No: Lockbox is required _______ Yes: Lockbox is not required

Was line I equal to or greater than 1.50:1.00 at all times during the applicable Testing Month?

_______ No: Non-Streamline Period; Non-Formula = $0 _______ Yes: Streamline Period; Non-Formula = $3,000,000

EX-31.1 3 f10q0320ex31-1_sensushealth.htm CERTIFICATION

Exhibit 31.1

Certification of CEO Pursuant to Securities Exchange Act
Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Joseph C. Sardano, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sensus Healthcare, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 11, 2020	/s/ Joseph C. Sardano
	Joseph C. Sardano
	Chairman and Chief Executive Officer

EX-31.2 4 f10q0320ex31-2_sensushealth.htm CERTIFICATION

Exhibit 31.2

Certification of CEO Pursuant to Securities Exchange Act
Rule 13a-14(a)/15d-14(a) as Adopted Pursuant to
Section 302 of the Sarbanes-Oxley Act of 2002

I, Javier Rampolla, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Sensus Healthcare, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: May 11, 2020

/s/ Javier Rampolla
Javier Rampolla
Chief Financial Officer

EX-32.1 5 f10q0320ex32-1_sensushealth.htm CERTIFICATION

Exhibit 32.1

Certification of CEO Pursuant to 18 U.S.C. Section 1350

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Joseph C. Sardano, the Chairman and Chief Executive Officer of Sensus Healthcare, Inc. (the "Company"), certify that, to my knowledge:

(1) the Quarterly Report for the Company on Form 10-Q for the period ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (this "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered therein.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Joseph C. Sardano
Joseph C. Sardano
Chairman and Chief Executive Officer

May 11, 2020

EX-32.2 6 f10q0320ex32-2_sensushealth.htm CERTIFICATION

Exhibit 32.2

Certification of CFO Pursuant to 18 U.S.C. Section 1350

Pursuant to 18 U.S.C. § 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, I, Javier Rampolla, the Chief Financial Officer of Sensus Healthcare, Inc. (the "Company"), certify that, to my knowledge:

(1) the Quarterly Report for the Company on Form 10-Q for the period ended March 31, 2020, as filed with the Securities and Exchange Commission on the date hereof (this "Report"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of and for the periods covered therein.

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging or otherwise adopting the signature that appears in typed form within the electronic version of this written statement, has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission or its staff upon request.

/s/ Javier Rampolla
Javier Rampolla
Chief Financial Officer

May 11, 2020