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 September 30, 2024

OR

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

FOR THE TRANSITION PERIOD FROM ____________ TO ____________

Commission File Number: 001-37714

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 , FL	**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	The 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 the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

As of November 6, 2024, there were 16,390,051 shares of the registrant's common stock outstanding.

SENSUS HEALTHCARE, INC.
QUARTERLY REPORT ON FORM 10-Q
TABLE OF CONTENTS

INTRODUCTORY NOTE

Forward-Looking Statements

This report includes statements that are, or may be deemed, “forward-looking statements.” In some cases, these statements can be identified by the use of forward-looking terminology such as “believes,” “estimates,” “anticipates,” “expects,” “plans,” “intends,” “may,” “could,” “might,” “will,” “should,” “approximately,” or “potential,” or negative or other variations of those terms or comparable terminology, although not all forward-looking statements contain these words.

Forward-looking statements involve risks and uncertainties because they relate to events, developments, and circumstances relating to Sensus Healthcare, Inc., our industry, and/or general economic or other conditions that may or may not occur in the future or may occur on longer or shorter timelines or to a greater or lesser degree than anticipated. In addition, even if future events, developments and circumstances are consistent with the forward-looking statements contained in this report, they may not be predictive of results or developments in future periods. Although we believe that we have a reasonable basis for each forward-looking statement contained in this report, forward-looking statements are not guarantees of future performance, and our actual results of operations, financial condition and liquidity, and the development of the industry in which we operate, may differ materially from the forward-looking statements contained in this report as a result of the following factors, among others: the level and availability of government and/or third party payor reimbursement for clinical procedures using our products, and the willingness of healthcare providers to purchase our products if the level of reimbursement declines; concentration of our customers in the U.S. and China, including the concentration of sales to one particular customer in the U.S; the development by others of new products, treatments, or technologies that render our technology partially or wholly obsolete; the regulatory requirements applicable to us and our competitors; our ability to efficiently manage our manufacturing processes and costs; the risks arising from doing business in China and other foreign countries; legislation, regulation, or other governmental action that affects our products, taxes, international trade regulation, or other aspects of our business; the performance of the Company’s information technology systems and its ability to maintain data security; our ability to obtain and maintain the intellectual property needed to adequately protect our products, and our ability to avoid infringing or otherwise violating the intellectual property rights of third parties; and other risks described from time to time in our filings with the Securities and Exchange Commission.

To date, the Russian invasion of Ukraine, conditions in the Middle East, and other global geopolitical uncertainties have not had significant impacts on our business, but we continue to monitor developments and will address them in future disclosures, if applicable.

Any forward-looking statements that we make in this report speak only as of the date of such statement, and we undertake no obligation to update such statements to reflect events or circumstances after the date of this report, except as may be required by applicable law.

PART I. FINANCIAL INFORMATION

Item 1. CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

SENSUS HEALTHCARE, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS

(in thousands, except shares and per share data)	As of September 30, 2024 (unaudited)	As of December 31, 2023
Assets		
Current assets		
Cash and cash equivalents	$ 22,558	$ 23,148
Accounts receivable, net	16,961	10,645
Inventories	11,968	11,861
Prepaid inventory	1,723	2,986
Other current assets	1,596	888
Total current assets	54,806	49,528

Property and equipment, net	1,635	464
Deferred tax asset	2,197	2,140
Operating lease right-of-use asset, net	630	774
Other noncurrent assets	590	804
Total assets	$ 59,858	$ 53,710
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable and accrued expenses	$ 3,973	$ 2,793
Product warranties	351	538
Operating lease liability, current portion	200	187
Income tax payable	-	37
Deferred revenue, current portion	686	657
Total current liabilities	5,210	4,212
Operating lease liability	451	596
Deferred revenue, net of current portion	66	60
Total liabilities	5,727	4,868
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; 16,930,845 issued and 16,390,051 outstanding at September 30, 2024; 16,907,095 issued and 16,374,171 outstanding at December 31, 2023	169	169
Additional paid-in capital	45,640	45,405
Treasury stock, 540,794 and 532,924 shares at cost, at September 30, 2024 and December 31, 2023, respectively	(3,566)	(3,519)
Retained earnings	11,888	6,787
Total stockholders' equity	54,131	48,842
Total liabilities and stockholders' equity	$ 59,858	$ 53,710

See accompanying notes to the condensed consolidated financial statements (unaudited).

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

(in thousands, except shares and per share data)	**For the Three Months Ended September 30,**		**For the Nine Months Ended September 30,**	
	2024	**2023**	**2024**	**2023**
Revenues	$ 8,839	$ 3,898	$ 28,741	$ 11,838
Cost of sales	3,599	1,909	11,416	5,609
Gross profit	5,240	1,989	17,325	6,229
Operating expenses				
Selling and marketing	1,309	1,290	3,575	4,983
General and administrative	1,573	1,511	4,731	4,204
Research and development	863	1,083	2,655	3,001
Total operating expenses	3,745	3,884	10,961	12,188
Income (loss) from operations	1,495	(1,895)	6,364	(5,959)
Other income:				
Gain on sale of assets	-	42	-	42
Interest income, net	279	277	702	764
Other income, net	279	319	702	806
Income (loss) before income tax	1,774	(1,576)	7,066	(5,153)
Provision for (benefit from) income taxes	559	(125)	1,965	(1,428)
Net income (loss)	$ 1,215	$ (1,451)	$ 5,101	$ (3,725)
Net income (loss) per share – basic	$ 0.07	$ (0.09)	$ 0.31	$ (0.23)
diluted	$ 0.07	$ (0.09)	$ 0.31	$ (0.23)
Weighted average number of shares used in computing net income (loss) per share – basic	16,321,131	16,270,403	16,304,913	16,255,263
diluted	16,345,749	16,270,403	16,332,485	16,255,263

See accompanying notes to the condensed consolidated financial statements (unaudited).

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

	For the Three and Nine Months Ended September 30, 2024 and 2023						
	Common Stock		**Additional Paid-In**	**Treasury Stock**		**Retained**	
(in thousands, except shares)	**Shares**	**Amount**	**Capital**	**Shares**	**Amount**	**Earnings**	**Total**

December 31, 2022	**16,902,761**	**$ 169**	**$ 45,031**	**(512,342)**	**$ (3,433)**	**$ 6,302**	**$ 48,069**
Stock-based compensation	10,000	-	161	-	-	-	161
Exercise of stock options	8,334	-	46	-	-	-	46
Forfeiture of restricted stock units	(7,500)	-	(18)	-	-	-	(18)
Surrender of shares for tax withholding on stock-based compensation	-	-	-	(4,487)	(40)	-	(40)
Net loss	-	-	-	-	-	(1,894)	(1,894)
March 31, 2023	**16,913,595**	**$ 169**	**$ 45,220**	**(516,829)**	**$ (3,473)**	**$ 4,408**	**$ 46,324**
Stock-based compensation	-	-	67	-	-	-	67
Forfeiture of restricted stock units	(1,000)	-	(1)	-	-	-	(1)
Net loss	-	-	-	-	-	(380)	(380)
June 30, 2023	**16,912,595**	**$ 169**	**$ 45,286**	**(516,829)**	**$ (3,473)**	**$ 4,028**	**$ 46,010**
Stock-based compensation	-	-	67	-	-	-	67
Surrender of shares for tax withholding on stock-based compensation	-	-	-	(3,935)	(12)	-	(12)
Stock repurchase	-	-	-	(9,427)	(27)	-	(27)
Net loss	-	-	-	-	-	(1,451)	(1,451)
September 30, 2023	**16,912,595**	**$ 169**	**$ 45,353**	**(530,191)**	**$ (3,512)**	**$ 2,577**	**$ 44,587**
December 31, 2023	**16,907,095**	**$ 169**	**$ 45,405**	**(532,924)**	**$ (3,519)**	**$ 6,787**	**$ 48,842**
Stock-based compensation	20,000	-	92	-	-	-	92
Forfeiture of restricted stock units	(1,500)	-	(1)	-	-	-	(1)
Net income	-	-	-	-	-	2,274	2,274
March 31, 2024	**16,925,595**	**$ 169**	**$ 45,496**	**(532,924)**	**$ (3,519)**	**$ 9,061**	**$ 51,207**
Stock-based compensation	-	-	66	-	-	-	66
Exercise of stock options	3,000	-	17	-	-	-	17
Forfeiture of restricted stock units	(750)	-	(1)	-	-	-	(1)
Net income	-	-	-	-	-	1,612	1,612
June 30, 2024	**16,927,845**	**$ 169**	**$ 45,578**	**(532,924)**	**$ (3,519)**	**$ 10,673**	**$ 52,901**
Stock-based compensation	-	-	45	-	-	-	45
Surrender of shares for tax withholding on stock-based compensation	-	-	-	(7,870)	(47)	-	(47)
Exercise of stock options	3,000	-	17	-	-	-	17
Net income	-	-	-	-	-	1,215	1,215
September 30, 2024	**16,930,845**	**$ 169**	**$ 45,640**	**(540,794)**	**$ (3,566)**	**$ 11,888**	**$ 54,131**

See accompanying notes to the condensed consolidated financial statements (unaudited).

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

(in thousands)	For the Nine Months Ended September 30, 2024	For the Nine Months Ended September 30, 2023
Cash flows from operating activities		
Net income (loss)	$ 5,101	$ (3,725)
Adjustments to reconcile net income (loss) to net cash and cash equivalents used in operating activities:		
Credit loss expense	123	7
Depreciation and amortization	154	216
Gain on sale of property and equipment	-	(42)
Amortization of right-of-use asset	144	139
Provision for product warranties	81	325
Stock-based compensation	201	276
Deferred income taxes	(57)	(1,428)
Changes in operating assets:		
Accounts receivable	(6,439)	10,409
Inventories	(859)	(9,818)
Prepaid inventory	1,263	2,315
Other current assets	(708)	(680)
Other noncurrent assets	214	187
Changes in operating liabilities:		
Accounts payable and accrued expenses	1,180	(1,522)
Operating lease liability	(132)	(152)
Income tax payable	(37)	(890)
Deferred revenue	35	(44)
Product warranties	(268)	(386)
Net cash used in operating activities	(4)	(4,813)
Cash flows from investing activities		
Acquisition of property and equipment	(573)	(229)
Proceeds from sale of assets	-	42
Net cash used in investing activities	(573)	(187)
Cash flows from financing activities		
Repurchase of common stock	-	(27)
Withholding taxes on stock-based compensation	(47)	(52)

Exercise of stock options	34	46
Net cash used in financing activities	(13)	(33)
Net decrease in cash and cash equivalents	(590)	(5,033)
Cash and cash equivalents – beginning of period	23,148	25,520
Cash and cash equivalents – end of period	$ 22,558	$ 20,487
Supplemental disclosure of cash flow information:		
Interest paid	$ -	$ -
Income tax paid	$ 2,474	$ 1,440
Supplemental schedule of noncash investing and financing transactions:		
Transfer of inventory to property and equipment	$ 752	$ 117

See accompanying notes to the condensed consolidated financial statements (unaudited).

SENSUS HEALTHCARE, INC.
NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

Note 1 — Organization and Summary of Significant Accounting Policies

Description of the Business

Sensus Healthcare, Inc. (together, with its subsidiaries, unless the context otherwise indicates, “Sensus” or the “Company”) is a manufacturer of radiation therapy devices sold to healthcare providers globally through its distribution and marketing network. The Company operates from its corporate headquarters located in Boca Raton, Florida.

In February 2024, the Company formed Sensus Healthcare Services, LLC, a wholly-owned subsidiary that provides operational healthcare services in the form of leased equipment, radiation oncology and physics oversight, including radiotherapy technologists for dermatology clinics.

Basis of Presentation and Principles of Consolidation

These condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”) and include the accounts of the Company and its subsidiaries. Accounts and transactions between condensed consolidated entities have been eliminated.

These financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. They do not include all of the information and notes required by GAAP. In the opinion of management, all adjustments considered necessary for a fair statement of the results have been included. Operating results for the three and nine months ended September 30, 2024 are not necessarily indicative of the results that may be expected for the year ending December 31, 2024 or for any other period.

The condensed consolidated balance sheet as of December 31, 2023 has been derived from the audited financial statements at that date but does not include all of the information and notes required by GAAP for complete financial statements. For further information, refer to the consolidated financial statements and notes thereto included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2023 (the “2023 Annual Report”).

Use of Estimates

The preparation of financial statements in conformity with GAAP 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 revenue and expense during the reporting periods. Actual results could differ from those estimates.

Reclassification of Prior Year Presentation

Certain prior period amounts have been reclassified for consistency with the current period presentation. The reclassifications are limited to the condensed consolidated statements of cash flow and have no impact on the reported results of operations.

Revenue Recognition

The Company derives revenue from sales of the Company’s devices and services related to maintaining and repairing the devices as part of a service contract or on an ad-hoc basis without a service contract.

The Company provides warranties, generally for one year, 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 relevant warranty. The Company has determined that these warranties do not represent separate performance obligations, as the customer does not have the option to purchase the warranty separately and the warranty does not provide the customer with a service in addition to the assurance that the product complies with agreed-upon specifications. The Company records an estimate of future warranty claims at the time it recognizes revenue from the sale of the device based upon management’s estimate of the future claims rate.

Revenue is recognized upon transfer of control of promised goods or services to customers when the product is shipped or the service is rendered, based on the amount the Company expects to receive in exchange for those goods or services. The Company enters into contracts that can include multiple services, which are accounted for separately if they are determined to be distinct.

To determine the transaction price for contracts in which a customer promises consideration in a form other than cash, the Company measures the estimated fair value of the noncash consideration at contract inception. If the Company cannot reasonably estimate the fair value of the noncash consideration, the Company measures the consideration indirectly by reference to the stand-alone selling price of the products promised to the customer or class of customer in exchange for the consideration.

Our service contracts include maintenance or repair service contracts for device purchases and personnel service contracts to assist the use and operation of leased-out equipment under lessor agreements.

The revenues from maintenance or repair service contracts are recognized over the service contract period on a straight-line basis. In the event that a customer does not sign a service contract, but requests maintenance or repair services after the warranty expires, the Company recognizes revenue when the service is rendered. There is no termination provision in the service contract or any penalties in practice for cancellation of the service contract.

The revenues from personnel service contracts are recognized in the period the work is performed, as the Company has elected the practical expedient to recognize revenue in the amount to which the entity has a right to invoice. The service contracts can be terminated by mutual written agreement.

The Company has determined that in practice no significant discount is given on service contracts when offered with the device purchase or equipment lease as compared to when sold on a stand-alone basis. The service level provided is identical whether the service contract is purchased on a stand-alone basis or together with the device purchase or equipment lease. The Company may also incur preparation cost to ensure the customer's space meets the requirement and specifications for the operation of the equipment. The preparation cost is expensed as incurred.

The components of disaggregated revenue for the three and nine months ended September 30, 2024 and 2023 were as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands)	2024	2023	2024	2023
Product Revenue - recognized at a point in time	$ 7,471	$ 2,896	$ 25,037	$ 8,889
Service Revenue - recognized at a point in time	585	286	1,324	932
Service Revenue - recognized over time	783	716	2,380	2,017
Total Revenue	$ 8,839	$ 3,898	$ 28,741	$ 11,838

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

Deferred revenue activity as of September 30, 2024 was as follows:

(in thousands)	Product	Service	Total
December 31, 2023	$ 36	$ 681	$ 717
Revenue recognized	(300)	(2,380)	(2,680)
Amounts invoiced	345	2,370	2,715
September 30, 2024	$ 81	$ 671	$ 752

Remaining performance obligations of deposits for products 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 September 30, 2024 is as follows:

Year	Service Revenue
2024 (October 1 - December 31, 2024)	$ 276
2025	341
2026	44
2027	10
Total	$ 671

For the nine months ended September 30, 2024 and 2023, the Company paid commissions for certain equipment sales. Because the recovery of commissions is expected to occur from product revenue within one year, the Company charges commissions to expense as incurred.

In addition, the Company incurs commissions associated with equipment lease agreements, which are accounted as initial direct costs and recorded in other noncurrent assets in the condensed consolidated balance sheets. The commission is capitalized at the commencement of the lease and recognized as an expense in selling and marketing expenses over the lease term.

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

Concentration

Financial instruments that potentially subject the Company to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable.

One customer in the U.S. accounted for 65 % and 52 % of revenue for the three months ended September 30, 2024 and 2023, respectively, 74 % and 52 % of revenue for the nine months ended September 30, 2024 and 2023, respectively, and 88 % and 85 % of the accounts receivable as of September 30, 2024 and December 31, 2023, respectively.

Geographical Information

The following table illustrates total revenue for the three and nine months ended September 30, 2024 and 2023 by country.

	For the Three Months Ended September 30,			
(in thousands)	2024		2023	
United States	$ 8,689	98%	$ 3,438	88%
Israel	141	2%	7	0%
China	6	0%	450	12%

Other	3	0%	3	0%
Total Revenue	$ 8,839	100%	$ 3,898	100%

	For the Nine Months Ended September 30,			
(in thousands)	2024		2023	
United States	$ 27,835	97%	$ 10,603	90%
China	732	2%	880	7%
Israel	165	1%	27	0%
Guatemala	-	0%	190	2%
Ireland	-	0%	135	1%
Other	9	0%	3	0%
Total Revenue	$ 28,741	100%	$ 11,838	100%

Fair Value of Financial Instruments

Carrying amounts of cash equivalents, accounts receivable, accounts payable and the revolving credit facility approximate fair value due to their relatively short maturities.

Fair Value Measurements

The Company uses a fair value hierarchy that prioritizes inputs to valuation approaches used to measure fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities and the lowest priority to unobservable inputs. Assets and liabilities measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 Inputs:

Quoted prices (unadjusted) in active markets for identical assets or liabilities at the reporting date.

- Level 1 assets may include listed mutual funds, ETFs and listed equities

Level 2 Inputs:

Quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not active; quotes from pricing services or brokers for which the Company can determine that orderly transactions took place at the quoted price or that the inputs used to arrive at the price are observable; and inputs other than quoted prices that are observable, such as models or other valuation methodologies.

- Level 2 assets may include debt securities and foreign currency exchange contracts that have inputs to the valuations that generally can be corroborated by observable market data.

Level 3 Inputs:

Unobservable inputs for the valuation of the asset or liability, which may include nonbinding broker quotes.

- Level 3 assets include investments for which there is little, if any, market activity. These inputs require significant management judgment or estimation.

Significance of Inputs: The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the financial instrument.

Cash and Cash Equivalents

Cash and cash equivalents primarily consist of cash, money market funds and short-term, highly liquid investments with original maturities of three months or less.

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 estimates future credit losses based on the age of customer receivable balances, collection history and forecasted economic trends. Future collections can be significantly different from historical collection trends or current estimates. The Company monitors exposure to credit losses and maintains allowances for anticipated losses considered necessary under the circumstances. The allowance for expected credit losses was $ 123 thousand and $ 0 as of September 30, 2024 and December 31, 2023, respectively. Credit loss expense was $ 81 thousand and $ 2 thousand for the three months ended September 30, 2024 and 2023, respectively, and $ 123 thousand and $ 7 thousand for the nine months ended September 30, 2024 and 2023, respectively.

Inventories

Inventories consist of finished product and components and are stated at the lower of cost and 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 using the treasury stock method for options, restricted stocks and warrants. Diluted net income (loss) per share is computed by giving effect to all potential dilutive common share equivalents outstanding for the period.

The factors used in the net income (loss) per share computation are as follows:

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands)	2024	2023	2024	2023
Basic				
Net income (loss)	$ 1,215	$ (1,451)	$ 5,101	$ (3,725)
Weighted average number of shares used in computing net income (loss) per share – basic	16,321	16,270	16,305	16,255
Net income (loss) per share - basic	$ 0.07	$ (0.09)	$ 0.31	$ (0.23)
Diluted				
Net income (loss)	$ 1,215	$ (1,451)	$ 5,101	$ (3,725)
Weighted average number of shares used in computing net income (loss) per share – basic	16,321	16,270	16,305	16,255
Dilutive effects of:				
Stock options	7	-	2	
Restricted stock awards	18	-	25	-
Weighted average number of shares used in computing net income (loss) per share – diluted	16,346	16,270	16,332	16,255
Net income (loss) per share - diluted	$ 0.07	$ (0.09)	$ 0.31	$ (0.23)

The full shares listed below were not included in the computation of diluted net income (loss) per share because to do so would have been antidilutive for the periods presented:				
Restricted stock awards	-	113,500	-	113,500
Stock options	-	89,550	-	89,550

Diluted net income per share for the three and nine months ended September 30, 2024 includes the dilutive effect of stock options and restricted stock awards that were issued in December 2022 and January 2024 to directors, officers, and employees. Diluted weighted average common shares outstanding for the three and nine months ended September 30, 2024 does not exclude any stock options as their exercise prices were lower than the average price of our shares of common stock during the period. Diluted weighted average common shares outstanding for the three and nine months ended September 30, 2024 does not exclude any shares issued under restricted stock awards in December 2022 or January 2024, as the average price of our shares of common stock during the three and nine months ended September 30, 2024 was higher than average unrecognized compensation expense. Diluted net loss per share for the three and nine months ended September 30, 2023 excludes the dilutive effect of stock options and restricted stock awards as they are antidilutive during a period of net loss. The assumed proceeds of stock options and the restricted stock awards for the treasury stock method is the sum of proceeds from exercise and the average amount of unrecognized compensation expense.

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 control an underlying asset for the lease term, and operating lease liability represents the Company's obligation to make lease payments arising from the lease. Control of an underlying asset is conveyed to the Company if the Company obtains the rights to direct the use of and to obtain substantially all of the economic benefits from using the underlying asset. 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 Company has lease agreements which include lease and non-lease components, which the Company has elected to account for as a single lease component for all classes of underlying assets.

The lease payments used to determine the Company's operating lease assets may include lease incentives, and stated rent increases 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 income (loss).

For leases in which the Company is the lessor, the Company identifies the lease and non-lease components and allocates the contract consideration to the different components on a relative stand-alone selling price basis at lease inception. The Company uses a residual approach for the components when the stand-alone selling price is not directly observable or those for which the Company has not established a price.

The Company elects the practical expedient to combine lease and non-lease components when the components qualify to be combined. Continuous supporting services are the primary non-lease components and are not predominant. As a result, the combined components are accounted for as a lease under Accounting Standards Codification ("ASC") 842, *Leases*. The revenues from non-lease components that are not qualified to be combined are recognized when the services are rendered under ASC 606, *Revenue from Contracts with Customers*. The revenues from non-lease components were $ 97 thousand and $ 147 thousand for the three and nine months ended September 30, 2024, respectively.

For operating leases where the Company is the lessor, the Company recognizes the underlying assets and depreciates them over the estimated useful life which is based upon to estimate the residual value expected at the end of the lease term. Lease income is recognized on a straight-line basis over the lease term when the lease payment is determined. Leasing revenue is not recognized when collection of all contractual rents over the term of the agreement is not probable. When collection is not probable, the Company limits the lease revenue to the lesser of the revenue recognized on a straight-line basis or cash basis. The lease income is included in revenues in the condensed consolidated statements of income (loss).

Variable lease payments associated with the leases are recognized when the event, activity, or circumstance in the lease agreement on which those payments are assessed occurs. Variable lease payments are presented within revenues in the condensed consolidated statements of income (loss).

Income Taxes

The Company recognizes deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the Company's financial statements or tax returns. Under this method, deferred tax assets and liabilities are determined based on differences between the financial statement carrying amounts and the tax bases of the assets and liabilities using the enacted tax rates in effect in the years in which the differences are expected to reverse. A valuation allowance against deferred tax assets is recorded if, based on the weight of the available evidence, it is more likely than not that some or all of the deferred tax assets will not be realized.

Uncertain tax positions are recognized in the financial statements only if that position is more likely than not to be sustained upon examination by taxing authorities, based on the technical merits of the position. The Company's practice is to recognize interest and/or penalties related to income tax matters in income tax expense.

Recent Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-4, *Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*, to provide temporary optional expedients and exceptions to U.S. GAAP guidance on contract modifications to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate, or LIBOR, to alternative reference rates, such as the Secured Overnight Financing Rate. Entities can elect not to apply certain modification accounting requirements to contracts affected by what the guidance calls reference rate reform if certain criteria are met. An entity that makes this election would not have to remeasure the contracts at the modification date or reassess a previous accounting determination. The guidance was originally effective as of March 12, 2020 through December 31, 2022 and interim periods within those fiscal years. In December 2022, the FASB issued ASU 2022-06, *Deferral of the Sunset Date of Topic 848* which was issued to defer the sunset date of Topic 848 to December 31, 2024. These updates are not expected to have a significant impact on the Company's condensed consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* to enhance disclosures about significant segment expenses for public entities reporting segment information under ASC Topic 280. The amendments require public entities to disclose significant expense categories for each reportable segment, other segment items, the title and position of the chief operating decision-maker, and interim disclosures of certain segment-related information previously required only on an annual basis. The amendments clarify that entities reporting single segments must disclose both the new and existing segment disclosures under Topic 280, and a public entity is permitted to disclose multiple measures of segment profit or loss if certain criteria are met. The ASU is effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of this standard on its condensed consolidated financial statements and related disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* , to enhance transparency into income tax disclosures. The amendments require annual disclosure of certain information relating to the rate reconciliation, income taxes paid by jurisdiction, income (or loss) from continuing operations before income tax expense (or benefit) disaggregated between domestic and foreign jurisdictions, income tax expense (or benefit) from continuing operations disaggregated by federal (national), state, and foreign jurisdictions. The amendments also eliminate certain requirements relating to unrecognized tax benefits and certain deferred tax disclosure relating to subsidiaries and corporate joint ventures. The ASU is effective for fiscal years beginning after December 15, 2024, and interim periods within fiscal years beginning after December 15, 2025. Early adoption is permitted. The Company is currently evaluating the impact of this standard on its condensed consolidated financial statements and related disclosures.

In March 2024, the FASB issued ASU 2024-01, *Compensation - Stock Compensation (Topic 718): Scope Application of Profits Interest and Similar Awards,* to clarify how an entity determines whether a profits interest or similar award is within the scope of Topic 718 or is not a share-based payment arrangement and therefore within the scope of other guidance. ASU 2024-01 provides an illustrative example with multiple fact patterns and also amends certain language in the "Scope" and "Scope Exceptions" sections of Topic 718 to improve its clarity and operability without changing the guidance. The ASU is effective for fiscal years beginning after December 15, 2024, and interim periods within those annual periods. Early adoption is permitted. These updates are not expected to have a significant impact on the Company's condensed consolidated financial statements.

Note 2 — Property and Equipment

Property and equipment consist of the following:

(in thousands)	As of September 30, 2024	As of December 31, 2023	Estimated Useful Lives
Operations equipment	$ 930	$ 1,018	3 - 10 years
FDA program equipment	1,163	-	10 years
Tradeshow and demo equipment	1,182	1,184	3 years
Computer equipment	163	145	3 years
Subtotal	3,438	2,347	
Construction in progress	228	-	
Less accumulated depreciation	(2,031)	(1,883)	
Property and Equipment, Net	$ 1,635	$ 464	

Depreciation expense was $ 53 thousand and $ 60 thousand for the three months ended September 30, 2024 and 2023, respectively, and $ 154 thousand and $ 167 thousand for the nine months ended September 30, 2024 and 2023, respectively.

Note 3 — Debt

As of December 31, 2022, the Company had a revolving credit facility with Silicon Valley Bank ("SVB") that provided for maximum borrowings equal to the lesser of (a) the $ 15 million commitment amount or (b) the borrowing base plus a $ 7.5 million non-formula sublimit.

On September 11, 2023, the Company entered into a new revolving credit facility (the "Credit Facility") with Comerica Bank ("Comerica"), replacing the prior facility with SVB, that provided for maximum borrowings of $ 10 million. The Credit Facility may be terminated by the Company or Comerica at any time without penalty. At September 30, 2024, the available borrowings under this facility were $ 10 million. Any borrowings bear interest at the Secured Overnight Financing Rate plus 2.50 % (or 7.46 % at September 30, 2024) and would be due upon demand by Comerica. The Credit Facility is secured by all of the Company's assets. At September 30, 2024, the Credit Facility contained a financial covenant requiring that the Company maintain unencumbered liquid assets having a minimum value of $3,500,000 in a Comerica account. In October 2024, the Credit Facility was amended to extend the term of the Credit Facility and to increase the maximum borrowings to $ 15 million. The amended Credit Facility includes updated covenants requiring that the Company maintain (1) unencumbered liquid assets having a minimum value of $ 10,000,000 in a Comerica account; (2) minimum profitability of $ 1 on a trailing 12-month basis; and (3) the contractual relationship with the manufacturer of the SRT-100 discussed in Note 6, *Commitments and Contingencies – Manufacturing Agreement.* There were no other significant changes to the terms of the Credit Facility.

The Company was in compliance with its financial covenants under the respective facilities as of September 30, 2024 and December 31, 2023. There were no borrowings outstanding under either facility at September 30, 2024 and December 31, 2023.

NOTE 4 — PRODUCT WARRANTIES

Changes in product warranty liability were as follows for the nine months ended September 30, 2024:

(in thousands)		
Balance, December 31, 2023	$	538
Warranties accrued during the period		81
Payments on warranty claims		(268)
Balance, September 30, 2024	$	351

NOTE 5 — LEASES

OPERATING LEASE AGREEMENTS

The Company leases its headquarters office from an unrelated third party under a lease expiring in September 2027. The amortization of the right of use lease asset was $ 49 thousand for the three months ended September 30, 2024 and 2023, respectively, and $ 144 thousand and $ 139 thousand for the nine months ended September 30, 2024 and 2023, respectively.

Future minimum lease payments under the Company's non-cancellable leases as of September 30, 2024 are as follows:

Maturity of Operating Lease Liability		**Amount**
2024 (October 1 - December 31, 2024)	$	57
2025		229
2026		236
2027		181
Total undiscounted operating leases payments	$	703
Less: Imputed interest		(52)
Present Value of Operating Lease Liability	$	651
Operating lease liability, current portion	$	200
Operating lease liability, net of current portion	$	451

Other Information	
Weighted-average remaining lease term	3.00 years
Weighted-average discount rate	5%

Cash paid for amounts included in the measurement of the operating lease liability was $ 132 thousand and $ 152 thousand for the nine months ended September 30, 2024 and 2023, respectively, and is included in cash flows from operating activities in the accompanying condensed consolidated statements of cash flows.

Operating lease cost recognized as expense was $ 57 thousand for the three months ended September 30, 2024 and 2023, and $ 171 thousand for the nine months ended September 30, 2024 and 2023. The financing component for operating lease liability represents the effect of discounting the operating lease payments to their present value.

LESSOR ACCOUNTING

Beginning in the quarter ended June 30, 2024, the Company, through its subsidiary, Sensus Healthcare Services, LLC, leases superficial radiotherapy equipment to dermatology clinics. The leases generally have initial lease terms of sixty months and automatically renew for a one-year period upon the expiration of the initial lease terms. Payments due under the leases may be fixed or variable payments.

The component of lease income for the three and nine months ended September 30, 2024 is as follows:

(in thousands)		**For the Three Months Ended September 30, 2024**		**For the Nine Months Ended September 30, 2024**
Lease income - operating leases - fixed payments	$	75	$	116

The future minimum fixed lease payments to be received under the lease agreements as of September 30, 2024 are as follows:

(in thousands)		**Amount**
2024 (October 1 - December 31, 2024)	$	99
2025		396
2026		396
2027		396
2028		396
Thereafter		576
Total	$	2,259

NOTE 6 – COMMITMENTS AND CONTINGENCIES

Manufacturing Agreement

The Company has a 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+), 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 sixty days prior to the anniversary date of the agreement, that it will not renew the agreement. The Company or the manufacturer may terminate the agreement upon ninety days' prior written notice.

The Company pays this manufacturer for finished goods in advance of the inventory being received. The Company paid this manufacturer $ 0.2 million and $ 1.3 million for finished goods for the three months ended September 30, 2024 and 2023, respectively, and $ 5.9 million and $ 9.2 million for the nine months ended September 30, 2024 and 2023, respectively. Finished goods of $ 2.6 million and $ 3.5 million were received from this manufacturer for the three months ended September 30, 2024 and 2023, respectively, and $ 7.8 million and $ 11.2 million for the nine months ended September 30, 2024 and 2023, respectively. As of September 30, 2024 and December 31, 2023, a prepayment related to these finished goods of $ 1.7 million and $ 3.0 million, respectively, was presented in prepaid inventory in the accompanying condensed consolidated 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 Department subsequently advised the Company that it was considering expanding the investigation to determine whether the Company had any involvements in physician's use of certain reimbursements codes. The Company has received two Civil Investigative Demands from the Department seeking documents and written responses in connection with its investigation. The Company has fully cooperated with the Department. The Company disputes that it has engaged in any wrongdoing with respect to such reimbursement claims; among other considerations, 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. As of September 30, 2024, the Company was unable to estimate the cost associated with this matter.

Note 7 — Stockholders' Equity

Preferred Stock

The Company has authorized 5 million shares of preferred stock. No shares of preferred stock were issued or outstanding at September 30, 2024 or December 31, 2023.

Treasury Stock

Treasury stock includes shares surrendered by employees for tax withholding on the vesting of restricted stock awards and shares repurchased in open market transactions. 7,870 shares were surrendered by employees for tax withholding for the three and nine months ended September 30, 2024. 3,935 and 8,422 shares were surrendered by employees for tax withholding for the three and nine months ended September 30, 2023, respectively. During the three and nine months ended September 30, 2024, the Company did not repurchase any shares in open market transactions. During the three and nine months ended September 30, 2023, the Company repurchased 9,427 shares in open market transactions.

Note 8 — Equity-based Compensation

2016 and 2017 Equity Incentive Plans

The Company's 2016 Equity Incentive Plan and the 2017 Incentive Plan, as amended in June 2023 (collectively, the "Plans"), provide for the issuance of up to 397,473 shares and 750,000 shares, respectively. In addition, unless the Compensation Committee specifically determines otherwise, the maximum number of shares available under the Plans and the awards granted under the Plans will be subject to appropriate adjustment in the case of any stock dividends, stock splits, recapitalizations, reorganizations, mergers, consolidations, exchanges or other changes in capitalization affecting the Company's common stock. The awards may be made in the form of restricted stock awards or stock options, among other things. As of September 30, 2024 and December 31, 2023, 295,223 and 312,973 shares were available to be granted under the Plans, respectively.

On February 1, 2020, a total of 35,000 shares of restricted stock were issued to employees. The restricted shares vest 25 % per year over a four-year period. The grant date fair value of $ 4.11 per share is being recognized as expense on a straight-line basis over the vesting period. During the nine months ended September 30, 2024, 2,500 shares of common stock vested. As of September 30, 2024, the shares issued on February 1, 2020 were fully vested.

On July 21, 2021, a total of 130,000 shares of restricted stock were issued to employees and board members. The restricted shares vest 25 % at grant date and 25 % per year over a three-year period. The grant date fair value of $ 3.84 per share is being recognized as expense on a straight-line basis over the vesting period. During the nine months ended September 30, 2024, 32,500 shares of common stock vested. As of September 30, 2024, the shares issued on July 21, 2021 were fully vested.

On December 19, 2022, a total of 77,000 shares of restricted stock were issued to employees. The restricted shares vest 25 % per year over a four-year period. The fair value of $ 6.40 per share, the stock price on grant date, is being recognized as expense on a straight-line basis over the vesting period. During the nine months ended September 30, 2024, 2,250 shares of unvested common stock were forfeited due to the termination of three employees.

On January 26, 2023, 10,000 shares of common stock were issued to an employee and were recorded at the fair value of $ 8.96 per share, the stock price on the grant date. The shares were fully vested on the grant date.

On January 11, 2024, 20,000 shares of common stock with a fair value of $ 2.65 per share, the stock price on the grant date, were issued to an employee. 10,000 of the shares were vested and the expense related to these shares was recognized on the grant date. The remaining 10,000 shares are scheduled to cliff vest in January 2025. The grant date fair value of $ 2.65 per share is being recognized as expense on a straight-line basis over the vesting period.

Restricted Stock

Restricted stock activity for the nine months ended September 30, 2024 is summarized below:

Outstanding at	Restricted Stock		Weighted-Average Grant Date Fair Value
December 31, 2023	89,750	$	5.41
Granted	20,000		2.65
Vested	(45,000)		3.59
Forfeited	(2,250)	$	6.40
September 30, 2024	62,500	$	5.80

The Company recognizes forfeitures as they occur. The reduction of stock compensation expense related to the forfeitures was $ 0 for the three months ended September 30, 2024 and 2023, and $ 2 thousand and $ 19 thousand for the nine months ended September 30, 2024 and 2023, respectively.

Stock compensation expense related to restricted stock, excluding the recognition of forfeitures, was $ 45 thousand and $ 67 thousand for the three months ended September 30, 2024 and 2023, respectively, and $ 203 thousand and $ 295 thousand for the nine months ended September 30, 2024 and 2023, respectively.

Unrecognized stock compensation expense was $ 257 thousand as of September 30, 2024, which will be recognized over a weighted-average period of 2.1 years.

Stock Options

Stock options expire ten years after the grant date. Options that have been granted are exercisable and vest based on the terms of the related agreements.

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

	Number of Options		Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (In Years)
Outstanding - December 31, 2023	89,550	$	5.55	4.08
Granted	-		-	-
Exercised	(6,000)		5.55	-
Expired	-		-	-
Outstanding - September 30, 2024	83,550	$	5.55	3.33
Exercisable – September 30, 2024	83,550	$	5.55	3.33

No stock compensation expense related to stock options was incurred for the three and nine months ended September 30, 2024 and 2023. The stock options outstanding as of September 30, 2024 and December 31, 2023 had an intrinsic value of $ 21 thousand and $ 0 , respectively.

Note 9 — Income Taxes

The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*, ("ASC 740"), 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 periods, disclosure and transition.

Effective income tax rates for interim periods are based upon the Company's current estimated annual tax rate, which varies based upon the Company's estimate of taxable earnings or loss and the mix of taxable earnings or loss in the various states in which the Company operates. In addition, the Company recognizes taxes related to unusual or infrequent items or resulting from a change in judgment regarding a position taken in a prior period as discrete items in the interim period in which the event occurs.

As of September 30, 2024 and December 31, 2023, management determined there continues to be sufficient positive evidence that it is more likely than not that the net deferred tax asset (other than foreign net operation losses) is realizable.

Income tax expense (benefit) was $ 559 thousand and ($ 125) thousand for the three months ended September 30, 2024 and 2023, respectively. Income tax expense (benefit) was $ 1,965 thousand and ($ 1,428) thousand for the nine months ended September 30, 2024 and 2023, respectively.

The effective tax rates for the three months ended September 30, 2024 and 2023 were 31.5 % and 7.9 %, respectively. The effective tax rates for the nine months ended September 30, 2024 and 2023 were 27.8 % and 27.7 %, respectively. The increase in the effective tax rate for the three months ended September 30, 2024 compared to the prior year periods was primarily due to an increase in nondeductible expenses in proportion to pretax income (loss).

The effective tax rate differs from the U.S. federal statutory rate for the three and nine months ended September 30, 2024, primarily due to nondeductible expenses, state income taxes and the favorable impact of tax credits. The effective tax rate differs from the U.S. federal statutory rate for the three and nine months ended September 30, 2023, primarily due to nondeductible expenses and state income taxes.

As of September 30, 2024, the Company's U.S. federal and certain state tax returns remain subject to examination, beginning with those filed for the year ended December 31, 2017.

Note 10 — Subsequent Events

The Company has evaluated subsequent events and transactions that occurred after the balance sheet date up to the date that the financial statements were issued for potential recognition or disclosure. The Company did not identify any subsequent events that would have required adjustment or disclosure in the condensed consolidated financial statements.

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 the 2023 Annual Report.

Overview

Sensus is a medical device company committed to providing highly effective, non-invasive and cost-effective treatments for both oncological and non-oncological skin conditions.

Segment Information

The Company manages its business globally within one reportable segment, which is consistent with how our management views the business, prioritizes investment and resource allocation decisions, and assesses operating performance.

Results of Operations

	For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
(in thousands, except shares and per share data)	2024	2023	2024	2023
Revenues	$ 8,839	$ 3,898	$ 28,741	$ 11,838
Cost of sales	3,599	1,909	11,416	5,609
Gross profit	5,240	1,989	17,325	6,229
Operating expenses				
Selling and marketing	1,309	1,290	3,575	4,983
General and administrative	1,573	1,511	4,731	4,204
Research and development	863	1,083	2,655	3,001
Total operating expenses	3,745	3,884	10,961	12,188
Income (loss) from operations	1,495	(1,895)	6,364	(5,959)
Other income:				
Gain on sale of assets	-	42	-	42
Interest income	279	277	702	764
Other income, net	279	319	702	806
Income (loss) before income tax	1,774	(1,576)	7,066	(5,153)
Provision for (benefit from) income taxes	559	(125)	1,965	(1,428)
Net income (loss)	$ 1,215	$ (1,451)	$ 5,101	$ (3,725)

Three months ended September 30, 2024 compared to the three months ended September 30, 2023

Revenues. Revenues were $8.8 million for the three months ended September 30, 2024 compared to $3.9 million for the three months ended September 30, 2023, an increase of $4.9 million, or 125.6%. The increase was primarily driven by a higher number of units sold to a large customer in the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Cost of sales. Cost of sales was $3.6 million for the three months ended September 30, 2024 compared to $1.9 million for the three months ended September 30, 2023, an increase of $1.7 million, or 89.5%. The increase in cost of sales was primarily related to a higher number of units sold and was fairly consistent as a percentage of revenue in the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Gross profit. Gross profit was $5.2 million for the three months ended September 30, 2024 compared to $2.0 million for the three months ended September 30, 2023, an increase of $3.2 million, or 160.0%. Our overall gross profit percentage was 59.1% in the three months ended September 30, 2024 compared to 51.3% in the corresponding period in 2023. The increase in gross profit was primarily driven by a higher number of units sold in the three months ended September 30, 2024 compared to the three months ended September 30, 2023.

Selling and marketing. Selling and marketing expense was $1.3 million for the three months ended September 30, 2024 and 2023.

General and administrative. General and administrative expense was $1.6 million for the three months ended September 30, 2024 compared to $1.5 million for the three months ended September 30, 2023, an increase of $0.1 million, or 6.7%. The net increase in general and administrative expense was primarily due to higher compensation and bad debt expense, which were offset by a reduction in bank fees.

Research and development. Research and development expense was $0.9 million for the three months ended September 30, 2024 compared to $1.1 million for the three months ended September 30, 2023, a decrease of $0.2 million, or 18.2%. The decrease was primarily due to expenses related to a project to develop a drug delivery system for aesthetic use, as most of the development expenses occurred in the 2023 period.

Other income. Other income of $0.3 million for the three months ended September 30, 2024 and 2023 relate primarily to interest income.

Nine months ended September 30, 2024 compared to the nine months ended September 30, 2023

Revenues. Revenues were $28.7 million for the nine months ended September 30, 2024 compared to $11.8 million for the nine months ended September

30, 2023, an increase of $16.9 million, or 143.2%. The increase was primarily driven by a higher number of units sold to a large customer in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Cost of sales. Cost of sales was $11.4 million for the nine months ended September 30, 2024 compared to $5.6 million for the nine months ended September 30, 2023, an increase of $5.8 million, or 103.6%. The increase in cost of sales was primarily related to a higher number of units sold in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Gross profit. Gross profit was $17.3 million for the nine months ended September 30, 2024 compared to $6.2 million for the nine months ended September 30, 2023, an increase of $11.1 million, or 179.0%. Our overall gross profit percentage was 60.3% in the nine months ended September 30, 2024 compared to 52.5% in the corresponding period in 2023. The increase in gross profit was primarily driven by a higher number of units sold in the nine months ended September 30, 2024 compared to the nine months ended September 30, 2023.

Selling and marketing. Selling and marketing expense was $3.6 million for the nine months ended September 30, 2024 compared to $5.0 million for the nine months ended September 30, 2023, a decrease of $1.4 million, or 28.0%. The decrease was primarily attributable to the decrease in marketing agency expense, travel expense, and payroll cost due to lower headcount.

General and administrative. General and administrative expense was $4.7 million for the nine months ended September 30, 2024 compared to $4.2 million for the nine months ended September 30, 2023, an increase of $0.5 million, or 11.9%. The net increase in general and administrative expense was primarily due to higher compensation and bad debt expense, which were offset by a reduction in bank fees and insurance expense.

Research and development. Research and development expense was $2.7 million for the nine months ended September 30, 2024 compared to $3.0 million for the nine months ended September 30, 2023, a decrease of $0.3 million, or 10.0%. The decrease was primarily due to expenses related to a project to develop a drug delivery system for aesthetic use.

Other income. Other income of $0.7 and 0.8 million for the nine months ended September 30, 2024 and 2023, respectively, relate primarily to interest income.

Financial Condition

The following discussion summarizes significant changes in assets and liabilities. Please see the condensed consolidated balance sheets as of September 30, 2024 and December 31, 2023 contained in Part I, Item 1 of this filing.

Assets

Cash and cash equivalents at September 30, 2024 decreased $0.5 million from December 31, 2023. See *Cash Flows* for details on the change in cash and cash equivalents during the nine months ended September 30, 2024.

Accounts receivable at September 30, 2024 increased $6.4 million from December 31, 2023, primarily due to the increase in sales and concentration of sales to the Company's primary customer that is subject to extended payment terms.

Inventories at September 30, 2024 increased $0.1 million from December 31, 2023, as volume has been increased in anticipation of increasing future revenues.

Liabilities

There were no borrowings outstanding under our revolving line of credit with Comerica Bank at September 30, 2024 or December 31, 2023.

Liquidity and Capital Resources

In general terms, liquidity is a measurement of the Company's ability to meet its cash needs. For the three months ended September 30, 2024, funding was derived primarily from cash generated by the sale of equipment to our customers in the ordinary course of business. The Company believes that proceeds from maturing cash equivalents, as well as the Company's borrowing capacity under its existing line of credit and access to capital resources are sufficient to meet operating capital and funding requirements for the next 12 months from the date of this quarterly report. Please see Note 3, Debt, to the consolidated financial statements for a discussion regarding the Company's revolving credit facility with Comerica Bank. The Company's liquidity position and capital requirements may be impacted by a number of factors, including the following:

- ability to generate and increase revenue;
- fluctuations in gross margins, operating expenses and net results; and
- financial market instability or disruptions to the banking system due to bank failures

The Company's primary short-term capital needs, which are subject to change, include expenditures related to:

- expansion of sales and marketing activities; and
- expansion of research and development activities.

Sensus's management regularly evaluates cash requirements for current operations, commitments, capital requirements and business development transactions, and may seek to raise additional funds for these purposes in the future. However, there can be no assurance that it will be able to raise such funds or the terms on which such funds may be raised, if at all.

Cash flows

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

(in thousands)	For the Nine Months Ended September 30 2024	2023
Net cash provided by (used in):		
Operating activities	$ (4)	$ (4,813)
Investing activities	(573)	(187)
Financing activities	(13)	(33)
Total	$ (590)	$ (5,033)

Cash flows from operating activities

Net cash used in operating activities was $4 thousand for the nine months ended September 30, 2024, consisting of net income of $5.1 million and non-cash charges of $0.6 million, offset by an increase in net operating assets of $5.8 million. Cash flows provided by operating activities primarily include the receipt of revenues offset by the payment of operating expenses incurred in the normal course of business. Non-cash items consisted of credit loss expense, deferred income taxes, stock-based compensation expense, provision for product warranties, amortization of right-of-use asset and depreciation and amortization of property and equipment. Net cash used in operating activities was approximately $4.8 million for the nine months ended September 30, 2023, consisting of net loss of approximately $3.7 million, a decrease in net working capital of approximately $0.6 million, and non-cash charges of approximately $0.5 million. Cash flows provided by operating activities primarily include the receipt of revenues offset by the payment of operating expenses incurred in the normal course of business. Non-cash items consisted of credit loss expense, deferred income taxes, stock-based compensation expense, provision for product warranties, amortization of right-of-use asset, and depreciation and amortization of property and equipment.

Cash flows from investing activities

Net cash used in investing activities for the nine months ended September 30, 2024 reflected $0.6 million of purchases of property and equipment. Net cash used in investing activities for the nine months ended September 30, 2023 reflected $0.2 million of purchases of property and equipment.

Cash flows from financing activities

Net cash provided by financing activities for the nine months ended September 30, 2024 reflected $34 thousand of exercised stock options, offset by $47 thousand of withholding taxes on stock-based compensation. Net cash provided in financing activities for the nine months ended September 30, 2023 primarily reflected $46 thousand of exercised stock options, offset by $79 thousand used for the repurchase of common stock and withholding taxes on stock-based compensation.

Inflation

During the first three quarters of 2024, we continued to experience some increase in commodity and shipping prices and energy and labor costs which resulted in inflationary pressures across various parts of our business and operations, including on our customers, partners, and suppliers. We continue to monitor the impact of inflation and we are taking actions, such as ordering inventory in advance, to minimize its effects on our product cost and sales.

Indebtedness

Please see Note 3, *Debt*, to the condensed consolidated financial statements.

Contractual Obligations and Commitments

Please see Note 6, *Commitments and Contingencies*, to the condensed consolidated financial statements.

Critical Accounting Policies and Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expense during the reporting periods. Management has identified certain accounting policies as critical to understanding the financial condition and results of operations. For a detailed discussion on the application of these and other accounting policies, see the Note 1*, Organization and Summary of Significant Accounting Policies* to the consolidated financial statements included in the 2023 Annual Report for further information.

Item 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

Item 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Control and Procedures

As of September 30, 2024, 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 September 30, 2024, the end of the period covered by this Form 10-Q, we did not maintain effective disclosure controls and procedures, as described below.

- Information technology general controls were not designed and operating effectively to ensure that access to applications and data were adequately restricted to appropriate personnel, ensure segregation of duties, and appropriately monitor the activities of the individuals with access to modify data.

While the deficiencies described above did not result in any material misstatements to the Company’s condensed consolidated financial statements for the period ending September 30, 2024, they did represent a material weakness as of September 30, 2024, since there existed a reasonable possibility that a material misstatement of the Company’s annual or interim financial statements would not be prevented or detected on a timely basis.

Management’s Remediation Measures

To address the material weakness described above, the Company has implemented new and enhanced controls designed to: ensure that access to information technology applications and data are adequately restricted to appropriate personnel, ensure segregation of duties, and appropriately monitor the activities of the individuals with access to modify data. We believe the actions described above will be sufficient to remediate the identified material weakness and strengthen our internal control over financial reporting. However, the new and enhanced controls have not operated for a sufficient amount of time to conclude that the material weakness has been remediated. We will continue to monitor the effectiveness of these controls and will make any further changes management determines to be appropriate.

Changes in Internal Control over Financial Reporting

Except for the remediation efforts described above, 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 6, *Commitments and Contingencies*.

Item 1A. Risk Factors

In addition to the other information set forth in this Quarterly Report on Form 10-Q, you should carefully consider the factors discussed in Part I, Item 1A. “Risk Factors” in our 2023 Annual Report, as updated in our subsequent quarterly reports. The risks described in our 2023 Annual Report and our subsequent quarterly reports are not the only risks facing us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial also may materially adversely affect our business, financial condition or operating results.

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 September 30, 2024.

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

None.

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

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosure

Not applicable.

Item 5. Other Information

(c) Rule 10b5-1 Trading Plans

During the three months ended September 30, 2024, none of our directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted or terminated any contract, instruction or written plan for the purchase or sale of our securities that was intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act or any “non-Rule 10b5-1 trading arrangement” as defined in Item 408(c) of Regulation S-K. None.

Item 6. Exhibits

EXHIBIT INDEX

Exhibit No.	Description
3.1	Amended and Restated Certificate of Incorporation of Sensus Healthcare, Inc., dated as of June 14, 2024 incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q (filed 8/13/2024)
10.1*	Amendment No.1 to Credit Agreement between the Company and Comerica Bank, dated as of October 16, 2024
10.2*	Amendment No.1 to Master Revolving Note between the Company and Comerica Bank, dated as of October 16, 2024
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*	Inline XBRL Instance Document.
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document.
104.*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed electronically herewith.

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: November 14, 2024	/s/ Joseph C. Sardano Joseph C. Sardano Chief Executive Officer (Principal Executive Officer)
Date: November 14, 2024	/s/ Javier Rampolla Javier Rampolla Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)

Exhibit 10.1

Comerica

AMENDMENT NO. 1 TO CREDIT AGREEMENT

This Amendment No. 1 to Credit Agreement (" Amendment") dated October 16, 2024 ("Amendment Effective Date") is made between **SENSUS HEALTHCARE, INC.**, a Delaware corporation (singularly and collectively, if more than one party, " Borrower"), and **COMERICA BANK**, a Texas banking association ("Bank").

(a) Borrower and Bank entered into a Credit Agreement dated September 11, 2023 (" Credit Agreement "), providing terms and conditions governing certain loans and other credit accommodations extended by Bank to Borrower ("Indebtedness").

(b) Borrower and Bank have agreed to amend the terms of the Credit Agreement as provided in this Amendment.

NOW, THEREFORE, Borrower and Bank agree as follows:

1. **Capitalized Terms**. In this Amendment, capitalized terms that are used without separate definition shall have the meanings given to them in the Credit Agreement.

2. **Amendments**. The Credit Agreement is amended as follows:

(a) The following terms and their respective definitions are hereby added to Section 1(a) of the Credit Agreement in their respective alphabetical order:

""**Net Income**" means, in respect of any applicable Person(s), and for any applicable period of determination, the net income (or loss) of such Person(s) for such period, but excluding, in any event: (a) any gains or losses on the sale or other disposition, not in the ordinary course of business, of investments or fixed or capital assets, and any taxes on the excluded gains, and any tax deductions or credits on account of any excluded losses; and (b) in the case of Borrower, net earnings of any Person in which Borrower has an ownership interest, unless such net earnings shall have actually been received by Borrower in the form of cash Distributions."

(b) Section 4(a)(iv), Section 4(a)(v), Section 4(a)(vi), and Section 4(a)(vii) are amended to read in its entirety as follows:

"(iv) Within thirty (30) days after request by Bank, accounts payable agings of Borrower as of such time, certified by an Authorized Officer of Borrower.

(v) Within thirty (30) days after request by Bank, accounts receivable agings of Borrower as of such time, certified by an Authorized Officer of Borrower.

(vi) Within thirty (30) days after request by Bank, inventory reports of Borrower as of such time, certified by an Authorized Officer of Borrower.

(vii) [Reserved]."

(c) Section 4(b) of the Credit Agreement is hereby amended to read in its entirety as follows:

"(b) ***Keeping of Books and Records; Inspections and Audits.*** Keep proper books of record and account in which full and correct entries in all material respects shall be made of all of its financial transactions and its assets and businesses so as to permit the presentation of financial statements (including, without limitation, any financial statements required to be delivered to Bank pursuant to this Agreement) prepared in accordance with GAAP; permit Bank, or its representatives, at reasonable times (during normal business hours) and intervals and upon Borrower's receipt of reasonable prior written notice, to visit all of Borrower's offices and to make inquiries as to Borrower's respective financial matters with its respective directors, officers, employees, and independent certified public accountants (in the presence of an officer of Borrower); and permit Bank, through Bank's authorized attorneys, accountants and representatives, to inspect, audit and examine Borrower's books, accounts, records, ledgers and assets and properties of every kind and description, wherever located, at all reasonable times, upon request on Bank, during normal business hours and upon Borrower's receipt of reasonable prior written notice, including, without limit, audits of Borrower's accounts receivable, inventory and other Collateral to be conducted in Bank's sole discretion (unless during the continuance of an Event of Default or as otherwise required by Bank to fulfill its regulatory and compliance requirements, standards and processes). Borrower shall reimburse Bank for all reasonable costs and expenses incurred by Bank in connection with such inspections, examinations and audits, and to pay to Bank such fees as Bank may reasonably charge in respect of such inspections, examinations and audits, or as otherwise mutually agreed upon by Borrower and Bank."

(d) Section 4(j) (*Liquid Assets*) and Section 4(k) (*Loan Fee*) are amended to read in its entirety as follows:

"(j) ***Liquid Assets.*** As of the end of each fiscal quarter, commencing with the fiscal quarter ending December 31, 2024, maintain Liquid Assets at not less than $10,000,000.

(k) ***Loan Fee.*** [Reserved]."

(e) The following are added as new subsections (l) and (m) to Section 4 as follows:

"(l) ***Net Income.*** As of the end of each fiscal quarter of Borrower, commencing with the fiscal quarter ending December 31, 2024, maintain its Net Income for the fiscal quarter then-ended at not less than $1, and the relevant period of determination of which shall be the four (4) fiscal quarters ending as of each such date of calculation.

(m) **RBM Contract**. Do or cause to be done all things necessary to preserve and keep in full force and effect its current contract with its primary supplier, RBM SERVICES, LLC, a Tennessee limited liability company (the "RBM Contract"), and Borrower hereby represents and warrants that said contract is in full force and effect and that there are no Defaults or Events of Default thereunder."

(f) The following is added as new subsection (m) to Section 6 as follows:

"(m) the occurrence or existence of any Default or Event of Default under the RBM Contract."

3. **Representations**. Borrower represents and agrees that:

(a) Except as expressly modified in this Amendment, (i) the representations and warranties set forth in the Credit Agreement as modified and in each of the Loan Documents remain true and correct in all respects, except to the extent that they expressly speak as of a specific prior date, and (ii) the covenants set forth in the Credit Agreement continue to be satisfied in all respects, and are legal, valid and binding obligations with the same force and effect as if entirely restated in this Amendment.

(b) Execution, delivery, and performance of this Amendment by Borrower are all within Borrower's corporate powers, and when executed, this Amendment will be a duly authorized, legal, valid, and binding obligation of Borrower enforceable in accordance with its terms, and will not conflict with or violate any of Borrower's formation documents or any agreement, instrument, law, or order to which Borrower or any material portion of its assets is subject or bound.

(c) Except for events or conditions for which Bank is giving its waiver in this Amendment, there is no default continuing under the Credit Agreement, or any related document, agreement, or instrument, and no event has occurred or condition exists that is or, with the giving of notice or lapse of time or both, would be such a default.

4. **Conditions Precedent**. The effectiveness of this Amendment is subject to Bank's receipt of or Borrower's satisfaction of all of the following and failure to deliver any one or more of the following shall constitute a default under the Credit Agreement:

(a) this Amendment and the documents identified on attached Exhibit A, each duly executed by Borrower and/or other party, as applicable;

(b) resolutions authorizing the execution and delivery of this Amendment, in form acceptable to Bank;

(c) payment of all of Bank's expenses incurred through the date of this Amendment together with the costs of recording any amendment required by this Amendment and upon Borrower's execution of this Amendment, Bank will be authorized to charge any deposit or other account of Borrower maintained with Bank for such expenses; and

(d) such other documents and completion of such other matters as Bank may reasonably deem necessary or appropriate.

5. **Waiver of Default**. Borrower acknowledges that it is not in compliance with the Credit Agreement because it has failed to comply with Section 4(b) (*Audit*) as of July 9, 2024 ("Identified Default"). Bank waives any default or Event of Default under the Credit Agreement arising out of the Identified Default as of the stated date, but does not waive compliance with that Section at or for any subsequent time or period. This provision is not a waiver of or consent to any other event, condition, transaction, act or omission whether related or unrelated to the Identified Default. This provision shall not be deemed to constitute or be construed as a course of dealing obligating Bank to provide any waiver, amendment, consent or other modification of the terms provided in the Loan Documents to Borrower at any time or to confer on Borrower any right to notice or cure periods with respect to any further Event of Default.

6. **No Other Changes**. Except as specifically provided in this Amendment, it does not vary the terms and provisions of any of the Loan Documents ("Loan Documents"). This Amendment shall not impair the rights, remedies, and security given in and by the Loan Documents. The terms of this Amendment shall control any conflict between its terms and those of the Credit Agreement. On and after the Amendment Effective Date, each reference in the Credit Agreement and the Loan Documents to the Credit Agreement shall mean the Credit Agreement as amended by this Amendment, and this Amendment shall be deemed to be one of the Loan Documents.

7. **Ratification**. Except for the modifications under this Amendment, the parties ratify and confirm the Credit Agreement and the Loan Documents and agree that they remain in full force and effect.

8. **Confirmation of Lien Upon Collateral.** Borrower acknowledges and agrees that the Indebtedness of Borrower under the Credit Agreement and the Loan Documents and the individual advances under the Indebtedness are secured by the Collateral (as defined in the Credit Agreement) and that the Security Agreement constitutes a valid, legal, and binding agreement and obligation of Borrower. The Collateral is and shall remain subject to and encumbered by the lien, charge, and encumbrance of any applicable Loan Document, and nothing herein contained shall affect or be construed to affect the lien or encumbrance created by any applicable Loan Document respecting the Collateral, or its priority over other liens or encumbrances.

9. **Further Modification; No Reliance**. This Amendment may be altered or modified only by written instrument duly executed by Borrower and Bank. In executing this Amendment, Borrower is not relying on any promise or commitment of Bank that is not in writing signed by Bank. This Amendment shall not be more strictly construed against any one of the parties as compared to any other.

10. **Entire Agreement**. This Amendment contains the entire agreement of the parties with respect to the transactions covered hereby, superseding all negotiations, prior discussions, and preliminary agreements made prior to the Amendment Effective Date, including but not limited to any term sheet, proposal, letter of intent, or commitment letter.

11. **Severability**. Each of the provisions contained in this Amendment shall be severable, and the unenforceability of one shall not affect the enforceability of any others or of the remainder of this Amendment.

12. **Successors and Assigns**. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

13. **No Defenses**. Borrower acknowledges, confirms, and warrants to Bank that as of the date hereof Borrower has absolutely no defenses, claims, rights of set-off, or counterclaims against Bank under, arising out of, or in connection with, this Amendment, the Credit Agreement, the Loan Documents and/or the individual advances under the Indebtedness, or against any of the indebtedness evidenced or secured thereby.

14. **Release and Waiver**. Borrower waives, discharges, and forever releases Bank, Bank's employees, officers, directors, attorneys, stockholders, and

their successors and assigns, from and of any and all claims, causes of action, allegations or assertions that Borrower has or may have had at any time up through and including the date of this Amendment, against any or all of the foregoing, regardless of whether any such claims, causes of action, allegations or assertions are known to Borrower or whether any such claims, causes of action, allegations or assertions arose as result of Bank's actions or omissions in connection with the Credit Agreement, any other Loan Document, any amendments, extensions or modifications thereto, or Bank's administration of the Indebtedness or otherwise.

15. **THIS WRITTEN LOAN AGREEMENT AND THE OTHER "LOAN AGREEMENTS" (AS DEFINED IN SECTION 26.02(A)(2) OF THE TEXAS BUSINESS & COMMERCE CODE, AS AMENDED) REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES, AND THIS WRITTEN LOAN AGREEMENT AND THE OTHER WRITTEN LOAN AGREEMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

16. **Expenses**. Borrower shall promptly pay all out-of-pocket fees, costs, charges, expenses, and disbursements of Bank incurred in connection with the preparation, execution, and delivery of this Amendment, and the other documents contemplated by this Amendment. Borrower hereby authorizes Bank to charge any deposit or other account of Borrower maintained with Bank for reimbursement of any such fees, costs, charges, expenses, and disbursements.

17. **WAIVER OF JURY TRIAL.THE PARTIES HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY AND ALL ACTIONS OR PROCEEDINGS (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) AT ANY TIME IN WHICH THEY ARE PARTIES ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT OR THE OTHER DOCUMENTS CONTEMPLATED HEREBY**

18. **Counterparts / Electronic Signatures**. This Amendment may be executed in one or more counterparts, and by separate parties on separate counterparts, all of which shall constitute one and the same agreement. The signature of a party to any counterpart shall be sufficient to legally bind such party. **Bank may remove the signature pages from one or more counterparts and attach them to any other counterpart for the purpose of having a single document containing the signatures of all parties**. Facsimile copies of signatures or copies of signatures sent by electronic mail (as a "pdf" or "tif" attachment) shall be treated as manually signed originals for the purposes of this Amendment and the documents to be delivered pursuant to the Credit Agreement. Any party delivering an executed counterpart of this Amendment by facsimile or electronic mail also shall deliver a manually executed counterpart of this Amendment, but the failure to deliver a manually executed counterpart shall not affect the validity, enforceability, and binding effect of this Amendment.

19. **Governing Law**. The parties agree that the terms and provisions of this Amendment shall be governed by and construed in accordance with the laws applicable to Loan Documents as provided in the Credit Agreement.

(signature(s) on the following page(s))

This Amendment No. 1 to Credit Agreement is executed and delivered as of the Amendment Effective Date.

COMERICA BANK,
a Texas banking association

By: /s/ Indira Rachel Maharaj - Doorgasingh
Name: Indira Rachel Maharaj - Doorgasingh
Title: Senior Vice President

SENSUS HEALTHCARE, INC.,
a Delaware corporation

By: /s/ Michael Sardano
Name: Michael Sardano
Title: President

Exhibit A
Closing Checklist

NOTICE: MULTIPLE COUNTERPARTS/SCANNED ORIGINALS

Comerica Bank ("Bank") hereby acknowledges and agrees that the loan documents specifically included with this notice (i) may be executed in several counterparts, and each executed copy shall constitute an original instrument, but such counterparts shall together constitute but one and the same instrument, and (ii) a photocopy, facsimile, .pdf or scanned copy of an executed counterpart of the attached loan document shall be sufficient to bind the party whose signature appears thereon. In addition, the recipients of the loan documents, by their receipt hereof, acknowledge and agree to provide originals of the loan documents to Bank immediately upon execution.

Notwithstanding the foregoing, if any of the loan documents require an original be recorded or filed with a county or other governmental agency (e.g., mortgages or deeds of trust), the funding of any loan or the advance of any draw request which are secured by any such documents will be delayed until either Bank receives evidence that the document has actually been recorded with a county or other governmental agency, whichever the case may be, or Bank has been issued gap insurance acceptable to Bank by a title insurance company approved by Bank.

CHECKLIST

Bank:	Comerica Bank, a Texas banking association
Borrower:	Sensus Healthcare, Inc., a Delaware corporation ("Borrower")
Guarantors:	None
Transaction:	Amendment and increase to Revolving Line of Credit from $10,000,000 to $15,000,000 Amendment to Advance Formula Agreement Covenant and Reporting Amendments
Closing Date:	October _16_, 2024
Client Matter No:	022751.09723

Loan Documentation	
1.	Recertification of Authority Documents (Borrower)
Exhibit A: Corporation Resolutions – Authority to Procure	
Exhibit B: Certificate of Good Standing (DE) (9/24/24)	
2.	Amendment No. 1 to Credit Agreement
3.	Amendment No. 1 to Master Revolving Note
4.	Termination of Advance Formula Agreement
5.	UCC-1 Financing Statement
6.	UCC-3 Amendment
7.	Notice: Multiple Counterparts/Scanned Originals
8.	Borrower's Authorization
Due Diligence Documentation	
9.	UCC and Tax Lien Search (Borrower) (DE)
Post-Closing Items	
10.	Filed UCC-1 Financing Statement
11.	Filed UCC-3 Amendment

Exhibit 10.2

Comerica

AMENDMENT NO. 1 TO MASTER REVOLVING NOTE

This Amendment No. 1 to Master Revolving Note (" Amendment") is executed, delivered and made effective as of October 16, 2024 (" Amendment Effective Date") by and between **SENSUS HEALTHCARE, INC.**, a Delaware corporation (singularly and collectively, if more than one party, " Borrower"), and **COMERICA BANK**, a Texas banking association ("Bank").

(a) Borrower executed a Master Revolving Note in favor of Bank, dated September 11, 2023, in the original stated principal amount of $10,000,000.00 (the "Note").

(b) Borrower and Bank have agreed to amend the terms of the Note as provided in this Amendment.

NOW, THEREFORE, Borrower and Bank agree as follows:

1. **Capitalized Terms**. All the terms used in this Amendment which are defined in the Note shall have the same meaning as used in the Note, unless otherwise defined in this Amendment.

2. **Amendments to Note**. The Note is amended as follows:

(a) The sub-title as set forth on the top of page one of the Note is hereby revised from "Demand – Obligatory Advances (Business and Commercial Loans Only)" to "Maturity Date – Obligatory Advances (Business and Commercial Loans Only)".

(b) The Maturity Date as set forth on the top of page one of the Note is hereby revised from "ON DEMAND" to "November 1, 2026".

(c) Effective on October 16, 2024, the face amount of the Note is increased from $10,000,000.00 to **$15,000,000.00.**

(d) Section 1 of the Note is hereby amended and restated in its entirety as follows:

"*1. Promise to Pay*. On or before the Maturity Date, FOR VALUE RECEIVED, SENSUS HEALTHCARE, INC., a Delaware corporation (singularly and collectively, if more than one party, "Borrower"), promises to pay to the order of COMERICA BANK (herein called "Bank"), at any office of Bank in the Applicable State, the principal sum of FIFTEEN MILLION AND NO/100 DOLLARS ($15,000,000.00), or so much of said sum as has been advanced and is then outstanding under this Note, together with all accrued and unpaid interest thereon and all other amounts due Bank hereunder."

(e) Section 2.1 of the Note is hereby amended and restated in its entirety as follows:

"2.1. Payment Date; Computation Period. Accrued and unpaid interest on the unpaid principal balance of each outstanding Advance hereunder shall be payable monthly, in arrears, on the first Business Day of each month, from the date made until the same is paid in full (whether in accordance with the terms hereof, by acceleration, or otherwise). Interest accruing hereunder shall be computed on the basis of a 360-day year and shall be assessed for the actual number of days elapsed, and in such computation, effect shall be given to any change in the Applicable Interest Rate as a result of any change in the interest rate on the date of each such change."

(f) Section 2.3 of the Note is hereby amended and restated in its entirety as follows:

"2.3 Default Rate; Late Payments. From and after the occurrence of any Default hereunder, and so long as any such Default remains unremedied or uncured thereafter, the Indebtedness outstanding under this Note shall bear interest at a per annum rate of three percent (3%) above the otherwise Applicable Interest Rate, which interest shall be payable upon demand. In addition to the foregoing, a late payment charge equal to five percent (5%) of each late payment hereunder may be charged on any payment not received by Bank within ten (10) calendar days after the payment due date therefor, but acceptance of payment of any such charge shall not constitute a waiver of any Default hereunder."

(g) Section 2.9 of the Note is hereby amended and restated in its entirety as follows:

"*2.9 [Reserved]."*

(h) Section 3.4 of the Note is hereby amended and restated in its entirety as follows:

"3.4. Requests for Advances. Subject to Section 3.2, Borrower may make a Request hereunder, subject to the following: (a) no Default, or any condition or event which, with the giving of notice or the running of time, or both, would constitute a Default, shall have occurred and be continuing or will exist upon the making of the requested Advance; (b) Borrower shall deliver to Bank each such Request duly completed and executed by Borrower setting forth the information required on the Request form attached hereto as ***Exhibit "A"*** by the Applicable Time, three (3) Business Days prior to the proposed effective date of the requested Advance (or a shorter period if agreed to by Bank in its sole discretion), which date must be a Business Day; (c) after giving effect to the requested Advance, the aggregate unpaid principal amount of Advances outstanding under this Note shall not exceed the Loan Amount; and (d) a Request, once delivered or submitted to Bank, shall not be revocable by Borrower."

(i) The definition of "Daily Adjusting Term SOFR Rate" as set forth in Section 9 of the Note is hereby amended and restated in its entirety as follows:

""Daily Adjusting Term SOFR Rate" means, for any day, the rate per annum equal to the Term SOFR Screen Rate at or about 8:00 a.m. (Detroit, Michigan time) (or as soon thereafter as practical) on such day with a term of one (1) month; provided that, except for a determination by Bank pursuant to Section 5.2 or Section 5.3 herein, if such rate is not published on such determination date then the rate will be the Term SOFR Screen Rate on the first Business Day immediately prior thereto; provided, however, and notwithstanding anything to the contrary set forth in this Note, if at any time the Daily Adjusting Term SOFR Rate would otherwise be less than zero percent (0%) per annum, then the Daily Adjusting Term SOFR Rate shall be deemed to be zero percent (0%) per annum for all purposes of this Note."

3. **Stamp Tax**. Florida documentary stamp tax required by law has been paid or will be paid directly to the Florida Department of Revenue, Certificate of Registration Number 60-8013161004-6.

4. **No Other Changes**. Except as specifically provided in this Amendment, it does not vary the terms and provisions of the Note or of any of the other Loan Documents. This Amendment shall not impair the rights, remedies, and security given in and by the Loan Documents. The terms of this Amendment shall control any conflict between its terms and those of the Note. On and after the Amendment Effective Date, each reference in the Note and the Loan Documents to the Note shall mean the Note as amended by this Amendment, and this Amendment shall be deemed to be one of the Loan Documents.

5. **Further Modification; No Reliance**. This Amendment may be altered or modified only by written instrument duly executed by Borrower and Bank. In executing this Amendment, Borrower is not relying on any promise or commitment of Bank that is not in writing signed by Bank. This Amendment shall not be more strictly construed against any one of the parties as compared to any other. This Amendment is not an agreement to any further or other amendment of the Note.

6. **Ratification**. In addition, Borrower hereby ratifies and reaffirms the continuing effectiveness of any and all other Loan Documents that may have been entered into in connection with the Note. This Amendment shall neither extinguish nor constitute a novation of the Note and/or the Indebtedness evidenced thereby.

7. **No Defenses**. Borrower acknowledges, confirms, and warrants to Bank that as of the date hereof Borrower has absolutely no defenses, claims, rights of set-off, or counterclaims against Bank under, arising out of, or in connection with, this Amendment, the Note, the Loan Documents and/or the individual advances under the Indebtedness, or against any of the indebtedness evidenced or secured thereby.

8. **Entire Agreement**. This Agreement contains the entire agreement of the parties with respect to the transactions covered hereby, superseding all negotiations, prior discussions, and preliminary agreements made prior to the Amendment Effective Date, including but not limited to any term sheet, proposal, letter of intent, or commitment letter.

9. **Severability**. Each of the provisions contained in this Amendment shall be severable, and the unenforceability of one shall not affect the enforceability of any others or of the remainder of this Amendment.

10. **Successors and Assigns**. This Amendment shall inure to the benefit of and be binding upon the parties and their respective successors and assigns.

11. **Governing Law**. The parties agree that the terms and provisions of this Amendment shall be governed by and construed in accordance with the laws applicable to Loan Documents as provided in the Note.

12. **Expenses**. Borrower shall promptly pay all out-of-pocket fees, costs, charges, expenses, and disbursements of Bank incurred in connection with the preparation, execution, and delivery of this Amendment, and the other documents contemplated by this Amendment. Borrower hereby authorizes Bank to charge any deposit or other account of Borrower maintained with Bank for reimbursement of any such fees, costs, charges, expenses, and disbursements.

13. **WAIVER OF JURY TRIAL. THE PARTIES HEREBY IRREVOCABLY WAIVE THE RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY AND ALL ACTIONS OR PROCEEDINGS (WHETHER SOUNDING IN TORT, CONTRACT OR OTHERWISE) AT ANY TIME IN WHICH THEY ARE PARTIES ARISING OUT OF, RELATED TO, OR CONNECTED WITH THIS AMENDMENT OR THE OTHER DOCUMENTS CONTEMPLATED HEREBY.**

14. **Counterparts / Electronic Signatures**. This Amendment may be executed in one or more counterparts, and by separate parties on separate counterparts, all of which shall constitute one and the same agreement. The signature of a party to any counterpart shall be sufficient to legally bind that party and the signature page(s) from any counterpart may be attached to any other counterpart in order to have a single document containing the signatures of all parties. Copies of signature pages sent by facsimile or electronic mail shall be treated as manually signed originals and given full legal effect. Any party delivering an executed counterpart by facsimile or electronic mail also shall deliver the manually executed counterpart, but the failure to do so shall not affect the validity, enforceability, and binding effect of this Amendment.

15. **THIS WRITTEN LOAN AGREEMENT AND THE OTHER "LOAN AGREEMENTS" (AS DEFINED IN SECTION 26.02(A)(2) OF THE TEXAS BUSINESS & COMMERCE CODE, AS AMENDED) REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES, AND THIS WRITTEN LOAN AGREEMENT AND THE OTHER WRITTEN LOAN AGREEMENTS MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES.**

(signature(s) on the following page(s))

IN WITNESS WHEREOF, the parties have executed and delivered this Amendment No. 1 to Master Revolving Note on the date set forth above.

BANK:

Comerica Bank

By: /s/ Indira Rachel Maharaj - Doorgasingh
Name: Indira Rachel Maharaj - Doorgasingh
Title: Senior Vice President

BORROWER:

Sensus Healthcare, Inc., a Delaware corporation

By: /s/ Michael Sardano
Name: Michael Sardano
Title: President

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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: November 14, 2024

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

Exhibit 31.2

Certification of CFO 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 (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

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

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

Date: November 14, 2024

/s/ Javier Rampolla
Javier Rampolla
Chief Financial Officer

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, the undersigned certifies that:

(1) the Quarterly Report for Sensus Healthcare, Inc. (the “Company”) on Form 10-Q for the period ended September 30, 2024, 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

November 14, 2024

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, the undersigned certifies that:

(1) the Quarterly Report for Sensus Healthcare, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2024, 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

November 14, 2024