UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d)
of the SECURITIES EXCHANGE ACT OF 1934

Date of Report (Date of earliest event reported): November 5, 2020

AtriCure, Inc.
(Exact name of registrant as specified in charter)

Delaware	**000-51470**	**34-1940305**
(State or other jurisdiction of incorporation)	**(Commission File Number)**	**(IRS Employer Identification No.)**

7555 Innovation Way, Mason OH 45040
(Address of Principal Executive Offices, and Zip Code)

(513) 755-4100
(Registrant's Telephone Number, Including Area Code)

Not Applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, $.001 par value	**ATRC**	**NASDAQ**

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

Emerging growth company ☐

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

Item 2.02. Results of Operations and Financial Condition.

On November 5, 2020, AtriCure, Inc. (the "Company") issued a press release regarding its financial results for the third quarter ended September 30, 2020. The Company will hold a conference call on November 5, 2020 at 4:30 p.m. Eastern Time to discuss the financial results. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K and is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

In connection with the issuance of the press release described above, the Company is providing an updated version of its investor presentation. This presentation is available on www.atricure.com, is furnished as Exhibit 99.2 to this Form 8-K and is incorporated herein by reference.

Information in the presentation contains forward-looking statements regarding future events and performance of the Company. All such forward-looking statements are based largely on the Company's experience and perception of current conditions, trends, expected future developments and other factors, and on management's expectations, and are subject to risks and uncertainties that could cause actual results to differ materially, including, but not limited to, those factors described in the presentation and in the Company's filings with the Securities and Exchange Commission. The Company disclaims any intention or obligation to update or revise any financial or other projections or other forward-looking statements, whether because of new information, future events or otherwise.

The information in each of "Item 2.02 – Results of Operations and Financial Condition" and "Item 7.01 – Regulation FD Disclosure" and in the press release attached as Exhibit 99.1 and the presentation attached as Exhibit 99.2, is being furnished and shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended ("Exchange Act"), or otherwise subject to the liabilities of that section. The information in each of Item 2.02 and Item 7.01 of this Form 8-K and each of Exhibit 99.1 and Exhibit 99.2 shall not be deemed to be incorporated by reference into any filing (whether made before or after date hereof) or any other document under the Exchange Act or Securities Act of 1933, as amended, except as expressly set forth by specific reference in any such filing document.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

No.	Description
99.1	Press Release dated November 5, 2020 relating to financial results for the third quarter ended September 30, 2020
99.2	Investor Presentation updated as of November 5, 2020
104	Cover Page Interactive Data File--the cover page XBRL tags are embedded within the Inline XBRL document.

SIGNATURES

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

ATRICURE, INC.

Date: November 5, 2020

By: /s/ Angela L. Wirick
Angela L. Wirick
Chief Financial Officer

For immediate release
November 5, 2020

AtriCure Reports Third Quarter 2020 Financial Results

- Worldwide revenue of $54.8 million – a decrease of 3.3% year over year
- U.S. revenue of $44.7 million – a decrease of 3.1% year over year
- International revenue of $10.1 million – a decrease of 4.1% year over year

MASON, Ohio, November 5, 2020 – AtriCure, Inc. (Nasdaq: ATRC), a leading innovator in treatments for atrial fibrillation (Afib) and left atrial appendage (LAA) management, today announced third quarter 2020 financial results.

"We are pleased with our third quarter performance and the improving trajectory of our business, which reflect the commitment of our team and underlying demand in our core markets," said Michael Carrel, President and Chief Executive Officer of AtriCure. "We are continuing to make significant progress on our strategic initiatives and are on the forefront of meaningfully expanding our addressable market opportunity."

Third Quarter 2020 Financial Results

Revenue for the third quarter of 2020 was $54.8 million, a decrease of $1.9 million or 3.3% (a decrease of 3.9% on a constant currency basis), compared to third quarter 2019 revenue, due to the global decline in surgical procedures as a result of the COVID-19 pandemic. U.S. revenue decreased 3.1% to $44.7 million, and international revenue decreased 4.1% to $10.1 million, (a decrease of 7.2% on a constant currency basis), compared to third quarter 2019 revenue.

Gross profit for the third quarter of 2020 was $40.3 million compared to $41.8 million for the third quarter of 2019. Gross margin for the third quarter of 2020 remained relatively consistent at 73.7% compared to 73.8% in the third quarter of 2019, reflecting normal manufacturing operations during both periods.

Loss from operations for the third quarter of 2020 was $4.0 million, compared to $8.6 million for the third quarter of 2019. Net loss per share was $0.11 for the third quarter of 2020 compared to $0.25 for the third quarter of 2019. Adjusted EBITDA was a positive $4.2 million for the third quarter of 2020 compared to a loss of $2.2 million for the third quarter of 2019. Adjusted loss per share for the third quarter of 2020 was $0.11 compared to an adjusted loss per share of $0.33 for the third quarter of 2019.

Constant currency revenue, adjusted EBITDA and adjusted loss per share are non-GAAP measures. We discuss these non-GAAP measures and provide reconciliations to GAAP measures later in this release.

2020 Financial Guidance

Management expects revenue to be $56 million to $60 million for the fourth quarter of 2020 and $205 million to $209 million for the full year 2020. Full year adjusted EBITDA loss is expected to be approximately $10 million.

Incrementally higher or lower impact from the on-going global pandemic could cause forecasts for fourth quarter and full year 2020 to differ materially than these projections.

Conference Call

AtriCure will host a conference call at 4:30 p.m. Eastern Time on Thursday, November 5, 2020 to discuss its third quarter 2020 financial results. The call may be accessed through an operator by calling (844) 884-9951 for domestic callers and (661) 378-9661 for international callers using conference ID number 8584906. A live audio webcast of the presentation may be accessed by visiting the Investors page of AtriCure's corporate website at ir.atricure.com. A replay of the presentation will be available for 90 days following the presentation.

About AtriCure

AtriCure, Inc. provides innovative technologies for the treatment of Afib and related conditions. Afib affects more than 33 million people worldwide. Electrophysiologists and cardiothoracic surgeons around the globe use AtriCure technologies for the treatment of Afib and reduction of Afib related complications. AtriCure's Isolator® Synergy™

Ablation System is the first and only medical device to receive FDA approval for the treatment of persistent Afib. AtriCure's AtriClip Left Atrial Appendage Exclusion System products are the most widely sold LAA management devices worldwide. For more information, visit AtriCure.com or follow us on Twitter @AtriCure.

Forward-Looking Statements

This press release contains "forward-looking statements"– that is, statements related to future events that by their nature address matters that are uncertain. For details on the uncertainties that may cause our actual results to be materially different than those expressed in our forward-looking statements, visit http://www.atricure.com/fls as well as our Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q which contain risk factors. We do not undertake to update our forward-looking statements. Actual results could differ materially.

Use of Non-GAAP Financial Measures

To supplement AtriCure's condensed consolidated financial statements prepared in accordance with accounting principles generally accepted in the United States of America, or GAAP, AtriCure provides certain non-GAAP financial measures in this release as supplemental financial metrics.

Revenue reported on a constant currency basis is a non-GAAP measure and is calculated by applying previous period foreign currency exchange rates, which are determined by the average daily Euro to Dollar exchange rate, to each of the comparable periods. Management analyzes revenue on a constant currency basis to better measure the comparability of results between periods. Because changes in foreign currency exchange rates have a non-operating impact on revenue, the Company believes that evaluating growth in revenue on a constant currency basis provides an additional and meaningful assessment of revenue to both management and investors.

Adjusted EBITDA is calculated as Net loss before other income/expense (including interest), income tax expense (benefit), depreciation and amortization expense, share-based compensation expense, acquisition costs, and change in fair value of contingent consideration liabilities. Management believes in order to properly understand the short-term and long-term financial trends, investors may wish to consider the impact of these excluded items in addition to GAAP measures. The excluded items vary in frequency and/or impact on our continuing results of operations and management believes that the excluded items are typically not reflective of our ongoing core business operations and financial condition. Further, management uses adjusted EBITDA for both strategic and annual operating planning, and previously used adjusted EBITDA as a performance metric in the annual incentive plan. A reconciliation of adjusted EBITDA reported in this release to the most comparable GAAP measure for the respective periods appears in the table captioned "Reconciliation of Non-GAAP Adjusted Income (Loss) (Adjusted EBITDA)" later in this release.

Adjusted loss per share is a non-GAAP measure which calculates the net loss per share before non-cash adjustments to expenses related to the adjustment in value of contingent consideration liabilities. Management believes this metric provides a better measure of comparability of results between periods, as such adjustments can be significant and vary in value and are not reflective of our core business. A reconciliation of adjusted loss per share reported in this release to the most comparable GAAP measure for the respective periods appears in the table captioned "Reconciliation of Non-GAAP Adjusted Loss Per Share" later in this release.

The non-GAAP financial measures used by AtriCure may not be the same or calculated in the same manner as those used and calculated by other companies. Non-GAAP financial measures have limitations as analytical tools and should not be considered in isolation or as a substitute for AtriCure's financial results prepared and reported in accordance with GAAP. We urge investors to review the reconciliation of these non-GAAP financial measures to the comparable GAAP financials measures included in this press release, and not to rely on any single financial measure to evaluate our business.

CONTACTS:

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ATRICURE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(In Thousands, Except Per Share Amounts)
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
United States Revenue:				
Open ablation	$19,911	$19,754	$ 54,679	$ 59,311
Minimally invasive ablation	6,979	9,006	18,295	25,860
Appendage management	17,430	16,907	47,870	49,075
Total ablation and appendage management	44,320	45,667	120,844	134,246
Valve tools	381	456	994	2,046
Total United States	44,701	46,123	121,838	136,292
International Revenue:				
Open ablation	4,907	5,850	13,766	18,942
Minimally invasive ablation	1,692	2,058	4,346	6,122
Appendage management	3,445	2,532	8,778	7,963
Total ablation and appendage management	10,044	10,440	26,890	33,027
Valve tools	12	51	78	167
Total international	10,056	10,491	26,968	33,194
Total revenue	54,757	56,614	148,806	169,486
Cost of revenue	14,423	14,817	41,934	43,925
Gross profit	40,334	41,797	106,872	125,561
Operating expenses:				
Research and development expenses	10,576	10,154	32,199	28,134
Selling, general and administrative expenses	33,749	40,280	101,403	115,223
Total operating expenses	44,325	50,434	133,602	143,357
Loss from operations	(3,991)	(8,637)	(26,730)	(17,796)
Other expense, net	(962)	(650)	(2,847)	(1,151)
Loss before income tax expense	(4,953)	(9,287)	(29,577)	(18,947)
Income tax expense (benefit)	(4)	75	16	151
Net loss	$ (4,949)	$ (9,362)	$ (29,593)	$ (19,098)
Basic and diluted net loss per share	$ (0.11)	$ (0.25)	$ (0.71)	$ (0.51)
Weighted average shares used in computing net loss per share:				
Basic and diluted	44,012	37,842	41,442	37,387

ATRICURE, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(In Thousands)
(Unaudited)

	September 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash, cash equivalents, and short-term investments	$ 233,069	$ 81,801
Accounts receivable, net	25,448	28,046
Inventories	34,326	29,414
Prepaid and other current assets	3,369	3,899
Total current assets	296,212	143,160
Property and equipment, net	29,089	32,646
Operating lease right-of-use assets	2,363	4,032
Long-term investments	16,516	12,675
Goodwill and intangible assets, net	363,218	364,662
Other noncurrent assets	399	705
Total assets	$ 707,797	$ 557,880
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 32,684	$ 47,698
Other current liabilities and current maturities of debt and leases	12,070	2,218
Total current liabilities	44,754	49,916
Long-term debt	49,985	59,634
Finance lease liabilities	11,172	11,774
Operating lease liabilities	1,324	2,796
Contingent consideration and other noncurrent liabilities	183,030	186,417
Total liabilities	290,265	310,537
Stockholders' equity:		
Common stock	45	40
Additional paid-in capital	729,220	529,658
Accumulated other comprehensive income (loss)	57	(158)
Accumulated deficit	(311,790)	(282,197)
Total stockholders' equity	417,532	247,343
Total liabilities and stockholders' equity	$ 707,797	$ 557,880

ATRICURE, INC. AND SUBSIDIARIES
RECONCILIATION OF GAAP RESULTS TO NON-GAAP RESULTS
(In Thousands)
(Unaudited)

Reconciliation of Non-GAAP Adjusted Income (Loss) (Adjusted EBITDA)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net loss, as reported	$ (4,949)	$ (9,362)	$ (29,593)	$ (19,098)
Income tax expense (benefit)	(4)	75	16	151
Other expense, net	962	650	2,847	1,151
Depreciation and amortization expense	2,479	2,393	7,381	6,983
Share-based compensation expense	5,549	4,287	16,126	12,816
Contingent consideration adjustment	192	(3,062)	(4,854)	(6,934)
Acquisition costs	—	2,819	138	3,645
Non-GAAP adjusted income (loss) (adjusted EBITDA)	$ 4,229	$ (2,200)	$ (7,939)	$ (1,286)

Reconciliation of Non-GAAP Adjusted Loss Per Share

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2020	2019	2020	2019
Net loss, as reported	$ (4,949)	$ (9,362)	$ (29,593)	$ (19,098)
Contingent consideration adjustment	192	(3,062)	(4,854)	(6,934)
Net loss excluding contingent consideration adjustment	$ (4,757)	$ (12,424)	$ (34,447)	$ (26,032)
Basic and diluted adjusted net loss per share	$ (0.11)	$ (0.33)	$ (0.83)	$ (0.70)
Weighted average shares used in computing adjusted net loss per share				
Basic and diluted	44,012	37,842	41,442	37,387

Exhibit 99.2

AtriCure Investor Presentation

Creating a World Class Afib Platform

November 2020

AtriCure

Forward Looking Statements

This presentation contains “forward-looking statements,” which are statements related to future events that by their nature address matters that are uncertain. All forward-looking information is inherently uncertain and actual results may differ materially from assumptions, estimates or expectations reflected or contained in the forward-looking statements as a result of various factors. For details on the uncertainties that may cause AtriCure’s actual results to be materially different than those expressed in its forward-looking statements, see its Annual Report on Form 10-K and Quarterly Report on Form 10-Q filed with the SEC and available at http://www.sec.gov, which contain risk factors. Forward-looking statements address AtriCure’s expected future business, financial performance, financial condition as well as results of operations, and often contain words such as “intends,” “estimates,” “anticipates,” “hopes,” “projects,” “plans,” “expects,” “seek,” “believes,” "see," “should,” “will,” “would,” “target,” and similar expressions and the negative versions thereof. Such statements are based only upon current expectations of AtriCure. Any forward-looking statement speaks only as of the date made. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements to differ materially from those expressed or implied. Forward-looking statements include statements that address activities, events or developments that AtriCure expects, believes or anticipates will or may occur in the future. Forward-looking statements are based on AtriCure’s experience and perception of current conditions, trends, expected future developments and other factors it believes are appropriate under the circumstances and are subject to numerous risks and uncertainties, many of which are beyond AtriCure’s control. These risks and uncertainties include, but are not limited to: whether CONVERGE will be approved by FDA and any other required regulatory authorities; whether any additional clinical trials will be initiated or required for CONVERGE prior to approval of FDA, or at all; whether AtriCure will be able to successfully implement its commercialization plans for CONVERGE, if approved; whether the market opportunity for CONVERGE is consistent with the Company’s expectations and market research; AtriCure’s ability to execute on the commercial launch of CONVERGE, if and when approved, on the timeline expected, or at all; whether AtriCure will be able to generate its projected net product revenue on the timeline expected, or at all; the effects of the COVID-19 outbreak on AtriCure’s business and results of operations, including the effects of suspension or halting of elective surgeries; other matters that could affect the availability or commercial potential of CONVERGE and AtriCure’s other products and product candidates; competition from new and existing products and procedures in the highly competitive medical device industry; and other important factors, including, AtriCure’s expectations regarding its financial performance and capital requirements, any of which could cause AtriCure's actual results to differ from those contained in the forward-looking statements or otherwise discussed in AtriCure’s reports filed with the SEC. With respect to the forward-looking statements, AtriCure claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. AtriCure undertakes no obligation to publicly update or revise any forward-looking statements to reflect new information or future events or otherwise unless required by law.

AtriCure Overview

Large Markets
Addressing an underserved and growing patient population

- Approximately 33 million Atrial Fibrillation patients globally, with majority having advanced forms of the disease[1]
- Multi-billion dollar annual market opportunity
- Current standard of care for intervention (catheter ablation) does not adequately address this population

Strong Portfolio
Existing products and solutions driving consistent growth

- Strong history of double-digit revenue growth, driven by great products, clinical evidence, commitment to education, and societal guideline support
- Only PMA product for the concomitant surgical treatment of Afib
- The AtriClip® device is the most widely used Left Atrial Appendage (LAA) device with over 260,000 sold to date
- Expanding product portfolio from internal development and acquisitions

Bright Future
Novel therapies supported by growing body of clinical evidence

- PMA pivotal trials for hybrid approaches for Afib: CONVERGE, aMAZE
- Launched pain management business to address pain associated with surgery
- Early in market development process – evolution to minimally invasive therapies will drive growth, diversifying and accelerating in 2022 and beyond

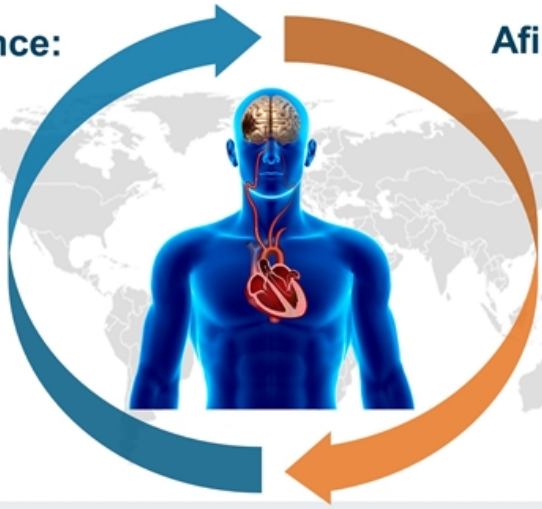
Afib: a Serious and Costly Problem

Atrial Fibrillation (Afib) is an irregular heartbeat (or arrhythmia) that affects more than 33 million people worldwide.[1]

Approximately 1.2 million Afib diagnoses annually in the US.[2]

Patients with Afib experience:

- 73% — Higher total annual direct ***medical costs***[3]
- 50+ — Average annual ***physician encounters***[4]
- 10+ — Average annual outpatient ***hospital visits***[4]

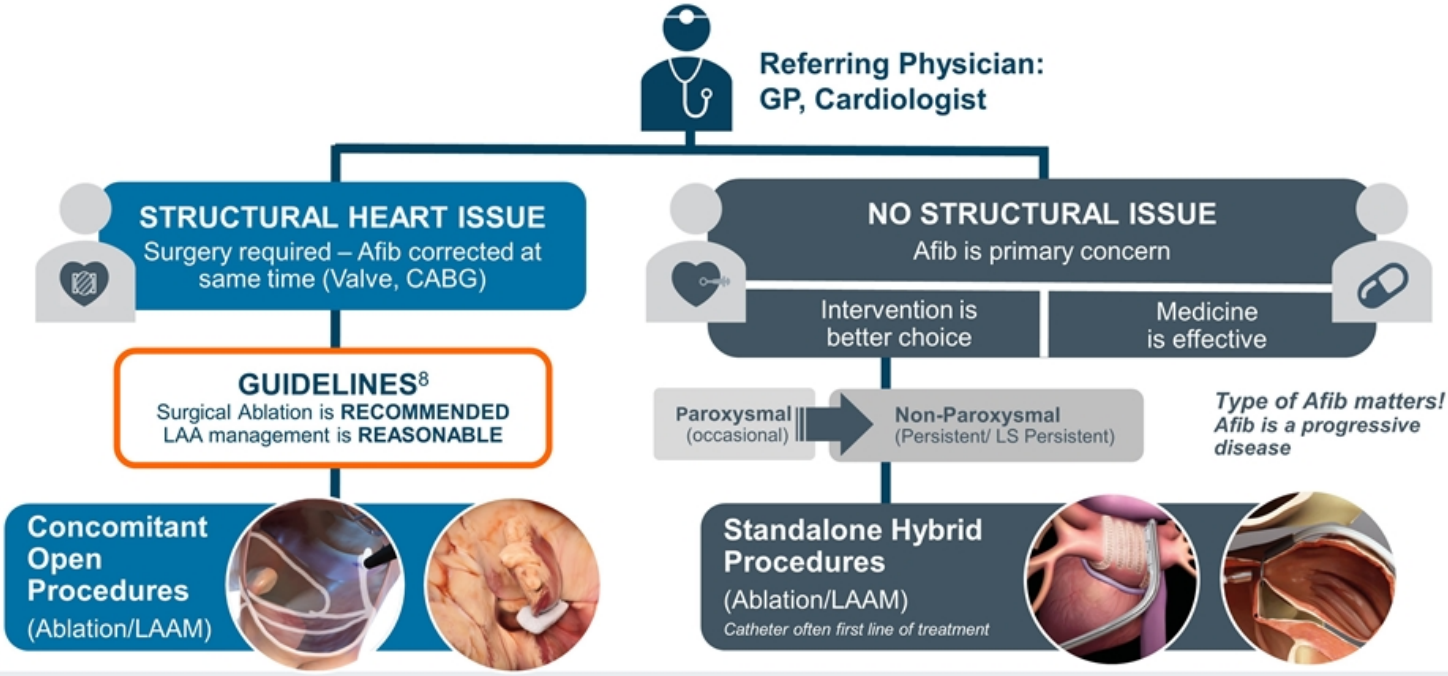


Afib diagnosis means:

- 5x — Risk of ***Stroke***[5]
- >5x — Higher risk of ***Heart Failure***[6]
- 46% — Greater risk of all cause ***Mortality***[7]

AtriCure

Two Distinct Patient Profiles



AtriCure

Significant Global Market Opportunity

US Market Focus

- Continued build of dedicated sales and training expertise
- Clinical data supporting multiple label expansions
- New product development
- Enhance reimbursement

International Market Focus

- Penetration of large markets first
- Expand product availability
- Improve market access via reimbursement
- Continued build of dedicated sales and training expertise

Market opportunity based on internal estimates and research, as well as from publicly available information.
See Supplemental Information for additional detail

AtriCure

US Market Opportunity

~$350M
Pain Management Procedures
(Ablation)

$700-800M
Concomitant Open Procedures
(Ablation/LAAM)

$2B+ and growing
Standalone Hybrid Procedures
(Ablation/LAAM)

Boosting growth via adjacent new market

Estimated **140,000 thoracic patients** annually

Steady Growth in penetration of Cardiac Surgery Market

- Estimated **300,000 total patients** (Afib, non-Afib) annually with structural heart issue
- Only PMA product for the concomitant surgical treatment of Afib

Expansive Growth from development of Standalone Afib Market

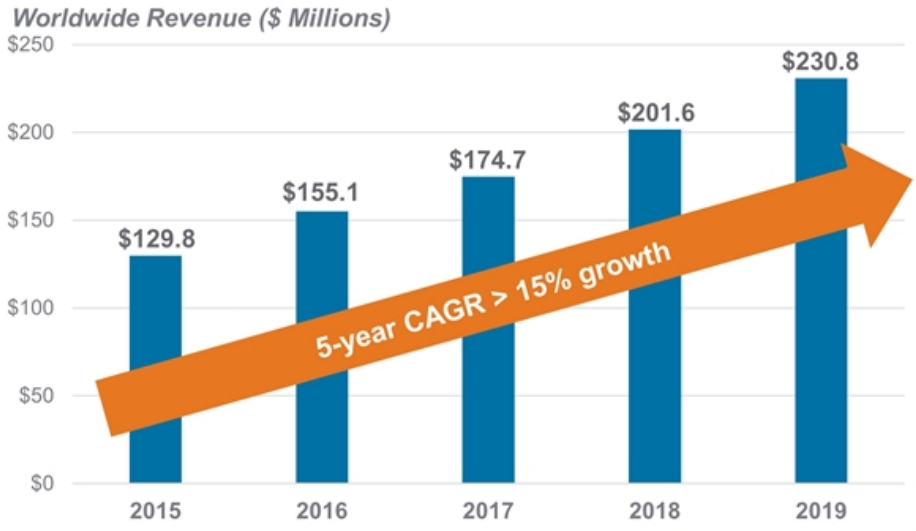
Vastly underpenetrated market with 10-15% estimated annual market expansion

- **Addressable market is more than 3 million patients;** less than 1% treated today
  - 25,000 long-standing persistent patients treated by catheter ablation only today
- Multiple approaches to treatment
  - CONVERGENT + AtriClip, DEEP, LARIAT®

Market opportunity based on internal estimates and research, as well as from publicly available information.
See Supplemental Information for additional detail

AtriCure

History of Strong Financial Performance



	2015	2016	2017	2018	2019
Revenue Growth	20.8%	19.5%	12.6%	15.4%	14.5%
Gross Margin	71.6%	71.6%	72.2%	73.0%	73.8%

Consistent Revenue Growth
Strong history of double-digit YoY growth

Steady Improvement to Gross Margin

$250M Cash & Investments
at September 30, 2020

AtriCure

Innovative and Expanding Product Portfolio

Ablation

ISOLATOR® SYNERGY™ CLAMP

cryoICE® CRYOABLATION PROBE

EPI-SENSE® DEVICE

cryoSPHERE® CRYOABLATION PROBE

Future Product Launch: ISOLATOR SYNERGY ENCOMPASS™ CLAMP

2000 to 2015: Foundation in surgical Afib tools
Future pipeline expansion across franchises

2015 and Beyond: Building the future in minimally invasive therapies
Innovation toward less invasive, simpler, and more efficient products

Appendage Management

ATRICLIP® FLEX DEVICE

ATRICLIP PRO® DEVICE

ATRICLIP PRO•V® DEVICE

ATRICLIP FLEX•V® DEVICE

LARIAT® DEVICE

AtriCure

CONVERGE Overview

SUPERIORITY TRIAL designed to support FDA approval of the EPi-Sense device

STUDY DESIGN

Summary
Multi-center, prospective, open label randomized 2:1 (Hybrid Convergent procedure vs endocardial catheter ablation) pivotal study

Number of Subjects and Sites
153 subjects
27 sites (25 US and 2 OUS)

Study Duration
12 month and 18 month monitoring, then 3 and 5 year follow-up of all subjects

PRIMARY ENDPOINTS

Effectiveness
Primary efficacy endpoint is success or failure to be AF/AT/AFL free absent class I and III AADs except for a previously failed or intolerant class I or III AAD with no increase in dosage following the 3 month blanking period through the 12 months post procedure follow-up visit

Safety
Predetermined performance goal for the study is 12% freedom from MAE's as adjudicated by the CEC for the procedural to 30-day post procedure time period

CONVERGE Clinical Trial

HIGHLIGHTS

- Completed enrollment August 2018
- Last PMA module submitted late 2019
- Data released at virtual Heart Rhythm Society conference May 2020
- PMA submission seeking approval for treatment of long-standing persistent Afib Q4 2020

Achieved statistical superiority for primary endpoints

CONVERGE Trial Conclusions

- **Only multicenter, randomized controlled clinical trial** (RCT) comparing the effectiveness of combined epicardial and endocardial ablation to endocardial catheter ablation alone for advanced Afib
- Demonstrates that the **Hybrid Convergent procedure has a compelling safety profile and superior effectiveness** when compared to endocardial catheter ablation alone for treatment of advanced Afib
- Provides **high-quality evidence supporting the addition of an epicardial posterior wall ablation** to pulmonary vein isolation
- Emphasizes the **value of a team-based approach** where collaboration between the electrophysiologists and cardiac surgeons **helps achieve improved outcomes** for patients with advanced Afib

aMAZE Overview

SUPERIORITY TRIAL designed to evaluate safety and effectiveness of the LARIAT System to percutaneously isolate and ligate the Left Atrial Appendage for the treatment of persistent or longstanding persistent Afib

STUDY DESIGN

- **Summary**
  Multi-center, prospective, open label randomized 2:1
  - Control Arm – PVI
  - Treatment Arm – PVI + Ligation of LAA with Lariat System
- **Number of Subjects and Sites**
  600 subjects; 65 sites, all U.S.
- **Study Duration**
  12 month monitoring and then 5 year follow-up of all subjects

PRIMARY ENDPOINTS

- **Effectiveness** - Freedom from episodes of Afib >30 seconds at 12 months post index pulmonary vein isolation
- **Safety -** Primary safety endpoint for the study is 10% freedom from MAE's as adjudicated by the CEC for the period from the procedure through 30 days
- Time Frame: 12 months following pulmonary vein isolation catheter ablation procedure, measured by 24-hour Holter monitoring

amaze
LARIAT® Clinical Trial

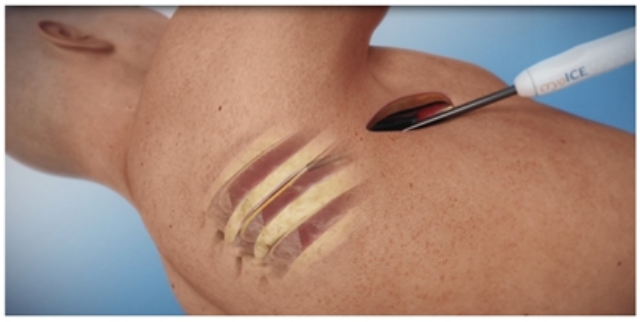
HIGHLIGHTS

- Acquired SentreHEART® August 2019
- Trial enrollment completed December 2019
- Final Patient follow-up expected 1H 2021
- Expect final submission to FDA in 2H 2021
- Expect PMA in late 2022

SPOTLIGHT: Cryo Nerve Block for Pain Management

Therapy Overview

- Long-lasting pain management therapy, designed for use in thoracic surgical procedures
- Temporarily stops the transmission of pain signals coming from the chest wall during surgery
- Nerve "scaffolds" remain intact allowing axons to regenerate and restore nerve function over time
- Applicability in a wide variety of thoracic surgical approaches (thoracotomy, video-assisted, robotic) and procedures (resection, transplant, thoracoabdominal, surgical rib fixation, pectus repair)



Growth Drivers

- Q1 2019 launch of cryoSPHERE probe
- Dedicated commercial team
- ~$350M U.S. market opportunity*
- Continuing to gather data to support evidence development of the therapy
- Potential to contribute to combatting the opioid epidemic – 1 in 7 thoracic surgery patients become reliant upon opioids after their procedure[9]

** Market opportunity based on internal estimates and research, as well as from publicly available information.*

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Aligning Expertise with Opportunity

Commercial Teams

54 U.S. Sales Managers
Covering 1,000+ accounts

64 U.S. Clinical Specialists
providing case support

30 U.S. Dedicated MIS+Lariat team members

14 U.S. Specialists
Cryo Nerve Block Team

32 U.S. Education Support
Physician + Field

39 International Sales and Clinical Support

AtriCure Pillars

Foundation of our past and strengthening our future

Innovation

Expanding pipeline to drive Open ablation penetration and build MIS market

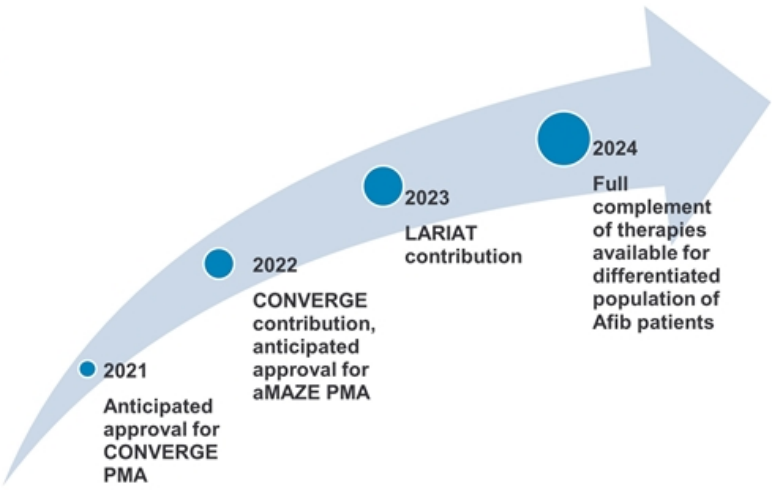
Clinical Science

CONVERGE & aMAZE trials are complimentary and differentiated as the ONLY RCT for advanced Afib

Education

Significant investment in physician education, providing multiple training options

Expecting An Exciting Future…



Core double-digit growth business with accelerators in EP landscape (Hybrid Convergent + aMAZE)

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Supplemental Information

Note that citations/references for any comments, statistics, or figures in this presentation are available upon request.

COVID-19 Response

Operationally, financially, and strategically positioning AtriCure for long-term growth

Health & Safety

Provide a safe work environment for our employees

- Enabling employees to work from home as appropriate
- Providing personal protection and other measures to ensure the safety of those working in our offices
- Limiting non-essential travel

Maintaining Operations

Deliver products and support to our customers

- Maintaining manufacturing, assembly, fulfillment – modified to adhere to safety recommendations
- Continuing case coverage support
- Utilizing online and mobile training venues to educate our customers

Expense Management

Cost-reductions without sacrificing strategic initiatives

- Delayed certain capital investments
- Temporarily reduced executive and board compensation
- Limited other non-essential operating expenses where possible

While our plans will continue to evolve in response to changes caused by the COVID-19 pandemic, we remain committed to the AtriCure Team and to the execution of our strategic initiatives.

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US Concomitant Market Opportunity

Estimated **Afib** Opportunity in Cardiac Surgery	
Annual Cardiac Surgeries[13]	300,000
Pre-Operative Afib Rate[11]	~28%
Cardiac Opportunity – Pre-Op Afib	85,000
ASP Mix (Ablation and Appendage Management)[14]	$4,500
Open Cardiac Surgery Opportunity – Afib	**$382M**

Estimated **Non-Afib** Opportunity in Cardiac Surgery	
Annual Cardiac Surgeries	300,000
Pre-Operative Non-Afib Rate	~72%
Cardiac Opportunity – Pre-Op Afib	215,000
ASP Mix (Appendage Management ONLY)[14]	$1,750
Open Cardiac Surgery Opportunity – Non-Afib	**$376M**

- US annual cardiac surgery volume steady over the past 5 years with shifts in procedure types[10]
- Pre-Op Afib occurs frequently in cardiac surgery patients[11]
- New onset Post-Op Afib is a well-documented complication of cardiac surgery, even if patients do not present with pre-op Afib[12]

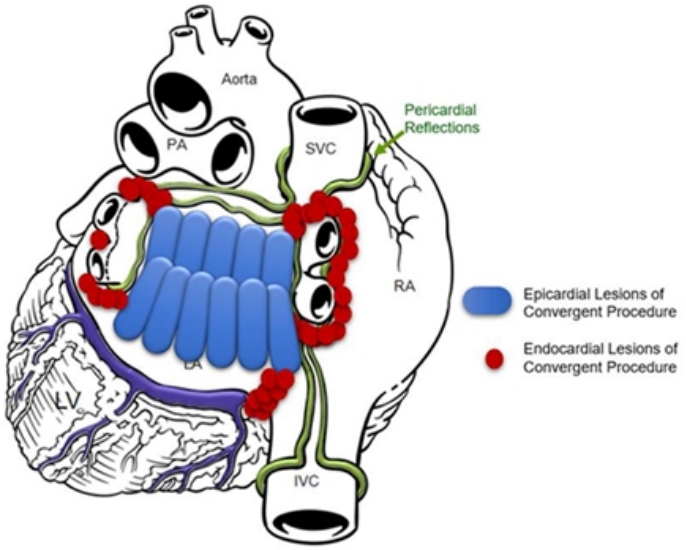
US Standalone Market Opportunity

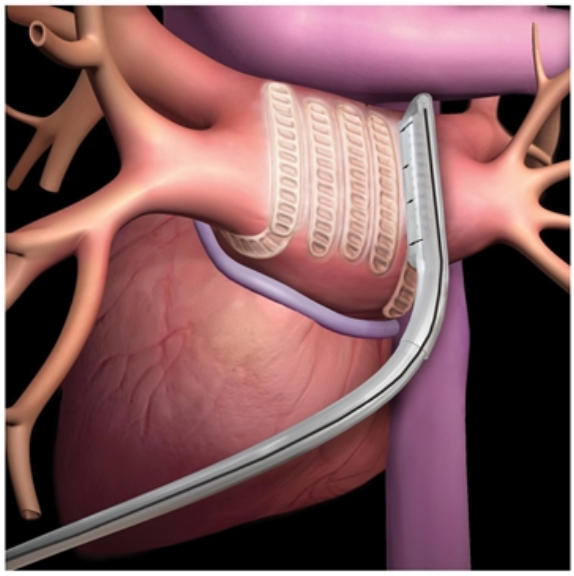
Estimated **Standalone** Afib Opportunity	2020	Projected 2025
Long-standing Persistent Afib Catheter Ablation[17]	25,000	45,000
ASP Mix (Ablation + Appendage Management)[14]	$15,000	$15,000
Immediate Standalone Afib Opportunity	**$375M**	**$675M**
Additional penetration Long-standing Persistent Afib patients (estimated at 5% penetration)	150,000	175,000
ASP Mix (Ablation + Appendage Management)[14]	$15,000	$15,000
Incremental Standalone Afib Opportunity (estimated at 5% penetration)	**$2B+**	**$3B+**

Market opportunity in analysis at left considers:

- Addition of ablation and LAAM to existing catheter ablation procedures
  - Catheter ablation procedures have grown 10-15% annually[16]
- Incremental penetration of advanced Afib patient population
  - Today, long-standing persistent Afib population represents more than 3 million patients in the United States, expected to grow to more than 4.4 million by 2025[15]
- ASP Mix reflects both ablation and AtriClip, with potential future uplift from Lariat

The CONVERGENT Approach





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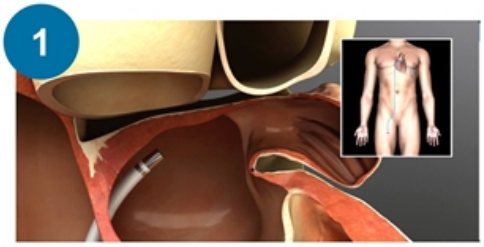
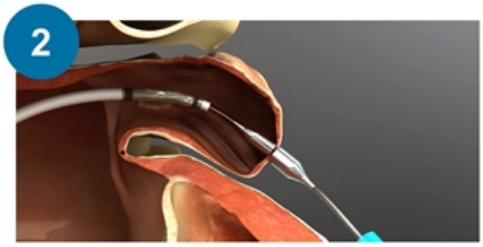
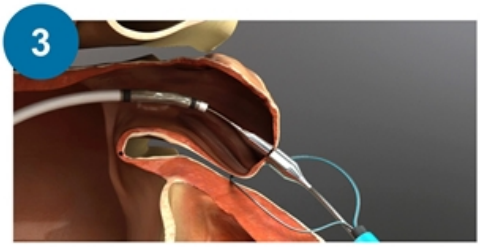
The LARIAT Procedure



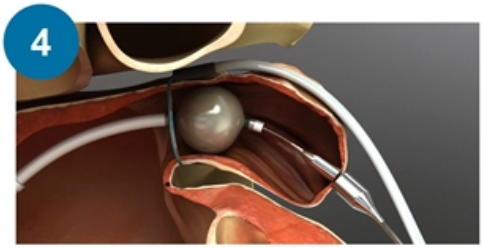
Access: Routine percutaneous techniques for pericardial and transseptal access are performed using fluoroscopy and transesophageal echocardiography.



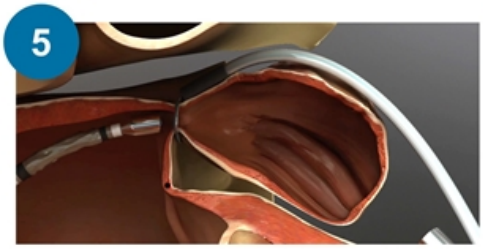
Delivery: Two magnet-tipped guidewires (FindrWIRZ®) are attached to stabilize the LAA with minimal trauma and manipulation for delivery of the LARIAT.



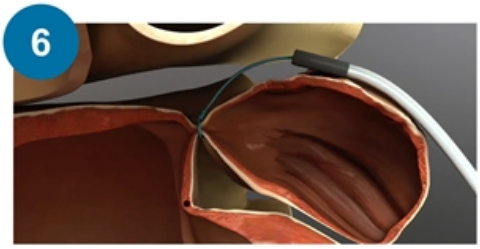
Delivery: The LARIAT snare is delivered over the epicardial FindrWIRZ to the apex of the LAA.



Capture: The LARIAT snare is positioned to the base of the LAA using the EndoCATH® balloon for anatomic land marking of the optimal closure site.



Closure: The LARIAT snare is closed and the FindrWIRZ and the EndoCATH are removed prior to release and tightening of the suture.



Removal: The suture is released and tightened at the base of the LAA and the LARIAT is removed. The SureCUT® suture cutter is used to remotely cut the excess suture.

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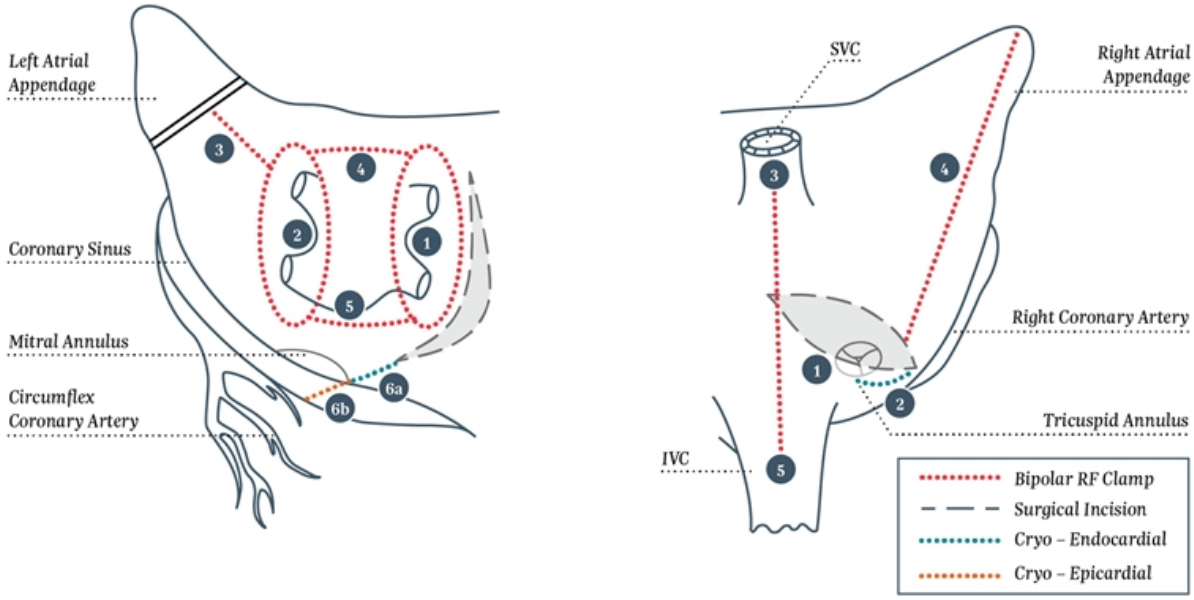
The Cox-Maze IV Procedure



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Endnotes:

Note	Reference
1	Worldwide Epidemiology of Atrial Fibrillation: A Global Burden of Disease 2010 Study
2	The American Journal of Cardiology (2013), 112: 1142-1147
3	Kim MH et al., "Estimation of Total Incremental Health Care Costs in Patients with AF in the US," Circulation: Cardiovascular Quality and Outcomes, 4 (2011):313-320
4	AF Stat, Avalere, "Health Services Utilization and Medical Costs Among Medicare Atrial Fibrillation Patients," (2010)
5	J Geriatr Cardiol. 2016 Oct; 13(10): 880–882, doi: 10.11909/j.issn.1671-5411.2016.10.004
6	Santhanakrishnan R et al., "AF Begets Heart Failure and Vice Versa," Circulation, 133 (2016):484-492
7	Odutayo, A. et al. (2016). Atrial fibrillation and risks of cardiovascular disease, renal disease, and deaths systematic review and meta analysis. BMJ 2016; 354:i4482
8	The Society of Thoracic Surgeons 2017 Clinical Practice Guidelines for the Surgical Treatment of Atrial Fibrillation
9	The Society of Thoracic Surgeons, Current News Release (1/30/2018): 1 in 7 Lung Surgery Patients at Risk for Opioid Dependence
10	STS Adult Cardiac Surgery Database, 2018/2019 Harvest Executive Summary
11	McCarthy, P.M. et al. (2019). Prevalence of atrial fibrillation before cardiac surgery and factors associated with concomitant ablation. J Thorac Cardiovasc Surg, PII: S0022-5223(19)31361-3, DOI: 10.1016/J.JTCVS.2019.06.062.
12	Lin et al, Stroke 2019 Jun; 50(6):1364-1371. doi: 10.1161/STROKEAHA.118.023921. Epub 2019 May 2.
13	Harvested from data previously available through the Society of Thoracic Surgeons
14	Average Selling Prices (ASPs) are management estimates based on a mix of products used for the various procedures

Note	Reference
15	Medical management estimate: Colilia, et al. Estimates of Current and Future Incidence and Prevalence of Atrial Fibrillation in the U.S. Adult Population. Am Journal of Cardiology 2013, 112: 1142-1147 Persistent patient estimate: Berisso et al Epidemiology of atrial fibrillation: European perspective Clin Epidemiol. 2014; 6: 213–220
16	Estimated based on various catheter company presentations
17	Estimated based on Advisory Board data, along with various scientific presentations

Key Abbreviations:

Abbreviations	
Afib or AF	Atrial Fibrillation
FDA	Food & Drug Administration
PMA	Pre-Market Approval
AFL	Atrial Flutter
AT	Atrial Tachycardia
AAD	Anti-Arrhythmic Drugs

Abbreviations	
LAA	Left Atrial Appendage
LAAM	LAA Management
PVI	Pulmonary Vein Isolation
MAE	Material Adverse Event
CEC	Clinical Events Committee
EP	Electrophysiologist

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