

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

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

Date of Report (Date of earliest event reported): **January 4, 2024**

CUE HEALTH INC.

(Exact name of Registrant, as specified in its charter)

Delaware

(State or other jurisdiction of incorporation)

001-40824

(Commission File Number)

27-1562193

(I.R.S. Employer Identification Number)

Mailing address:
**4980 Carroll Canyon Rd.
Suite 100
San Diego, CA 92121**
(Address of principal executive
offices)

Registrant's telephone number, including area code: **(858) 412-8151**

Former name or address, if changed since last report: **Not Applicable.**

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

Common Stock, par value \$0.00001 per share

Trading Symbol(s)

HLTH

Name of each exchange on which registered

Nasdaq Capital Market

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

Emerging growth company

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

Item 2.05 Costs Associated with Exit or Disposal Activities.

On January 4, 2024, Cue Health Inc. (“Cue” or the “Company”) implemented a new cost reduction plan (the “CRP”). Management, with the oversight and guidance of the Company’s board of directors, determined to implement the CRP following a review of the Company’s business and operating expenses. The CRP is intended to reduce the Company’s cost structure and improve its operational efficiency beyond the expected cost savings of the cost reduction plans announced on January 5, 2023 and April 28, 2023 in the Current Reports on Form 8-K filed with Securities and Exchange Commission on January 5, 2023 and April 28, 2023, respectively.

The CRP will include a reduction in the Company’s employee base by 94 employees, which constitutes a reduction of approximately 13% in the Company’s global workforce. In connection with the CRP, the Company estimates that it will record an aggregate restructuring charge related to one-time termination benefits in the range of approximately \$2.1 million to \$2.8 million. The substantial majority of these charges will result in cash expenditures.

Cash expenditures in connection with the CRP consist of payments for salary, benefits, and unused paid time off for the affected employees from January 4, 2024 through their termination dates, which are expected to occur in early March 2024, reflecting the 60-day notice period required under any applicable Worker Adjustment and Retraining Notification Act. The CRP will also consist of a severance package that includes a cash severance payment and payments to cover the employer premiums and administration fees for continuation of healthcare coverage for a limited period. The severance package, in some cases, may also include an acceleration of the vesting of certain outstanding restricted stock units to affected employees, and in connection therewith, the Company estimates that it will incur non-cash charges of approximately \$0.1 million.

Each affected employee’s eligibility for the severance benefits is contingent upon such employee’s execution (and no revocation) of a separation agreement, which includes a general release of claims against the Company. The Company expects payments relating to the CRP to be completed by the end of the third quarter of 2024.

Item 8.01 Other Events.

The Company also announces that it received a response letter from the U.S. Food and Drug Administration (“FDA”) on December 28, 2023 regarding its Emergency Use Authorization (“EUA”) submission for its Flu A/B + COVID-19 molecular test for over the counter and point of care use. The letter indicates that the FDA has determined that further review of Cue’s EUA request is not a priority, and therefore declines to issue an EUA for the product at this time. The letter states that the decision is based on review of the submission thus far, including significant issues identified, FDA priorities relating to the COVID-19 testing landscape, and the anticipated FDA resources needed to continue review of the EUA request. The FDA’s determination does not preclude the Company’s submission of a future, new EUA request for its Flu A/B + COVID-19 molecular test.

Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements, including, but not limited to, statements related to the expected benefits of and timing of completion of the CRP, and the expected costs and charges of the CRP. Words such as “expects,” “anticipates,” “aims,” “projects,” “intends,” “plans,” “believes,” “estimates,” “seeks,” “assumes,” “may,” “should,” “could,” “would,” “foresees,” “forecasts,” “predicts,” “targets,” “commitments,” variations of such words and similar expressions are intended to identify such forward-looking statements. These forward-looking statements are based upon the Company’s current plans, assumptions, beliefs, and expectations. Forward-looking statements are subject to the occurrence of many events outside of the Company’s control. Actual results and the timing of events may differ materially from those contemplated by such forward-looking statements due to numerous factors that involve substantial known and unknown risks and uncertainties. These risks and uncertainties include, among other things, the risk that the restructuring costs and charges may be greater than anticipated; the risk that the Company’s restructuring efforts may adversely affect the Company’s internal programs and the Company’s ability to recruit and retain skilled and motivated personnel, and may be distracting to employees and management; the risk that the Company’s restructuring efforts may negatively impact the Company’s business operations and reputation with or ability to serve customers; the risk that the Company’s restructuring efforts may not generate their intended benefits to the extent or as quickly as anticipated; the outcome of any appeal with the FDA; and other risks and uncertainties included in the periodic reports on Forms 10-K, 10-Q and 8-K and in other filings the Company makes with the Securities and Exchange Commission from time to time, available at www.sec.gov. Forward-looking statements should be considered in light of these risks and uncertainties. Investors and others are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements contained herein speak only as of the date hereof. The Company assumes no obligation and does not intend to update these forward-looking statements, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits

Exhibit No.	Description
	104 Cover Page Interactive Data File (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.

Date: January 5, 2024

Cue Health Inc.

By: /s/ Aasim Javed
Name: Aasim Javed
Title: Chief Financial Officer