

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 29, 2024

DERMTECH, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-38118
(Commission
File Number)

84-2870849
(IRS Employer
Identification No.)

12340 El Camino Real
San Diego, CA 92130
(Address of Principal Executive Offices and Zip Code)

Registrant's telephone number, including area code (858) 450-4222

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

- ☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- ☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- ☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- ☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.0001 per share	DMTK	The 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 29, 2024, the Board of Directors (the “Board”) of DermTech, Inc. (the “Company”) approved a restructuring plan to continue to align the Company’s resources with its previously announced strategic prioritization for the DermTech Melanoma Test, further streamline operations and reduce overall operating expenses. The restructuring includes operating expense reductions and a reduction in force (the “Reduction in Force”). These additional restructuring actions will primarily affect operations, but impact the entire organization, and will result in a workforce reduction of approximately 30 employees, or approximately 15% of the Company's workforce. The Company expects to achieve approximately \$40 million in total operating expense reductions compared to fiscal 2022, when combined with its initial restructuring plan announced in June 2023.

The Company estimates that it will incur aggregate pre-tax charges of approximately \$1.3 million in connection with the Reduction in Force, primarily consisting of severance payments, employee benefits, outplacement services and related costs. The Company expects that the Reduction in Force will be complete by the end of March 2024 and that these one-time charges will be incurred in the first quarter of 2024.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On January 29, 2024, Claudia Ibarra and the Company mutually agreed Ms. Ibarra’s last day of employment as chief operating officer of the Company will be February 2, 2024. The Company intends to enter into a separation agreement with Ms. Ibarra, the terms of which will be disclosed after such terms are available.

Item 8.01. Press Release.

On January 31, 2024, the Company issued a press release announcing the restructuring and Reduction in Force. A copy of the press release is attached to this current report on Form 8-K as Exhibit 99.1 and is incorporated by reference into this Item 8.01 and to Item 2.05 of this current report on Form 8-K.

Forward-Looking Statements: This current report on Form 8-K contains “forward-looking” statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. These statements are based on expectations and estimates of management of the Company which may differ from any actual results and consequently you should not rely on these forward-looking statements as predictions of future events. Forward-looking statements include, without limitation, statements related to the intended benefits of the Reduction in Force, including with respect to the Company’s cash runway; the growth opportunities for the DermTech Melanoma Test; the number of employees impacted by the Reduction in Force; and the Company’s expectations regarding the estimated costs and cost savings, the timing of such costs and cost savings, and the timing of completion of the Reduction in Force. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those implied by forward-looking statements. All forward-looking statements in this current report on Form 8-K are based on information available to the Company as of the date of this filing. The Company expressly disclaims any obligation to update or alter its forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
99.1	Press Release, dated January 31, 2024.
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.

DERMTECH, INC.

Date: January 31, 2024

By: /s/ Kevin Sun
Name: Kevin Sun
Title: Chief Financial Officer



DERMTECH ANNOUNCES ADDITIONAL RESTRUCTURING ACTIONS TO FOCUS ON REVENUE GROWTH AND STREAMLINE OPERATIONS

- *Ongoing emphasis on growing revenue for the DermTech Melanoma Test (DMT)*
- *Approximately \$40 million in total operating expense reductions compared to fiscal 2022 resulting from all restructuring actions*

SAN DIEGO – January 31, 2024 – DermTech, Inc. (NASDAQ: DMTK) (DermTech or the Company), a leader in precision dermatology enabled by a non-invasive skin genomics technology, today announced additional restructuring actions to prioritize revenue growth, streamline operations and further reduce overall operating expenses.

The Company has continued to rigorously evaluate its growth opportunities and operations, while dedicating substantially all of its resources to growing reimbursed DermTech Melanoma Test (DMT) billable samples and expanding payer coverage. These additional restructuring actions will primarily affect operations, but impact the entire organization, and will result in a workforce reduction of approximately 30 employees, or approximately 15 percent of DermTech's workforce. The Company expects to achieve approximately \$40 million in total operating expense reductions compared to fiscal 2022, when combined with its initial restructuring plan announced in June 2023. The Company anticipates a one-time restructuring charge of approximately \$1.3 million in the first quarter of 2024.

"As we wrapped up last year, we recommitted to rigorous capital allocation in support of revenue growth and finding additional operating efficiencies in 2024," said Bret Christensen, CEO, DermTech. "Growing revenue remains our primary objective and we began to see meaningful improvement in many of our top-line and operating metrics during the third quarter of 2023. Our realigned commercial tactics and focus on reimbursed tests has yielded improvement in nearly all of our key performance indicators. We must continue to refine our approach as we learn more and be determined to achieve these goals with a lean organization and by aligning behind only the highest ROI opportunities."

Christensen continued, "We recognize today's additional restructuring actions will be difficult for our colleagues and their families. I'm extremely thankful for their commitment as we worked tirelessly to enhance the standard of care for evaluating melanoma."

About DermTech

DermTech is a leading genomics company in dermatology and is creating a new category of medicine, precision dermatology, enabled by its non-invasive skin genomics technology. DermTech's mission is to improve the lives of millions by providing non-invasive precision dermatology solutions that enable individualized care. DermTech provides genomic analysis of skin samples collected using its Smart Stickers™. DermTech develops and markets products that facilitate the assessment of melanoma. For additional information, please visit www.dermtech.com.

Forward-Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. The expectations, estimates, and projections of DermTech may differ from its actual results and consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "runway," "outlook," "anticipate," "intend," "plan," "strive," "may," "will," "sustain," "could," "should," "believe," "predict," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, expectations and evaluations with respect to: the performance, patient benefits, cost-effectiveness, commercialization and adoption of DermTech's products and the market opportunity for these products; expectations regarding DermTech's potential growth, scale, patient reach, financial outlook, including its cash runway and future financial performance DermTech's ability to increase its test volume, revenue and the proportion of reimbursed billable tests and control or reduce cost, expenses and cash burn; and expectations regarding agreements with or reimbursement or cash collection patterns from government payers (including Medicare) or commercial payers and related billing practices or number of covered lives. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Most of these factors are outside of the control of DermTech and are difficult to predict. Factors that may cause such differences include, but are not limited to: (1) the outcome of any legal proceedings that may be instituted against DermTech; (2) DermTech's ability to obtain additional funding to develop and market its products; (3) the existence of favorable or unfavorable clinical guidelines for DermTech's tests; (4) the reimbursement of DermTech's tests by government payers (including Medicare) and commercial payers; (5) the ability of patients or healthcare providers to obtain coverage of or sufficient reimbursement for DermTech's products; (6) DermTech's ability to grow, manage growth and retain its key employees and maintain or improve its operating efficiency and reduce operating expenses; (7) changes in applicable laws or regulations; (8) the market adoption and demand for DermTech's products and services together with the possibility that DermTech may be adversely affected by other economic, business, and/or competitive factors; and (9) other risks and uncertainties included in the "Risk Factors" section of the most recent Annual Report on Form 10-K filed by DermTech with the Securities and Exchange Commission (the "SEC"), and other documents filed or to be filed by DermTech with the SEC, including subsequently filed

reports. DermTech cautions that the foregoing list of factors is not exclusive. You should not place undue reliance upon any forward- looking statements, which speak only as of the date made. DermTech does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

Contact

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