

---

---

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): April 12, 2017

**Rennova Health, Inc.**

(Exact Name of Registrant as Specified in Its Charter)

**Delaware**

(State or Other Jurisdiction of Incorporation)

**001-35141**

(Commission File Number)

**68-0370244**

(I.R.S. Employer Identification No.)

**400 S. Australian Avenue, Suite 800, West Palm Beach, Florida**

(Address of Principal Executive Offices)

**33401**

(Zip Code)

**(561) 855-1626**

(Registrant's Telephone Number, Including Area Code)

\_\_\_\_\_  
(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))
- 
-

**Item 2.02 Results of Operations and Financial Condition**

On April 12, 2017, Rennova Health, Inc. (the “Company”) issued a press release announcing its results of operations for the twelve months ended December 31, 2016. A copy of the press release is furnished as Exhibit 99.1 to this report.

The information furnished pursuant to this Item 2.02, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities under that section and shall not be deemed to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 9.01 Financial Statements and Exhibits**

(d) Exhibits

The following exhibit is furnished as part of this report:

| <b>Exhibit No.</b> | <b>Description</b>   |
|--------------------|--|
| 99.1               | Press Release of Rennova Health, Inc., dated April 12, 2017. |

## 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: April 12, 2017

**RENNOVA HEALTH, INC.**

By: /s/ Seamus Lagan  
Seamus Lagan  
Chief Executive Officer  
(principal executive officer)



## RENNOVA HEALTH ANNOUNCES 2016 FINANCIAL RESULTS

*Conference call begins at 11:00 a.m. Eastern time today*

**WEST PALM BEACH, Fla. (April 12, 2017)** – **Rennova Health, Inc. (NASDAQ: RNVA) (NASDAQ: RNVAZ)** (“Rennova” or the “Company”), a vertically integrated provider of industry-leading diagnostics, supportive software and medical billing services, reports financial results for the year ended December 31, 2016, and provided a business update.

Significant business highlights from 2016 and recent weeks include:

- Raised \$12.4 million in a private placement of convertible notes, with proceeds used to pay down debt and support Rennova’s growth strategy
- Completed a purchase agreement to acquire certain assets related to Scott County Community Hospital and changed its name to Big South Fork Medical Center
- Acquired specialty pharmacogenomics laboratory Genomas, Inc.
- Entered into multiple preferred provider plans, which now total 24
- Secured additional Medicaid laboratory licensure, bringing the total number of states where we hold a Medicaid license to 30
- Continue to add new customers for our Lab services including direct bill clients for who we get paid a contracted price for services. Active customers currently stand at record levels
- Added customers in our software division for our flagship M2Select electronic health record (“EHR”) product services and M2Pro, our EHR for the ambulatory sector
- Initiated the integration of our software with a Clinical Research Organization in California that is expected to lead to the provision of contracted lab services

### **Management Commentary**

“The year 2016 was a challenging year by many measures,” commented Seamus Lagan, Rennova’s chief executive officer. “We are focused on a return to profitability in the coming year and have taken several steps to streamline our costs, including consolidating our clinical laboratories and cutting administrative costs. As a result, our gross margins in this segment improved substantially, to 68.1% in 2016 from 48.5% in 2015. The progress we made expanding into a wider and more varied marketplace by adding preferred provider networks, forging contracts with third-party payers, adding Medicaid contracts and increasing the number of tests we offer, combined with aggressive consolidation and cost cutting is expected to continue to narrow losses in this segment in 2017. Success in the last quarter of 2016 and 2017 to date with signing of new customers for all business segments and securing additional preferred network contracts with payers are not yet reflected in our financial results.

“We are excited about our recent acquisition of certain hospital assets and have been preparing to partially reopen Big South Fork Medical Center in the second quarter, with a return to full operations expected in the third quarter,” Mr. Lagan continued. “The acquisition of this rural hospital in Tennessee represents an important step for the overall growth of Rennova. Along with a hospital that had \$12 million in revenues in 2015, the last full year it was in operation, it provides us with a reliable customer base and important preferred provider contracts to assure payment for services provided. It also allows us to solidify relationships with local physicians for all our service offerings.”

Mr. Lagan added, “We have continued to add customers for our software division, which includes our Supportive Software Solutions and Decision Support and Informatics business segments. We exceeded our goal of securing 100 customers in 2016 and ended the year with 83 performing contracts. Our focus is on combining our flagship electronic health records product with medical billing services. We believe we can capture an additional 200 customers in 2017, of which we anticipate 25% may purchase multiple services.

“Historically, we have operated our business under one management team, but beginning in 2017, the Company intends to operate four separate but synergistic divisions, each with their own specialized management. The divisions will be; 1) Clinical diagnostics through its clinical laboratories; 2) supportive software solutions to healthcare providers including Electronic Health Records (“EHR”), Laboratory Information Systems and Medical Billing services; 3) Decision support and interpretation of cancer and genomic diagnostics; and 4) the recent addition of a hospital in Tennessee.

“As previously disclosed, we expect that our operations will be cash flow positive for the year,” Mr. Lagan concluded.

## **Financial Results**

Net revenues for 2016 were \$5.2 million, compared with \$18.4 million for 2015. The decrease is mainly due to a decline in Clinical Laboratory Operations revenue to \$3.7 million for 2016, compared with \$17.5 million in 2015 resulting from lower insured test volumes as a number of large third-party payers are now generally unwilling to reimburse service providers who are not part of their network, a departure from prior industry practices. In addition, the collectible portion of gross billings that should be reflected in net revenues was 11% of outgoing billings for 2016, compared with 13% for 2015.

Supportive Software Solutions billings were \$0.8 million for 2016, essentially unchanged from 2015. Decision Support and Informatics net revenue increased to \$0.7 million for 2016, compared with \$0.1 million for 2015, as this segment was created with the acquisition of CollabRx, Inc. in November 2015.

Operating expenses for 2016 were \$37.6 million, compared with \$63.9 million for 2015. The reduction was primarily due to a decline of \$7.6 million in direct costs of revenue, a decline of \$3.7 million in general and administrative expenses and a decline of \$19.1 million in impairment charges, partially offset by bad debt expense of \$3.6 million and engineering expenses associated with the acquisition of CollabRx of \$2.1 million, an increase of \$1.6 million. The Company has transitioned a significant portion of its testing from external reference laboratories to internal processing, which resulted in a 67% decrease in direct costs per sample.

The Company’s loss from operations for 2016 was \$32.4 million, compared with \$45.5 million for 2015. The narrowing of our operating loss was mainly due to asset impairment charges recognized in 2015 in the amount of \$20.1 million, as compared with \$1.0 million of asset impairment charges in 2016, and a \$7.6 million reduction in direct costs of revenue in 2016, which were largely offset by the decline in clinical laboratory revenues.

Net loss attributable to common stockholders for 2016 was \$32.6 million, or \$30.17 per share, compared with net income attributable to common stockholders of \$37.6 million, or \$90.46 per diluted share, for 2015.

The Company had cash and cash equivalents of \$77,979 as of December 31, 2016, compared with \$8.8 million as of December 31, 2015. Subsequent to the close of the quarter, the Company raised \$12.4 million in a private placement of convertible notes.

### ***Conference Call and Webcast***

Rennova Health management will hold a conference call and webcast today at 11:00 a.m. Eastern time to discuss 2016 financial results and provide a business update. To access the conference call please dial 888-563-6275 from within the U.S. or 706-634-7417 from outside the U.S. All listeners should provide passcode 2527049. Individuals interested in listening to the live conference call via the Internet may do so by logging on to the Company's website at [www.rennovahealth.com](http://www.rennovahealth.com).

Following the conclusion of the conference call, a replay will be available through April 18, 2017 and can be accessed by dialing 855-859-2056 from within the U.S. or 404-537-3406 from outside the U.S. All listeners should provide passcode 2527049. The webcast will be available for 30 days.

### **About Rennova Health, Inc.**

Rennova provides industry-leading diagnostics and supportive software solutions to healthcare providers, delivering an efficient, effective patient experience and superior clinical outcomes. Through an ever-expanding group of strategic brands that work in unison to empower customers, we are creating the next generation of healthcare. For more information, please visit [www.rennovahealth.com](http://www.rennovahealth.com).

### **Forward-Looking Statements**

This press release includes "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Actual results may differ from expectations and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions are intended to identify such forward-looking statements. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from the expected results. Additional information concerning these and other risk factors are contained in the Company's most recent filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company 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 their expectations or any change in events, conditions or circumstances on which any such statement is based, except as required by law.

#### Contacts:

Rennova Health  
Sebastien Sainsbury, 561-666-9818  
[ssainsbury@rennovahealth.com](mailto:ssainsbury@rennovahealth.com)

#### Investors

LHA  
Kim Golodetz, 212-838-3777  
[Kgolodetz@lhai.com](mailto:Kgolodetz@lhai.com)  
or  
Bruce Voss, 310-691-7100  
[Bvoss@lhai.com](mailto:Bvoss@lhai.com)

(Tables to follow)

**Rennova Health, Inc.**  
**Consolidated Statements of Operations**  
**For the Years Ended December 31, 2016 and 2015**

|  | <b>Year Ended December 31,</b> |                        |
|--|--------------------------------|------------------------|
|  | <b>2016</b>                    | <b>2015</b>            |
| <b>Net Revenues</b>  | <b>\$ 5,245,111</b>            | <b>\$ 18,393,038</b>   |
| <b>Operating expenses:</b>   |                                |                        |
| Direct costs of revenue  | 1,695,233                      | 9,339,644              |
| General and administrative expenses  | 23,695,381                     | 27,346,160             |
| Sales and marketing expenses   | 2,457,050                      | 3,763,802              |
| Engineering expenses   | 2,074,463                      | 415,482                |
| Bad debt expense   | 3,630,685                      | 99,754                 |
| Impairment charges   | 1,038,285                      | 20,143,320             |
| Depreciation and amortization  | 3,046,902                      | 2,749,850              |
| <b>Total operating expenses</b>  | <b>37,637,999</b>              | <b>63,858,012</b>      |
| <b>Loss from operations</b>  | <b>(32,392,888)</b>            | <b>(45,464,974)</b>    |
| <b>Other income (expense):</b>   |                                |                        |
| Other income   | 127,021                        | 252                    |
| Loss on disposal of property and equipment                                     | (153,234)                      | –                      |
| Change in fair value of derivative instruments                                 | 5,392,390                      | 2,888,746              |
| Gain on legal settlement   | –                              | 275,028                |
| Interest expense   | (6,322,004)                    | (2,689,811)            |
| <b>Total other (expense) income</b>  | <b>(955,827)</b>               | <b>474,215</b>         |
| <b>Loss before income taxes</b>  | <b>(33,348,715)</b>            | <b>(44,990,759)</b>    |
| Income tax benefit   | (735,028)                      | (9,028,253)            |
| <b>Net income</b>  | <b>(32,613,687)</b>            | <b>(35,962,506)</b>    |
| Preferred stock dividends  | –                              | 1,627,188              |
| <b>Net loss attributable to common stockholders</b>                            | <b>\$ (32,613,687)</b>         | <b>\$ (37,589,694)</b> |
| <b>Net loss per common share:</b>  |                                |                        |
| Basic and diluted  | <b>\$ (30.17)</b>              | <b>\$ (90.46)</b>      |
| <b>Weighted average number of common shares outstanding during the period:</b> |                                |                        |
| Basic and diluted  | <b>1,080,934</b>               | <b>415,517</b>         |

**Rennova Health, Inc.**  
**Consolidated Balance Sheets**  
**As of December 31, 2016 and 2015**

|   | <u>December 31,</u><br><u>2016</u> | <u>December 31,</u><br><u>2015</u> |
|---|------------------------------------|------------------------------------|
| <b>ASSETS</b>   |                                    |                                    |
| <b>Current assets:</b>  |                                    |                                    |
| Cash  | \$ 77,979                          | \$ 8,833,230                       |
| Accounts receivable, net  | 1,467,580                          | 8,149,484                          |
| Prepaid expenses and other current assets   | 216,642                            | 1,193,077                          |
| Income tax refunds receivable   | 1,458,438                          | 3,813,066                          |
| <b>Total current assets</b>   | <b>3,220,639</b>                   | <b>21,988,857</b>                  |
| Property and equipment, net   | 3,096,602                          | 7,148,295                          |
| Deposits  | 165,152                            | 232,774                            |
| <b>Total assets</b>   | <b>\$ 6,482,393</b>                | <b>\$ 29,369,926</b>               |
| <b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>  |                                    |                                    |
| <b>Current liabilities:</b>   |                                    |                                    |
| Accounts payable (includes related parties)   | \$ 3,351,388                       | \$ 4,360,035                       |
| Accrued expenses  | 4,135,146                          | 5,285,455                          |
| Income taxes payable  | 942,433                            | 1,398,053                          |
| Current portion of notes payable  | 9,011,247                          | 269,031                            |
| Current portion of notes payable, related party   | 328,500                            | 5,133,888                          |
| Current portion of capital lease obligations  | 1,796,053                          | 1,323,708                          |
| <b>Total current liabilities</b>  | <b>19,564,767</b>                  | <b>17,770,170</b>                  |
| <b>Other liabilities:</b>   |                                    |                                    |
| Notes payable, net of current portion   | –                                  | 2,903,898                          |
| Capital lease obligations, net of current portion   | 1,774,121                          | 2,394,171                          |
| Derivative liabilities  | 29,401                             | 7,495,486                          |
| <b>Total liabilities</b>  | <b>21,368,289</b>                  | <b>30,563,725</b>                  |
| <b>Commitments and contingencies</b>  |                                    |                                    |
| <b>Stockholders' deficit:</b>   |                                    |                                    |
| Series B preferred stock, \$0.01 par value, 5,000 shares authorized, 0 and 5,000 shares issued and outstanding                    | –                                  | 50                                 |
| Series C preferred stock, \$0.01 par value, 10,350 shares authorized, 0 and 9,000 shares issued and outstanding                   | –                                  | 90                                 |
| Series E preferred stock, \$0.01 par value, 45,000 shares authorized, 0 and 45,000 shares issued and outstanding                  | –                                  | 450                                |
| Series G preferred stock, \$0.01 par value, 14,000 shares authorized, 215 and 0 shares issued and outstanding                     | 2                                  | –                                  |
| Series H preferred stock, \$0.01 par value, 14,202 shares authorized, 10,019 and 0 shares issued and outstanding                  | 100                                | –                                  |
| Common stock, \$0.01 par value, 500,000,000 and 50,000,000 shares authorized, 2,800,377 and 488,398 shares issued and outstanding | 28,004                             | 4,884                              |
| Additional paid-in-capital  | 45,726,862                         | 26,827,904                         |
| Accumulated deficit   | (60,640,864)                       | (28,027,177)                       |
| <b>Total stockholders' deficit</b>  | <b>(14,885,896)</b>                | <b>(1,193,799)</b>                 |
| <b>Total liabilities and stockholders' deficit</b>  | <b>\$ 6,482,393</b>                | <b>\$ 29,369,926</b>               |

###