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 June 30, 2026
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: 1-13165

ARTIVION, INC.

(Exact name of registrant as specified in its charter)

Delaware	**59-2417093**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1655 Roberts Boulevard, NW, Kennesaw, Georgia	**30144**
(Address of principal executive offices)	(Zip Code)

(770) 419-3355
(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, $0.01 par value	AORT	New York Stock Exchange

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 ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Class	Outstanding at July 31, 2026
Common Stock, $0.01 par value	48,756,221

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Part I – FINANCIAL INFORMATION

Item 1. Financial Statements.

Artivion, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income
In Thousands, Except Per Share Data
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Revenues:				
Products	$ 99,905	$ 87,444	$ 191,347	$ 166,242
Preservation services	25,852	25,528	50,747	45,708
Total revenues	**125,757**	**112,972**	**242,094**	**211,950**
Cost of products and preservation services:				
Products	33,991	28,315	63,688	53,578
Preservation services	11,249	11,545	22,441	21,683
Total cost of products and preservation services	**45,240**	**39,860**	**86,129**	**75,261**
Gross margin	**80,517**	**73,112**	**155,965**	**136,689**
Operating expenses:				
General, administrative, and marketing	79,826	57,665	140,646	112,369
Research and development	9,055	7,063	17,896	13,791
Total operating expenses	**88,881**	**64,728**	**158,542**	**126,160**
Operating (loss) income	**(8,364)**	**8,384**	**(2,577)**	**10,529**
Interest expense	7,253	7,270	12,620	14,933
Interest income	(367)	(68)	(572)	(212)
Losses on inducement/extinguishment of debt	—	2,664	—	2,664
Other income	(3,551)	(4,964)	(3,265)	(8,043)
(Loss) income before income taxes	**(11,699)**	**3,482**	**(11,360)**	**1,187**
Income tax expense	1,811	2,137	733	347
Net (loss) income	**$ (13,510)**	**$ 1,345**	**$ (12,093)**	**$ 840**
(Loss) income per share				
Basic	**$ (0.28)**	**$ 0.03**	**$ (0.25)**	**$ 0.02**
Diluted	**$ (0.28)**	**$ 0.03**	**$ (0.25)**	**$ 0.02**
Weighted-average common shares outstanding:				
Basic	48,541	44,296	48,309	43,270
Diluted	48,541	45,378	48,309	44,503
Net (loss) income	**$ (13,510)**	**$ 1,345**	**$ (12,093)**	**$ 840**
Other comprehensive (loss) income:				
Foreign currency translation adjustments, net of tax	(911)	15,768	(9,757)	22,099
Comprehensive (loss) income	**$ (14,421)**	**$ 17,113**	**$ (21,850)**	**$ 22,939**

See accompanying Notes to Condensed Consolidated Financial Statements

Artivion, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
In Thousands

	June 30, 2026	December 31, 2025
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 77,316	$ 64,908
Trade receivables, net	97,928	89,758
Other receivables	12,835	13,921
Inventories	103,364	92,427
Deferred preservation costs	53,365	54,531
Prepaid expenses and other	26,572	42,537
Total current assets	**371,380**	**358,082**
Goodwill	349,862	254,091
Acquired technology, net	149,274	123,664
Operating lease right-of-use assets, net	36,580	34,701
Property and equipment, net	73,699	64,988
Other intangibles, net	74,696	32,831
Deferred tax assets, net	1,216	1,201
Other long-term assets	15,227	15,238
Total assets	**$ 1,071,934**	**$ 884,796**
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	$ 20,870	$ 16,042
Accrued compensation	17,843	22,484
Accrued expenses	16,252	16,447
Accrued interest	6,526	4,815
Taxes payable	5,580	7,489
Accrued procurement fees	1,541	3,436
Current portion of contingent consideration	25,000	20,690
Current maturities of operating leases	5,058	4,649
Current portion of finance lease obligations	860	726
Other current liabilities	7,401	4,778
Total current liabilities	**106,931**	**101,556**
Long-term debt, net	363,423	215,114
Non-current contingent consideration	71,517	39,890
Non-current maturities of operating leases	35,824	34,427
Deferred tax liabilities, net	25,884	24,308
Deferred compensation liability	10,739	9,464
Non-current finance lease obligations	2,802	2,698
Other long-term liabilities	9,229	9,107
Total liabilities	**$ 626,349**	**$ 436,564**
Commitments and contingencies		
Stockholders' equity:		
Preferred stock $0.01 par value per share, 5,000 shares authorized, no shares issued	—	—
Common stock $0.01 par value per share, 75,000 shares authorized, 50,179 and 49,330 shares issued as of June 30, 2026 and December 31, 2025, respectively	502	493
Additional paid-in capital	535,798	516,604
Retained deficit	(63,591)	(51,498)
Accumulated other comprehensive loss	(12,476)	(2,719)
Treasury stock, at cost, 1,487 shares as of June 30, 2026 and December 31, 2025	(14,648)	(14,648)
Total stockholders' equity	**445,585**	**448,232**
Total liabilities and stockholders' equity	**$ 1,071,934**	**$ 884,796**

See accompanying Notes to Condensed Consolidated Financial Statements

Artivion, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
In Thousands
(Unaudited)

	Six Months Ended June 30,	
	2026	**2025**
Net cash flows from operating activities:		
Net (loss) income	$ (12,093)	$ 840
Adjustments to reconcile net (loss) income to net cash from operating activities:		
Depreciation and amortization	13,088	10,984
Non-cash compensation	16,578	14,167
Non-cash lease expense	2,612	2,510
Write-down of inventories and deferred preservation costs	2,368	2,379
Deferred income taxes	(1,421)	(231)
Change in fair value of contingent consideration	9,710	(210)
Losses on inducement/extinguishment of debt	—	2,664
Other	(2,590)	(7,423)
Changes in operating assets and liabilities, net of acquisition:		
Receivables	(7,971)	(9,660)
Inventories and deferred preservation costs	(10,752)	(5,521)
Prepaid expenses and other assets	(5,271)	(6,215)
Accounts payable, accrued expenses, and other liabilities	(4,370)	(6,226)
Net cash flows used in operating activities	**(112)**	**(1,942)**
Net cash flows from investing activities:		
Capital expenditures	(18,751)	(6,925)
Acquisition of Endospan, net of cash acquired	(116,661)	—
Payments related to sale of non-financial assets	(1,500)	—
Other	(3,000)	—
Net cash flows used in investing activities	**(139,912)**	**(6,925)**
Net cash flows from financing activities:		
Proceeds from issuance of long-term debt, net	148,875	—
Repayment of debt	—	(134)
Proceeds from exercise of stock options and issuance of common stock	2,625	4,459
Proceeds from financing insurance premiums	3,217	3,117
Principal payments on short-term notes payable	(1,440)	(554)
Other	(426)	(353)
Net cash flows provided by financing activities	**152,851**	**6,535**
Effect of exchange rate changes on cash and cash equivalents	(419)	2,345
Increase in cash and cash equivalents	**12,408**	**13**
Cash and cash equivalents beginning of period	64,908	53,463
Cash and cash equivalents end of period	**$ 77,316**	**$ 53,476**

See accompanying Notes to Condensed Consolidated Financial Statements

Artivion, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
In Thousands
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at March 31, 2026	**49,983**	**$ 500**	**$ 526,261**	**$(50,081)**	**$ (11,565)**	**(1,487)**	**$(14,648)**	**$ 450,467**
Net loss	—	—	—	(13,510)	—	—	—	(13,510)
Other comprehensive loss, net of tax	—	—	—	—	(911)	—	—	(911)
Equity compensation	106	1	8,163	—	—	—	—	8,164
Exercise of options	90	1	1,374	—	—	—	—	1,375
Balance at June 30, 2026	**50,179**	**$ 502**	**$ 535,798**	**$(63,591)**	**$ (12,476)**	**(1,487)**	**$(14,648)**	**$ 445,585**

	Common Stock		Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2025	**49,330**	**$ 493**	**$ 516,604**	**$(51,498)**	**$ (2,719)**	**(1,487)**	**$(14,648)**	**$ 448,232**
Net loss	—	—	—	(12,093)	—	—	—	(12,093)
Other comprehensive loss, net of tax	—	—	—	—	(9,757)	—	—	(9,757)
Equity compensation	709	7	16,571	—	—	—	—	16,578
Exercise of options	99	1	1,552	—	—	—	—	1,553
Employee stock purchase plan	41	1	1,071	—	—	—	—	1,072
Balance at June 30, 2026	**50,179**	**$ 502**	**$ 535,798**	**$(63,591)**	**$ (12,476)**	**(1,487)**	**$(14,648)**	**$ 445,585**

See accompanying Notes to Condensed Consolidated Financial Statements

Artivion, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity (continued)
In Thousands
(Unaudited)

	Common Stock		Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at March 31, 2025	**44,190**	**$ 442**	**$ 388,825**	**$(61,771)**	**$ (18,596)**	**(1,487)**	**$(14,648)**	**$ 294,252**
Net income	—	—	—	1,345	—	—	—	1,345
Other comprehensive income, net of tax	—	—	—	—	15,768	—	—	15,768
Settlement of convertible senior notes	4,334	44	102,093	—	—	—	—	102,137
Equity compensation	57	—	6,122	—	—	—	—	6,122
Exercise of options	11	—	278	—	—	—	—	278
Balance at June 30, 2025	**48,592**	**$ 486**	**$ 497,318**	**$(60,426)**	**$ (2,828)**	**(1,487)**	**$(14,648)**	**$ 419,902**

	Common Stock		Additional Paid-In Capital	Retained Deficit	Accumulated Other Comprehensive Loss	Treasury Stock		Total Stockholders' Equity
	Shares	Amount				Shares	Amount	
Balance at December 31, 2024	**43,432**	**$ 434**	**$ 376,607**	**$(61,266)**	**$ (24,927)**	**(1,487)**	**$(14,648)**	**$ 276,200**
Net income	—	—	—	840	—	—	—	840
Other comprehensive income, net of tax	—	—	—	—	22,099	—	—	22,099
Settlement of convertible senior notes	4,334	44	102,093	—	—	—	—	102,137
Equity compensation	600	6	14,161	—	—	—	—	14,167
Exercise of options	182	2	3,496	—	—	—	—	3,498
Employee stock purchase plan	44	—	961	—	—	—	—	961
Balance at June 30, 2025	**48,592**	**$ 486**	**$ 497,318**	**$(60,426)**	**$ (2,828)**	**(1,487)**	**$(14,648)**	**$ 419,902**

Artivion, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Basis of Presentation and Summary of Significant Accounting Policies

Overview

The accompanying Condensed Consolidated Financial Statements include the accounts of Artivion, Inc. and its subsidiaries ("Artivion," the "Company," "we," or "us"). All significant intercompany accounts and transactions have been eliminated in consolidation. The accompanying Consolidated Balance Sheet as of December 31, 2025 has been derived from audited financial statements. The accompanying unaudited Condensed Consolidated Financial Statements as of, and for the three and six months ended, June 30, 2026 and 2025 have been prepared in accordance with (i) accounting principles generally accepted in the United States of America ("US GAAP") for interim financial information and (ii) the instructions to Form 10-Q and Rule 10-01 of Regulation S-X of the US Securities and Exchange Commission (the "SEC"). Accordingly, such statements do not include all the information and disclosures that are required by US GAAP for a complete presentation of financial statements. In the opinion of management, all adjustments (including those of a normal, recurring nature) considered necessary for a fair presentation have been included. Operating results for the three and six months ended June 30, 2026 are not necessarily indicative of the results that may be expected for the year ending December 31, 2026. These Condensed Consolidated Financial Statements should be read in conjunction with the Consolidated Financial Statements and Notes included in Artivion's Annual Report on Form 10-K for the year ended December 31, 2025 filed with the SEC on February 18, 2026.

Foreign Currency Translation and Transactions

Assets and liabilities of international subsidiaries whose functional currency is the local currency are translated at the rate of exchange in effect on the balance sheet date; income and expenses are translated at the average exchange rates throughout the year. Foreign currency exchange rate realized and unrealized gains and losses resulting from transactions are included in Other expense (income), net in our Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income and resulted in a net loss of $0.7 million and $1.6 million for the three and six months ended June 30, 2026, respectively, as compared to a net gain of $4.5 million and $7.4 million for the three and six months ended June 30, 2025, respectively. Currency translation adjustments resulting from intra-entity loans that are of a long-term investment nature, net of tax, are included in Accumulated other comprehensive loss and resulted in a net loss of $0.5 million and $7.9 million for the three and six months ended June 30, 2026, respectively, as compared to a net gain of $9.8 million and $13.6 million for the three and six months ended June 30, 2025, respectively.

Significant Accounting Policies

A summary of our significant accounting policies is included in Note 1 of the "Notes to Consolidated Financial Statements" contained in our Form 10-K for the year ended December 31, 2025. Management believes that the consistent application of these policies enables us to provide users of the financial statements with useful and reliable information about our operating results and financial condition. The Condensed Consolidated Financial Statements are prepared in accordance with US GAAP, which require us to make estimates and assumptions. Except for the adoption of a new accounting policy as described below, we did not experience any significant changes during the three and six months ended June 30, 2026 in any of our Significant Accounting Policies from those contained in our Form 10-K for the year ended December 31, 2025.

Business Combinations

We account for business combinations using the acquisition method. The identifiable assets acquired and liabilities assumed are recognized at their respective acquisition-date fair values. The excess of the consideration transferred over the estimated fair value of the identifiable net assets acquired is recorded as goodwill. Acquisition-related costs are expensed as incurred and recognized within general, administrative, and marketing in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

New Accounting Pronouncements

Recently Adopted

In July 2025 the FASB issued ASU No. 2025-05 – Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets, which provides a practical expedient for estimating expected credit losses on current accounts receivable and current contract assets arising from transactions accounted for under Topic 606 – Revenue from Contracts with Customers. Under this practical expedient, entities may assume that current conditions as of the balance sheet date do not change for the remaining life of the asset. The updated standard is effective for financial statements issued for fiscal years beginning after December 15, 2025. We adopted ASU 2025-05 on a prospective basis effective January 1, 2026. The adoption of ASU 2025-05 did not have a material impact on our financial condition or results of operations and did not affect any amounts previously reported for the three months ended March 31, 2026.

In September 2025 the FASB issued ASU No. 2025-06, Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software, which modernizes the accounting for internal-use software costs under Subtopic 350-40. The amendments remove references to prescriptive and sequential software development stages and clarify when entities begin capitalizing internal-use software costs. The updated standard is effective for financial statements issued for fiscal years beginning after December 15, 2027. During the second quarter of 2026, we adopted ASU 2025-06 on a prospective basis effective January 1, 2026. See further discussion below regarding our accounting for internal-use software.

Internal-Use Software, net

Following the adoption of ASU 2025-06, we capitalize eligible costs incurred to develop or obtain internal-use software when management has authorized and committed to funding the software project and it is probable that the project will be completed and the software will be used to perform its intended function. Costs incurred before these criteria are met, as well as training, maintenance, data conversion and other costs that do not qualify for capitalization, are expensed as incurred.

Capitalized internal-use software includes software used in manufacturing operations, which is included in Property and equipment, net, and software used in non-manufacturing activities, which is included in Other intangible assets, net, in the Condensed Consolidated Balance Sheets. We apply the disclosure requirements of ASC 360-10 to all capitalized internal-use software, regardless of balance sheet presentation.

Capitalized internal-use software is stated at cost less accumulated amortization. Capitalized internal-use software is amortized on a straight-line basis over the estimated useful lives of the related assets, generally five years, beginning when the software is substantially complete and ready for its intended use.

Internal-use software, net consists of the following (in thousands):

	June 30, 2026	December 31, 2025
Internal-use software	$ 27,732	$ 21,738
Less: Accumulated amortization	(7,880)	(8,936)
Internal-use software, net	**$ 19,852**	**$ 12,802**

As of June 30, 2026, of the $19.9 million net carrying amount of internal-use software, $4.8 million was included in Property and equipment, net and $15.1 million was included in Other intangible assets, net in the Condensed Consolidated Balance Sheets.

As of December 31, 2025, of the $12.8 million net carrying amount of internal-use software, $1.5 million was included in Property and equipment, net and $11.3 million was included in Other intangible assets, net in the Condensed Consolidated Balance Sheets.

Amortization expense was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Amortization expense	$ 858	$ 448	$ 1,661	$ 964

Not Yet Effective

In November 2024 the FASB issued ASU No. 2024-03, Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses to improve the disclosures about a public business entity's expenses for more detailed information about the types of expenses in commonly presented expense captions such as cost of sales; selling, general, and administrative expenses; and research and development. The updated accounting guidance, among other things, requires quantitative disclosures for employee compensation, selling expenses, and purchases of inventory. The updated guidance is effective for financial statements issued for fiscal years beginning after December 15, 2026. We are currently evaluating the impacts of the new standard.

2. Sale of PerClot

Overview

On July 28, 2021 we entered into an asset purchase agreement, Transitional Manufacturing and Supply Agreement ("TMSA"), and other ancillary agreements related to the sale of PerClot®, a polysaccharide hemostatic agent used in surgery ("PerClot"), to a subsidiary of Baxter International, Inc. ("Baxter") and an agreement to terminate all of our material agreements with Starch Medical, Inc. ("SMI") related to PerClot (collectively the "Baxter Transaction"). Under the terms of the Baxter Transaction, Baxter will pay an aggregate of up to $54.5 million in consideration (we will receive up to $41.0 million and SMI will receive up to $13.5 million), consisting of (i) $25.0 million at closing, of which $6.0 million was paid to SMI; (ii) $18.8 million upon our receipt of Premarket Approval ("PMA") from the US Food and Drug Administration (the "FDA") for PerClot and our transfer of the PMA to Baxter, of which $4.5 million was paid to SMI; and (iii) up to $10.0 million upon Baxter's achievement of certain cumulative worldwide net sales of PerClot prior to December 31, 2026 and December 31, 2027, of which up to $3.0 million is payable to SMI. In addition, at the conclusion of our manufacturing and supply services for Baxter, Baxter will pay $0.8 million upon transfer of our PerClot manufacturing equipment. Under the terms of the Baxter Transaction, we will continue to provide to Baxter certain transition services relating to the sale of SMI PerClot outside of the US. Within the terms of the TMSA, we will manufacture and supply PerClot for Baxter post PMA for a contractual period. The TMSA has been extended for an additional 24-month term and will expire in February 2027.

PerClot PMA

Upon receipt of the PMA in May 2023, under the terms of the TMSA, we began manufacturing and supplying PerClot for Baxter and recorded $1.9 million and $2.4 million of PerClot revenues on the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income during the three and six months ended June 30, 2026, respectively, as compared to $1.0 million and $1.8 million during the three and six months ended June 30, 2025, respectively.

PerClot Sales Milestone

During the second half of 2025, upon Baxter's achievement of certain cumulative worldwide net sales of PerClot, we recorded a pre-tax gain of $7.0 million included as Gain from sale of non-financial assets within the Consolidated Statements of Operations and Comprehensive Income (Loss) for the year ended December 31, 2025. The gain is comprised of a cash payment of $5.0 million from Baxter, a receivable of $5.0 million due from Baxter, and a payable of $3.0 million due to SMI. The receivable and payable are reflected in Other receivables and Other current liabilities, respectively, in the Consolidated Balance Sheets as of December 31, 2025. Pursuant to the terms of the Baxter Transaction, we made a payment of $1.5 million to SMI in January 2026 in connection with Baxter's achievement of the PerClot sales milestone. As of June 30, 2026, $1.5 million remained payable to SMI and $5.0 million was receivable from Baxter, which were reflected in Other current liabilities and Other receivables, respectively, in the Condensed Consolidated Balance Sheets.

3. Acquisition of Ascyrus

Overview

On September 2, 2020 we entered into a Securities Purchase Agreement (the "Ascyrus Agreement") to acquire 100% of the outstanding equity interests of Ascyrus Medical LLC ("Ascyrus"). Ascyrus developed the AMDS, the world's first aortic arch remodeling device for use in the treatment of acute Type A aortic dissections.

Under the terms of the Ascyrus Agreement, we will pay an aggregate of up to $200.0 million in consideration, consisting of: (i) a cash payment of approximately $60.0 million and the issuance of $20.0 million in shares of Artivion common stock, in each case, that were delivered at the closing of the acquisition, (ii) a cash payment of $10.0 million and the issuance of $10.0 million in shares of Artivion common stock upon FDA approval of the Investigational Device Exemption ("IDE") application for the AMDS in 2021, (iii) if the FDA approves PMA application submitted for the AMDS, a cash payment of $25.0 million, (iv) if regulatory approval of the AMDS is obtained in Japan on or before June 30, 2027, a cash payment of $10.0 million, (v) if regulatory approval of the AMDS is obtained in China on or before June 30, 2027, a cash payment of $10.0 million and (vi) a potential additional consideration cash payment capped at $55.0 million (or up to $65.0 million to $75.0 million if the Japanese or Chinese approvals are not secured on or before June 30, 2027 and those approval milestone payments are added to the potential additional consideration cash payment cap) calculated as two times the incremental worldwide sales of the AMDS (or any other acquired technology or derivatives of such acquired technology) outside of the European Union during the three-year period following the date the FDA approves a PMA application submitted for the AMDS.

Accounting for the Transaction

In June 2026 the FDA approved the PMA application for the AMDS Hybrid Prosthesis for use in patients with acute DeBakey Type I aortic dissections with clinical or radiographic malperfusion, satisfying the related regulatory milestone and triggering the associated $25.0 million contingent payment, which was paid in July 2026.

As part of the acquisition, we may be required to pay additional consideration up to $100.0 million to the former shareholders of Ascyrus upon the achievement of certain milestones and the sales-based additional earnout described above.

The contingent consideration represents the estimated fair value of future potential payments. The fair value of the contingent consideration liability was estimated by discounting to present value the contingent payments expected to be made based on a probability-weighted scenario approach. We applied a discount rate based on our unsecured credit spread and the term commensurate risk-free rate to the additional consideration to be paid, and then applied a risk-based estimate of the probability of achieving each scenario to calculate the fair value of the contingent consideration. This fair value measurement was based on unobservable inputs, including management estimates and assumptions about the future achievement of milestones and future estimate of revenues, and is, therefore, classified as Level 3 within the fair value hierarchy. We used a discount rate of approximately 16% and estimated future achievement of milestone dates to calculate the fair value of contingent consideration as of June 30, 2026. We remeasure this liability at each reporting date and record changes in the fair value of the contingent consideration in General, administrative, and marketing expenses in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income. Increases or decreases in the fair value of the contingent consideration liability can result from changes in the passage of time, discount rates, the timing and amount of our revenue estimates, and the timing and expectation of regulatory approvals.

We perform quarterly assessments of the fair value of our contingent consideration liabilities. We recorded net fair value losses of $8.0 million and $9.7 million for the three and six months ended June 30, 2026, respectively, compared with a net fair value loss of $2.6 million and a net fair value gain of $0.2 million for the three and six months ended June 30, 2025, respectively. These amounts were recognized in General, administrative, and marketing expenses in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income. The $9.7 million increase in the fair value of the contingent consideration liabilities during the six months ended June 30, 2026 was primarily attributable to the increase in the probability of achieving the PMA approval milestone to 100% upon receipt of FDA approval as described above, the passage of time, and a slightly lower credit spread.

As of June 30, 2026 the contingent consideration liabilities related to AMDS totaled $70.3 million, of which $25.0 million was classified in current portion of contingent consideration and related to the PMA approval milestone achieved in June 2026. As of December 31, 2025 the contingent consideration liabilities totaled $60.6 million.

4. Acquisition of Endospan

Overview

On May 18, 2026 (the "Acquisition Date"), we acquired 100% of the outstanding securities of Endospan Ltd. ("Endospan") from its securityholders (the "Endospan Acquisition"). The Endospan Acquisition was completed through the exercise of our purchase option pursuant to the Securities Purchase Option Agreement, dated September 11, 2019, as amended on July 1, 2024 and January 9, 2026 (the "Agreement"). Endospan designs, develops, manufactures, and commercializes the NEXUS™ family of aortic arch stent graft systems. The Endospan Acquisition expands our aortic arch product portfolio and provides us with ownership of the NEXUS platform and related product-development pipeline.

We accounted for the Endospan Acquisition as a business combination using the acquisition method of accounting in accordance with ASC 805, Business Combinations. The Agreement provided for a base purchase price of $175.0 million, payable in cash and subject to adjustments for working capital, indebtedness, cash, transaction expenses, and other specified items. The acquisition-date fair value of total consideration transferred was $178.1 million, as summarized below. At closing, we paid approximately $131.3 million in cash in connection with the Endospan Acquisition. This amount included $10.2 million of transaction bonuses, as further discussed below. The remaining $121.0 million consisted of $106.8 million of cash consideration and $14.2 million paid to settle Endospan debt obligations.

Endospan's former securityholders are also entitled to receive contingent consideration of up to $200.0 million based on 2.5 times the increase in worldwide revenue from sales of NEXUS™ products during the 12-month period ending on the second anniversary of the Acquisition Date compared with the 12-month period preceding the Acquisition Date. Any amount payable will be determined following the second anniversary of the Acquisition Date and paid in accordance with the Agreement. The contingent consideration had an acquisition-date fair value of $26.2 million and remained materially unchanged as of June 30, 2026. The liability was included in Non-current contingent consideration in the Condensed Consolidated Balance Sheets. See Note 5 – "Financial Instruments" for additional information regarding the valuation of the contingent consideration.

We incurred acquisition-related costs of $11.7 million and $12.5 million during the three and six months ended June 30, 2026, respectively, including $10.2 million of transaction bonuses recognized in connection with the Endospan Acquisition. These costs were accounted for separately from the business combination, expensed as incurred, and included in General, administrative, and marketing expenses in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income.

We recorded preliminary goodwill of $99.2 million, of which none is expected to be deductible for income tax purposes. Goodwill represents the excess of the consideration transferred over the fair value of the identifiable net assets acquired and primarily reflects expected synergies from the Endospan Acquisition and the value of the assembled workforce. The entire balance of acquired goodwill was assigned to our Medical Devices segment. The preliminary purchase price allocation is based on information available as of June 30, 2026 and remains subject to adjustment, primarily related to the finalization of working capital and other closing adjustments and income tax matters. The measurement period will not exceed one year from the Acquisition Date, as additional information about facts and circumstances existing at the Acquisition Date becomes available. Measurement-period adjustments will be recognized as if the accounting had been completed at the Acquisition Date, including the related effect on depreciation, amortization, and other income-statement amounts.

The preliminary purchase consideration allocated as of the Acquisition Date consisted of the following (in thousands):

Consideration		
Cash consideration	$	106,818
Debt obligations settled in cash by Artivion		14,206
Noncash settlement of preexisting relationships and Endospan Option [(1)]		30,811
Contingent consideration		26,227
Fair value of total consideration transferred	**$**	**178,062**
Purchase Price Allocation		
Cash and cash equivalents	$	4,363
Intangible assets, net		71,800
Net other assets/liabilities acquired		2,693
Goodwill		99,206
Net assets acquired	**$**	**178,062**

[(1)] Represents amounts included in consideration transferred in connection with the settlement or exercise of preexisting contractual relationships between Artivion and Endospan, consisting of the acquisition-date fair value of the effective settlement of the Endospan Loans ($24.7 million) and the Buyer Deposits ($3.0 million), and the carrying amount of the Endospan Option ($3.1 million) upon exercise. See “Settlement of Preexisting Relationships and Endospan Option” below.

Identifiable Intangible Assets

The following table presents details of the identifiable intangible assets recognized in connection with the Endospan Acquisition (in thousands, except estimated useful life):

Identifiable Intangible Assets	Fair Value	Estimated Useful Life (Years)
Developed technology	$ 31,300	10.0
Trade name	1,600	15.0
In-process research and development (“IPR&D”)	38,900	Indefinite
Total identifiable intangible assets	**$ 71,800**	

The weighted-average amortization period for the acquired amortizable intangible assets was approximately 10.2 years. The IPR&D asset is considered indefinite-lived and is not amortized until the underlying project is completed or abandoned.

Fair Value Measurements

The acquisition-date fair values of the identifiable intangible assets were estimated using income-based valuation techniques. Significant assumptions included forecasted revenues and operating results, expected commercialization and regulatory timelines, estimated useful lives, and discount rates. The acquisition-date fair value of the contingent consideration was estimated using a Monte Carlo simulation based primarily on forecasted NEXUS™ revenues, revenue volatility, discount rates, credit risk, and the expected timing of payment.

These fair value measurements were based on significant unobservable inputs and were classified as Level 3 measurements. See Note 5 – “Financial Instruments” for additional information regarding the subsequent measurement of contingent consideration.

Settlement of Preexisting Relationships and Endospan Option

Artivion and Endospan entered into a loan agreement (the "Endospan Loan"), dated September 11, 2019, by which Artivion funded Endospan a secured loan of $15.0 million and also an amendment to the Endospan Loan, dated July 1, 2024, by which we funded Endospan additional secured loans of $25.0 million ("Additional Endospan Loan") and together with the Endospan Loan, the ("Endospan Loans"). We elected the fair value option for recording the Endospan Loans. Immediately before the effective settlement of the Endospan Loans, we recognized a settlement gain of $4.3 million in Other income in the Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income to adjust the Endospan Loans to their acquisition-date fair value and included the $24.7 million fair value of the Endospan Loans as part of the fair value of the total consideration transferred.

Before the Endospan Acquisition, we had prepaid $3.0 million in advance deposits relating to certain purchase orders with Endospan. In connection with the settlement of this preexisting contractual relationship, the fair value of the settled relationship, which approximated its carrying amount, was included as part of the fair value of the total consideration transferred, and no settlement gain or loss was recognized.

In connection with the Agreement, we had recognized the value of the option right ("Endospan Option") of $3.1 million, which was reflected in Other current assets in the Condensed Consolidated Balance Sheets. In connection with the exercise of the option to effect the Endospan Acquisition, the carrying amount of the Endospan Option was included as part of the fair value of the total consideration transferred, and no gain or loss was recognized.

Accordingly, the amounts associated with the Endospan Loans, advance deposits, and Endospan Option were included in the calculation of consideration transferred but were not recognized as acquired assets because they represented the settlement or exercise of preexisting contractual relationships accounted for separately from the business combination.

5. Financial Instruments

A summary of financial instruments measured at fair value was as follows (in thousands):

June 30, 2026	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 36,351	$ —	$ —	$ 36,351
Certificates of deposit	672	—	—	672
Total assets	**$ 37,023**	**$ —**	**$ —**	**$ 37,023**
Liabilities				
Current portion of contingent consideration	$ —	$ —	$ 25,000	$ 25,000
Non-current contingent consideration	—	—	71,517	71,517
Total liabilities	**$ —**	**$ —**	**$ 96,517**	**$ 96,517**

December 31, 2025	Level 1	Level 2	Level 3	Total
Cash equivalents				
Money market funds	$ 20,725	$ —	$ —	$ 20,725
Certificates of deposit	1,080	—	—	1,080
Endospan Loans	—	—	19,872	19,872
Total assets	**$ 21,805**	**$ —**	**$ 19,872**	**$ 41,677**
Liabilities				
Current portion of contingent consideration	$ —	$ —	$ 20,690	$ 20,690
Non-current contingent consideration	—	—	39,890	39,890
Total liabilities	**$ —**	**$ —**	**$ 60,580**	**$ 60,580**

We used prices quoted from our investment advisors to determine the Level 1 valuation of our investments in money market funds and certificates of deposit. The estimated market value of all cash equivalents is equal to the cost basis as there were no gross realized gains or losses on cash equivalents for the three and six months ended June 30, 2026 and 2025.

The fair value of the contingent consideration component of the Ascyrus acquisition and Endospan acquisition were updated using Level 3 inputs. Changes in fair value of Level 3 assets and liabilities are listed in the tables below (in thousands):

	AMDS Contingent Consideration
Balance as of December 31, 2025	$ 60,580
Change in valuation	9,710
Balance as of June 30, 2026	**$ 70,290**

	Endospan Contingent Consideration
Balance as of December 31, 2025	$ —
Initial value	26,227
Balance as of June 30, 2026	**$ 26,227**

In connection with the Endospan acquisition, we recognized contingent consideration related to the future performance of the NEXUS™ product at an acquisition-date fair value of $26.2 million, which remained materially unchanged through June 30, 2026. See Note 4 – “Acquisition of Endospan” for additional information.

The determination of fair value and the assessment of a measurement’s placement within the hierarchy requires judgment. Level 3 valuations often involve a higher degree of judgment and complexity. Although we believe that the recorded fair values of our financial instruments are appropriate, these fair values may not be reflective of future fair values.

6. Inventories and Deferred Preservation Costs

Inventories consist of the following (in thousands):

	June 30, 2026	December 31, 2025
Raw materials and supplies	$ 40,643	$ 36,355
Work-in-process	21,399	17,133
Finished goods	41,322	38,939
Inventories	**$ 103,364**	**$ 92,427**

To facilitate product usage, we maintain consignment inventory of On-X heart valves at domestic hospital locations and On-X heart valves, aortic stent grafts, and AMDS products at international hospital locations. We retain title and control over this consignment inventory until we receive a notification of implantation, at which time we invoice the hospital and recognize revenue. As of June 30, 2026 we had $16.9 million in consignment inventory, with approximately 35% in domestic locations and 65% in international locations. As of December 31, 2025 we had $14.9 million in consignment inventory, with approximately 33% in domestic locations and 67% in foreign locations.

Total deferred preservation costs were $53.4 million and $54.5 million as of June 30, 2026 and December 31, 2025, respectively.

7. Goodwill and Other Intangible Assets

Goodwill and certain definite-lived and indefinite-lived intangible assets increased during the six months ended June 30, 2026 primarily as a result of the Endospan acquisition, which was completed on May 18, 2026, and the related preliminary purchase price allocation. See Note 4 – "Acquisition of Endospan" for additional information regarding the acquisition and the preliminary amounts recognized for goodwill and identifiable intangible assets.

Indefinite Lived Intangible Assets

The carrying values of our indefinite lived intangible assets were as follows (in thousands):

	June 30, 2026	December 31, 2025
Goodwill	$ 349,862	$ 254,091
In-process R&D	41,121	2,291
Procurement contracts and agreements	2,013	2,013

We monitor the phases of development of our acquired in-process research and development projects, including the risks associated with further development and the amount and timing of benefits expected to be derived from the completed projects. Incremental costs associated with development are charged to expense as incurred. Capitalized costs are amortized over the estimated useful life of the developed asset once completed. Our in-process research and development projects are reviewed for impairment annually, or more frequently, if events or changes in circumstances indicate that the asset might be impaired. We evaluate our goodwill and indefinite lived intangible assets for impairment on an annual basis during the fourth quarter of the year, and, if necessary, during interim periods if factors indicate that an impairment review is warranted. We did not record any impairment of indefinite lived intangible assets, including goodwill, during the three and six months ended June 30, 2026. In-process research and development and procurement contracts and agreements are included in Other intangibles, net in the Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025.

Based on our experience with similar agreements, we believe that our acquired procurement contracts and agreements have indefinite useful lives, as we expect to continue to renew these contracts for the foreseeable future.

Changes in the carrying value of our goodwill, all of which was related to our Medical Devices segment, were as follows (in thousands):

	June 30, 2026
Balance as of December 31, 2025	$ 254,091
Endospan acquisition	99,206
Foreign currency translation	(3,435)
Balance as of June 30, 2026	**$ 349,862**

Definite Lived Intangible Assets

The definite lived intangible assets balance includes balances related to acquired technology, customer relationships, distribution and manufacturing rights and know-how, patents, and other definite lived intangible assets. The major intangible asset classes consist of the following (in thousands, except weighted average useful life):

June 30, 2026	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Useful Life (Years)
Acquired technology	**$ 238,195**	**$ 88,921**	**$ 149,274**	**16.4**
Other intangibles:				
Customer lists and relationships	$ 28,790	$ 13,693	$ 15,097	21.6
Patents	1,322	255	1,067	17.0
Other	21,707	6,309	15,398	5.0
Other intangibles, net	**$ 51,819**	**$ 20,257**	**$ 31,562**	**9.0**

December 31, 2025	Gross Carrying Value	Accumulated Amortization	Net Carrying Value	Weighted Average Useful Life (Years)
Acquired technology	**$ 208,235**	**$ 84,571**	**$ 123,664**	**18.1**
Other intangibles:				
Customer lists and relationships	$ 28,853	$ 13,057	$ 15,796	21.5
Patents	4,658	3,523	1,135	17.0
Other	18,552	6,956	11,596	5.0
Other intangibles, net	**$ 52,063**	**$ 23,536**	**$ 28,527**	**9.8**

Amortization Expense

Amortization expense recorded in General, administrative, and marketing expenses in our Condensed Consolidated Statements of Operations and Comprehensive (Loss) Income was as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Amortization expense	$ 4,226	$ 3,427	$ 8,137	$ 6,815

8. Income Taxes

Income Tax Expense

Our effective income tax rate was (15)% and (6)% for the three and six months ended June 30, 2026, respectively, as compared to 61% and 29% for the three and six months ended June 30, 2025, respectively. Our income tax rate in each period varied from the US statutory rate of 21% predominately due to state income taxes, non-deductible executive compensation, changes in our valuation allowance for current period losses and changes in estimates of our expected recovery of net deferred tax assets, excess tax deductions on stock-based compensation, and foreign withholding taxes. The year-over-year changes to the effective income tax rate were largely attributable to the shift from pre-tax book income in each respective period in 2025 to pre-tax book losses in each respective period in 2026.

On July 4, 2025 the One Big Beautiful Bill Act ("OBBBA") was enacted in the US. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We have reflected the impact of the enactment in our results for the three and six months ended June 30, 2026.

Subsequent to June 30, 2026, in connection with the ongoing examination of the Company's 2022 German income tax return, the Company received initial correspondence from the German Federal Central Tax Office regarding the Company's tax treatment of certain transactions related to its intercompany financing arrangements. The examination remains in its preliminary stages, and no assessment has been issued.

The Company has evaluated the information received from the tax authority, including the positions asserted in the correspondence, and continues to believe that its tax treatment is supportable and meets the more-likely-than-not recognition threshold under ASC 740, *Income Taxes*. Accordingly, no adjustment has been recorded in the accompanying consolidated financial statements. While the ultimate outcome of the matter is uncertain and cannot be predicted with certainty at this time, if the tax authority were to prevail in full, the additional tax exposure associated with the matter would be approximately €7 million, excluding any related interest and penalties.

9. Debt

Debt consists of the following (in thousands):

	June 30, 2026	December 31, 2025
Term Loan Facility	$ 190,000	$ 190,000
Revolving Credit Facility	30,000	30,000
New Delayed Draw Term Loan Facility	150,000	—
Total principal debt	**370,000**	**220,000**
Less: Unamortized debt issuance costs[(a)]	(6,577)	(4,886)
Total debt	**363,423**	**215,114**
Less: Current portion of long-term debt	—	—
Long-term debt, net	**$ 363,423**	**$ 215,114**

(a) Additional unamortized debt issuance costs totaling $1.4 million and $1.5 million related to the Revolving Credit Facility are included in "Other long-term assets" in the Condensed Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025, respectively. Additional unamortized debt issuance costs totaling $1.1 million related to the New Delayed Draw Term Loan Facility are included in "Other long-term assets" in the Consolidated Balance Sheets as of December 31, 2025 as a result of the Amendment discussed below.

Our liquidity needs arise from the funding of our cost of operations and capital expenditures and from debt service on our indebtedness. We believe that cash generated from operations, together with amounts available under our Revolving Credit Facility, as defined below, will be adequate to permit us to meet our obligations over the next twelve months from the date of this report.

Credit Facilities

On January 18, 2024 we entered into a credit and guaranty agreement with Ares Management Credit funds for $350.0 million of senior secured, interest-only, credit facilities, consisting of a $190.0 million secured term loan facility (the "Term Loan Facility"), a $100.0 million secured delayed draw term loan facility (the "Delayed Draw Term Loan Facility" and, together with the Term Loan Facility, the "Term Loan Facilities") and a $60.0 million "senior-priority" secured revolving credit facility which has a priority claim ahead of the other secured facilities (the "Revolving Credit Facility" and, together with the Term Loan Facilities, the "Credit Facilities"). Upon closing, we borrowed $190.0 million under the Term Loan Facility and $30.0 million under the Revolving Credit Facility. The proceeds of the borrowings were used along with cash on hand to pay off our previously existing credit agreement and pay related fees and expenses.

The remaining $30.0 million of undrawn availability under the Revolving Credit Facility as of June 30, 2026 may be drawn for working capital, capital expenditures, and other general corporate purposes. The Delayed Draw Term Loan Facility remained undrawn and was terminated on July 2, 2025 as we entered into separate, privately negotiated exchange agreements with the Holders of the Convertible Senior Notes as discussed below.

On September 12, 2025 (the "Second Amendment Effective Date") we entered into a Second Amendment to the credit and guaranty agreement (the "Amendment"), with Ares Management Credit funds, which amends the credit and guaranty agreement dated as of January 18, 2024. The Amendment provides for (i) an extension of the maturity date of the existing term loans (the "Existing Term Loan Facility") and the existing revolving credit facility (the "Existing Revolving Credit Facility") under the Credit Agreement by one year to January 18, 2031, (ii) a reduction in the interest rate margin applicable to the Existing Term Loan Facility and the Existing Revolving Credit Facility and (iii) a new $150.0 million secured delayed draw term loan facility (the "New Delayed Draw Term Loan Facility" and, together with the Existing Term Loan Facility, the "Term Loan Facilities").

Prior to the May 2026 borrowing described below, and subject to the satisfaction of a specified maximum total net leverage ratio and other customary conditions, we were permitted to borrow under the New Delayed Draw Term Loan Facility at any time and from time to time on or prior to September 12, 2027. Borrowings under the New Delayed Draw Term Loan Facility were permitted to be used to fund permitted acquisitions (including any earnouts and other similar payments in connection therewith), other investments permitted by the Credit Agreement and capital expenditures, among other things. Loans borrowed under the New Delayed Draw Term Loan Facility have the same terms and interest rate margins as the loans under the Existing Term Loan Facility.

In May 2026, in connection with our acquisition of Endospan, we borrowed $150.0 million under the New Delayed Draw Term Loan Facility, as further described below. The proceeds of borrowings were used in part to fund the upfront purchase price for the acquisition of Endospan. See Part I, Item 1, Note 4 – "Acquisition of Endospan" for further discussion of the Endospan Acquisition.

Ranking; Guarantees

The Credit Facilities are secured by a security interest in substantially all existing and after-acquired real and personal property (subject to certain exceptions and exclusions) of us and the Guarantors.

Maturity and Prepayment

The final scheduled maturity date of the amended Credit Facilities is January 18, 2031. There are no scheduled repayments of principal required to be made prior to the final maturity date. We have the right to prepay loans under the Credit Agreement in whole or in part at any time, provided that any prepayment of loans under the Term Loan Facilities (or loans under the Revolving Credit Facility to the extent of reducing the balance of outstanding loans below $30.0 million) will be subject to a prepayment premium of 1.00% if the prepayment occurs prior to July 18, 2027. Amounts repaid in respect of loans under the Term Loan Facilities may not be reborrowed.

Covenants

The Credit Facilities contain certain customary affirmative and negative covenants, including covenants that limit our ability and the ability of our subsidiaries to, among other things, grant liens, incur debt, dispose of assets, make loans and investments, make acquisitions, make certain restricted payments (including cash dividends), merge or consolidate, change business or accounting or reporting practices, in each case subject to customary exceptions for a credit facility of this size and type. The covenants include a financial maintenance covenant that requires the company's total net leverage ratio, as defined in the agreement, to be not greater than 6.25x for the test periods from the second quarter of fiscal year 2024 through the fourth quarter of fiscal year 2024 and not greater than 5.75x from the first quarter of fiscal year 2025 and thereafter. As of June 30, 2026 we are in compliance with our debt covenants.

Interest

On and after the Second Amendment Effective Date, borrowings under the Revolving Credit Facility bear interest, at our option, at a floating annual rate equal to either the base rate plus a margin of 2.50%, or the Secured Overnight Financing Rate ("SOFR") plus a margin of 3.50%. In addition, we are required to pay fees of 0.50% per annum on the daily unused amount of the Revolving Credit Facility and, prior to the borrowing described below, a fee of 1.00% per annum on the daily unused amount of the New Delayed Draw Term Loan Facility.

In May 2026, we borrowed $150.0 million under the New Delayed Draw Term Loan Facility, after which the 1.00% unused commitment fee ceased to apply. The borrowings under the Term Loan Facilities bear interest, at our option, at a floating annual rate equal to either the base rate plus a margin of 3.75%, or SOFR plus a margin of 4.75%. As of June 30, 2026 the stated interest rates on the Term Loan Facility, Revolving Credit Facility, and New Delayed Draw Term Loan Facility were 8.44%, 7.19%, and 8.40%, respectively. As of June 30, 2026 the effective interest rates on the Term Loan Facility and New Delayed Draw Term Loan Facility were 9.07% and 8.79%, respectively.

Debt Discount and Debt Issuance Costs

In connection with the Amendment, we capitalized $0.5 million in debt issuance costs under the Existing Term Loan Facility, $0.2 million in other long-term assets under the Existing Revolving Credit Facility, and $1.1 million in other long-term assets under the New Delayed Draw Term Loan Facility.

In May 2026, upon borrowing $150.0 million under the New Delayed Draw Term Loan Facility, the lender withheld a draw fee of $1.1 million, that was accounted for as deferred financing costs, resulting in net cash proceeds of $148.9 million. Upon the borrowing, we reclassified $1.1 million of previously capitalized debt issuance costs from other long-term assets as a deduction from the carrying amount of the New Delayed Draw Term Loan Facility. In connection with the borrowing, the debt discount and debt issuance costs associated with the New Delayed Draw Term Loan Facility totaled $2.3 million and are being amortized to interest expense over the term of the facility.

Non-cash amortization of debt issuance costs and debt discounts for our Credit Facilities totaled $0.4 million and $0.7 million for the three and six months ended June 30, 2026, respectively, as compared to $0.5 million and $1.0 million for the three and six months ended June 30, 2025, respectively.

Convertible Senior Notes

On June 18, 2020 we issued $100.0 million aggregate principal amount of 4.25% Convertible Senior Notes with a maturity date of July 1, 2025 (the "Convertible Senior Notes"). The net proceeds from this offering, after deducting initial purchasers' discounts and costs directly related to this offering, were approximately $96.5 million. On January 1, 2021 we adopted ASU 2020-06 and adjusted the carrying balance of the Convertible Senior Notes to notional.

In May 2025 we entered into separate, privately negotiated exchange agreements ("Exchange Agreements") with the Holders of the Convertible Senior Notes. The transactions contemplated by the Exchange Agreements closed on May 28, 2025. Under the terms of the Exchange Agreements, the Holders exchanged an aggregate principal amount of approximately $99.5 million of the Convertible Senior Notes held by the Holders in exchange for an aggregate of 4,334,347 shares of our common stock. In addition, pursuant to the Exchange Agreements, we made a cash payment of approximately $1.7 million to the Holders in respect of accrued and unpaid interest on the exchanged Convertible Senior Notes. The remaining $0.5 million in aggregate principal amount of the Convertible Senior Notes was settled on July 1, 2025 resulting in the issuance of 19,605 shares of our common stock. The Delayed Draw Term Loan Facility was terminated on July 2, 2025 after all of the Convertible Senior Notes were settled.

The Convertible Senior Notes could have been settled in cash, stock, or a combination thereof, solely at our discretion. The initial conversion rate of the Convertible Senior Notes was 42.6203 shares per $1,000 principal amount, which is equivalent to a conversion price of approximately $23.46 per share, subject to adjustments. We used the if-converted method for assumed conversion of the Convertible Senior Notes for the diluted earnings per share calculation in periods prior to inducement.

We did not incur interest expense for the three and six months ended June 30, 2026 due to the Convertible Senior Notes settlement in July 2025, as discussed above. We incurred $0.8 million and $2.1 million of interest expense on the Convertible Senior Notes for the three and six months ended June 30, 2025, respectively. Interest on the Convertible Senior Notes began accruing upon issuance and was payable semi-annually.

10. Commitments and Contingencies

Liability Claims

In the normal course of business, we are made aware of adverse events involving our products and tissues. Future adverse events could ultimately give rise to a lawsuit against us, and liability claims may be asserted against us in the future based on past events that we are not aware of at the present time. We maintain claims-made insurance policies to mitigate our financial exposure to product and tissue processing liability claims. Claims-made insurance policies generally cover only those asserted claims and incidents that are reported to the insurance carrier while the policy is in effect. The amounts recorded in these Condensed Consolidated Financial Statements as of June 30, 2026 and December 31, 2025 represent our estimate of the probable losses and anticipated recoveries for incurred but not reported claims related to products sold and services performed prior to the balance sheet date.

11. Revenue Recognition

Disaggregation of Revenue

Revenues are disaggregated by the following geographic regions:

- North America: consists of the US and Canada. We market our approved medical device products and preservation services (predominantly in the US), primarily to physicians through our direct sales representatives who are managed by regional managers.
- Europe, the Middle East, and Africa (“EMEA”): in certain countries, we market approved medical device products to physicians, hospitals, and distributors through our direct sales force. In countries where we have no direct sales forces, regional sales managers market to distributors who buy medical device products directly from us and sell to hospitals in their respective countries.
- Asia Pacific (“APAC”): we market medical device products that are approved in each country to distributors in the region.
- Latin America (“LATAM”): we market medical device products that are approved in each country to distributors in the region except for Brazil where we sell directly to end customers and distributors.

Net revenues by geographic location based on the location of the customer were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
North America	$ 62,333	$ 57,569	$ 121,028	$ 105,362
EMEA	44,548	38,713	88,534	75,758
APAC	12,169	11,131	20,859	19,345
LATAM	6,707	5,559	11,673	11,485
Total revenues	**$ 125,757**	**$ 112,972**	**$ 242,094**	**$ 211,950**

Also see segment disaggregation information in Note 14 below.

12. Stock Compensation

Overview

We have stock option and stock incentive plans for employees and non-employee directors that provide for grants of restricted stock awards ("RSAs"), restricted stock units ("RSUs"), performance stock units ("PSUs"), and options to purchase shares of our common stock at exercise prices generally equal to the fair value of such stock at the dates of grant. We also maintain a stockholder-approved Employee Stock Purchase Plan ("ESPP") for the benefit of our employees. The ESPP allows eligible employees to purchase common stock on a regular basis at the lower of 85% of the market price at the beginning or end of each offering period.

Equity Grants

During the six months ended June 30, 2026 the Compensation Committee of our Board of Directors (the "Committee") authorized awards from approved stock incentive plans of RSAs to non-employee directors and RSUs and PSUs to certain employees and company officers, which, assuming that performance under the PSUs will be achieved at target levels, together totaled 839,000 shares and had an aggregate grant date fair value of $28.6 million.

During the six months ended June 30, 2025 the Committee authorized awards from approved stock incentive plans of RSAs to non-employee directors and RSUs and PSUs to certain employees and company officers, which, assuming that performance under the PSUs were to be achieved at target levels, together totaled 897,000 shares and had an aggregate grant date fair value of $23.2 million.

The Committee did not authorize any grants of stock options during the six months ended June 30, 2026 and 2025.

Employees purchased common stock totaling 41,000 and 44,000 shares in the six months ended June 30, 2026 and 2025, respectively, through the ESPP.

13. (Loss) Income Per Common Share

The following table sets forth the computation of basic and diluted (loss) income per common share (in thousands, except per share data):

	Three Months Ended June 30,		Six Months Ended June 30,	
Basic (loss) income per common share	**2026**	**2025**	**2026**	**2025**
Net (loss) income	$ (13,510)	$ 1,345	$ (12,093)	$ 840
Net loss (income) allocated to participating securities	16	(2)	14	(1)
Net (loss) income allocated to common stockholders	**$ (13,494)**	**$ 1,343**	**$ (12,079)**	**$ 839**
Basic weighted-average common shares outstanding	**48,541**	**44,296**	**48,309**	**43,270**
Basic (loss) income per common share	**$ (0.28)**	**$ 0.03**	**$ (0.25)**	**$ 0.02**

Diluted (loss) income per common share	Three Months Ended June 30, 2026	Three Months Ended June 30, 2025	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
Net (loss) income	$ (13,510)	$ 1,345	$ (12,093)	$ 840
Net loss (income) allocated to participating securities	16	(2)	14	(1)
Net (loss) income allocated to common stockholders	**$ (13,494)**	**$ 1,343**	**$ (12,079)**	**$ 839**
Basic weighted-average common shares outstanding	48,541	44,296	48,309	43,270
Effect of dilutive stock options and awards	—	1,082	—	1,233
Diluted weighted-average common shares outstanding	**48,541**	**45,378**	**48,309**	**44,503**
Diluted (loss) income per common share	**$ (0.28)**	**$ 0.03**	**$ (0.25)**	**$ 0.02**

We excluded stock options and awards from the calculation of diluted weighted-average common shares outstanding if the per share value, including the sum of (i) the exercise price of the options and (ii) the amount of the compensation cost attributed to future services and not yet recognized, was greater than the average market price of the shares because the inclusion of these stock options would be antidilutive to loss per common share. For the three and six months ended June 30, 2026 all stock options and awards were excluded from the calculation of diluted weighted-average common shares outstanding as these would be antidilutive to the net loss. For the three and six months ended June 30, 2025 178,000 and 150,000 potential common shares, respectively, related to stock options and awards were antidilutive and excluded from the calculation of diluted weighted-average common shares outstanding.

14. Segment Information

We have two reportable segments organized according to our products and services: Medical Devices and Preservation Services. The Medical Devices segment includes external revenues from product sales of aortic stent grafts, On-X®, surgical sealants, and other product revenues. Aortic stent grafts include aortic arch stent grafts, abdominal stent grafts, and synthetic vascular grafts. Aortic arch stent grafts include our E-vita® Open NEO, E-vita Open Plus, Arcevo LSA, AMDS™, the NEXUS ONE™, NEXUS DUO™, and NEXUS TRE™ aortic arch stent graft systems (the "NEXUS family of products"), and E-vita Thoracic 3G. Abdominal stent grafts include our E-xtra Design Engineering, E-nside™, Artivex™, E-tegra™, E-ventus™ BX, Tuva™ BX, and E-liac™ products. Surgical sealants include BioGlue® Surgical Adhesive products. The Preservation Services segment includes external services revenues from the preservation of cardiac and vascular tissues. There are no intersegment revenues.

Our Chief Operating Decision Maker ("CODM") is the Company's Chairman, President, and CEO. The CODM reviews financial information to assess segment performance and determine how to allocate resources across segments.

The primary measure of segment performance, as assessed by our management, is segment gross margin or net external revenues less cost of products and preservation services. The CODM regularly reviews these costs, recognizing them as significant segment expenses. We do not segregate assets by segment; therefore, asset information is excluded from the segment disclosures below.

The following table summarizes revenues, cost of products and preservation services, and gross margins for our reportable segments (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Revenues:				
Medical devices	$ 99,905	$ 87,444	$ 191,347	$ 166,242
Preservation services	25,852	25,528	50,747	45,708
Total revenues	**125,757**	**112,972**	**242,094**	**211,950**
Cost of products and preservation services:				
Medical devices	33,991	28,315	63,688	53,578
Preservation services	11,249	11,545	22,441	21,683
Total cost of products and preservation services	**45,240**	**39,860**	**86,129**	**75,261**
Gross margin:				
Medical devices	65,914	59,129	127,659	112,664
Preservation services	14,603	13,983	28,306	24,025
Total gross margin	**$ 80,517**	**$ 73,112**	**$ 155,965**	**$ 136,689**

Net revenues by product were as follows (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Products:				
Aortic stent grafts	$ 46,414	$ 39,841	$ 90,811	$ 76,443
On-X	30,506	25,572	56,457	47,146
Surgical sealants	19,287	19,288	38,092	37,394
Other	3,698	2,743	5,987	5,259
Total products	**99,905**	**87,444**	**191,347**	**166,242**
Preservation services	25,852	25,528	50,747	45,708
Total revenues	**$ 125,757**	**$ 112,972**	**$ 242,094**	**$ 211,950**

Forward-Looking Statements

This Form 10-Q includes "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934 (the "Exchange Act"). Forward-looking statements give our expectations or forecasts of future events as of the date of this Form 10-Q. In some cases, words such as "could," "may," "might," "will," "would," "shall," "should," "pro forma," "potential," "pending," "intend," "believe," "expect," "anticipate," "estimate," "plan," "future," "assume," and variations of these types of words or other similar expressions identify forward-looking statements. These forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Readers are cautioned not to place undue reliance on these forward-looking statements, which are made as of the date of this Form 10-Q.

All statements included herein, other than statements of historical facts, that address activities, events, or developments that we expect or anticipate will or may occur in the future, or that reflect our beliefs about the future and/or expectations, are forward-looking statements, including statements about the following:

- The potential impact that public health crises and geopolitical conflicts may have on demand for and sales of our products and services, business operations, manufacturing operations, supply chain, cash flow, workforce, clinical and regulatory timelines, and our research and development projects;
- The potential impact of general global, regional, or national economic downturns and macroeconomic trends, including heightened inflation, interest rate, currency fluctuations, and proposed and enacted tariffs, as well as general or localized economic slowdowns or recessions may have on demand for and sales of our products and services, including ordering trends for international distributors based on currency fluctuations against the US dollar, and our business operations, manufacturing operations, supply chain, and workforce;
- Our beliefs about the robustness of our global supply chain in light of current global and macroeconomic conditions and about the potential impact of supply chain disruptions, particularly disruptions to single and sole source suppliers and third-party manufacturing partners;
- Our beliefs about our R&D and product pipeline, including our beliefs about the timing and results of our clinical trials, approvals, and product commercialization and launches;
- Our expectations related to anticipated expansion of our business and the sufficiency of our leased and recently acquired properties for such expansion;
- Our beliefs and anticipation regarding the favorable attributes, benefits, and clinical advantages of our products and services, the basis on which our products and services compete, the benefits of our physician education activities, and the advantages of our relationships with organ and tissue procurement organizations and tissue banks;
- Our beliefs about the future regulatory status of our medical devices and processed tissues, our compliance with applicable laws and regulations, and our ability to make timely transitions to our Notified Bodies and obtain renewals for our Conformité Européenne Mark ("CE Mark") product certification impacted by the transition to the Medical Device Regulation in Europe, and the impact these transitions, renewals, and related processes may have on our business, including any impact on our customers' ordering patterns and our ability to supply products;
- Our beliefs regarding our global expansion efforts;
- Our beliefs about the potential impact on our business of changes to regulations, regulators, Notified Bodies, and related matters;
- Our beliefs about the advantages of our intellectual property and its significance to our segments and our business as a whole, and our beliefs about the present value and potential impairment of our intangible assets and leases;
- Our beliefs about our workforce, including our ability to attract and retain talent at all levels, and about our relationship with our workforce, including our works council in Germany and union in Brazil;
- Our beliefs about potential information security vulnerabilities, and the associated potential adverse effects on our business;
- Our beliefs about the business impact of, and expenses associated with, the 2024 cybersecurity incident, and our beliefs about the cybersecurity threat environment;
- The dependencies affecting our ability to realize the anticipated business opportunities, growth prospects, synergies, and other benefits of the agreement with Baxter, our acquisition and integration of Endospan, and our acquisition of Ascyrus, and our beliefs about the costs and timelines for certain regulatory approvals and clinical trial milestones;
- Our beliefs regarding the fair value of our acquisitions, divestitures, and other business development activities and the estimates and assumptions about the future achievements of milestones and future revenues and cash flows related to those business development activities, including our ability to achieve the milestones in the Endospan, Ascyrus, and Baxter transactions;

- Our belief regarding potential future contingent consideration payable pursuant to the Endospan and Ascyrus transactions;
- Our belief that revenues for preservation services, particularly revenues for certain high-demand cardiac tissues, can vary from quarter-to-quarter and year-to-year due to a variety of factors including: quantity and type of incoming tissues, yields of tissue through the preservation process, timing of receipt of donor information, staffing levels, timing of the release of tissues to an implantable status, demand for certain tissue types due to the number and type of procedures being performed, and pressures from competing products or services;
- Our beliefs regarding the seasonal nature of the demand for some of our products and services and the reasons for such seasonality, if any, and regarding the impact of consignment inventory on product sales, if any;
- Our belief that our cash from operations and existing cash and cash equivalents will enable us to meet our current operational liquidity needs for at least the next twelve months, our expectations regarding future cash requirements and expenditures, and the impact that our cash requirements might have on our cash flows for the next twelve months;
- Our expectation regarding the impact on cash flows of undertaking significant business development activities and the potential need to obtain additional debt financing or equity financing;
- Our belief that we will incur expenses for research and development projects, including for clinical research projects to gain regulatory approvals for products or indications, including existing products, and for new products and technologies that will likely require additional investment, research, and new clinical studies or data;
- Our beliefs about market opportunity and our ability to capture market share;
- Our beliefs about pending and potential legal or other governmental or regulatory proceedings;
- Our expectations regarding the timing and impact of clinical research work and regulatory approvals for certain products or indications, including On-X products, aortic stent grafts, and surgical sealants, and the CryoValve SG pulmonary heart valve if the US Food and Drug Administration ("FDA") reclassifies allograft heart valves as Class III medical devices;
- Our beliefs and expectations regarding the utilization of net operating loss carryforwards from our acquisitions of JOTEC GmbH, On-X Life Technologies, Inc., Hemosphere, Inc., and Cardiogenesis Corporation;
- Our belief regarding the impact of the One Big Beautiful Bill Act on our tax obligations for the 2025 tax year and beyond;
- Our beliefs about our operating results which may fluctuate significantly on a periodic basis as a result of internal and external factors, including reduced demand for our products, the potential impact of new therapies, healthcare workforce trends and labor disputes, regulatory challenges, the availability of products, materials, and supplies, strategic actions we take such as acquisitions or divestitures, unanticipated costs and expenses, market reception of our new or improved product offerings, and interest rate and currency fluctuations; and
- Other statements regarding projections of future financial and business performance; anticipated growth and trends in our business and the markets relevant to our business, including how our growth relates to our competitors; the robustness and reliability of our workforce and supply chain; future production capacity and product supply; the availability and benefits of our products in the future; and the expected timing and impact of our strategic initiatives.

These and other forward-looking statements reflect the views of management at the time and such statements are originally made based on certain assumptions and analyses made by us in light of our experience and our perception of historical trends, current conditions, and expected future developments as well as other factors we believe are appropriate in the circumstances and are subject to a number of risks, uncertainties, estimates, and assumptions. Whether actual results and developments will conform with our expectations and predictions is subject to a number of risks and uncertainties which could cause actual results to differ materially and adversely from our expectations, including, without limitation, in addition to those specified in the text surrounding such statements, the risks described in Part II, Item 1A, "Risk Factors" in this Form 10-Q and elsewhere throughout this report, the risks described in our other filings with the Securities and Exchange Commission including the risks described in Part I, Item 1A, "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2025 and elsewhere throughout that report, and other risks which we may not be able to identify in advance, many of which are beyond our control. Consequently, all of the forward-looking statements made in this Form 10-Q are qualified by these cautionary statements, and there can be no assurance that the actual results or developments anticipated by us will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, us or our business or operations. We assume no obligation, and expressly disclaim any duty, to update publicly any such forward-looking statements, whether as a result of new information, future events, or otherwise.

Part I – FINANCIAL INFORMATION

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations.

Overview

Artivion, Inc. ("Artivion," the "Company," "we," or "us"), is a leader in the manufacturing, processing, and distribution of medical devices and implantable human tissues used in cardiac and vascular surgical procedures for patients with aortic disease. We have four major product families: aortic stent grafts, On-X® mechanical heart valves and related surgical products ("On-X" products), surgical sealants, and implantable cardiac and vascular human tissues. Aortic stent grafts include aortic arch stent grafts, abdominal stent grafts, and synthetic vascular grafts. Aortic arch stent grafts include our E-vita® Open NEO, E-vita Open Plus, Arcevo LSA, AMDS™, the NEXUS ONE™, NEXUS DUO™, and NEXUS TRE™ aortic arch stent graft systems (the "NEXUS family of products"), and E-vita Thoracic 3G products. Abdominal stent grafts include our E-xtra Design Engineering, E-nside™, Artivex™, E-tegra™, E-ventus™ BX, Tuva™ BX, and E-liac™ products. Surgical sealants include BioGlue Surgical Adhesive ("BioGlue") products. In addition to these four major product families, we sell or distribute PhotoFix bovine surgical patches ("PhotoFix"). We began to manufacture and supply PerClot® hemostatic powder ("PerClot") during the second quarter of 2023 (as part of our Transitional Manufacturing and Supply Agreement with Baxter International, Inc.).

We reported quarterly revenues of $125.8 million for the three months ended June 30, 2026, an 11% increase from the three months ended June 30, 2025. The increase in revenues for the three months ended June 30, 2026 was due to an increase in revenues from all products and preservation services other than surgical sealants, which remained relatively flat. Constant currency revenues, as defined below, increased 9% for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025.

See the "Results of Operations" section below for additional analysis of the three and six months ended June 30, 2026.

Presentation

In addition to the corresponding measures under generally accepted accounting principles ("US GAAP"), management uses non-GAAP measures in reviewing and disclosing our financial results. The foreign exchange neutral revenues ("constant currency revenues") discussed below are non-GAAP financial measures and are not in accordance with, or an alternative to, measures prepared in accordance with US GAAP. Accordingly, the constant currency revenues appearing in the following discussion of our results of operations should be read in conjunction with the information provided in "Non-GAAP Measures of Financial Performance" below, which includes a reconciliation of constant currency financial measures to the most directly comparable US GAAP measure.

Results of Operations
($ in thousands)

Revenues

	Revenues for the Three Months Ended June 30,			Revenues as a Percentage of Total Revenues for the Three Months Ended June 30,	
	2026	**2025**	**Percent Change**	**2026**	**2025**
Products:					
Aortic stent grafts	$ 46,414	$ 39,841	16%	37%	35%
On-X	30,506	25,572	19%	24%	23%
Surgical sealants	19,287	19,288	—%	15%	17%
Other	3,698	2,743	35%	3%	2%
Total products	**99,905**	**87,444**	**14%**	**79%**	**77%**
Preservation services	25,852	25,528	1%	21%	23%
Total	**$ 125,757**	**$ 112,972**	**11%**	**100%**	**100%**

	Revenues for the Six Months Ended June 30,			Revenues as a Percentage of Total Revenues for the Six Months Ended June 30,	
	2026	**2025**	**Percent Change**	**2026**	**2025**
Products:					
Aortic stent grafts	$ 90,811	$ 76,443	19%	38%	36%
On-X	56,457	47,146	20%	23%	22%
Surgical sealants	38,092	37,394	2%	16%	18%
Other	5,987	5,259	14%	2%	2%
Total products	**191,347**	**166,242**	**15%**	**79%**	**78%**
Preservation services	50,747	45,708	11%	21%	22%
Total	**$ 242,094**	**$ 211,950**	**14%**	**100%**	**100%**

Revenues increased 11% and 14% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. The increase in revenues for the three months ended June 30, 2026 was primarily due to an increase in revenues from aortic stent grafts and On-X products, and to a lesser extent, preservation services and other products. The increase in revenues for the six months ended June 30, 2026 was primarily due to an increase in revenues from aortic stent grafts, On-X products, and preservation services, and to a lesser extent, surgical sealants and other products.

The following table reconciles revenues to constant currency revenues for the periods presented:

	Revenues for the Three Months Ended June 30,				Percent Change From Prior Year
	2026	2025			
	US GAAP	US GAAP	Exchange Rate Effect	Constant Currency	Constant Currency
Products:					
Aortic stent grafts	$ 46,414	$ 39,841	$ 1,632	$ 41,473	12%
On-X	30,506	25,572	311	25,883	18%
Surgical sealants	19,287	19,288	361	19,649	-2%
Other	3,698	2,743	7	2,750	34%
Total products	**99,905**	**87,444**	**2,311**	**89,755**	**11%**
Preservation services	25,852	25,528	20	25,548	1%
Total	**$ 125,757**	**$ 112,972**	**$ 2,331**	**$ 115,303**	**9%**
North America	62,333	57,569	50	57,619	8%
Europe, the Middle East, and Africa	44,548	38,713	1,781	40,494	10%
Asia Pacific	12,169	11,131	—	11,131	9%
Latin America	6,707	5,559	500	6,059	11%
Total	**$ 125,757**	**$ 112,972**	**$ 2,331**	**$ 115,303**	**9%**

	Revenues for the Six Months Ended June 30,				Percent Change From Prior Year
	2026	2025			
	US GAAP	US GAAP	Exchange Rate Effect	Constant Currency	Constant Currency
Products:					
Aortic stent grafts	$ 90,811	$ 76,443	$ 5,509	$ 81,952	11%
On-X	56,457	47,146	945	48,091	17%
Surgical sealants	38,092	37,394	1,110	38,504	-1%
Other	5,987	5,259	32	5,291	13%
Total products	**191,347**	**166,242**	**7,596**	**173,838**	**10%**
Preservation services	50,747	45,708	41	45,749	11%
Total	**$ 242,094**	**$ 211,950**	**$ 7,637**	**$ 219,587**	**10%**
North America	121,028	105,362	136	105,498	15%
Europe, the Middle East, and Africa	88,534	75,758	6,462	82,220	8%
Asia Pacific	20,859	19,345	—	19,345	8%
Latin America	11,673	11,485	1,039	12,524	-7%
Total	**$ 242,094**	**$ 211,950**	**$ 7,637**	**$ 219,587**	**10%**

A detailed discussion of the changes in product revenues and preservation services revenues for the three and six months ended June 30, 2026 is presented below.

Products

Revenues from products increased 14% and 15% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. The increase for the three months ended June 30, 2026 was primarily due to an increase in revenues from aortic stent grafts and On-X products, and to a lesser extent, other products. The increase for the six months ended June 30, 2026 was primarily due to an increase in revenues from aortic stent grafts and On-X products, and to a lesser extent, surgical sealants and other products.

Sales of certain products through our direct sales force and distributors across Europe and various other countries are denominated in a variety of currencies including Euros, Brazilian Reals, Polish Zlotys, British Pounds, Canadian Dollars, and Swiss Francs with a concentration denominated in Euros. Each currency is subject to exchange rate fluctuations. For the three and six months ended June 30, 2026, as compared to the three and six months ended June 30, 2025, the US Dollar weakened in comparison to major currencies, resulting in revenue increases when these foreign currency denominated transactions were translated into US Dollars. Future changes in these exchange rates could have a material, adverse effect on our revenues denominated in these currencies. Additionally, our sales to many distributors around the world are denominated in US Dollars, and although these sales are not directly impacted by currency exchange rates, we believe that some of our distributors may delay or reduce purchases of products in US Dollars depending on the relative price of these goods in their local currencies.

Aortic Stent Grafts

Aortic stent grafts include aortic arch stent grafts, abdominal stent grafts, and synthetic vascular grafts, and original equipment manufacturing ("OEM") aortic stent graft products. Aortic arch stent grafts include our E-vita Open NEO, E-vita Open Plus, AMDS, the NEXUS family of products, and E-vita Thoracic 3G products. Abdominal stent grafts include our E-xtra Design Engineering, E-nside, Artivex, E-tegra, E-ventus BX, Tuva BX, and E-liac products. Aortic stent grafts are used in endovascular and open vascular surgery for the treatment of complex aortic arch, thoracic, and abdominal aortic diseases. Our aortic stent grafts are primarily distributed in international markets.

Revenues from the sales of aortic stent grafts increased 16% and 19% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. These increases were primarily due to an increase in the volume of units sold, and to a lesser extent, the favorable effect of foreign exchange rates.

Constant currency revenues from the sales of aortic stent grafts increased 12% and 11% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. These increases for the three and six months ended June 30, 2026 were primarily due to revenue increases in Europe, the Middle East, and Africa (collectively, "EMEA") and North America. The revenue increases in EMEA for the three and six months ended June 30, 2026 were primarily due to an increase in volume of products sold within the aortic stent graft product line in direct (to hospitals) markets. The revenue increases in North America for the three and six months ended June 30, 2026 were primarily due to an increase in sales of AMDS, reflecting increased adoption following the grant of a humanitarian device exemption ("HDE") by the FDA in December 2024 for use of the AMDS™ Hybrid Prosthesis in acute DeBakey Type I dissections in the presence of malperfusion. The HDE allowed for, subject to certain restrictions, commercial distribution of AMDS in the United States ("US") prior to the approval of a Premarket Approval Application, which we received in June 2026, allowing for full commercial distribution of AMDS in the US. The revenue increases for the six months ended June 30, 2026 were partially offset by revenue decreases in Asia Pacific ("APAC") and Latin America ("LATAM"), primarily due to customer buying patterns in certain markets.

For the three and six months ended June 30, 2026 and 2025, the substantial majority of aortic stent graft revenues were generated from geographies outside the US.

On-X Products

The On-X products include the On-X aortic and mitral heart valves and the On-X ascending aortic prosthesis ("AAP") for heart valve replacement. Revenues from the sales of On-X products include revenues from the distribution of CarbonAid® CO_2 diffusion catheters and from the sale of Chord-X® ePTFE sutures for mitral chordal replacement. On-X product revenue also includes revenue generated from pyrolytic carbon coating services for OEM customers.

Revenues from the sales of On-X products increased 19% for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. This increase was primarily due to higher average sales prices and an increase in the volume of units sold.

Revenues from the sales of On-X products increased 20% for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. This increase was primarily due to an increase in the volume of units sold and an increase in average sales prices.

Constant currency revenues from the sales of On-X products increased 18% and 17% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. The increase in revenues for the three and six months ended June 30, 2026 was primarily due to growth in North America, EMEA, and APAC, reflecting gains in market share.

Domestic revenues from the sales of On-X products accounted for 58% and 60% of total On-X revenues for the three and six months ended June 30, 2026, respectively, as compared to 61% and 63% for the three and six months ended June 30, 2025, respectively.

Surgical Sealants

Surgical sealants include BioGlue products used as an adjunct to standard methods of achieving hemostasis (such as sutures and staples) in adult patients in open surgical repair of large vessels (such as aorta, femoral, and carotid arteries).

Revenues from the sales of surgical sealants were flat for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025, primarily due to a decrease in the volume of milliliters sold, offset by favorable foreign exchange rates and, to a lesser extent, an increase in average sales prices.

Revenues from the sales of surgical sealants increased 2% for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. This increase was primarily due to favorable foreign exchange rates and, to a lesser extent, an increase in average sales prices, partially offset by a decrease in the volume of milliliters sold.

Constant currency revenues from the sales of surgical sealants decreased 2% for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. The decrease for the three months ended June 30, 2026 was primarily due to revenue decreases in EMEA and North America, partially offset by revenue increases in APAC and LATAM. Revenue variability across international markets primarily reflected the timing of hospital and distributor purchases and buying patterns. North America revenues decreased due to lower unit sales primarily reflecting the timing of customer orders, partially offset by higher average selling prices.

Constant currency revenues from the sales of surgical sealants decreased 1% for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The decrease for the six months ended June 30, 2026 was primarily due to revenue decreases in LATAM and EMEA, partially offset by revenue increases in APAC and North America. Revenue variability across international markets primarily reflected the timing of hospital and distributor purchases and buying patterns, while APAC growth also benefited from increased adoption in certain markets. The revenue increase in North America for the six months ended June 30, 2026 was primarily due to an increase in average sales prices.

Domestic revenues from the sales of surgical sealants accounted for 45% and 48% of total surgical sealant revenues for the three and six months ended June 30, 2026, respectively, as compared to 48% for both the three and six months ended June 30, 2025.

Other

Other revenues are comprised of revenues from PhotoFix and PerClot.

Other revenues increased 35% and 14% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. The increase was primarily due to an increase in PerClot product revenues resulting from an increase in volume of units sold.

Preservation Services

Preservation services include service revenues from processing cardiac and vascular tissues. Our cardiac valves are primarily used in cardiac replacement and reconstruction surgeries, including the Ross procedure, for patients with endocarditis or congenital heart defects. Our cardiac tissues are primarily distributed in domestic markets. The majority of our vascular preservation services revenues are related to shipments of saphenous veins, which are mainly used in peripheral vascular reconstruction surgeries to avoid limb amputations. Competition with synthetic product alternatives and the availability of tissues for processing are key factors affecting revenue volume that can fluctuate from quarter to quarter. Our vascular tissues are primarily distributed in domestic markets.

We continue to evaluate modifications to our tissue processing procedures in an effort to improve tissue processing throughput and yields, reduce costs, and maintain quality across our tissue processing business. Preservation services revenues, particularly revenues for certain high-demand cardiac tissues, can vary from quarter to quarter and year to year due to a variety of factors, including quantity and type of incoming tissues, yields of tissue through the preservation process, timing of receipt of donor information, timing of the release of tissues for implant, demand for certain tissue types due to the number and type of procedures being performed, and pressures from competing products or services.

Revenues from tissue processing increased 1% for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. The increase was primarily due to an increase in average sales prices, partially offset by a decrease in the volume of tissues shipped. Shipment volumes during the three months ended June 30, 2025 benefited from the release of a backlog of tissues resulting from the 2024 cybersecurity incident, which started to release during the second quarter of 2025.

Revenues from tissue processing increased 11% for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. The increase was primarily due to an increase in the volume of tissues shipped as well as an increase in average sales prices. Revenues for the three months ended March 31, 2025 were adversely affected by a backlog of tissues resulting from the 2024 cybersecurity incident. The backlog started to release during the second quarter of 2025, as discussed above.

Cost of Products and Preservation Services

Cost of Products

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Cost of products	$ 33,991	$ 28,315	$ 63,688	$ 53,578

Cost of products increased 20% and 19% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. Cost of products for the three and six months ended June 30, 2026 and 2025 included costs related to aortic stent grafts, On-X products, surgical sealants, and other products.

The increase in total cost of products for the three months ended June 30, 2026 was primarily due to an increase in the volume of aortic stent grafts and On-X products shipped, as compared to the three months ended June 30, 2025.

The increase in total cost of products for the six months ended June 30, 2026 was primarily due to an increase in the volume of On-X products and aortic stent grafts shipped, and an increase in the unit cost of certain aortic stent grafts and On-X products shipped, as compared to the six months ended June 30, 2025.

Cost of Preservation Services

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	**2025**	**2026**	**2025**
Cost of preservation services	$ 11,249	$ 11,545	$ 22,441	$ 21,683

Cost of preservation services decreased 3% for the three months ended June 30, 2026 as compared to the three months ended June 30, 2025. Cost of preservation services increased 3% for the six months ended June 30, 2026 as compared to the six months ended June 30, 2025. Cost of preservation services included costs for cardiac and vascular tissue preservation services.

The decrease in total cost of preservation services for the three months ended June 30, 2026 was primarily due to a decrease in the unit cost and volume of certain tissues shipped, as compared to the three months ended June 30, 2025.

The increase in total cost of preservation services for the six months ended June 30, 2026 was primarily due to an increase in the volume of certain tissues shipped, partially offset by a decrease in the unit cost of certain tissues shipped, as compared to the six months ended June 30, 2025.

Gross Margin

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Gross margin	$ 80,517	$ 73,112	$ 155,965	$ 136,689
Gross margin as a percentage of total revenues	64%	65%	64%	64%

Gross margin increased 10% and 14% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025.

The increase in gross margin for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025, was primarily due to higher average selling prices for certain products and tissues shipped, an increase in volume of certain products shipped, and favorable foreign currency effects for the three months ended June 30, 2026. The increase was partially offset by unfavorable cost of certain products shipped, as compared to the three months ended June 30, 2025. Gross margin as a percentage of total revenues decreased for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025. Gross margin as a percentage of total revenues was negatively impacted by an unfavorable geographic mix and unfavorable costs of certain products and tissues shipped, partially offset by favorable pricing of certain products shipped, during the three months ended June 30, 2026.

The increase in gross margin for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, was primarily due to a favorable mix of certain products and tissues shipped, an increase in the average sales price of certain products and tissues shipped, a favorable effect of foreign exchange rates, and an increase in volume of certain products and tissues shipped for the six months ended June 30, 2026. The increase was partially offset by unfavorable cost of certain products and tissues shipped, as compared to the six months ended June 30, 2025. Gross margin as a percentage of total revenues was flat for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025. Gross margin as a percentage of total revenues was impacted by unfavorable costs of certain products and certain tissues shipped, offset by favorable pricing of certain products and tissues shipped during the six months ended June 30, 2026.

Operating Expenses

General, Administrative, and Marketing Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
General, administrative, and marketing expenses	$ 79,826	$ 57,665	$ 140,646	$ 112,369
General, administrative, and marketing expenses as a percentage of total revenues	63%	51%	58%	53%

General, administrative, and marketing expenses increased 38% for the three months ended June 30, 2026, as compared to the three months ended June 30, 2025, which includes the impact of the Ascyrus contingent consideration fair value adjustment loss of $8.0 million and $2.6 million for the three months ended June 30, 2026 and 2025, respectively. The remaining general, administrative, and marketing expenses for the three months ended June 30, 2026 increased $16.8 million, primarily due to $11.7 million of Endospan acquisition transaction costs, of which $10.2 million related to transaction bonuses for Endospan employees associated with the Endospan acquisition, as well as investments in sales and marketing, and increased non-cash stock compensation expenses.

General, administrative, and marketing expenses increased 25% for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, which includes the impact of the Ascyrus contingent consideration fair value adjustment loss of $9.7 million and gain of $0.2 million for the six months ended June 30, 2026 and 2025, respectively. The remaining general, administrative, and marketing expenses for the six months ended June 30, 2026 increased $18.4 million, primarily due to $12.5 million of Endospan acquisition transaction costs, of which $10.2 million related to transaction bonuses for Endospan employees associated with the Endospan acquisition, as well as investments in sales and marketing and information technology, and increased non-cash stock compensation expenses. These increases were partially offset by $1.5 million in net cyber insurance recoveries received.

Research and Development Expenses

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	2026	2025
Research and development expenses	$ 9,055	$ 7,063	$ 17,896	$ 13,791
Research and development expenses as a percentage of total revenues	7%	6%	7%	7%

Research and development expenses increased 28% and 30% for the three and six months ended June 30, 2026, respectively, as compared to the three and six months ended June 30, 2025. Research and development spending for the three and six months ended June 30, 2026 was primarily focused on clinical work to gain regulatory approvals for certain aortic stent grafts.

Interest Expense

Interest expense was $7.3 million and $12.6 million for the three and six months ended June 30, 2026, respectively, as compared to $7.3 million and $14.9 million for the three and six months ended June 30, 2025, respectively. Interest expense for the six months ended June 30, 2026 decreased primarily due to lower variable interest rates on our credit facilities and reduced interest expense as a result of the settlement of the Convertible Senior Notes, partially offset by interest incurred on the New Delayed Draw Term Loan borrowed in May 2026. See Part I, Item 1, Note 9 of the "Notes to Condensed Consolidated Financial Statements" for further discussion of the settlement of the Convertible Senior Notes and the borrowing under the New Delayed Draw Term Loan.

Losses on Inducement/Extinguishment of Debt

During the three and six months ended June 30, 2025 we recorded a loss on inducement of convertible debt of $2.7 million in connection with the settlement of our Convertible Senior Notes. See Part I, Item 1, Note 9 of the "Notes to Condensed Consolidated Financial Statements" for further discussion of our Convertible Senior Notes.

Other Income

Other income was $3.6 million and $3.3 million for the three and six months ended June 30, 2026, respectively, as compared to $5.0 million and $8.0 million of income for the three and six months ended June 30, 2025, respectively. For the three months ended June 30, 2026, other income primarily included a $4.3 million gain from fair value adjustments to loans issued in connection with our acquisition of Endospan, partially offset by a net $0.7 million loss from realized and unrealized effects of foreign currency gains and losses. Other income for the six months ended June 30, 2026 primarily included a $4.8 million gain associated with fair value adjustments to loans issued in connection with our acquisition of Endospan, partially offset by a net $1.6 million loss from realized and unrealized effects of foreign currency gains and losses.

Income Tax Expense

Our effective income tax rate was (15)% and (6)% for the three and six months ended June 30, 2026, respectively, as compared to 61% and 29% for the three and six months ended June 30, 2025, respectively. Our income tax rate varied from the US statutory rate of 21% predominately due to state income taxes, non-deductible executive compensation, changes in our valuation allowance for current period losses and changes in estimates of our expected recovery of net deferred tax assets, excess tax deductions on stock-based compensation, and foreign withholding taxes. The year-over-year changes to the effective income tax rate were largely attributable to the shift from pre-tax book income in each respective period in 2025 to pre-tax book losses in each respective period in 2026.

On July 4, 2025 the One Big Beautiful Bill Act ("OBBBA") was enacted in the US. The OBBBA includes significant provisions, such as the permanent extension of certain expiring provisions of the Tax Cuts and Jobs Act, modifications to the international tax framework, and the restoration of favorable tax treatment for certain business provisions. The legislation has multiple effective dates, with certain provisions effective in 2025 and others implemented through 2027. We have reflected the impact of the enactment in our results for the three and six months ended June 30, 2026.

Non-GAAP Measures of Financial Performance

To supplement our Condensed Consolidated Financial Statements presented in accordance with US GAAP, we use constant currency revenues, which is a non-GAAP financial measure. We define constant currency revenues as revenues adjusted for the exchange rate effect. We define exchange rate effect as the year-over-year impact of foreign currency movements using current period foreign currency rates applied to prior period transactional currency amounts.

We have provided non-GAAP financial measures in this report as we believe that these figures are helpful in allowing management and investors to more accurately assess the ongoing nature of our operations and measure our performance more consistently across periods. Management uses constant currency revenues internally to assess the operational performance of the Company, as a component in compensation metrics, and as a basis for strategic planning.

We believe the provided non-GAAP measures are meaningful in addition to the information contained in the US GAAP presentation of financial performance. Investors should consider this non-GAAP information in addition to, and not as a substitute for, financial measures prepared in accordance with US GAAP. In addition, this non-GAAP financial information may not be the same as similar measures presented by other companies.

Seasonality

Historically, we believe the demand for most of our aortic stent grafts is seasonal, with a decline in demand generally occurring in the third quarter primarily due to the summer holiday season in Europe.

Historically, we believe the demand for surgical sealants is seasonal, with a decline in demand generally occurring in the third quarter followed by stronger demand in the fourth quarter. We believe that this trend may be due to the summer holiday season in Europe and the US.

Demand for our vascular preservation services has also traditionally been seasonal, with lowest demand generally occurring in the fourth quarter. We believe this trend for vascular preservation services is primarily due to fewer vascular surgeries being scheduled during the winter holiday months.

We do not believe demand for our On-X products, other products, and cardiac preservation services is materially seasonal.

Liquidity and Capital Resources

Our primary uses of liquidity include the payment of operating expenses, capital expenditures, servicing of debt and the funding of acquisitions or other collaborative arrangements. Our primary sources of funding are operating cash flows and borrowings under our debt facilities. As of June 30, 2026 we had approximately $370.0 million of total principal indebtedness outstanding.

Our liquidity as of June 30, 2026 consisted of cash and cash equivalents of $77.3 million and unused commitments of $30.0 million under a revolving credit facility (see “Credit Facilities” below). As of June 30, 2026 approximately 28% of our cash and cash equivalents were held in foreign jurisdictions. Our practice is to maintain sufficient liquidity through cash from operations and our revolving credit facility to mitigate the impacts of any adverse financial market conditions on our operations. We believe that cash generated from operations, together with amounts available under our Credit Facilities, as defined below, will be sufficient to meet working capital requirements and anticipated capital expenditures, and other strategic uses of cash, if any, and debt payments, if any, over the next twelve months.

Our future cash requirements are expected to include interest payments under our credit facilities, expenditures for clinical trials, research and development expenditures, general working capital needs, capital expenditures, other corporate purposes, and may include cash to fund other business development activities including obligations pursuant to the acquisition of Ascyrus and Endospan. In July 2026, following receipt of FDA approval of the premarket approval application for the AMDS, we made a contingent payment of $25.0 million under the Ascyrus Agreement. These items may have a significant effect on our future cash flows during the next twelve months. Subject to the terms of our credit facilities, we may seek additional borrowing capacity or financing, pursuant to our current or any future shelf registration statement, for general corporate purposes or to fund other future cash requirements. If we undertake any further significant business development activity, we may need to finance such activities by obtaining additional debt financing or using a registration statement to sell equity securities. There can be no assurance that we will be able to obtain any additional debt or equity financing at the time needed or that such financing will be available on terms that are favorable or acceptable to us.

Significant Sources and Uses of Liquidity

Credit Facilities

On January 18, 2024 we entered into a credit and guaranty agreement with Ares Management Credit funds (the "Ares Credit Agreement") for $350.0 million of senior secured, interest-only, credit facilities, consisting of a $190.0 million secured term loan facility (the "Term Loan Facility"), a $100.0 million secured delayed draw term loan facility (the "Delayed Draw Term Loan Facility" and, together with the Term Loan Facility, the "Term Loan Facilities") and a $60.0 million "senior-priority" secured revolving credit facility with a priority claim ahead of the other secured facilities (the "Revolving Credit Facility" and, together with the Term Loan Facilities, the "Credit Facilities"). Upon closing, we borrowed $190.0 million under the Term Loan Facility and $30.0 million under the Revolving Credit Facility. The proceeds of the initial borrowings were used along with cash on hand to pay off our previously existing credit agreement and pay related fees and expenses. The Delayed Draw Term Loan Facility remained undrawn and was terminated on July 2, 2025 as we entered into separate, privately negotiated exchange agreements with the Holders of the Convertible Senior Notes as discussed below.

On September 12, 2025 we entered into a Second Amendment to the credit and guaranty agreement (the "Amendment"), with Ares Management Credit funds, which amends the credit and guaranty agreement dated as of January 18, 2024. The Amendment provides for (i) an extension of the maturity date of the existing term loans (the "Existing Term Loan Facility") and the existing revolving credit facility (the "Existing Revolving Credit Facility") under the Credit Agreement by one year to January 18, 2031, (ii) a reduction in the interest rate margin applicable to the Existing Term Loan Facility and the Existing Revolving Credit Facility and (iii) a new $150.0 million secured delayed draw term loan facility (the "New Delayed Draw Term Loan Facility" and, together with the Existing Term Loan Facility, the "Term Loan Facilities").

In May 2026 in connection with our acquisition of Endospan, we borrowed $150.0 million under the New Delayed Draw Term Loan Facility, as further described below. The proceeds of borrowings were used in part to fund the upfront purchase price for the acquisition of Endospan. See Part I, Item 1, Note 4 – "Acquisition of Endospan" for further discussion of the Endospan Acquisition.

In connection with the borrowing, the lender withheld a $1.1 million draw fee, resulting in net cash proceeds of $148.9 million. In addition, we reclassified $1.1 million of previously capitalized debt issuance costs from other long-term assets as a deduction from the carrying amount of the facility. Accordingly, the related debt discount and debt issuance costs totaled $2.3 million and are being amortized to interest expense over the term of the facility.

The final scheduled maturity date of the Credit Facilities is January 18, 2031. There are no scheduled repayments of principal required to be made prior to the final maturity date. We have the right to prepay loans under the Credit Agreement in whole or in part at any time, subject to certain premium payment requirements. Amounts repaid in respect of loans under the Term Loan Facilities may not be reborrowed. The Credit Facilities currently bear interest at the Secured Overnight Financing Rate ("SOFR") plus applicable margins. As of June 30, 2026 the stated interest rates on the Term Loan Facility, Revolving Credit Facility, and New Delayed Draw Term Loan Facility were 8.44%, 7.19%, and 8.40%, respectively. See Part I, Item 1, Note 9 of the "Notes to Condensed Consolidated Financial Statements" for further discussion of our new Ares Credit Agreement.

Convertible Senior Notes

On June 18, 2020 we issued $100.0 million aggregate principal amount of 4.25% Convertible Senior Notes with a maturity date of July 1, 2025 (the "Convertible Senior Notes"). In May 2025 we entered into separate, privately negotiated exchange agreements ("Exchange Agreements") with the Holders of the Convertible Senior Notes. The transactions contemplated by the Exchange Agreements closed on May 28, 2025. Under the terms of the Exchange Agreements, the Holders exchanged an aggregate principal amount of approximately $99.5 million of the Convertible Senior Notes held by the Holders in exchange for an aggregate of 4,334,347 shares of our common stock. In addition, pursuant to the Exchange Agreements, we made a cash payment of approximately $1.7 million to the Holders in respect of accrued and unpaid interest on the exchanged Convertible Senior Notes. The remaining $0.5 million in aggregate principal amount of the Convertible Senior Notes was settled on July 1, 2025 resulting in the issuance of 19,605 shares of our common stock.

Cash Flows

The following table summarizes cash flows from operating activities, investing activities, and financing activities for the periods indicated (in thousands):

	Six Months Ended June 30,	
	2026	**2025**
Cash flows (used in) provided by:		
Operating activities	$ (112)	$ (1,942)
Investing activities	(139,912)	(6,925)
Financing activities	152,851	6,535
Effect of exchange rate changes on cash and cash equivalents	(419)	2,345
Increase in cash and cash equivalents	**$ 12,408**	**$ 13**

Net Cash Flows from Operating Activities

Net cash used in operating activities decreased by $1.8 million during the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, as an increase in cash collected from customers and the insurance recoveries associated with the 2024 cybersecurity incident were partially offset by transaction and integration expenditures associated with our acquisition of Endospan, the $10.2 million payment for transaction bonuses for Endospan employees associated with the Endospan acquisition, and an increase in inventories to support revenue growth.

Net Cash Flows from Investing Activities

Net cash used in investing activities was $139.9 million and $6.9 million for the six months ended June 30, 2026 and 2025, respectively. During the six months ended June 30, 2026 cash flows used in investing activities included $116.7 million of payments related to the acquisition of Endospan, net of cash acquired, $18.8 million of cash used for capital expenditures, $3.0 million of payments under the Endospan agreements, and $1.5 million payment related to sale of PerClot.

Net Cash Flows from Financing Activities

Net cash provided by financing activities was $152.9 million and $6.5 million for the six months ended June 30, 2026 and 2025, respectively. The current year cash provided by financing activities was primarily due to $148.9 million of proceeds received on the New Delayed Draw Term Loan Facility, $3.2 million of proceeds from financing insurance premiums, $2.6 million of proceeds from the exercise of stock options and issuances of common stock, partially offset by $1.4 million for principal payments on short-term notes payable.

Scheduled Contractual Obligations and Future Payments

In May 2026, we borrowed $150.0 million under the New Delayed Draw Term Loan Facility in connection with our acquisition of Endospan. As of June 30, 2026, our total principal indebtedness was $370.0 million, and our anticipated interest payments related to the Term Loan Facility, Revolving Credit Facility, and New Delayed Draw Term Loan Facility were $143.7 million.

We also have contingent payment obligations of up to $200.0 million payable to the former security holders of Endospan upon the achievement of certain performance milestones related to NEXUS.

In July 2026 we made a $25.0 million contingent payment upon FDA approval of the PMA application for the AMDS. Following this payment, we may be required to pay up to an additional $75.0 million under the Ascyrus Agreement upon the achievement of specified sales milestones. See Part I, Item 1, Note 3 – “Acquisition of Ascyrus” for additional information.

Other than the borrowing, related anticipated interest payments, contingent payment obligations, and payment described above, there have been no material changes outside of the ordinary course of business with respect to our material cash requirements for our contractual and other obligations as set forth in the table included in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2025.

Capital Expenditures

Capital expenditures were $18.8 million and $6.9 million for the six months ended June 30, 2026 and 2025, respectively. Capital expenditures for the six months ended June 30, 2026 were primarily related to computer software development, purchases of manufacturing and tissue processing equipment, leasehold improvements, and computer equipment to support our business.

Off-Balance Sheet Commitments and Arrangements

As of June 30, 2026 there have been no material changes to our indemnification obligations as disclosed in Part II, Item 8, Note 11 – "Commitments and Contingencies" in our Annual Report on Form 10-K for the year ended December 31, 2025. For information concerning contingencies, see Note 10 – "Commitments and Contingencies" in Part I, Item 1 of this Form 10-Q.

Recent Accounting Pronouncements

For a discussion of recent accounting pronouncements, see Note 1 – "Basis of Presentation and Summary of Significant Accounting Policies" in Part I, Item 1 of this Form 10-Q.

Risks and Uncertainties

See the "Risk Factors" identified in Part II, Item 1A of this Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk.

We are exposed to a variety of market risks, including the effects of changes in interest rates (including credit spreads) and foreign currency exchange rates. We manage our exposure to these market risks through our regular operating and financing activities. As of June 30, 2026 there has been no material change in the information reported under Part II, Item 7A – "Quantitative and Qualitative Disclosures About Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2025.

Item 4. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We maintain disclosure controls and procedures ("Disclosure Controls") as such term is defined under Rule 13a-15(e) promulgated under the Exchange Act. These Disclosure Controls are designed to ensure that information required to be disclosed in our Exchange Act reports is recorded, processed, summarized, and reported within the time periods specified in the US Securities and Exchange Commission's ("SEC") rules and forms and that such information is accumulated and communicated to management, including to the Chief Executive Officer ("CEO") and the Chief Operating Officer ("COO"), Chief Financial Officer ("CFO") and Treasurer, as appropriate, to allow timely decisions regarding required disclosures.

Our management, including our President and CEO and our Executive Vice President, COO, CFO and Treasurer, does not expect that our Disclosure Controls will prevent all error and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of any system of controls is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving our stated goals under all potential future conditions. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within Artivion have been detected. These inherent limitations include the realities that judgments in decision-making can be faulty and that breakdowns can occur because of simple error or mistake. Our Disclosure Controls have been designed to provide reasonable assurance of achieving their objectives.

Our management utilizes the criteria set forth in "Internal Control-Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission to evaluate the effectiveness of our Disclosure Controls over financial reporting. Based upon the most recent Disclosure Controls evaluation conducted by management with the participation of the CEO and the COO, CFO and Treasurer, as of June 30, 2026 the CEO and the COO, CFO and Treasurer have concluded that our Disclosure Controls were effective at a reasonable assurance level to satisfy their objectives and to ensure that the information required to be disclosed by us in our periodic reports is accumulated and communicated to management, including the CEO and CFO, as appropriate to allow timely decisions regarding disclosure and is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms.

Changes to Disclosure Controls and Procedures

During the three months ended June 30, 2026, there were no changes, including changes related to the January 1, 2026 upgrade of our German Enterprise Resource Planning system, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting. Our process for evaluating controls and procedures is continuous and encompasses constant improvement of the design and effectiveness of established controls and procedures.

Part II – OTHER INFORMATION

Item 1. Legal Proceedings.

From time to time, we are involved in legal proceedings concerning matters arising from the conduct of our business activities. We regularly evaluate the status of legal proceedings in which we are involved in order to assess whether a loss is probable or whether there is a reasonable possibility that a loss or additional loss may have been incurred and to determine if accruals are appropriate. We further evaluate each legal proceeding to assess whether an estimate of possible loss or range of loss can be made.

Based on current knowledge, we do not believe that there are any pending matters that could potentially have a material, adverse effect on our business, financial condition, results of operations, or cash flows. We are, however, engaged in various legal actions in the normal course of business. There can be no assurances in light of the inherent uncertainties involved in any potential legal proceedings, some of which are beyond our control, and an adverse outcome in any legal proceeding could be material to our results of operations or cash flows for any particular reporting period.

Item 1A. Risk Factors.

Risks Relating to Our Business

Our business involves a variety of risks and uncertainties, known and unknown, including, among others, the risks discussed below. These risks should be carefully considered together with the other information provided in this Quarterly Report on Form 10-Q and in our other filings with the SEC. Our failure to adequately anticipate or address these risks and uncertainties may have a material, adverse impact on our business, reputation, revenues, financial condition, profitability, and cash flows. Additional risks and uncertainties not presently known or knowable to us, or that we currently believe to be immaterial, may also adversely affect our business.

Business and Economic Risks

We are subject to a variety of risks due to our international operations and continued global expansion.

Our international operations subject us to a number of risks, which may vary significantly from the risks we face in our US operations, including:

- Greater difficulties and costs associated with staffing at all levels, establishing and maintaining internal controls, managing foreign operations and distributor relationships, and selling directly to customers;
- Broader exposure to corruption and expanded compliance obligations, including under the Foreign Corrupt Practices Act, the UK Bribery Law, local anti-corruption laws, Office of Foreign Asset Control administered sanction programs, the European Union's General Data Protection Regulation and Corporate Sustainability Reporting Directive, and other emerging corruption, sustainability, and data privacy and cybersecurity regulations;
- Overlapping, ambiguous, and potentially conflicting, or unexpected changes in, international legal and regulatory requirements or reimbursement policies and programs;
- Longer and more expensive collection cycles in certain countries, particularly those in which our primary customers are government-funded hospitals;
- Changes in currency exchange rates, particularly fluctuations in the Euro as compared to the US Dollar and other inflationary pressures, given sensitivity to exchange rates that we experience from our product revenue streams and account balances;
- Potential exposure to adverse financial impact and negative erosion of our operating profit margin over time due to increasing inflationary pressures, including impact felt through our supply chain, and this exposure may be increased through our limited ability to raise prices and through global expansion where business occurs with, or pricing is set directly by, government entities, or we are party to long term pricing agreements with governments or local distributors, impacting our ability to pass on rising costs;
- Potential adverse tax consequences of overlapping tax structures or potential changes in domestic and international tax policy, laws, and treaties; and
- Potential adverse consequences from unexpected global regulatory or tariff and trade developments.

As an example of this risk, via a Ministerial Decree of July 6, 2022, published September 15, 2022, the Italian government stated that the spending ceiling for medical devices at the national and regional levels had been exceeded, requiring medical device companies to pay back alleged overpayments the government claims companies received between 2015 and 2018. Ultimately, following the conclusion of judicial challenges, in August 2025, the Italian parliament agreed to a 75% reduction in the amounts due for the 2015–2018 period. The Italian government is currently assessing the amounts due for the 2019–2024 period, and while there are ongoing challenges and negotiations between industry and the government regarding these amounts, our potential repayment exposure for the entire 2019–2025 period is estimated at approximately $2.3 million.

Our operations and performance have been, and may continue to be, impacted by regional and global geopolitical conditions, domestic and foreign trade and monetary policies, and other factors beyond our control, such as Russia's war with Ukraine and the ongoing Iranian conflict in the Middle East. To date, sanctions and other disruptions in the Eastern European region have not materially impacted our business or ability to supply products to Russia, Belarus, Ukraine, and the region generally; however, continuation or escalation of the wars in Ukraine or instability in the Middle East, and in particular the ongoing conflict in Iran, or increased export controls or additional sanctions imposed on or by impacted countries, their allies, or related entities could adversely affect our financial performance. Although currently we do not have any direct operations in Russia, Ukraine, Gaza, or Syria, on May 18, 2026, we completed our previously announced acquisition of Endospan, and the acquired NEXUS family of products are solely manufactured in Herzliya, Israel. We have not experienced any material disruption of NEXUS supply related to the war in Iran; however, it is difficult to predict the ultimate course of these conflicts and we may face business operations and supply chain disruptions as a result, including disruptions related to shortages of materials and finished goods, higher costs of materials and freight, freight delays, increased energy costs or energy shortages, travel disruptions, currency fluctuation, and disruptions to banking systems or capital markets.

We operate in highly competitive market segments, face competition from large, well-established medical device companies and tissue service providers with greater resources and we may not be able to compete effectively.

The market for our products and services is competitive and affected by new product introductions and activities of other industry participants, including the introduction of novel products and therapies aimed at unrelated disease states or even overall patient health. In addition, such products and therapies like GLP-1 drugs, which we believe have or will have little to no actual impact on demand for our products, can lead to investor and customer confusion, can change investor focus, and can impact the perceived demand for our products, which may affect our stock price even if actual demand for our products is unaffected. We face intense competition in virtually all of our product lines, from, among others, Baxter, Ethicon (a Johnson & Johnson Company), Medtronic, Abbott Laboratories, Edwards Lifesciences, Becton, Dickinson and Company, Integra Life Sciences, LifeNet Health, Corcym, Anteris Technologies, Elutia (formerly Aziyo Biologics), Cook Medical, Gore & Associates, Terumo, LeMaitre Vascular, Maquet, Pfizer, BioCer Entwicklungs-GmbH, and Grena Limited. Several of our competitors enjoy competitive advantages over us, including:

- Greater financial and other resources for research and development, commercialization, acquisitions, and litigation and to weather the impacts of global economic downturns and workforce competition;
- Greater name recognition as well as more recognizable trademarks for products similar to products that we sell;
- More established record of obtaining and maintaining regulatory product clearances or approvals;
- More established relationships with healthcare providers and payors along with better positioning to minimize the impact of consolidated purchasing and other consolidation within the healthcare industry;
- Lower cost of goods sold or preservation costs; and
- Larger direct sales forces and more established distribution networks.

Our established and early-stage competitors may have advantages over us in terms of cost structure, pricing, back-office automation, product development, marketing, supply chain, and sourcing, and, if we are unable to compete effectively, our financial results will be adversely affected.

We are significantly dependent on our revenues from tissue preservation services and are subject to a variety of risks affecting them.

Tissue preservation services are a significant source of our revenues, and as such, we face risks if we are unable to:

- Source sufficient quantities of some human tissue or address potential excess supply of others. We rely primarily upon the efforts of third parties to educate the public and foster a willingness to donate tissue. Factors beyond our control such as supply, regulatory changes, negative publicity concerning methods of tissue recovery or disease transmission from donated tissue, or public opinion of the donor process as well as our own reputation in the industry can negatively impact the supply of tissue;
- Timely receive and process tissues;
- Capitalize on our clinical advantages that we rely on as competitive strengths; or
- Mitigate sufficiently the risk that tissue can become contaminated during processing; that processed tissue cannot be end-sterilized and hence carries an inherent risk of infection or disease transmission or that our quality controls can eliminate that risk.

In addition, US and foreign governmental authorities have adopted laws and regulations that restrict tissue preservation services and the avenues available to distribute processed tissues. Any of these laws or regulations could change, including becoming more restrictive, or our interpretation of them could be challenged by governmental authorities.

As an example of this risk, in January 2025, the Center for Biologics Evaluation and Research ("CBER") of the FDA issued two "final" guidance documents directed at the reduction of the risk of transmission of tuberculosis (Mtb) in processed human tissue (the "Guidances"), which is already exceedingly low. In May 2025, the "final" Guidances were withdrawn and re-issued as drafts, with a public comment period that ended in July 2025. We and a number of other parties filed comments, the vast majority of which sought substantial modifications of the Guidances. We believe these Guidances, if implemented as written, could significantly reduce the supply of safe implantable human tissue without simultaneously reducing the risk of Mtb transmission sufficient to offset the harm to patients caused by reduced safe-tissue supply. Although some industry advocates and health care practitioners have expressed strong opposition to these new Guidances, and a number of them submitted comments regarding the Guidances during the previous comment period, if and how they may ultimately be implemented and enforced, and how they may actually impact the availability of our donated tissue, remains to be seen and is difficult to predict.

We are significantly dependent on our revenues from BioGlue and are subject to a variety of related risks.

BioGlue is a significant source of our revenues, and as such, any risk adversely affecting our BioGlue products or business would likely be material to our financial results. We face the following risks relating to BioGlue:

- We may be unable to obtain approval to commercialize BioGlue in certain non-US countries as fast as our competitors do or at all. We also may not be able to capitalize on new BioGlue approvals, including for new indications, in non-US countries; BioGlue contains a bovine blood protein. Animal-based products are subject to increased scrutiny from the public and regulators, who may seek to impose additional regulations, regulatory hurdles or product bans in certain countries on such products; and
- BioGlue is a mature product and other companies may use the inventions disclosed in expired BioGlue patents to develop and make competing products.

As an example of this risk, our regulatory approval for BioGlue in China took significantly longer and required significant additional investment, at least in part, due to BioGlue's animal of origin components. Although we received approval to market BioGlue in China during the third quarter of 2024, we did not recognize any revenue until the second quarter of 2025.

We are significantly dependent on our revenues from aortic stent grafts and are subject to a variety of related risks.

Aortic stent grafts are a significant source of our revenues, and as such, any risk adversely affecting aortic stent grafts would likely be material to our financial results. We face risks relating to aortic stent grafts based on our ability to:

- Develop innovative, high quality, and in-demand aortic repair products;
- Respond adequately to enhanced regulatory requirements and enforcement activities, and particularly, our ability to obtain regulatory approvals and renewals globally;
- Drive timely and sustained adoption of new products in our aortic stent graft portfolio;
- Meet demand and manage inventory for aortic stent grafts as we seek to expand our business globally; and
- Maintain a productive working relationship with our Works Council in Germany.

We are significantly dependent on our revenues from On-X products and are subject to a variety of related risks.

On-X products are a significant source of our revenues, and as such, any risk adversely affecting our On-X products or business would likely be material to our financial results. We face risks based on our ability to:

- Take further market share in the mechanical heart valve market based on the FDA's approved lower INR indication for the On-X aortic heart valve or complete the associated FDA mandated post-approval studies;
- Address clinical trial data or changes in technology that may reduce the demand for mechanical heart valves, such as data regarding transcatheter aortic valve replacement, or "TAVR" devices;
- Keep up with increasing demand for our On-X products globally;
- Manage risks associated with less favorable contract terms for On-X products on consignment at hospitals; and
- Respond adequately to enhanced international regulatory requirements or enforcement activities.

Continued fluctuation of foreign currencies relative to the US Dollar could materially, adversely affect our business.

Most of our foreign revenues are denominated in Euros, making them sensitive to exchange rate changes. Some sales are made to customers who must convert local currencies into US Dollars or Euros. We hold balances in foreign currencies affected by exchange rates. Global inflation and currency crises could result in foreign currency controls, parallel exchange rates, or highly inflationary economies in certain countries. Fluctuations in exchange rates could materially reduce our future revenues as compared to the comparable prior periods. Should this occur, it could have a material, adverse impact on our revenues, financial condition, profitability, and cash flows.

Some of our products and technologies are subject to significant intellectual property risks and uncertainty.

We own trade secrets, patents, patent applications, and licenses relating to our technologies and trademarks and goodwill related to our products and services, which we believe provide us with important competitive advantages. We cannot be certain that we will be able to maintain our trade secrets, that our pending patent applications will issue as patents, or that no one will challenge the validity or enforceability of any intellectual property that we adopt, own, or license. Competitors may independently develop our proprietary technologies or design non-infringing alternatives to patented inventions. We do not control the maintenance, prosecution, enforcement, or strategy for in-licensed intellectual property and as such are dependent in part on the owners of these rights to maintain their viability. Their failure to do so could significantly impair our ability to exploit those technologies. Additionally, our technologies, products, or services could infringe intellectual property rights owned by others, or others could infringe our intellectual property rights.

If we become involved in intellectual property disputes, the costs could be expensive, and if we were to lose or decide to settle, the amounts or effects of the settlement or award by a tribunal could be costly.

Public health crises have, may continue to have, and could have a material, adverse impact on us.

Because of our role in the healthcare industry, we are particularly susceptible to the impact public health crises have on healthcare systems globally, including impacts on system capacity and procedure volumes, shortages in healthcare staffing, and restrictions on travel and non-critical hospital access. For example, we experienced negative impacts on our business operations and sales during the COVID-19 pandemic, particularly through reductions in demand for certain products and services due to reduced procedure volumes, or through downstream financial impact from delays or difficulty collecting outstanding receivables. If other public health crises emerge in the future, we may experience similar adverse effects on our business. This impact on healthcare system capacity may also affect our R&D pipeline by lengthening timelines for R&D and clinical research projects and timelines associated with regulatory reviews for new and updated devices, as well as affecting our workforce.

Operational Risks

We are heavily dependent on our suppliers and contract manufacturers to provide quality products.

The materials and supplies used in our product manufacturing and tissue processing are subject to regulatory requirements and oversight. If materials or supplies used in our processes fail to meet these requirements or are subject to regulatory enforcement action, they may have to be scrapped, or our products or tissues could be rejected during or after processing, recalled, or rejected by customers. In these cases, we may have to immediately scrap raw or in-process materials and expense the costs of manufacturing or preservation.

In addition, if these materials or supplies, or changes to them, do not receive regulatory approval or are recalled, if the related suppliers and/or their facilities are shut down temporarily or permanently, for any reason, or if the related suppliers are otherwise unable or unwilling to supply us, we may not have sufficient materials or supplies to manufacture our products or process tissues. In addition, we rely on contract manufacturers to manufacture some of our products or to provide additional manufacturing capacity for some products. If these contract manufacturers fail to meet our quality standards or other requirements or if they are unable or unwilling to supply the products, we may not be able to meet demand for these products. Our ability to fully recover all possible losses from these suppliers and contract manufacturers may have practical limitations imposed by factors like industry standard contractual terms or the financial resources of the adverse party.

Finally, the global supply chain is subject to disruption due to labor, geopolitical, trade and monetary issues, which may be exacerbated by ongoing instability in Ukraine and the Middle East. See Part I, Item 1A, "Risk Factors – Business and Economic Risks – We are subject to a variety of risks due to our international operations and continued global expansion." Although we have yet to experience any material effects of this impact on our supply chain or operations, we face the potential risk that upstream disruptions may occur. Risks relating to the lingering effects of global supply chain disruptions may even continue after current conflicts have subsided.

We are dependent on single and sole-source suppliers and single facilities.

Some of the materials, supplies, and services used in our product manufacturing and tissue processing, as well as some of our products, are sourced from single- or sole-source suppliers. As a result, our ability to negotiate favorable terms with those suppliers may be limited, and if those suppliers experience operational, financial, quality, or regulatory difficulties, or if those suppliers and/or their facilities refuse to supply us or cease operations temporarily or permanently, or if those suppliers take unreasonable business positions, we could be forced to cease product manufacturing or tissue processing until the suppliers resume operations, until alternative suppliers can be identified and qualified, or permanently if the suppliers do not resume operations and no alternative suppliers can be identified and qualified. We also could be forced to purchase alternative materials, supplies, or services with unfavorable terms due to diminished bargaining power.

As an example of these risks, in 2019 we lost our supply of handpieces for cardiac laser therapy resulting from a manufacturing location change at our supplier that ultimately required a Premarket Approval ("PMA") supplement and FDA approval before handpiece manufacturing and distribution could resume. Even though the FDA approved the PMA-S, due to supply-related factors outside of our control, we eventually abandoned the business as of June 2023 resulting in a write-off of all of our CardioGenesis cardiac laser therapy assets and a recorded expense of $0.4 million during the year ended December 31, 2023 in our Consolidated Statements of Operations and Comprehensive Loss.

By way of additional non-limiting examples, our BioGlue product has three main product components: bovine protein, a cross linker, and a molded plastic resin delivery device. The bovine protein and cross linker are obtained from a small number of qualified suppliers. The delivery devices are manufactured by a single supplier, using resin supplied by a different single supplier. We purchase grafts for our On-X AAP from a single supplier and various other components for our On-X valves come from single-source suppliers.

Our preservation services business and our ability to supply needed tissues is dependent upon donation of tissues from human donors by donor families. Donated human tissue is procured from deceased human donors by organ and tissue procurement organizations ("OPOs") and tissue banks. We must rely on the OPOs and tissue banks that we work with to educate the public on the need for donation, to foster a willingness to donate tissue, to follow our donor screening and procurement procedures, and to send donated tissue to us. We have active relationships with approximately 60 OPOs and tissue banks throughout the US. As with any vendor, we believe these relationships with our OPOs are critical in the preservation services industry and that the breadth of these existing relationships provides us with a significant advantage over potential new entrants to this market. We also use various raw materials, including medicines and solutions, in our tissue processing. Some of these raw materials are manufactured by single suppliers or by a small group of suppliers.

Our aortic stent graft systems consist of two main product components: the stent graft and the delivery system. The stent graft is manufactured from several different raw materials that are manufactured internally or at various external suppliers, including single suppliers. The delivery systems we manufacture are comprised of several different raw materials and subassemblies, some of which are sourced from external suppliers, including single suppliers. Our internal manufacturing processes include machining of plastic parts, suturing of stent grafts, processing of Nitinol, and weaving of textiles. Our conventional polyester grafts consist of two main product components: polyester fabric and collagen coating. The polyester fabric is woven from a few different yarns that are supplied by an external supplier. The collagen suspension we manufacture is comprised of a collagenous tissue that is supplied by a single supplier. The conventional ePTFE grafts we manufacture are comprised of various raw materials supplied by several suppliers. For some products the ePTFE grafts are heparin coated. For these products, the heparin suspension we manufacture is comprised of a heparin solution that is also supplied by an external supplier.

We have four internal manufacturing facilities: Austin, Texas for On-X products, Hechingen, Germany for internally manufactured aortic stent grafts, Herzliya, Israel for the NEXUS family of products, and Kennesaw, Georgia for all other products and services. Certain aortic stent graft assemblies are manufactured for us by a contract manufacturer in Slovakia. The AMDS product is manufactured by a supplier in Charlotte, North Carolina. If one of these suppliers or facilities ceases operations temporarily or permanently, for any reason including a pandemic, war, work stoppage, cybersecurity incident, infrastructure or equipment malfunction, or a natural disaster, our business could be substantially disrupted.

Although we work diligently to maintain adequate inventories of raw materials, components, supplies, subassemblies, and finished goods, there can be no assurance that we will be able to avoid all disruptions to our global supply chain, or disruptions to our sterilization or distribution networks. Any of these disruptions could have a material, adverse effect on our revenues, reputation, or profitability.

We are dependent on our specialized workforce.

Our business and future operating results depend in significant part upon the continued contributions of our specialized workforce, including key personnel, qualified personnel with medical device and tissue processing experience, and senior management with experience in the medical device or tissue processing space, some of whom would be difficult to replace. Our business and future operating results, including production at our manufacturing and tissue processing facilities, also depend in significant part on our ability to attract and retain qualified management, operations, processing, marketing, sales, and support personnel. Our primary facilities are in Kennesaw, Georgia; Austin, Texas; Hechingen, Germany; and Herzliya, Israel, where the supply of qualified medical device and tissue processing and other personnel is limited, competition for such personnel is significant, and we cannot ensure that we will be successful in attracting or retaining them. We face risks if we lose any key employees to other employers or due to severe illness, death, or retirement, if any of our key employees fail to perform adequately, or if we are unable to attract and retain skilled employees. Competition for talent and worker shortages at all levels have impacted supply chains and distribution channels and our ability to attract and retain the specialized workforce necessary for our business and operations.

We continue to evaluate expansion through acquisitions of, or licenses with, investments in, and distribution arrangements with, other companies or technologies, which may carry significant risks.

One of our growth strategies is to pursue select acquisitions, licensing, or distribution rights with companies or technologies that complement our existing products, services, and infrastructure. In connection with one or more of these transactions, we may:

- Issue additional equity securities that would dilute our stockholders' ownership interest;
- Use cash we may need in the future to operate our business;
- Incur debt, including on terms that could be unfavorable to us or debt we might be unable to repay;
- Structure the transaction resulting in unfavorable tax consequences, such as a stock purchase that does not permit a step-up in basis for the assets acquired;
- Be unable to realize the anticipated benefits of the transaction; or
- Assume material unknown liabilities associated with the acquired business.

Our charges resulting from acquisitions, divestitures, partnerships, and other business development activities may materially, adversely affect the market value of our common stock.

We account for the completion of acquisitions using the purchase method of accounting. Our financial results could be adversely affected by a number of financial adjustments required by purchase accounting such as:

- We may incur additional amortization expense over the estimated useful lives of some acquired intangible assets;
- We may incur additional depreciation expense as a result of recording purchased tangible assets;
- We may be required to incur material charges relating to any impairment of goodwill and intangible assets;
- Cost of sales may increase temporarily if acquired inventory is recorded at fair market value;
- If acquisition consideration consists of earnouts, our earnings may be affected by changes in estimates of future contingent consideration; or
- Earnings may be affected by transaction and integration costs, which are expensed immediately.

As an example of this risk, we fully impaired the value of our original Securities Purchase Option Agreement with Endospan ("Endospan Option") in the fourth quarter of 2021 and fully wrote-down the value of our loan to Endospan in the second quarter of 2023, primarily driven by a decrease in forecasted operating results. Although the Endospan Option and our loan to Endospan were partially written back up to fair value in the third quarter of 2024 and subsequent quarters, similar impairments, and other potential risks like those mentioned above, may adversely affect the market value of our common stock.

We may not realize all the anticipated benefits of our business development activities.

As part of our efforts to drive growth by pursuing select acquisition, license, and distribution opportunities that are aligned to our objectives and complement our existing products, services, and infrastructure or to divest non-core product lines, we have completed several transactions in recent years and may pursue similar additional transactions in the future.

Our ability to realize the anticipated business opportunities, growth prospects, cost savings, synergies, and other benefits of these and other transactions depends on a number of factors including our ability to:

- Leverage our global infrastructure to sell and cross-market the acquired products;
- Drive adoption of the NEXUS family of products and AMDS in the US, European, and other markets, including our ability to manage the substantial product training, including physician training, implant support, and proctoring requirements for NEXUS procedures;
- Bring acquired products to the US market, including our acquired aortic stent grafts;
- Harness the aortic stent graft product pipeline and our research and development capabilities;
- Obtain regulatory approvals in relevant markets, including our ability to timely obtain or maintain CE Mark product certifications for pipeline and current products;
- Execute on development and clinical trial timelines for acquired products;
- Manage global inventories, including our ability to manage inventories for product lines with large numbers of product configurations and manage manufacturing and demand cycles to avoid excess inventory obsolescence due to shelf life expiration, particularly for processed tissues and aortic stent grafts;
- Carry, service, and manage significant debt and repayment obligations; and
- Manage the unforeseen risks and uncertainties related to these transactions, including any related to intellectual property rights.

Additionally, our ability to realize the anticipated business opportunities, growth prospects, synergies, and other benefits of our Endospan acquisition depends on a number of additional factors including our ability to: (a) successfully commercialize the NEXUS family of products, raise capital, and drive adoption in markets in and outside of Europe; (b) meet demand for the NEXUS family of products; (c) meet quality and regulatory requirements for the NEXUS family of products; (d) manage any intellectual property risks and uncertainties associated with the NEXUS family of products; (e) obtain FDA approval of the NEXUS family of products; (f) develop the NEXUS family of products, and other product improvements to meet competitive threats and physician demand.

Many of these factors are outside of our control and any one of them could result in increased costs, decreased revenues, and diversion of management's time and energy. The benefits of these transactions may not be achieved within the anticipated time frame or at all. Any of these factors could negatively impact our earnings per share, decrease or delay the expected accretive effect of the transaction, and negatively impact the price of our common stock. In addition, if we fail to realize the anticipated benefits of a transaction, we could experience an interruption or loss of momentum in our existing business activities.

Significant disruptions of information technology systems or breaches of information security systems could adversely affect our business.

We rely upon a combination of information technology systems as well as traditional recordkeeping to operate our business. In the ordinary course of business, we collect, store, and transmit confidential information (including, but not limited to, information about our business, financial information, personnel data, intellectual property, and, in some instances, patient data and other personally identifiable information). Our business operations rely on critical information technology systems related to systems that power aspects of our Quality System (including our eQMS system) and our global operations (including our ERP systems).

We have experienced, and expect to continue to be subject to the risk of, cybersecurity threats and incidents. For example, we experienced a previously-disclosed cybersecurity incident in the fourth quarter of 2024 that temporarily disrupted our business operations, including our ERP systems, and had an impact on revenue, manufacturing, order processing, shipping, and other corporate operations. We continue to incur expenses in connection with improving our global infrastructure and cybersecurity posture. Additionally, we remain subject to other risks and uncertainties as a result of the incident, including those related to scrap, inventory levels, and timely shipping releases, as well as the potential to incur additional expenses.

While we have invested, and continue to invest, in our information technology and information security systems and employee information security training, there can be no assurance that our efforts will prevent all security breaches, service interruptions, or data losses, particularly in light of rapid improvements in information processing technology accompanying developments in, among other areas, artificial intelligence platforms. In addition, a portion of our employees work remotely, and those employees may use outside technology and systems that are vulnerable to security breaches, service interruptions, data loss or malicious attacks, including by third parties.

We have limited cyber-insurance coverage that may not cover all possible events, or the financial expenses or losses associated with any particular event, and this insurance is subject to deductibles and coverage limitations. Any security breaches, service interruptions, or data losses could adversely affect our business operations or result in the loss of critical or sensitive confidential information or intellectual property, or in financial, legal, business, and reputational harm to us or allow third parties to gain material, inside information that they may use to trade in our securities.

Our business could be impacted by environmental, workforce, and governance-related matters.

Certain governments, investors, customers, employees and other stakeholders are continuing to focus on areas of corporate responsibility, including matters related to environmental impacts, workforce practices, and governance and risk oversight. In some cases, stakeholders are looking to companies that demonstrate strong performance in these areas as being better positioned for long-term resilience. However, there is an increasing number of state-level and federal legislation, executive orders, and other backlash against such matters that may conflict with other regulatory requirements or our various stakeholders' expectations. Keeping up with and meeting these sometimes contradictory and evolving expectations can be difficult and expensive, may disrupt our business, and may divert the attention of our management. We may be unable to make the investments related to environmental, workforce, or governance initiatives at the same level as our competitors with greater financial resources, or we may be challenged by governmental authorities if we choose to make such investments. Failure to meet the expectations of investors, other stakeholders, or certain governmental authorities in these areas may damage our reputation, impact employee retention, impact the willingness of our customers to do business with us, or otherwise impact our financial results and stock price.

Legal, Quality, and Regulatory Risks

Our products and tissues are highly regulated and subject to significant quality and regulatory risks.

The commercialization of medical devices and processing and distribution of human tissues are highly complex and subject to significant global quality and regulatory risks, including product recalls, and as such, we face the following risks:

- Our products and tissues allegedly have caused, and may in the future cause, patient injury, which has exposed, and could in the future expose, us to product recalls and/or liability claims that could lead to additional regulatory scrutiny;
- Our manufacturing and tissue processing operations are subject to regulatory scrutiny, inspections and enforcement actions, and regulatory agencies could require us to change or modify our operations or take other action, such as issuing product recalls or holds;

- Regulatory agencies could reclassify, re-evaluate, or suspend our clearances or approvals, or fail to, or decline to, issue or reissue our clearances or approvals that are necessary to sell our products and distribute tissues;
- Regulatory and quality requirements are subject to change, which could adversely affect our ability to sell our products or distribute tissues; and
- Adverse publicity associated with our products, processed tissues, or our industry could lead to a decreased use of our products or tissues, increased regulatory scrutiny, or product or tissue processing liability claims.

As an example of these risks, the European Union's Medical Device Regulation (the MDR), which was to be fully implemented on May 26, 2021, places stricter requirements on manufacturers and European Notified Bodies regarding, among other things, product classifications and pre- and post-market clinical studies for product clearances and approvals. The MDR could result in product reclassifications or the imposition of other regulatory requirements that could delay, impede, or prevent our ability to commercialize existing, improved, or new products in the European Economic Area and other markets that require or rely on CE Marking as a basis for market authorization.

The transition to the MDR has been fraught with difficulties and uncertainty, including delays in audits and approvals. The European Parliament has extended the MDR transition period under Regulation (EU) 2023/607, but it is still unclear whether this extension will be able to mitigate transition challenges. As a result, we face increased risks related to:

- Our Custom Devices: Stricter requirements on manufacturers of custom-made devices may delay, impede, or otherwise impact the availability of our E-xtra Design Engineering services and custom-made products;
- Our Existing CE Marks: In the past, the extended timeline for the MDR transition has resulted in certain MDD-based CE Marks expiring prior to the completion of the transition; however, we were able to successfully renew such CE Marks under the MDR;
- Our Notified Bodies: The combination of the increased regulatory framework under the MDR and the UK's exit from the European Union have both had an impact on notified bodies. The MDR has significantly increased the workload on existing notified bodies and as a result, many have elected to leave the space, including our Notified Body in the UK, LRQA. We have been able to transition our LRQA-issued certification for BioGlue and PhotoFix to a new notified body, DEKRA; and
- New CE Marks: The increased workload on notified bodies and other uncertainties around the transition to the MDR will likely cause delays in the approval for any new products that we may wish to bring to the EU market.

While we continue to make progress on the MDR transition, the transition to new notified bodies, and the renewal of expired CE Marks, failure to timely complete any transfers or renewals, or to comply with transition to a newly designated UK Approved Body, or further delays in the MDR transition as a whole, may have a material, adverse effect on our ability to supply product in certain jurisdictions, have a material, adverse impact on our business, and may also impact our Medical Device Single Audit Program ("MDSAP") certifications. Failure to timely obtain new MDSAP certifications following their expiration may impact our ability to distribute covered products in Australia, Brazil, Canada, and Japan.

Reclassification by the FDA of CryoValve SG pulmonary heart valve ("CryoValve SGPV") may make it commercially infeasible to continue processing the CryoValve SGPV.

Beginning in December 2019 and most recently in the fall of 2024, the FDA indicated that it was planning to issue a proposed rule for reclassification of more than minimally manipulated ("MMM") allograft heart valves to Class III medical devices, which could include our CryoValve SGPV. Following any comment period and subsequent publication of a final rule, should the CryoValve SGPV be determined to be MMM or classified as a Class III device, we currently expect to have approximately thirty months to submit a PMA application, after which the FDA will determine if, and for how long, we may continue to provide these tissues to customers during its review of the PMA application. Although this proposed rule change has, to our knowledge, remained on the HHS's unified regulatory agenda since 2019, no final rule has been published at this time.

If the FDA ultimately classifies our CryoValve SGPV as a Class III medical device, and if there are delays in obtaining the PMA, if we are unsuccessful in obtaining the PMA, or if the costs associated with these activities are significant, we could decide that the requirements for continued processing of the CryoValve SGPV are too onerous, leading us to discontinue distribution of these tissues.

We may not be successful in obtaining clinical results or regulatory clearances/approvals for new and existing products and services, and our approved products and services may not achieve market acceptance.

Our growth and profitability depend in part upon our ability to develop, and successfully introduce, new products and services, or expand upon existing indications, clearances, and approvals, requiring that we invest significant time and resources to obtain new regulatory clearances/approvals, including investment into pre- and post-market clinical studies. Although we believe certain products and services in our portfolio or under development may be effective in a particular application, we cannot be certain until we successfully execute on relevant clinical trials, and the results we obtain from pre- and post-market clinical studies may be insufficient for us to obtain or maintain any required regulatory approvals or clearances.

As an example of this risk, in September 2022 we halted the PROACT Xa clinical trial based on the recommendation of the trial's Data and Safety Monitoring Board ("DSMB") due to insufficient evidence to support non-inferiority of apixaban to warfarin for valve thrombosis and thromboembolism. Similarly, in November 2023 we announced that we were no longer pursuing a labeling change for our On-X mitral valve in connection with our PROACT Mitral trial due to additional investments that would be required to do so. Finally, although we have received regulatory approval to market BioGlue in China, it was only after a significantly longer and more expensive regulatory approval process than likely could reasonably have been anticipated when the program began.

Each of our trials, studies, and approvals is subject to the risks outlined herein.

We cannot give assurance that regulatory agencies will clear or approve these products and services or indications, or any new products and services or new indications, on a timely basis, if ever, or that the products and services or new indications will adequately meet the requirements of the market or achieve market acceptance. Pre- and post-market clinical studies may also be delayed or halted due to many factors beyond our control, including, for example, reductions in FDA staff that may affect the agency's response time.

If we are unable to successfully complete the development of a product, service, or application, or if we determine for any reason not to complete development or obtain regulatory approval or clearance of any product, service, or application, particularly in instances when we have expended significant capital, this could materially, adversely affect our financial performance. Halting R&D efforts and clinical trials prematurely may lead to accelerated or unanticipated wind down costs. Even the successful commercialization of a new product or service in the medical industry can be characterized by slow growth and high costs associated with marketing, under-utilized production capacity, and continuing research and development and education costs, among other things. The introduction of new products or services may require significant physician training or years of clinical evidence in order to gain acceptance in the medical community.

Increased environmental regulations and private litigation activity relating to processes and materials used in our industry could have a material, adverse impact on us.

Some of our products, including certain On-X products, are sterilized using ethylene oxide ("EtO"), primarily by third-party, large-scale EtO facilities. In addition, some of our suppliers use, or rely upon third parties to use, EtO to sterilize some of our product components. Concerns about the release of EtO into the environment at unsafe levels have led to increased activism and lobbying as well as various regulatory enforcement activities against EtO facilities, including closures and temporary closures, lawsuits against EtO service providers, and proposals increasing regulations related to EtO. The number of EtO facilities in the US is limited, and any permanent or temporary closures or disruption to their operations for any reason could delay, impede, or prevent our ability to commercialize our products.

In addition, any litigation, regulatory enforcement, or government regulation regarding the use of EtO could result in financial, legal, business, and reputational harm to us.

The per-and polyfluoroalkyl substances ("PFAS") are used in a wide variety of consumer and industrial products, including medical devices and product packaging. PFAS have been subject to increasing global regulations, and in some cases bans, by the Environmental Protection Agency and numerous states. These requirements impose a high compliance burden, and further regulation of PFAS-containing products is expected. Although we have yet to experience any material impact from this activity or identify any of our products materially impacted by PFAS-related regulation, the ultimate impact and associated cost of current and future rulemaking cannot be predicted at this time.

We may be subject to fines, penalties, and other sanctions if we are deemed to be promoting the use of our products for unapproved, or off-label, uses.

Our business and future growth depend on the continued use of our products for approved uses. Generally, regulators contend that, unless our products are approved or cleared by a regulatory body for alternative uses, we may not make claims about the safety or effectiveness of our products or promote them for such uses. Such limitations present a risk that law enforcement could allege that the nature and scope of our sales, marketing, or support activities, though designed to comply with all regulatory requirements, constitute unlawful promotion of our products for an unapproved use. We also face the risk that such authorities might pursue enforcement based on past activities that we discontinued or changed. Investigations concerning the promotion of unapproved uses and related issues are typically expensive, disruptive, and burdensome and generate negative publicity. If our promotional activities are found to be in violation of the law, we may face significant fines and penalties and may be required to substantially change our sales, promotion, grant, and educational activities. In addition, we or our officers could be excluded from participation in government healthcare programs such as Medicare and Medicaid.

We are subject to various US and international bribery, anti-kickback, false claims, privacy, transparency, and similar laws, any breach of which could cause a material, adverse effect on our business, financial condition, and profitability.

Our relationships with physicians, hospitals, government officials, healthcare providers, and others are subject to scrutiny under various US and international bribery, anti-kickback, false claims, privacy, transparency, and similar laws, often referred to collectively as “healthcare compliance laws.” Healthcare compliance laws are broad, sometimes ambiguous, counterintuitive, complex, and subject to change and changing interpretations. Our global expansion into higher-risk regions, Russia’s ongoing war with Ukraine, the ongoing Iranian conflict in the Middle East, and the current and future sanctions imposed on Russia and others as a result may exacerbate these risks. See also Part I, Item 1A, “Risk Factors – Business and Economic Risks - We are subject to a variety of risks due to our international operations and continued global expansion.” Possible sanctions for violation of these healthcare compliance laws include fines, civil and criminal penalties, exclusion from government healthcare programs, and despite our compliance efforts, we face the risk of an enforcement activity or a finding of a violation of these laws.

We have entered into consulting and product development agreements with healthcare professionals and healthcare organizations, including some who may order our products or make decisions to use them. We have also adopted the AdvaMed Code of Conduct, the MedTech Europe Code of Ethical Business Practice, and the APACMed Code of Ethical Conduct which govern our relationships with healthcare professionals to bolster our compliance with healthcare compliance laws. While our relationships with healthcare professionals, government officials, and organizations are structured to comply with such laws and we conduct training sessions on these laws and codes, it is possible that enforcement authorities may view our relationships as prohibited arrangements that must be restructured or for which we would be subject to other significant civil or criminal penalties or debarment. In any event, any enforcement review of or action against us as a result of such review, regardless of outcome, could be costly and time consuming. Additionally, we cannot predict the impact of any changes in or interpretations of these laws, whether these changes will be retroactive or will have effect on a going-forward basis only.

United States policy changes may have a material, adverse effect on us.

The policies of the current presidential administration in the US continue to bring several potential risks that could impact our business operations and financial performance. Changes in policy regarding international trade, including import and export regulation and international trade agreements, along with resulting volatility, could negatively impact our business. The US has imposed tariffs and export controls on certain goods and products imported from abroad, which has resulted in retaliatory tariffs. Additional tariffs imposed by the US on a broader range of imports, or further retaliatory trade measures taken by other countries in response, could result in an increase in supply chain costs that we may not be able to offset or that otherwise adversely impact our results of operations. In addition, political tensions between the US and certain other countries have escalated in recent years. Changes in foreign policy and the imposition of new sanctions could impact our ability to distribute products in certain regions. This could limit our market reach and affect our revenue streams. Changes in tax policy, including changes to corporate tax rates or changes in tax incentives that we currently benefit from, could also negatively impact our results of operations and financial condition.

The new administration has taken steps that have impacted federal spending and the federal workforce. Policies relating to reductions in spending, reductions in staff, and mandated return-to-office policies, could impact the capabilities of regulatory agencies which could affect the timeliness and efficiency of regulatory reviews and approvals that are critical to our operations. Regulatory focus, particularly with respect to sustainability matters, may change, reducing or changing regulations relating to EtO, PFAS, or other sustainability initiatives, potentially requiring us to make additional expenditures to comply with new regulations, or abandon programs we have already invested in.

In response to perceived increases in healthcare costs in recent years, there have been, and continue to be, proposals by the governmental authorities, third-party payors, and elected office holders and candidates to impact public health, control healthcare costs and, more generally, to reform the healthcare systems. These changes may impact costs and reimbursement, as well as potential changes to the regulatory environment and healthcare generally. Many US healthcare laws, including the Affordable Care Act and the Federal Food, Drug, and Cosmetics Act, are complex, subject to change, and dependent on interpretation and enforcement decisions from government agencies with broad discretion. Changes in regulations, federal funding or staffing at administrative agencies like the FDA may impact, for example, the speed at which we are able to obtain regulatory reviews and approvals. In addition, changes in the focus of those administrative agencies may result in the repeal of applicable regulations or guidance or impact us in other ways we cannot anticipate. This could delay clinical trials and product launches, impact the regulatory status of current products or services, or affect our competitive position. The impact of this uncertainty on us, our customers, or the specific services and relationships we have with our customers is not always clear. Our failure to accurately anticipate these changes, or our failure to comply with changes to legal and regulatory frameworks, could create liability for us, result in adverse publicity and negatively affect our business, results of operations, and financial condition.

As a medical device manufacturer and tissue services provider we are exposed to risk of product liability claims and our existing insurance coverage may be insufficient, or we may be unable to obtain insurance in the future, to cover any resulting liability.

Our products and processed tissues allegedly have caused, and may in the future cause, injury or result in other serious complications that may result in product or other liability claims from our customers or their patients. If our products are defectively designed, manufactured, or labeled, or contain inadequate warnings, defective components, or are misused, or are used contrary to our warnings, instructions, and approved indications, we may become subject to costly litigation that can have unpredictable and potentially extreme outcomes.

We maintain claims-made insurance policies to mitigate our financial exposure to product and tissue processing liability and securities, claims, among others, that are reported to the insurance carrier while the policy is in effect. These policies do not include coverage for punitive damages. Although we have insurance for product and tissue processing liabilities, securities, property, and general liabilities, if we are unsuccessful in arranging cost-effective acceptable resolutions of claims, it is possible that our insurance program may not be adequate to cover any or all possible claims or losses, including losses arising out of natural disasters or catastrophic circumstances. Any significant claim could result in an increase in our insurance rates or jeopardize our ability to secure coverage on reasonable terms, if at all.

Any securities or product liability/tissue processing claim, even a meritless or unsuccessful one, could be costly to defend, and result in diversion of our management's attention from our business, adverse publicity, withdrawal of clinical trial participants, injury to our reputation, or loss of revenue.

Failure to comply with data privacy and security laws could have a material adverse effect on our business.

We are subject to an increasing number of federal, state, and foreign laws and regulations to address topics relating to data privacy, sustainability, and artificial intelligence. These regulations, some of which can be enforced by private parties or governmental entities, have been or are being promulgated and are constantly evolving and becoming increasingly complex and rigorous. These laws and regulations may include new compliance or disclosure requirements which increase our operating costs and require significant management investment. Many of these laws and regulations, including, but not limited to, the European Union's General Data Protection Regulation ("GDPR") also include significant penalties for noncompliance. Although our practices, policies, and procedures are intended to comply with relevant laws and regulations, there can be no assurance that regulatory or enforcement authorities will view our arrangements as being in compliance, or that one or more of our employees or agents will not disregard aspects of our compliance programs. Any resulting government enforcement activities may be costly, result in negative publicity, or subject us to significant penalties.

Recent healthcare and tax legislation could have a material adverse effect on our business.

On July 4, 2025 President Trump signed into law the "One Big Beautiful Bill Act," which introduces comprehensive changes to U.S. tax and healthcare laws. Some of the provisions in this legislation have delayed effective dates, and we continue to evaluate the impact of those provisions. Many of its provisions will require interpretation and implementing regulations from federal agencies, including the Department of the Treasury. The law's provisions include, but are not limited to, changes in corporate income tax rates and other business deductions, as well as changes to healthcare-related programs. The effect of interpretive guidance on these and other provisions could have a material adverse effect on our business, financial condition, and results of operations.

Risks Relating to Our Indebtedness

The agreements governing our indebtedness contain restrictions that limit our flexibility in operating our business.

The agreements currently governing our indebtedness contain, and any instruments governing future indebtedness of ours may contain, covenants that impose significant operating and financial restrictions on us and certain of our subsidiaries, including (subject in each case to certain exceptions) restrictions or prohibitions on our and certain of our subsidiaries' ability to, among other things:

- Incur or guarantee additional debt or create liens on certain assets;
- Pay dividends on or make distributions of our share capital, including repurchasing or redeeming capital stock, or make other restricted payments, including restricted junior payments;
- Enter into agreements that restrict our subsidiaries' ability to pay dividends to us, repay debt owed to us or our subsidiaries, or make loans or advances to us or our other subsidiaries;
- Enter into certain transactions with our affiliates including any transaction or merger or consolidation, liquidation, winding-up, or dissolution; convey, sell, lease, exchange, transfer or otherwise dispose of all or any part of our business, assets or property; or sell, assign, or otherwise dispose of any capital stock of any subsidiary;
- Enter into certain rate swap transactions, basis swaps, credit derivative transactions, and other similar transactions, whether relating to interest rates, commodities, investments, securities, currencies, or any other relevant measure, or transactions of any kind subject to any form of master purchase agreement governed by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement;
- Amend, supplement, waive, or otherwise modify our or our subsidiaries' organizational documents in a manner that would be materially adverse to the interests of the lender, or change or amend the terms of documentation regarding junior financing in a manner that would be materially adverse to the interests of the lender;
- Make changes to our and our subsidiaries' fiscal year without notice to the administrative agent;
- Enter into agreements which restrict our ability to incur liens;
- Engage in any line of business substantially different from that in which we are currently engaged; and
- Make certain investments, including strategic acquisitions or joint ventures.

Our indebtedness could adversely affect our ability to raise additional capital to fund operations and execute our strategic plan and limit our ability to react to changes in the economy or our industry.

We may need to seek additional debt or equity financing to execute our strategic plan. However, we may be unable to obtain any desired additional financing on terms favorable to us, if at all. Our current and future levels of indebtedness could adversely affect our ability to raise additional capital, limit our operational flexibility, and hinder our ability to react to changes in the economy or our industry. It may also limit our ability to borrow money, require us to dedicate substantial portions of our cash flow to repayment, and restrict our ability to invest in business opportunities. Because most of our borrowings are at a variable rate of interest, we are exposed to interest rate fluctuations.

We have pledged substantially all of our US assets as collateral under our existing Credit Agreement. If we default on the terms of such credit agreements and the holders of our indebtedness accelerate the repayment of such indebtedness, there can be no assurance that we will have sufficient assets to repay our indebtedness.

A failure to comply with the covenants in our existing Credit Agreement could result in an event of default, which, if not cured or waived, could have a material, adverse effect on our business, financial condition, and profitability. In the event of any such default, the holders of our indebtedness:

- Will not be required to lend any additional amounts to us; and
- Could elect to declare all indebtedness outstanding, together with accrued and unpaid interest and fees, to be due and payable and terminate all commitments to extend further credit, if applicable.

If we are unable to repay those amounts, the holders of our secured indebtedness could proceed against their secured collateral to seek repayment out of proceeds from the sale or liquidation of our assets. If our indebtedness were to be accelerated, there can be no assurance that our assets would be sufficient to repay such indebtedness in full.

Risks Relating to Ownership of our Common Stock

Our business could be negatively impacted as a result of stockholder activism.

In recent years, stockholder activists have become involved in the governance, strategic direction, and operations of companies. Such involvement with us may disrupt our business and divert the attention of our management, and any perceived uncertainties as to our future direction resulting from such involvement could result in the loss of business opportunities, be exploited by our competitors, cause concern for our current or potential customers, cause significant fluctuations in stock price, or make it more difficult to attract and retain qualified personnel and business partners.

We do not anticipate paying any dividends on our common stock for the foreseeable future.

In December 2015 our Board of Directors discontinued dividend payments on our common stock for the foreseeable future. If we do not pay cash dividends, our stockholders may receive a return on their investment in our common stock only through appreciation of shares of our common stock that they own. In addition, restrictions in our credit facility limit our ability to pay future dividends.

Provisions of Delaware law and anti-takeover provisions in our organizational documents may discourage or prevent a change of control, even if an acquisition would be beneficial to stockholders, which could affect our share price adversely and prevent attempts by stockholders to remove current management.

Effective January 1, 2022 we reincorporated in Delaware. Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, the organizational documents adopted in connection with our reincorporation contain provisions that restrict persons who may call stockholder meetings, allow the issuance of blank-check preferred stock without the vote of stockholders, and allow the Board of Directors to fill vacancies and fix the number of directors. These provisions of Delaware law and our Certificate of Incorporation and Bylaws could prevent attempts by stockholders to remove current management, prohibit or delay mergers or other changes of control transactions, and discourage attempts by other companies to acquire us, even if such a transaction would be beneficial to our stockholders.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds.

The Company did not repurchase any of its equity securities during the three months ended June 30, 2026.

Under our Credit Facilities, we are prohibited from repurchasing our common stock, except for the repurchase of stock from our employees or directors when tendered in payment of taxes or the exercise price of stock options, upon the satisfaction of certain requirements.

Item 3. Defaults Upon Senior Securities.

None.

Item 4. Mine Safety Disclosures.

Not applicable.

Item 5. Other Information.

Insider Trading Arrangements and Policies

On June 10, 2026 Anthony B. Semedo, one of the Company's directors, adopted Rule 10b5-1 trading arrangement, pursuant to which he may sell up to 10,000 shares of the Company's common stock. The duration of the trading arrangement is from September 7, 2026 to June 30, 2027. This trading arrangement is intended to satisfy the affirmative defense of Rule 10b5-1(c) under the Exchange Act.

No other directors or officers (as defined in Rule 16a-1(f) under the Exchange Act) adopted, modified, or terminated the contracts, instructions, or written plans for the purchase or sale of the Company's securities during the three months ended June 30, 2026.

Item 6. Exhibits.

The exhibit index can be found below.

Exhibit Number	Description
31.1*	Certification by J. Patrick Mackin pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification by Lance A. Berry pursuant to section 302 of the Sarbanes-Oxley Act of 2002.
32**	Certification pursuant to 18 USC. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002.
10.1*	Amendment No. 3 to Securities Purchase Option Agreement, dated May 17, 2026, by and among Artivion, Inc., Endospan Ltd., and Shareholder Representative Services LLC, as the securityholder representative.
101.INS*	Inline XBRL Instance Document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File – formatted as Inline XBRL and contained in Exhibit 101

* Filed herewith.

** Furnished herewith.

† Indicates management contract or compensatory plan or arrangement.

+ The Registrant has redacted exhibit provisions or terms that are both not material and would likely cause competitive harm to the Registrant if publicly disclosed.

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.

ARTIVION, INC.
(Registrant)

/s/ J. PATRICK MACKIN	/s/ LANCE A. BERRY
J. PATRICK MACKIN	LANCE A. BERRY
Chairman, President, and Chief Executive Officer (Principal Executive Officer)	Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer (Principal Financial Officer)
August 7, 2026	August 7, 2026
DATE	DATE

Exhibit 10.1

Execution Version

AMENDMENT NO. 3 TO SECURITIES PURCHASE OPTION AGREEMENT

This Amendment No. 3 to Securities Purchase Option Agreement (this "**Amendment**"), is made and executed on this the 17th day of May, 2026 (the "**Effective Date**"), by and among Artivion, Inc., a Delaware corporation formerly known as CryoLife, Inc. ("**Buyer**"), Endospan Ltd., an Israeli private limited liability company (the "**Company**"), and Shareholder Representative Services LLC, solely in its capacity as the representative, agent and attorney-in-fact of the Securityholders (the "**Securityholder Representative**") pursuant to Section 11.5 of that certain Securities Purchase Option Agreement entered into by and among Buyer, the Company, the Securityholders (as defined therein), and the Securityholder Representative dated September 11, 2019 (as amended as of July 1, 2024 and January 9, 2026, the "**Original Purchase Agreement**"). Capitalized terms used but not defined herein shall have the meaning ascribed to each such term in the Original Purchase Agreement.

RECITALS

WHEREAS, Buyer, the Company, and the Securityholders entered into the Original Purchase Agreement to, among other things, provide Buyer an option (but not the obligation) to purchase (directly or indirectly through an Affiliate) 100%, but not less than 100%, of the Company Securities held by the Securityholders;

WHEREAS, it has been proposed that the Company's Restated Articles would be amended to provide, among other things, that, if any amounts payable to shareholders of the Company in connection with a Deemed Liquidation (as defined in the current Restated Articles) are placed into escrow, retained as a holdback, or otherwise payable only upon the satisfaction of certain events or contingencies (all such consideration, the "**Additional Consideration**"), (a) the portion of such consideration that is not Additional Consideration (such portion, the "**Initial Consideration**") shall be allocated among the Company shareholders in accordance with Article 82 of the Restated Articles as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation; and (b) any Additional Consideration that becomes payable to the Company shareholders upon satisfaction of such events or contingencies shall be allocated among the Company shareholders in accordance with Article 82 of the Restated Articles after taking into account the previous payment of the Initial Consideration as part of the same transaction;

WHEREAS, it has also been proposed that the Restated Articles would be amended to make certain adjustments to the allocation of consideration among the Company's shareholders in a Deemed Liquidation, including adjustments to provide that $5.0 million of proceeds would be payable only to holders of ordinary shares of the Company that were outstanding as of April 22, 2026 (i.e., excluding ordinary shares issuable pursuant to Company Options);

WHEREAS, such amendments to the Restated Articles would also provide that consideration placed into escrow or retained as a holdback to be available for satisfaction of indemnification or similar obligations in connection with a Deemed Liquidation shall be deemed to be Additional Consideration, and any consideration in an Artivion Liquidation Event (as defined in the Restated Articles) that is not part of Closing Consideration shall be Additional Consideration;

WHEREAS, the Original Purchase Agreement contemplates that (a) $16.5 million will be deposited in an escrow account as the Indemnity Escrow Amount, (b) $1.0 million will be deposited in an escrow account as the Adjustment Escrow Amount, (c) $100,000 will be paid to the Securityholder Representative to serve as the Securityholder Representative's Reserve Fund, (d) a portion of the Acquisition Consideration will be in the form of the Additional Consideration Amount, and (e) the Additional Indemnity Escrow Amount may be withheld from the Additional Consideration Amount (collectively, together with any positive Net Post-Closing Adjustment payable to the Securityholders, the "**Additional Transaction Consideration**");

WHEREAS, as a result of the Company's payment obligations with respect to Company Debt, Simple Agreements for Future Equity (SAFEs), the Company's Incentive Bonus Plan, the liquidation preferences (including any interest accrued thereon) payable with respect to the Company's Preferred Shares, the proposed allocation of $5.0 million of the Closing Cash Consideration to holders of the Company's outstanding Ordinary Shares (collectively, the "**Priority Payments**"), it is anticipated that the Closing Consideration in the Acquisition will not be sufficient to pay the Priority Payments in full nor make any additional payments at Closing to holders of the Company's Ordinary Shares or Company Options;

WHEREAS, as a result of the Priority Payments, it is also anticipated that holders of Company Options would not receive any portion of the Closing Consideration with respect to such Company Options, but instead would only receive proceeds from the Acquisition with respect to such Company Options in connection with the payment of the Additional Consideration Amount;

WHEREAS, as a result of the Company's formation of a U.S. Subsidiary and the migration of certain Company Employees, certain payments to be made in connection with the Acquisition may be subject to U.S. Tax requirements; and

WHEREAS, the Company, the Buyer and the Securityholder Representative desire to amend the Original Purchase Agreement as set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual promises set forth in this Amendment, and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

1. Amendments to Definitions.

(a) The definition of "Restated Articles" referenced in Recital H to the Original Purchase Agreement and as used in the Original Purchase Agreement is hereby amended in its entirety to read as follows:

> "**Restated Articles**" shall mean the Company's amended and restated articles of association, as may be amended from time to time.

(b) The definition of "Pro Rata Portion" set forth in Schedule 4 to the Original Purchase Agreement is hereby amended in its entirety to read as follows:

"**Pro Rata Portion**" shall mean (i) with respect to the Closing Consideration, for each Securityholder, the quotient obtained by dividing (a) the portion of the Closing Consideration payable to such Securityholder with respect of such Securityholder's Company Securities, divided by (b) the portion of the Closing Consideration payable to all Company Securityholders with respect to the Company Securities held by all Securityholders, in each case in accordance with the Company's articles of association as in effect immediately prior to Closing and the other instruments governing such Company Securities, as determined in the Consideration Schedule, and (ii) with respect to the distribution of any portion of the Indemnity Escrow Fund, the Adjustment Escrow Fund, the Securityholder Representative's Reserve Fund, the Additional Consideration Amount, the Additional Indemnity Escrow Amount, any positive Net Post-Closing Adjustment, or other post-Closing amounts payable by Buyer to the Securityholders (each such payment or distribution, "**Deferred Consideration**"), for each Securityholder, the quotient determined by dividing (a) the portion of such Deferred Consideration payable to such Securityholder with respect of such Securityholder's Company Securities, divided by (b) the portion of the Deferred Consideration payable to all Company Securityholders with respect to the Company Securities held by all Securityholders, in each case in accordance with the Company's articles of association as in effect immediately prior to Closing and the other instruments governing such Company Securities, as determined in the Consideration Schedule (or, if delivered pursuant to **Section 4.2(c)**, the Updated Consideration Schedule); provided, however, that with respect to the Indemnity Escrow Fund, the Adjustment Escrow Fund, and the Additional Indemnity Escrow Amount, references to Securityholder and Securityholders shall include a holder or the holders, as applicable, of Company Options and Option Shares that would otherwise not be included as Securityholders but for this proviso. For the avoidance of doubt, each Securityholder's Pro Rata Portion shall be calculated taking into account such Securityholder's portion of Closing Consideration and Deferred Consideration, all as determined in accordance with the Company's articles of association as in effect immediately prior to Closing and the other instruments governing such Company Securities, and as set forth in the Consideration Schedule.

2. Additional Defined Terms. The following defined terms are hereby added to Schedule 4 to the Agreement:

"**Ordinary Share Priority Amount**" shall mean an amount equal to $5,000,000, which, pursuant to the Company's articles of association as in effect immediately prior to Closing, shall be payable as a portion of the Acquisition Consideration solely to holders of ordinary shares of the Company that were outstanding as of April 22, 2026, and not with respect to ordinary shares of the Company issued after April 22, 2026 or Company Options."

"**U.S. Person**" means any Person that is subject to U.S. federal income Tax.

"**Waived 280G Benefits**" shall have the meaning set forth in Section 10.2(r)."

3. Amendment to Recitals. Recital F. of the Original Purchase Agreement is amended and restated in its entirety to read as follows:

" F. The Securityholders are as of the date of this Agreement and will be (together with any new holders of Company Securities who execute joinders to become Securityholders) as of immediately prior to the Closing the holders of all outstanding Company Securities. Upon the Closing, subject to the terms and conditions set forth in this Agreement, Buyer will pay the Paying Agent (which, for the avoidance of doubt, will be the Trustee with respect to the 102 Options) the Closing Consideration and become obligated to pay the Additional Consideration, subject to adjustments set forth in this Agreement and reduced by the Indemnity Escrow Amount and the Adjustment Escrow Amount described below, to be allocated among the Securityholders in accordance with the Company's Articles of Association, then in effect, as shall be described in the Consideration Schedule (as defined below); *provided, however*, that any portion of the Closing Consideration or Additional Consideration payable with respect to holders of Company Options who are U.S. Persons may instead be transferred by the Paying Agent to the Company's U.S. Subsidiary and paid to the payroll agent for the Company's U.S. Subsidiary for further distribution by the payroll agent to the applicable Securityholders."

4. Amendment to Section 3.2 of the Original Purchase Agreement. Section 3.2 of the Original Purchase Agreement is amended and restated in its entirety to read as follows:

"3.2 ***Cancellation of Company Options.*** Subject to the terms and conditions of this Agreement, including **Section 3.9**, and without duplication of payment obligations with respect to Company Securities set forth elsewhere in this Agreement, immediately prior to the Closing, all the outstanding options, warrants or rights (whether or not exercisable as of the Effective Time), to acquire any Company Securities, including options to purchase shares of the share capital of the Company pursuant to the Option Plan (defined below), any other plan, or otherwise (the "**Company Options**"), shall be, without any further action on the part of any holder thereof, automatically cancelled and each holder of a cancelled Company Option shall be entitled to receive, with respect to the applicable Company Option, an amount in cash (or, if the Buyer elects the Alternate Buyer Option, an amount in cash *plus* Buyer Shares, if such holder of Company Options is an Eligible Securityholder, with the Buyer Share Consideration to be allocated to the Securityholders and holders of Company Options who are Eligible Securityholders) pursuant to the Consideration Schedule, which shall be calculated as follows: (a) the total number of ordinary shares of the Company into which the Company Option is vested and exercisable as of the Closing, *multiplied* by (b) an amount from the Closing Consideration equal to the per share amount payable pursuant to this Agreement in consideration for each ordinary share of the Company, if any (excluding the Ordinary Share Priority Amount) (as determined pursuant to the Company's Articles of Association as in effect immediately prior to Closing, as shall be set forth in the Consideration Schedule or, if delivered pursuant to **Section 4.2(c)**, the Updated Consideration Schedule), *minus* the exercise price per ordinary share of the Company subject to such Company Option payable upon exercise thereof, pursuant to the respective Contract governing the Company Option; *provided, however*, that if the exercise price for such Company Option exceeds the consideration for each ordinary share of the Company (excluding the Ordinary Share Priority Amount), such Company Option shall not receive any of the Closing Consideration; all as shall be set forth in the Consideration Schedule or, if delivered pursuant to **Section 4.2(c)**, the Updated Consideration Schedule. In addition, upon payment of the Adjusted Additional

Consideration Amount (defined below) pursuant to **Section 4.2(c)** below, each holder of Company Options shall be entitled to receive, with respect to the applicable Company Option, an amount calculated as follows: (i) the total number of ordinary shares of the Company into which the Company Option was vested and exercisable as of the Closing, *multiplied* by (ii) an amount from the Adjusted Additional Consideration Amount equal to the per share amount payable pursuant to this Agreement in consideration for each ordinary share of the Company, if any (excluding the Ordinary Share Priority Amount) (as determined pursuant to the Company's Articles of Association as in effect immediately prior to Closing, as shall be set forth in the Consideration Schedule or, if delivered pursuant to **Section 4.2(c)**, the Updated Consideration Schedule), *minus* the exercise price per ordinary share of the Company subject to such Company Option payable upon exercise thereof (unless such exercise shall have already been reduced from the portion of the Closing Consideration payable with respect to such Company Option), pursuant to the respective Contract governing the Company Option; *provided, however*, that if the exercise price for such Company Option exceeds the portion of the Adjusted Additional Consideration Amount payable for each ordinary share of the Company (excluding the Ordinary Share Priority Amount), such Company Option shall not receive any of the Adjusted Additional Consideration Amount; all as shall be set forth in the Updated Consideration Schedule delivered pursuant to **Section 4.2(c)**. As of the Closing, any and all unvested Company Options shall be, without any further action on the part of any holder thereof, automatically terminated, cancelled and of no further force or effect. In the event of any conflict between the terms of any Contract providing for any Company Option and this Agreement, the terms of this Agreement shall prevail. This **Section 3.2** shall be deemed an amendment to any Contract providing for any Company Option for all intents and purposes."

5. Amendment to Section 3.5(a) of the Original Purchase Agreement. Section 3.5(a) of the Original Purchase Agreement is amended and restated in its entirety to read as follows:

"(a) ***Closing Consideration Payments***. On the terms and subject to the conditions of this Agreement, including the provisions of **Section 3.5(b)** and the adjustment set forth in **Section 4.1**, in full consideration for the transfer (or cancellation, surrender or termination, as applicable, pursuant to **Section 3.2** or **Section 3.9**) of all of the Company Securities to Buyer, immediately upon the Closing, Buyer shall (i) pay or cause to be paid to the Paying Agent (which, for the avoidance of doubt, will be the Trustee with respect to the 102 Options) for further distribution by the Paying Agent (pursuant to **Section 3.5(e)** with respect to the 102 Options) to each of the Securityholders their respective portion of (1) the Closing Cash Consideration, or (2) if Buyer exercises the Buyer Alternate Option, in Buyer's sole and absolute discretion, the Alternate Closing Cash Consideration, in each case less the applicable Taxes and amounts required to be withheld pursuant to **Section 3.6**, and (ii) only to the extent Buyer exercises the Alternate Buyer Option, issue or cause to be issued to each Securityholder their respective portion of the Buyer Share Consideration, in each case, all as determined pursuant to the Company's Articles of Association as in effect immediately prior to Closing and in accordance with the Consideration Schedule; *provided, however*, that any portion of the Closing Cash Consideration or Alternative Closing Cash Consideration that is to be paid with respect to holders of Company Options who are U.S. Persons may instead be transferred by the Paying Agent to the Company's U.S. Subsidiary and paid to the payroll agent for the Company's U.S. Subsidiary for further distribution by the payroll agent to the applicable Securityholders, in each case less the applicable Taxes and amounts required to be withheld pursuant to **Section 3.6**. The Paying Agent (or the payroll agent for the Company's U.S. Subsidiary, as applicable) shall distribute the Closing Cash Consideration or Alternate Closing Cash Consideration, as applicable, in accordance with the Consideration Schedule, by initiating a bank wire transfer of immediately available funds to accounts designated in writing by the Securityholders. Buyer shall pay the Securityholder Representative's Reserve Fund to the account specified by the Securityholder Representative to be utilized by the Securityholder Representative in accordance with this Agreement, including **Section 11.5(h)**. In the event Buyer exercises the Alternate Buyer Option, Buyer shall also cause the Buyer Share Consideration to be issued to the Eligible Securityholders in accordance with their respective allocations in accordance with the Consideration Schedule (defined below), provided, that if one or more Securityholders are not Eligible Securityholders, (i) such Securityholders' allocation of the Alternate Closing Cash Consideration shall be proportionally increased and they shall receive no portion of the Buyer Share Consideration, and (ii) the remaining Securityholders' allocation of the Buyer Share Consideration shall be proportionally increased and their allocation of the Alternate Closing Cash Consideration shall be proportionally decreased."

6. Amendment to Section 4.2(c) of the Original Purchase Agreement. Section 4.2(c) of the Original Purchase Agreement is amended and restated in its entirety to read as follows:

" (c) Within ten (10) Business Days after the Additional Consideration Amount has been finally determined or agreed to in writing between Buyer and the Securityholder Representative, the Securityholder Representative shall update the Consideration Schedule to include (i) each Securityholder's share of the Adjusted Additional Consideration Amount, payable to each such Securityholder with respect to their respective Company Securities (or cancellation of Company Options pursuant to **Section 3.2**, as applicable) and (ii) each Securityholder's portion of the Indemnity

Escrow Amount and Adjustment Escrow Amount, as applicable, updated to reflect the allocation of the Adjusted Additional Consideration Amount, all as determined pursuant to the Company's articles of association as in effect immediately prior to Closing (the "**Updated Consideration Schedule**"), and deliver such Updated Consideration Schedule to Buyer and the Paying Agent. Within fifteen (15) calendar days thereafter (the "**Additional Consideration Payment Date**"), Buyer shall (A) pursuant to **Section 3.5(d)**, deposit or cause to be deposited with the Escrow Agent an amount in cash equal to the Additional Indemnity Escrow Amount to be maintained in the Indemnity Escrow Fund on the terms set forth herein, and (B) pay or cause to be paid to the Paying Agent for further distribution to each of the Securityholders their respective portion of an amount equal to (i) the Additional Consideration Amount minus (ii) the Additional Indemnity Escrow Amount, minus (iii) any other amounts due and payable to any Buyer Indemnified Person pursuant to **Article IV** or **Article XI** of this Agreement, minus (iv) any fees and costs of the Arbitration Firm to be borne by the Securityholders pursuant to **Section 4.2(b)**, as may be further reduced by applicable Taxes and amounts required to be withheld pursuant to **Section 3.6** (such amount, the "**Adjusted Additional Consideration Amount**"), all as determined pursuant to the Company's Articles of Association as in effect immediately prior to Closing in accordance with the Updated Consideration Schedule; *provided, however*, that any portion of the Adjusted Additional Consideration that is to be paid with respect to holders of Company Options who are U.S. Persons may instead be transferred by the by the Paying Agent to the Company's U.S. Subsidiary and paid to the payroll agent for the Company's U.S. Subsidiary for further distribution by the payroll agent to the applicable Securityholders, in each case less the applicable Taxes and amounts required to be withheld pursuant to **Section 3.6**. Any fees and costs of the Arbitration Firm pursuant to **Section 4.2(b)** so withheld, shall, only to the extent the Arbitration Firm has not been paid the fees due and payable to the Arbitration Firm pursuant to **Section 4.2(b)**, be transferred by Buyer to the account specified by the Securityholder Representative, and shall be paid by the Securityholder Representative to the Arbitration Firm. Each Securityholder hereby (i) releases, acquits and forever discharges Buyer and its Affiliates from any and all claims whatsoever in connection with the calculation, allocation, payment and/or distribution of the payments in accordance with the Consideration Schedule and the Updated Consideration Schedule, and (ii) agrees to hold harmless Buyer and its Affiliates from any Liabilities arising out of or relating to the Company's or the Securityholder Representative's calculations, allocations, payments and/or distributions in accordance with the Consideration Schedule and the Updated Consideration Schedule. The Paying Agent (or the payroll agent for the Company's U.S. Subsidiary, as applicable) shall distribute the Adjusted Additional Consideration Amount by initiating a bank wire transfer of immediately available funds to accounts designated in writing by the Securityholders. The Paying Agent (or the payroll agent for the Company's U.S. Subsidiary, as applicable) shall be responsible for the distribution of the Adjusted Additional Consideration Amount delivered by Buyer to the Paying Agent (or the payroll agent for the Company's U.S. Subsidiary, as applicable) in accordance with the Updated Consideration Schedule. Upon paying the Adjusted Additional Consideration Amount to the Paying Agent (or the payroll agent for the Company's U.S. Subsidiary, as applicable), Buyer shall have fulfilled its obligation to pay the Adjusted Additional Consideration Amount hereunder."

7. Amendment to Section 7.19(b) of the Original Purchase Agreement. Section 7.19(b) of the Original Purchase Agreement is amended to add at the end of Section 7.19(b) a new subsection (xxxvii), which shall provide as follows:

> " (xxxvii) There is no agreement, plan, arrangement or other Contract covering any current or former Employee or any other "disqualified individual" (as defined in Section 280G of the Code and the regulations promulgated thereunder) that, considered individually or considered collectively with any other such Contracts, will, or could reasonably be expected to, give rise directly or indirectly to the payment of any amount that would not be deductible pursuant to Section 280G of the Code or that would be characterized as an "excess parachute payment" within the meaning of Section 280G(b) of the Code. There is no Contract that requires the payment of a Tax gross-up, indemnity, or reimbursement payment to any Employee under Section 280G of the Code."

8. Amendment to Section 9.11 of the Original Purchase Agreement. The last sentence of Section 9.11 of the Original Purchase Agreement is amended and restated in its entirety to read as follows:

> "The Company shall obtain "tail" director and officer insurance and "tail" product liability insurance prior to the Closing (the "**D&O Tail Policy**"), which by its terms shall survive the Closing and shall provide runoff coverage for not less than seven (7) years following the Closing Date, having limits, terms and conditions no less favorable in all material respects than the terms of the D&O and product liability insurance policies currently maintained by the Company. Buyer shall cause the Company (and its successors) following the Closing not to terminate such insurance policies."

9. Amendment to Section 10.2 of the Original Purchase Agreement. Section 10.2 of the Original Purchase Agreement is amended to add at the end of Section 10.2 a new subsection (r), which shall provide as follows:

> " (r) Section 280G Matters. With respect to any payments or benefits that the Company reasonably determines may constitute "parachute payments" under Section 280G of the Code with respect to any service providers thereof, the Company shall have (i) solicited from each Person who is a "disqualified individual" (as defined in Section 280G of the Code) who has a right to any payments or benefits as a result of or in connection with the Acquisition that could be deemed to constitute "parachute payments" (within the meaning of Section 280G of the Code and the Treasury Regulations promulgated thereunder) a waiver of such Person's rights to some or all of such payments or benefits applicable to such Person (the "**Waived 280G Benefits**"), so that all remaining payments or benefits, if any, applicable to such Person shall not be deemed to be "excess parachute payments" that would not be deductible under Section 280G of the Code (each, a "**280G Waiver**"); (ii) delivered to Buyer copies of any executed 280G Waivers; and (iii) delivered to Buyer evidence reasonably satisfactory to Buyer of the outcome of a vote of the Company's shareholders held at least one (1) day prior to the Closing Date, in conformance with Section 280G(b)(5)(B) of the Code and Treasury Regulation Section 1.280G-1, approving or disproving the right of any "disqualified individual" to receive the Waived 280G Benefits."

10. Amendment to Schedule 10 of the Original Purchase Agreement. Schedule 10 to the Original Purchase Agreement is amended and restated in its entirety to provide as set forth in Schedule 10 attached hereto.

11. Full Force and Effect. Except as expressly amended hereby, all other terms of the Original Purchase Agreement (as amended hereby) shall continue in full force and effect. Without limiting the foregoing, the terms of Article XIII of the Original Purchase Agreement (as amended hereby) shall apply to this Amendment as if fully set forth herein.

12. Counterparts. This Amendment may be executed in one or more counterparts, all of which shall be considered one and the same Contract and shall become effective when one or more counterparts have been signed by each of the Parties and delivered to the other Party, it being understood that all Parties need not sign the same counterpart.

[*Remainder of Page Intentionally Blank*]

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to Securities Purchase Option Agreement as of the date first written above.

ENDOSPAN LTD.

By: /s/ Kevin Mayberry
Name: Kevin Mayberry
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to Securities Purchase Option Agreement as of the date first written above.

ARTIVION, INC.

By: /s/ James Patrick Mackin
Name: James Patrick Mackin
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Amendment No. 3 to Securities Purchase Option Agreement as of the date first written above.

SHAREHOLDER REPRESENTATIVE SERVICES LLC, solely in its capacity as the Securityholder Representative

By: /s/ Casey McTigue
Name: Casey McTigue
Title: Managing Director

Schedule 10

Special Indemnification Matters

Losses arising out of, in connection with, or resulting from any of the following:

1. To the extent not paid by the Company or the Securityholders, any bonuses or other change of control payments paid or to be paid to Employees in connection with the Acquisition, including any applicable Transaction Payroll Taxes in connection therewith;

2. Any severance or termination payments payable to any Employee in connection with the termination of any Employee (including Transaction Payroll Taxes) except to the extent that the Company funded such payments in full prior to Closing, but only to the extent such payments arise out of Contracts entered into between the Company and such Employee prior to the Closing Date;

3. Undisclosed Liabilities to any of the Securityholders or Affiliates of any of the Securityholders or officers, directors, managers or members of the Company or their respective Affiliates required to be disclosed in **Article VI**;

4. In the event the Horizon Disposition does not occur, any payments to be made by Buyer or its Affiliates (including the Company) to the IIA in connection with the exercise of the Buyer Option and the Acquisition;

5. Obtaining and attempting to obtain the (i) consents, waivers and approvals of, and notices set forth on **Schedule 6**, (ii) terminating the Contracts set forth on **Schedule 8**, and (iii) amending the Contracts set forth on **Schedule 9**;

6. Terminating the relationship by and between the Company and TDMedical BV ("**TDMedical**"), including payment of any termination fee, settlement payment, damages award, or other payment payable to TDMedical arising out of or related to the Letter Agreement by and between the Company and TDMedical, dated August 7, 2013;

7. Terminating the relationship by and between the Company and Innova HTS Srl ("**Innova**"), including payment of any termination fee, settlement payment, damages award, or other payment payable to Innova arising out of or related to the Letter Agreement by and between the Company and Innova, dated August 7, 2015, including resolution of the claims raised by Innova via letter to the Company dated March 18, 2019, and any claims related thereto;

8. Claims by any holder of Company Options or Option Shares to the extent such claims would have been released as a Released Holder Claims if the provisions of **Section 9.12** were enforceable against such holder; provided that this item 8 does not apply with respect to claims by a holder of Company Options or Option Shares who is bound by this Agreement or a Joinder as a Securityholder, other than by proxy; and

9. To the extent that the Company, Buyer, or their respective Affiliates incur any Liability (including without limitation Liability for Taxes, Tax reporting, Tax withholding, and Tax remittance) arising out of or related to Kevin Mayberry's performance of CEO services through his Puerto Rican legal entity, "Solimar Consulting LLC" during the period from January 1, 2026 through Closing that is not reimbursed fully to the Company, Buyer, or their respective Affiliates pursuant to that certain Indemnity Letter Agreement, dated as of January 1, 2026, by and among the Company, Kevin Mayberry, and Solimar Consulting LLC;

in each case, unless such payments or Liabilities, if applicable, (1) were reflected in the calculation of Initial Working Capital, Updated Working Capital and Post-Closing Working Capital Adjustment, and (2) were included in the calculation of Third Party Transaction Expenses, Excess Third Party Transaction Expenses, Adjustment Items, Excess Adjustment Items, Company Debt and Excess Company Debt.

Exhibit 31.1

CERTIFICATIONS

I, J. Patrick Mackin, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Artivion, 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: August 7, 2026

/s/ J. PATRICK MACKIN

Chairman, President, and Chief Executive Officer

Exhibit 31.2

I, Lance A. Berry, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Artivion, 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: August 7, 2026

/s/ LANCE A. BERRY

Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer

Exhibit 32

CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Artivion, Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2026, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), each of J. Patrick Mackin, the Chairman, President, and Chief Executive Officer of the Company, and Lance A. Berry, the Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer of the Company, hereby certifies, pursuant to and for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, in his capacity as an officer of the Company and to his knowledge:

(1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ J. PATRICK MACKIN
J. PATRICK MACKIN
Chairman, President, and Chief Executive Officer
August 7, 2026

/s/ LANCE A. BERRY
LANCE A. BERRY
Executive Vice President, Chief Operating Officer, Chief Financial Officer and Treasurer
August 7, 2026