# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, D.C. 20549**

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# FORM 8-K

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

**Date of Report (Date of earliest event reported): August 3, 2023**

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## ARTIVION, INC.

(Exact name of registrant as specified in its charter)

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| **Delaware** | **1-13165** | **59-2417093** |
|---|---|---|
| (State or Other Jurisdiction of Incorporation) | (Commission File Number) | (IRS Employer Identification No.) |

**1655 Roberts Boulevard, N.W., Kennesaw, Georgia 30144**
**(Address of principal executive office) (zip code)**

**Registrant's telephone number, including area code: (770) 419-3355**

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**(Former name or former address, if changed since last report)**

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Common Stock, $0.01 par value | AORT | NYSE |

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

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

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

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

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

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

Emerging growth company ☐

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

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

On August 3, 2023, Artivion, Inc. ("Artivion") issued a press release announcing its financial results for the second quarter ended June 30, 2023. Artivion hereby incorporates by reference herein the information set forth in its press release dated August 3, 2023, a copy of which is attached hereto as Exhibit 99.1. Except as otherwise provided in the press release, the press release speaks only as of the date of such press release and it shall not create any implication that the affairs of Artivion have continued unchanged since such date.

The information provided pursuant to this Item 2.02 is to be considered "furnished" pursuant to Item 2.02 of Form 8-K and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section or Sections 11 and 12(a)(2) of the Securities Act of 1933, as amended, nor shall it be deemed incorporated by reference into any of Artivion's reports or filings with the Securities and Exchange Commission, whether made before or after the date hereof, except as expressly set forth by specific reference in such report or filing.

Except for the historical information contained in this report, the statements made by Artivion are forward-looking statements that involve risks and uncertainties. All such statements are subject to the safe harbor created by the Private Securities Litigation Reform Act of 1995. Artivion's future financial performance could differ significantly from the expectations of management and from results expressed or implied in the press release. Please refer to the last paragraph of the text portion of the press release for further discussion about forward-looking statements. For further information on risk factors, please refer to "Risk Factors" contained in Artivion's most recently filed Form 10-K and its subsequent filings with the Securities and Exchange Commission, as well as in the press release attached as Exhibit 99.1 hereto. Artivion disclaims any obligation or duty to update or modify these forward-looking statements.

**Item 9.01(d) Exhibits**

(d) Exhibits.

| Exhibit Number | Description |
|---|---|
| 99.1* | Press Release dated August 3, 2023. |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101). |

* Furnished herewith, not filed.

**SIGNATURES**

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

Date: August 3, 2023

ARTIVION, INC.

By: /s/ D. Ashley Lee
Name: D. Ashley Lee
Title: Executive Vice President and Chief Financial Officer

ARTIVION
Formerly CryoLife | Jotec
NEWS RELEASE

***FOR IMMEDIATE RELEASE***

**Contacts:**

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Brian Johnston / Lynn Lewis
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# Artivion Reports Second Quarter 2023 Financial Results

**Second Quarter and Recent Business Highlights:**

- Achieved revenue of $89.3 million in the second quarter of 2023 versus $80.3 million in the second quarter of 2022, an increase of 11% on both a GAAP and non-GAAP constant currency basis
- Net loss was ($3.4) million or ($0.08) per share; non-GAAP net income was $2.3 million or $0.06 per share
- Achieved EBITDA of $9.2 million in the second quarter of 2023; non-GAAP adjusted EBITDA increased 35% to $13.8 million in the second quarter of 2023 compared to the second quarter of 2022
- Aortic stent graft revenues increased 19% on both a GAAP and non-GAAP constant currency basis in the second quarter of 2023 compared to the second quarter of 2022
- On-X revenues increased 10% on a GAAP basis and 11% on a non-GAAP constant currency basis in the second quarter of 2023 compared to the second quarter of 2022
- Received PerClot PMA approval and commenced shipping product to Baxter
- Patient enrollment in the PERSEVERE clinical trial accelerated with enrollment completion expected in the third quarter of 2023

**ATLANTA, GA – (August 3, 2023) – Artivion, Inc. (NYSE: AORT),** a leading cardiac and vascular surgery company focused on aortic disease, today announced its financial results for the second quarter ended June 30, 2023.

“Our second quarter results reflect the strength of our business commercially, operationally, and financially. We delivered double-digit constant currency revenue growth year-over-year for the second consecutive quarter and remain on track to achieve or exceed the revenue and EBITDA growth targets for this year. Our exceptional second quarter performance was driven by year-over-year aortic stent graft revenue growth of 19%, On-X revenue growth of 10%, tissue processing growth of 9%, and BioGlue growth of 4%. On a constant currency basis, year-over-year aortic stent graft, On-X, tissue processing, and BioGlue revenue growth were 19%, 11%, 9%, and 4%, respectively. We also saw Asia Pacific and Latin American revenue grow 23% and 21%, respectively, and 23% and 24% on a constant currency basis, compared to last year,” said Pat Mackin, Chairman, President, and Chief Executive Officer.

Mr. Mackin added, “In addition to our strong commercial results, we also obtained FDA approval for PerClot and, accordingly, received the net $14.3 million FDA approval milestone payment from Baxter. Immediately thereafter, we also began shipping PerClot to Baxter, pursuant to the terms of our agreement. Further, we had strong revenue growth in our aortic stent graft product line, driven by accelerating productivity levels at our German manufacturing facility. We improved patient enrollment for our PERSEVERE trial evaluating AMDS, a simple, elegant stent graft solution to treat aortic arch disease, and we still anticipate completing enrollment in that trial in the third quarter of this year.

Mr. Mackin concluded, “Given our solid execution in the first half of 2023 and strong business momentum, we are now on a path to meet or exceed our current year guidance, as well as to achieve our 2024 commitments to deliver double-digit compounded annual constant currency revenue growth and adjusted EBITDA in excess of $75.0 million.”

**Second Quarter 2023 Financial Results**
Total revenues for the second quarter of 2023 were $89.3 million, an increase of 11% on both a GAAP and non-GAAP constant currency basis, both compared to the second quarter of 2022.

Net loss for the second quarter of 2023 was ($3.4) million, or ($0.08) per fully diluted common share, compared to net loss of ($4.3) million, or ($0.11) per fully diluted common share for the second quarter of 2022. Net loss for the second quarter of 2023 includes pretax charges of $10.9 million related to contingent consideration for the acquisition of AMDS and $5.0 million related to the final payment to Endospan under our September 2019 Loan Agreement with Endospan, partially offset by a net pretax gain of $14.3 million related to the PerClot PMA approval milestone net payment. Non-GAAP net income for the second quarter of 2023 was $2.3 million, or $0.06 per fully diluted common share, compared to non-GAAP net loss of ($1.3) million, or ($0.03) per fully diluted common share for the second quarter of 2022.

**2023 Financial Outlook**
Artivion is raising its revenue guidance range and now expects to achieve constant currency revenue growth of between 10% and 12%, compared to the previous range of 9% and 12%, for the full year 2023 compared to 2022. The Company expects revenues to be in a range of $342.0 million and $350.0 million, compared to the previous range of $337.0 million and $348.0 million.

Additionally, Artivion continues to expect adjusted EBITDA, as reported, to increase greater than 25% in 2023 compared to 2022, resulting in adjusted EBITDA in excess of $52.0 million for 2023.

The Company's financial performance for 2023 and future periods is subject to the risks identified below.

**Non-GAAP Financial Measures**

This press release contains non-GAAP financial measures, including non-GAAP revenue, non-GAAP net income, non-GAAP EBITDA, and non-GAAP general, administrative, and marketing expenses. 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. The Company's non-GAAP revenues are adjusted for the impact of changes in currency exchange. The Company's non-GAAP net income; non-GAAP EBITDA; and non-GAAP general, administrative, and marketing results exclude (as applicable) depreciation and amortization expense; interest income and expense; stock-based compensation expense; loss or gain on foreign currency revaluation; income tax expense or benefit; corporate rebranding expense; business development, integration, and severance income or expense; non-cash interest expense; gain from sale of non-financial assets, and abandonment of CardioGenesis cardiac laser therapy business. The Company generally uses non-GAAP financial measures to facilitate management's review of the operational performance of the company and as a basis for strategic planning. Company management believes that these non-GAAP presentations provide useful information to investors regarding unusual non-operating transactions; the operating expense structure of the Company's existing and recently acquired operations, without regard to its on-going efforts to acquire additional complementary products and businesses, and the transaction and integration expenses incurred in connection with recently acquired and divested product lines; and the operating expense structure excluding fluctuations resulting from foreign currency revaluation and stock-based compensation expense. The Company believes it is useful to exclude certain expenses because such amounts in any specific period may not directly correlate to the underlying performance of its business operations or can vary significantly between periods as a result of factors such as impact of recent acquisitions, non-cash expense related to amortization of previously acquired tangible and intangible assets, and any related adjustments to their carrying values. The Company has adjusted for the impact of changes in currency exchange from certain revenues to evaluate comparable product growth rates on a constant currency basis. The Company does, however, expect to incur similar types of expenses and currency exchange impacts in the future, and this non-GAAP financial information should not be viewed as a statement or indication that these types of expenses will not recur. Company management encourages investors to review the Company's consolidated financial statements and publicly filed reports in their entirety, including the reconciliation of GAAP to non-GAAP financial measures."

**Webcast and Conference Call Information**

The Company will hold a teleconference call and live webcast later today, August 3, 2023, at 4:30 p.m. ET to discuss the results, followed by a question and answer session. To participate in the conference call dial 201-689-8261 a few minutes prior to 4:30 p.m. ET. The teleconference replay will be available approximately one hour following the completion of the event and can be accessed by calling (toll free) 877-660-6853 or 201-612-7415. The conference number for the replay is 13739398.

The live webcast and replay can be accessed by going to the Investors section of the Artivion website at www.Artivion.com and selecting the heading Webcasts & Presentations.

**About Artivion, Inc.**
Headquartered in suburban Atlanta, Georgia, Artivion, Inc. is a medical device company focused on developing simple, elegant solutions that address cardiac and vascular surgeons' most difficult challenges in treating patients with aortic diseases. Artivion's four major groups of products include: aortic stent grafts, surgical sealants, On-X mechanical heart valves, and implantable cardiac and vascular human tissues. Artivion markets and sells products in more than 100 countries worldwide. For additional information about Artivion, visit our website, www.artivion.com.

**Forward Looking Statements**
*Statements made in this press release that look forward in time or that express management's beliefs, expectations, or hopes are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements reflect the views of management at the time such statements are made. These statements include our beliefs that we remain on track to achieve or exceed the revenue and EBITDA growth targets for this year; and we are now on a path to meet or exceed our current year guidance, as well as to achieve our 2024 commitments to deliver double-digit compounded annual constant currency revenue growth and adjusted EBITDA in excess of $75.0 million. These forward-looking statements are subject to a number of risks, uncertainties, estimates, and assumptions that may cause actual results to differ materially from current expectations, including that the benefits anticipated from the Ascyrus Medical LLC transaction and Endospan agreements may not be achieved at all or at the levels we had originally anticipated; the benefits anticipated from our clinical trials may not be achieved or achieved on our anticipated timeline; our products may not be able to consistently retain their existing regulatory approvals or special regulatory approvals in order to be commercialized; products in our pipeline may not receive regulatory approval at all or receive regulatory approval on our anticipated timelines; or our products that obtain regulatory approval may not be adopted by the market as much as we anticipate or at all. These risks and uncertainties include the risk factors detailed in our Securities and Exchange Commission filings, including our Form 10-K for the year ended December 31, 2022 and our Form 10-Q for the quarter ended June 31, 2023. Artivion does not undertake to update its forward-looking statements, whether as a result of new information, future events, or otherwise.*

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| **Revenues:** | | | | |
| Products | $ 66,003 | $ 58,936 | $ 128,294 | $ 116,478 |
| Preservation services | 23,248 | 21,404 | 44,186 | 41,075 |
| **Total revenues** | **89,251** | **80,340** | **172,480** | **157,553** |
| | | | | |
| **Cost of products and preservation services:** | | | | |
| Products | 20,977 | 18,230 | 40,510 | 35,638 |
| Preservation services | 10,190 | 9,938 | 20,159 | 19,024 |
| **Total cost of products and preservation services** | **31,167** | **28,168** | **60,669** | **54,662** |
| | | | | |
| **Gross margin** | **58,084** | **52,172** | **111,811** | **102,891** |
| | | | | |
| **Operating expenses:** | | | | |
| General, administrative, and marketing | 57,241 | 38,983 | 107,606 | 77,938 |
| Research and development | 7,418 | 8,648 | 14,641 | 18,776 |
| **Total operating expenses** | **64,659** | **47,631** | **122,247** | **96,714** |
| Gain from sale of non-financial assets | (14,250) | — | (14,250) | — |
| **Operating income** | **7,675** | **4,541** | **3,814** | **6,177** |
| | | | | |
| Interest expense | 6,356 | 4,101 | 12,452 | 8,049 |
| Interest income | (265) | (30) | (340) | (46) |
| Other expense, net | 4,241 | 3,770 | 3,278 | 3,903 |
| | | | | |
| **Loss before income taxes** | **(2,657)** | **(3,300)** | **(11,576)** | **(5,729)** |
| Income tax expense | 725 | 959 | 5,338 | 1,919 |
| | | | | |
| **Net loss** | **$ (3,382)** | **$ (4,259)** | **$ (16,914)** | **$ (7,648)** |
| | | | | |
| **Loss per share:** | | | | |
| **Basic** | **$ (0.08)** | **$ (0.11)** | **$ (0.41)** | **$ (0.19)** |
| **Diluted** | **$ (0.08)** | **$ (0.11)** | **$ (0.41)** | **$ (0.19)** |
| | | | | |
| **Weighted-average common shares outstanding:** | | | | |
| Basic | 40,755 | 40,031 | 40,595 | 39,941 |
| Diluted | 40,755 | 40,031 | 40,595 | 39,941 |
| | | | | |
| **Net loss** | **$ (3,382)** | **$ (4,259)** | **$ (16,914)** | **$ (7,648)** |
| **Other comprehensive loss:** | | | | |
| Foreign currency translation adjustments | 1,826 | (14,796) | 5,442 | (18,571) |
| **Comprehensive loss** | **$ (1,556)** | **$ (19,055)** | **$ (11,472)** | **$ (26,219)** |

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

| | June 30, 2023 | December 31, 2022 |
|---|---|---|
| | (Unaudited) | |
| **ASSETS** | | |
| **Current assets:** | | |
| Cash and cash equivalents | $ 48,775 | $ 39,351 |
| Trade receivables, net | 64,806 | 61,820 |
| Other receivables | 4,450 | 7,764 |
| Inventories, net | 78,458 | 74,478 |
| Deferred preservation costs, net | 48,302 | 46,371 |
| Prepaid expenses and other | 19,107 | 17,550 |
| **Total current assets** | **263,898** | **247,334** |
| | | |
| Goodwill | 245,561 | 243,631 |
| Acquired technology, net | 147,029 | 151,263 |
| Operating lease right-of-use assets, net | 40,825 | 41,859 |
| Property and equipment, net | 38,389 | 38,674 |
| Other intangibles, net | 29,966 | 31,384 |
| Deferred income taxes | 3,951 | 1,314 |
| Other assets | 8,242 | 7,339 |
| **Total assets** | **$ 777,861** | **$ 762,798** |
| | | |
| **LIABILITIES AND SHAREHOLDERS' EQUITY** | | |
| **Current liabilities:** | | |
| Accounts payable | $ 10,455 | $ 12,004 |
| Accrued expenses | 10,365 | 12,374 |
| Accrued compensation | 12,792 | 13,810 |
| Taxes payable | 10,641 | 2,635 |
| Current maturities of operating leases | 4,037 | 3,308 |
| Accrued procurement fees | 1,744 | 2,111 |
| Current portion of long-term debt | 1,561 | 1,608 |
| Other liabilities | 4,635 | 1,825 |
| **Total current liabilities** | **56,230** | **49,675** |
| | | |
| Long-term debt | 306,109 | 306,499 |
| Contingent consideration | 56,100 | 40,400 |
| Non-current maturities of operating leases | 39,989 | 41,257 |
| Deferred income taxes | 19,469 | 24,499 |
| Deferred compensation liability | 6,541 | 5,468 |
| Non-current finance lease obligation | 3,446 | 3,644 |
| Other liabilities | 7,469 | 7,027 |
| **Total liabilities** | **$ 495,353** | **$ 478,469** |
| | | |
| **Commitments and contingencies** | | |
| | | |
| **Shareholders' equity:** | | |
| Preferred stock | — | — |
| Common stock (75,000 shares authorized, 42,443 and 41,830 shares issued and outstanding in 2023 and 2022, respectively) | 424 | 418 |
| Additional paid-in capital | 347,030 | 337,385 |
| Retained deficit | (34,131) | (17,217) |
| Accumulated other comprehensive loss | (16,167) | (21,609) |
| Treasury stock, at cost, 1,487 shares as of June 30, 2023 and December 31, 2022 | (14,648) | (14,648) |
| **Total shareholders' equity** | **282,508** | **284,329** |
| | | |
| **Total liabilities and shareholders' equity** | **$ 777,861** | **$ 762,798** |

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

| | Six Months Ended June 30, | |
|---|---|---|
| | **2023** | **2022** |
| **Net cash flows from operating activities:** | | |
| Net loss | $ (16,914) | $ (7,648) |
| | | |
| Adjustments to reconcile net loss to net cash from operating activities: | | |
| Change in fair value of contingent consideration | 15,700 | (5,000) |
| Depreciation and amortization | 11,501 | 11,497 |
| Non-cash compensation | 7,279 | 6,100 |
| Fair value adjustment of long-term loan | 5,000 | — |
| Non-cash lease expense | 3,631 | 3,803 |
| Write-down of inventories and deferred preservation costs | 2,021 | 2,177 |
| Deferred income taxes | (8,073) | (1,611) |
| Gain from sale of non-financial assets | (14,250) | — |
| Other | 1,836 | 940 |
| Changes in operating assets and liabilities: | | |
| Accounts payable, accrued expenses, and other liabilities | 1,607 | (5,677) |
| Receivables | 655 | (9,635) |
| Prepaid expenses and other assets | (2,317) | (205) |
| Inventories and deferred preservation costs | (6,921) | (3,653) |
| **Net cash flows provided by (used in) operating activities** | **755** | **(8,912)** |
| | | |
| **Net cash flows from investing activities:** | | |
| Proceeds from sale of non-financial assets, net | 14,250 | — |
| Capital expenditures | (4,029) | (4,055) |
| Payments for Endospan Agreement | (5,000) | — |
| Other | (986) | (939) |
| **Net cash flows provided by (used in) investing activities** | **4,235** | **(4,994)** |
| | | |
| **Net cash flows from financing activities:** | | |
| Proceeds from financing insurance premiums | 3,558 | — |
| Proceeds from exercise of stock options and issuance of common stock | 2,581 | 2,318 |
| Principal payments on short-term notes payable | (529) | — |
| Redemption and repurchase of stock to cover tax withholdings | (563) | (1,739) |
| Repayment of term loan | (1,381) | (1,370) |
| Other | (262) | (241) |
| **Net cash flows provided by (used in) financing activities** | **3,404** | **(1,032)** |
| | | |
| Effect of exchange rate changes on cash and cash equivalents | 1,030 | 310 |
| **Increase (decrease) in cash and cash equivalents** | **9,424** | **(14,628)** |
| | | |
| Cash and cash equivalents beginning of period | 39,351 | 55,010 |
| **Cash and cash equivalents end of period** | **$ 48,775** | **$ 40,382** |

**Artivion, Inc. and Subsidiaries**
**Financial Highlights**
*In Thousands*
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| **Products:** | | | | |
| Aortic stent grafts | $ 28,359 | $ 23,833 | $ 54,509 | $ 49,339 |
| On-X | 17,946 | 16,255 | 35,602 | 30,626 |
| Surgical sealants | 16,566 | 15,967 | 33,269 | 31,648 |
| Other | 3,132 | 2,881 | 4,914 | 4,865 |
| **Total products** | **66,003** | **58,936** | **128,294** | **116,478** |
| | | | | |
| Preservation services | 23,248 | 21,404 | 44,186 | 41,075 |
| **Total revenues** | **$ 89,251** | **$ 80,340** | **$ 172,480** | **$ 157,553** |
| | | | | |
| **Revenues:** | | | | |
| US | $ 44,425 | $ 40,953 | $ 85,758 | $ 78,688 |
| International | 44,826 | 39,387 | $ 86,722 | 78,865 |
| **Total revenues** | **$ 89,251** | **$ 80,340** | **$ 172,480** | **$ 157,553** |

**Artivion, Inc. and Subsidiaries**
**Reconciliation of GAAP to Non-GAAP**
**Revenues and General, Administrative, and Marketing Expense**
*In Thousands*
**(Unaudited)**

| | Revenues for the Three Months Ended June 30, | | | | Percent Change From Prior Year |
|---|---|---|---|---|---|
| | 2023 | 2022 | | | |
| | US GAAP | US GAAP | Exchange rate effect | Constant Currency | Constant Currency |
| **Products:** | | | | | |
| Aortic stent grafts | $ 28,359 | $ 23,833 | 29 | $ 23,862 | 19% |
| On-X | 17,946 | 16,255 | (72) | 16,183 | 11% |
| Surgical sealants | 16,566 | 15,967 | (69) | 15,898 | 4% |
| Other | 3,132 | 2,881 | (4) | 2,877 | 9% |
| **Total products** | **66,003** | **58,936** | **(116)** | **58,820** | **12%** |
| | | | | | |
| Preservation services | 23,248 | 21,404 | (34) | 21,370 | 9% |
| **Total** | **$ 89,251** | **$ 80,340** | **$ (150)** | **$ 80,190** | **11%** |

| | Revenues for the Six Months Ended June 30, | | | | Percent Change From Prior Year |
|---|---|---|---|---|---|
| | 2023 | 2022 | | | |
| | US GAAP | US GAAP | Exchange rate effect | Constant Currency | Constant Currency |
| **Products:** | | | | | |
| Aortic stent grafts | $ 54,509 | $ 49,339 | (1,209) | $ 48,130 | 13% |
| On-X | 35,602 | 30,626 | (219) | 30,407 | 17% |
| Surgical sealants | 33,269 | 31,648 | (354) | 31,294 | 6% |
| Other | 4,914 | 4,865 | (19) | 4,846 | 1% |
| **Total products** | **128,294** | **116,478** | **(1,801)** | **114,677** | **12%** |
| | | | | | |
| Preservation services | 44,186 | 41,075 | (69) | 41,006 | 8% |
| **Total** | **$ 172,480** | **$ 157,553** | **$ (1,870)** | **$ 155,683** | **11%** |

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| ***Reconciliation of G&A expense, GAAP to adjusted G&A, non-GAAP:*** | | | | |
| General, administrative, and marketing expense, GAAP | $ 57,241 | $ 38,983 | $ 107,606 | $ 77,938 |
| Business development, integration, and severance expense (income) | 11,101 | (3,101) | 16,098 | (4,680) |
| Corporate rebranding expense | 69 | 289 | 218 | 1,172 |
| Abandonment of CardioGenesis cardiac laser therapy business | 160 | — | 160 | — |
| **Adjusted G&A, non-GAAP** | **$ 45,911** | **$ 41,795** | **$ 91,130** | **$ 81,446** |

**Artivion, Inc. and Subsidiaries**
**Reconciliation of GAAP to Non-GAAP**
**Adjusted EBITDA**
*In Thousands*
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| ***Reconciliation of net loss, GAAP to adjusted EBITDA, non-GAAP:*** | | | | |
| Net loss, GAAP | $ (3,382) | $ (4,259) | $ (16,914) | $ (7,648) |
| Adjustments: | | | | |
| Business development, integration, and severance expense (income) | 15,270 | (3,101) | 20,722 | (4,680) |
| Interest expense | 6,356 | 4,101 | 12,452 | 8,049 |
| Depreciation and amortization expense | 5,767 | 5,616 | 11,501 | 11,497 |
| Stock-based compensation expense | 3,938 | 2,934 | 7,279 | 6,100 |
| Income tax expense | 725 | 959 | 5,338 | 1,919 |
| Abandonment of CardioGenesis cardiac laser therapy business | 390 | — | 390 | — |
| Corporate rebranding expense | 69 | 289 | 218 | 1,172 |
| Interest income | (265) | (30) | (340) | (46) |
| (Gain) loss on foreign currency revaluation | (797) | 3,754 | (1,770) | 3,887 |
| Gain from sale of non-financial assets | (14,250) | — | (14,250) | — |
| **Adjusted EBITDA, non-GAAP** | **$ 13,821** | **$ 10,263** | **$ 24,626** | **$ 20,250** |

**Artivion Inc. and Subsidiaries**
**Reconciliation of GAAP to Non-GAAP**
**Net Income and Diluted Income Per Common Share**
*In Thousands, Except Per Share Data*
**(Unaudited)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| ***GAAP:*** | | | | |
| **Loss before income taxes** | **$ (2,657)** | **$ (3,300)** | **$ (11,576)** | **$ (5,729)** |
| Income tax expense | 725 | 959 | 5,338 | 1,919 |
| **Net loss** | **$ (3,382)** | **$ (4,259)** | **$ (16,914)** | **$ (7,648)** |
| | | | | |
| **Diluted loss per common share** | $ (0.08) | $ (0.11) | $ (0.41) | $ (0.19) |
| | | | | |
| **Diluted weighted-average common shares outstanding** | 40,755 | 40,031 | 40,595 | 39,941 |
| | | | | |
| ***Reconciliation of loss before income taxes, GAAP to adjusted income (loss), non-GAAP:*** | | | | |
| **Loss before income taxes, GAAP:** | **$ (2,657)** | **$ (3,300)** | **$ (11,576)** | **$ (5,729)** |
| Adjustments: | | | | |
| Business development, integration, and severance expense (income) | 15,270 | (3,101) | 20,722 | (4,680) |
| Amortization expense | 3,806 | 3,905 | 7,687 | 7,989 |
| Non-cash interest expense | 464 | 457 | 926 | 913 |
| Abandonment of CardioGenesis cardiac laser therapy business | 390 | — | 390 | — |
| Corporate rebranding expense | 69 | 289 | 218 | 1,172 |
| Gain from sale of non-financial assets | (14,250) | — | (14,250) | — |
| **Adjusted income (loss) before income taxes, non-GAAP** | **3,092** | **(1,750)** | **4,117** | **(335)** |
| | | | | |
| Income tax expense (benefit) calculated at a tax rate of 25% | 773 | (438) | 1,029 | (84) |
| **Adjusted net income (loss), non-GAAP** | **$ 2,319** | **$ (1,312)** | **$ 3,088** | **$ (251)** |
| | | | | |
| ***Reconciliation of diluted loss per common share, GAAP to adjusted diluted income (loss) per common share, non-GAAP:*** | | | | |
| **Diluted loss per common share, GAAP:** | **$ (0.08)** | **$ (0.11)** | **$ (0.41)** | **$ (0.19)** |
| Adjustments: | | | | |
| Business development, integration, and severance expense (income) | 0.37 | (0.08) | 0.50 | (0.12) |
| Effect of 25% tax rate | 0.03 | 0.05 | 0.20 | 0.08 |
| Amortization expense | 0.09 | 0.10 | 0.19 | 0.20 |
| Non-cash interest expense | 0.01 | 0.01 | 0.02 | 0.02 |
| Abandonment of CardioGenesis cardiac laser therapy business | 0.01 | — | 0.01 | — |
| Corporate rebranding expense | — | 0.01 | 0.01 | 0.03 |
| Tax effect of non-GAAP adjustments | (0.03) | (0.01) | (0.10) | (0.03) |
| Gain from sale of non-financial assets | (0.34) | — | (0.34) | — |
| **Adjusted diluted income (loss) per common share, non-GAAP** | **$ 0.06** | **$ (0.03)** | **$ 0.08** | **$ (0.01)** |
| | | | | |
| ***Reconciliation of diluted weighted-average common shares outstanding GAAP to diluted weighted-average common shares outstanding, non-GAAP:*** | | | | |
| **Diluted weighted-average common shares outstanding, GAAP:** | **40,755** | **40,031** | **40,595** | **39,941** |
| Adjustments: | | | | |
| Effect of dilutive stock options and awards | 419 | — | 444 | — |
| **Diluted weighted-average common shares outstanding, non-GAAP** | **41,174** | **40,031** | **41,039** | **39,941** |