REFINITIV

DELTA REPORT

10-Q

BLFS - BIOLIFE SOLUTIONS INC

10-Q - SEPTEMBER 30, 2023 COMPARED TO 10-Q - JUNE 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	958
CHANGES	293
DELETIONS	314
ADDITIONS	351

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 10-Q

þ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the quarterly period ended June 30, 2023 September 30, 2023

o **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 001-36362

BioLife Solutions, Inc.
(Exact name of registrant as specified in its charter)

Img 0.jpg

Delaware	**94-3076866**
(State or other jurisdiction of incorporation or organization)	*(IRS Employer Identification No.)*

3303 Monte Villa Parkway, Suite 310, Bothell, Washington, 98021
(Address of registrant's principal executive offices, Zip Code)

(425) 402-1400
(Telephone number, including area code)

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

Title of each class	**Trading symbol**	**Name of exchange on which registered**
BioLife Solutions, Inc. Common Stock stock, par value $0.001 per share	BLFS	The NASDAQ Capital Stock Market, LLC

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 þ No o

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 (S232.405 of this chapter) during the preceding 12 months (or for such shorter period that the Registrant was required to submit said files). Yes þ No o

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 o Accelerated filer þ Non-accelerated filer o Smaller reporting company o Emerging Growth Company o

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. o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

As of August 1, 2023 November 1, 2023, 43,490,090 44,031,322 shares of the registrant's common stock were outstanding.

BIOLIFE SOLUTIONS, INC.

FORM 10-Q

FOR THE QUARTER ENDED JUNE SEPTEMBER 30, 2023

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PART I. FINANCIAL INFORMATION

Item 1. Financial Statements

BioLife Solutions, Inc.
Unaudited Condensed Consolidated Balance Sheets

		June 30,	December 31,		September 30,	December 31,
(In thousands, except per share and share data)	(In thousands, except per share and share data)	2023	2022	(In thousands, except per share and share data)	2023	2022
Assets	**Assets**			**Assets**		
Current assets:	Current assets:			Current assets:		
Cash and cash equivalents	Cash and cash equivalents	$ 21,400	$ 19,442	Cash and cash equivalents	$ 19,235	$ 19,442

Restricted cash	Restricted cash	31	31	Restricted cash	31	31
Available-for-sale securities, current portion	Available-for-sale securities, current portion	24,858	43,260	Available-for-sale securities, current portion	21,794	43,260
Accounts receivable, trade, net of allowance for doubtful accounts of $1,265 and $739 as of June 30, 2023 and December 31, 2022, respectively		26,860	33,936			
Inventories, net		39,177	34,904			
Accounts receivable, trade, net of allowance for credit losses of $1,244 and $739 as of September 30, 2023 and December 31, 2022, respectively				Accounts receivable, trade, net of allowance for credit losses of $1,244 and $739 as of September 30, 2023 and December 31, 2022, respectively	24,556	33,936
Inventories				Inventories	43,354	34,904
Prepaid expenses and other current assets	Prepaid expenses and other current assets	7,985	6,879	Prepaid expenses and other current assets	7,854	6,879
Total current assets	Total current assets	120,311	138,452	Total current assets	116,824	138,452
Assets held for rent, net	Assets held for rent, net	9,417	9,064	Assets held for rent, net	7,209	9,064
Property and equipment, net	Property and equipment, net	25,565	23,638	Property and equipment, net	20,998	23,638
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	14,935	15,292	Operating lease right-of-use assets, net	12,651	15,292
Financing lease right-of-use assets, net	Financing lease right-of-use assets, net	1,807	272	Financing lease right-of-use assets, net	124	272
Long-term deposits and other assets	Long-term deposits and other assets	316	281	Long-term deposits and other assets	316	281
Available-for-sale securities, long-term	Available-for-sale securities, long-term	1,839	1,332	Available-for-sale securities, long-term	1,156	1,332
Equity investments	Equity investments	5,069	5,069	Equity investments	5,069	5,069
Intangible assets, net	Intangible assets, net	29,177	32,088	Intangible assets, net	22,064	32,088
Goodwill	Goodwill	224,741	224,741	Goodwill	224,741	224,741
Total assets	Total assets	$ 433,177	$ 450,229	Total assets	$ 411,152	$ 450,229
Liabilities and Shareholders' Equity	**Liabilities and Shareholders' Equity**			**Liabilities and Shareholders' Equity**		
Current liabilities:	Current liabilities:			Current liabilities:		
Accounts payable	Accounts payable	$ 10,686	$ 15,367	Accounts payable	$ 11,980	$ 15,367
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	10,114	9,782	Accrued expenses and other current liabilities	8,568	9,782
Sales taxes payable	Sales taxes payable	4,989	4,151	Sales taxes payable	5,469	4,151
Warranty liability	Warranty liability	8,436	8,312	Warranty liability	8,215	8,312
Lease liabilities, operating, current portion	Lease liabilities, operating, current portion	2,915	2,860	Lease liabilities, operating, current portion	2,906	2,860
Lease liabilities, financing, current portion	Lease liabilities, financing, current portion	426	158	Lease liabilities, financing, current portion	398	158
Debt, current portion	Debt, current portion	1,935	1,814	Debt, current portion	5,034	1,814
Contingent consideration, current portion	Contingent consideration, current portion	86	2,138	Contingent consideration, current portion	52	2,138
Total current liabilities	Total current liabilities	39,587	44,582	Total current liabilities	42,622	44,582
Contingent consideration, long-term	Contingent consideration, long-term	1,909	2,318	Contingent consideration, long-term	363	2,318
Lease liabilities, operating, long-term	Lease liabilities, operating, long-term	14,388	14,962	Lease liabilities, operating, long-term	13,677	14,962
Lease liabilities, financing, long-term	Lease liabilities, financing, long-term	1,330	126	Lease liabilities, financing, long-term	1,250	126

Debt, long-term	Debt, long-term	23,572	23,793	Debt, long-term	20,937	23,793
Deferred tax liabilities	Deferred tax liabilities	263	250	Deferred tax liabilities	286	250
Other long-term liabilities	Other long-term liabilities	-	10	Other long-term liabilities	-	10
Total liabilities	Total liabilities	81,049	86,041	Total liabilities	79,135	86,041
Commitments and contingencies (Note 12)						
Commitments and contingencies (Note 13)				Commitments and contingencies (Note 13)		
Shareholders' equity:	Shareholders' equity:			Shareholders' equity:		
Preferred stock, $0.001 par value; 1,000,000 shares authorized, Series A, 4,250 shares designated, and 0 shares issued and outstanding as of June 30, 2023 and December 31, 2022		-	-			
Common stock, $0.001 par value; 150,000,000 shares authorized, 43,442,250 and 42,832,231 shares issued and outstanding, respectively, as of June 30, 2023 and December 31, 2022		43	43			
Preferred stock, $0.001 par value; 1,000,000 shares authorized, Series A, 4,250 shares designated, and 0 shares issued and outstanding as of September 30, 2023 and December 31, 2022				Preferred stock, $0.001 par value; 1,000,000 shares authorized, Series A, 4,250 shares designated, and 0 shares issued and outstanding as of September 30, 2023 and December 31, 2022	-	-
Common stock, $0.001 par value; 150,000,000 shares authorized, 43,831,351 and 42,832,231 shares issued and outstanding, respectively, as of September 30, 2023 and December 31, 2022				Common stock, $0.001 par value; 150,000,000 shares authorized, 43,831,351 and 42,832,231 shares issued and outstanding, respectively, as of September 30, 2023 and December 31, 2022	44	43
Additional paid-in capital	Additional paid-in capital	623,412	611,739	Additional paid-in capital	632,593	611,739
Accumulated other comprehensive loss, net of taxes	Accumulated other comprehensive loss, net of taxes	(499)	(679)	Accumulated other comprehensive loss, net of taxes	(660)	(679)
Accumulated deficit	Accumulated deficit	(270,828)	(246,915)	Accumulated deficit	(299,960)	(246,915)
Total shareholders' equity	Total shareholders' equity	352,128	364,188	Total shareholders' equity	332,017	364,188
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	$ 433,177	$ 450,229	Total liabilities and shareholders' equity	$ 411,152	$ 450,229

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

BioLife Solutions, Inc.
Unaudited Condensed Consolidated Statements of Operations

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except per share and share data)	**(In thousands, except per share and share data)**	**2023**	**2022**	**2023**	**2022**	**(In thousands, except per share and share data)**	**2023**	**2022**	**2023**	**2022**
Product revenue	Product revenue	$ 33,037	$ 34,170	$ 64,630	$ 64,558	Product revenue	$ 26,891	$ 33,668	$ 91,520	$ 98,227
Service revenue	Service revenue	4,195	3,698	8,665	6,787	Service revenue	4,378	4,330	13,043	11,117
Rental revenue	Rental revenue	2,276	2,665	3,915	5,407	Rental revenue	2,059	2,749	5,975	8,156
Total product, rental, and service revenue	Total product, rental, and service revenue	39,508	40,533	77,210	76,752	Total product, rental, and service revenue	33,328	40,747	110,538	117,500

Costs and operating expenses:	Costs and operating expenses:					Costs and operating expenses:				
Cost of product revenue (exclusive of intangible assets amortization)	Cost of product revenue (exclusive of intangible assets amortization)	21,961	21,561	40,357	41,501	Cost of product revenue (exclusive of intangible assets amortization)	16,665	21,876	57,022	63,377
Cost of service revenue (exclusive of intangible assets amortization)	Cost of service revenue (exclusive of intangible assets amortization)	4,038	2,968	7,929	5,557	Cost of service revenue (exclusive of intangible assets amortization)	3,945	3,253	11,873	8,810
Cost of rental revenue (exclusive of intangible assets amortization)	Cost of rental revenue (exclusive of intangible assets amortization)	1,697	1,665	3,073	3,582	Cost of rental revenue (exclusive of intangible assets amortization)	1,069	1,880	4,141	5,462
General and administrative	General and administrative	15,402	11,652	30,241	23,182	General and administrative	12,513	11,916	42,757	35,098
Sales and marketing	Sales and marketing	6,318	5,415	12,789	10,306	Sales and marketing	7,256	5,278	20,045	15,601
Research and development	Research and development	4,840	3,428	8,995	7,209	Research and development	5,402	3,425	14,397	10,634
Intangible asset impairment charges		—	69,900	—	69,900					
Asset impairment charges						Asset impairment charges	15,485	—	15,485	69,900
Intangible asset amortization	Intangible asset amortization	1,450	2,863	2,911	5,725	Intangible asset amortization	1,356	2,513	4,266	8,236
Acquisition costs		—	5	—	16					
Change in fair value of contingent consideration	Change in fair value of contingent consideration	(918)	(2,361)	(198)	(5,695)	Change in fair value of contingent consideration	(1,580)	2,346	(1,778)	(3,348)
Total operating expenses	Total operating expenses	54,788	117,096	106,097	161,283	Total operating expenses	62,111	52,487	168,208	213,770
Operating loss	Operating loss	(15,280)	(76,563)	(28,887)	(84,531)	Operating loss	(28,783)	(11,740)	(57,670)	(96,270)
Other income (expense):										
Other (expense) income:						Other (expense) income:				
Change in fair value of investments						Change in fair value of investments	—	697	—	697
Gain on settlement of Global Cooling escrow	Gain on settlement of Global Cooling escrow	5,115	—	5,115	—	Gain on settlement of Global Cooling escrow	—	—	5,115	—
Interest expense		(419)	(32)	(829)	(216)					
Other income (expense)		390	(22)	785	110					
Total other income (expense), net		5,086	(54)	5,071	(106)					

Interest expense, net						Interest expense, net	(476)	(15)	(1,305)	(250)
Other income						Other income	242	142	1,027	270
Total other (expense) income, net						Total other (expense) income, net	(234)	824	4,837	717
Loss before income tax (expense) benefit	Loss before income tax (expense) benefit	(10,194)	(76,617)	(23,816)	(84,637)	Loss before income tax (expense) benefit	(29,017)	(10,916)	(52,833)	(95,553)
Income tax (expense) benefit	Income tax (expense) benefit	(5)	3,739	(97)	4,338	Income tax (expense) benefit	(115)	599	(212)	4,937
Net loss	Net loss	$ (10,199)	$ (72,878)	$ (23,913)	$ (80,299)	Net loss	$ (29,132)	$ (10,317)	$ (53,045)	$ (90,616)
Net loss attributable to common shareholders:	Net loss attributable to common shareholders:					Net loss attributable to common shareholders:				
Basic and Diluted	Basic and Diluted	$ (10,199)	$ (72,878)	$ (23,913)	$ (80,299)	Basic and Diluted	$ (29,132)	$ (10,317)	$ (53,045)	$ (90,616)
Net loss per share attributable to common shareholders:	Net loss per share attributable to common shareholders:					Net loss per share attributable to common shareholders:				
Basic and Diluted	Basic and Diluted	$ (0.23)	$ (1.72)	$ (0.55)	$ (1.90)	Basic and Diluted	$ (0.67)	$ (0.24)	$ (1.22)	$ (2.14)
Weighted average shares used to compute loss per share attributable to common shareholders:	Weighted average shares used to compute loss per share attributable to common shareholders:					Weighted average shares used to compute loss per share attributable to common shareholders:				
Basic and Diluted	Basic and Diluted	43,441,219	42,460,189	43,235,558	42,238,355	Basic and Diluted	43,570,438	42,647,967	43,348,412	42,376,392

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

BioLife Solutions, Inc.
Unaudited Condensed Consolidated Statements of Comprehensive Loss

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**(In thousands)**	**2023**	**2022**	**2023**	**2022**	**(In thousands)**	**2023**	**2022**	**2023**	**2022**
Net loss	Net loss	$ (10,199)	$ (72,878)	$ (23,913)	$ (80,299)	Net loss	$ (29,132)	$ (10,317)	$ (53,045)	$ (90,616)
Other comprehensive income (loss):	Other comprehensive income (loss):					Other comprehensive income (loss):				

Foreign currency translation adjustment, net of tax	Foreign currency translation adjustment, net of tax	35	(422)	140	(578)	Foreign currency translation adjustment, net of tax	(165)	(321)	(25)	(900)
Unrealized gain (loss) on available-for-sale securities, net of tax	Unrealized gain (loss) on available-for-sale securities, net of tax	-	(40)	40	(40)	Unrealized gain (loss) on available-for-sale securities, net of tax	4	(36)	44	(75)
Comprehensive loss	Comprehensive loss	$ (10,164)	$ (73,340)	$ (23,733)	$ (80,917)	Comprehensive loss	$ (29,293)	$ (10,674)	$ (53,026)	$ (91,591)

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

BioLife Solutions, Inc.
Unaudited Condensed Consolidated Statements of Shareholders' Equity

	Six Months Ended June 30, 2023								
(In thousands, except share data)	(In thousands, except share data)	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity
Balance, December 31, 2022	Balance, December 31, 2022	-	$ -	42,832,231	$ 43	$ 611,739	$ (679)	$ (246,915)	$ 364,188
Stock-based compensation	Stock-based compensation	-	-	-	-	14,220	-	-	14,220
Stock option exercises	Stock option exercises	-	-	144,043	-	305	-	-	305
Stock issued – on vested RSAs	Stock issued – on vested RSAs	-	-	565,027	-	-	-	-	-
Contingent consideration shares issued	Contingent consideration shares issued	-	-	116,973	-	2,263	-	-	2,263
Settlement of Global Cooling escrow	Settlement of Global Cooling escrow	-	-	(216,024)	-	(5,115)	-	-	(5,115)
Foreign currency translation	Foreign currency translation	-	-	-	-	-	140	-	140
Unrealized gain on available-for-sale securities	Unrealized gain on available-for-sale securities	-	-	-	-	-	40	-	40
Net loss	Net loss	-	-	-	-	-	-	(23,913)	(23,913)
Balance, June 30, 2023		-	$ -	43,442,250	$ 43	$ 623,412	$ (499)	$ (270,828)	$ 352,128
Balance, September 30, 2023									

	Nine Months Ended September 30, 2023							
(In thousands, except share data)	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Sharehol Equit
Balance, December 31, 2022	-	$ -	42,832,231	$ 43	$ 611,739	$ (679)	$ (246,915)	$ 364
Stock-based compensation	-	-	-	-	23,337	-	-	23
Stock option exercises	-	-	175,043	-	369	-	-	
Stock issued – on vested RSAs	-	-	923,128	1	-	-	-	
Contingent consideration shares issued	-	-	116,973	-	2,263	-	-	2
Settlement of Global Cooling escrow	-	-	(216,024)	-	(5,115)	-	-	(5,
Foreign currency translation	-	-	-	-	-	(25)	-	
Unrealized gain on available-for-sale securities	-	-	-	-	-	44	-	
Net loss	-	-	-	-	-	-	(53,045)	(53,
Balance, September 30, 2023	-	$ -	43,831,351	$ 44	$ 632,593	$ (660)	$ (299,960)	$ 332

Three Months Ended June 30, 2023

Three Months Ended September 30, 2023

(In thousands, except share data)	(In thousands, except share data)	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Shareholders' Equity	(In thousands, except share data)	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Income	Accumulated Deficit	Total Sharehol Equit
Balance, March 31, 2023		-	$ -	43,289,969	$ 43	$ 619,227	$ (534)	$ (260,629)	$ 358,107									
Balance, June 30, 2023										Balance, June 30, 2023	-	$ -	43,442,250	$ 43	$ 623,412	$ (499)	$ (270,828)	$ 352
Stock-based compensation	Stock-based compensation	-	-	-	-	6,856	-	-	6,856	Stock-based compensation	-	-	-	-	9,117	-	-	9
Stock option exercises	Stock option exercises	-	-	63,105	-	181	-	-	181	Stock option exercises	-	-	31,000	-	64	-	-	
Stock issued – on vested RSAs	Stock issued – on vested RSAs	-	-	188,227	-	-	-	-	-	Stock issued – on vested RSAs	-	-	358,101	1	-	-	-	
Contingent consideration shares issued		-	-	116,973	-	2,263	-	-	2,263									
Settlement of Global Cooling escrow		-	-	(216,024)	-	(5,115)	-	-	(5,115)									
Foreign currency translation	Foreign currency translation	-	-	-	-	-	35	-	35	Foreign currency translation	-	-	-	-	-	(165)	-	(
Unrealized gain on available-for-sale securities	Unrealized gain on available-for-sale securities	-	-	-	-	-	-	-	-	Unrealized gain on available-for-sale securities	-	-	-	-	-	4	-	
Net loss	Net loss	-	-	-	-	-	-	(10,199)	(10,199)	Net loss	-	-	-	-	-	-	(29,132)	(29,
Balance, June 30, 2023		-	$ -	43,442,250	$ 43	$ 623,412	$ (499)	$ (270,828)	$ 352,128									
Balance, September 30, 2023										Balance, September 30, 2023	-	$ -	43,831,351	$ 44	$ 632,593	$ (660)	$ (299,960)	$ 332

		Six Months Ended June 30, 2022									Nine Months Ended September 30, 2022							
(In thousands, except share data)	(In thousands, except share data)	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Shareholders' Equity	(In thousands, except share data)	Series A Preferred Stock Shares	Series A Preferred Stock Amount	Common Stock Shares	Common Stock Amount	Additional Paid-in Capital	Accumulated Other Comprehensive Loss	Accumulated Deficit	Total Sharehol Equit
Balance, December 31, 2021	Balance, December 31, 2021	-	$ -	41,817,503	$ 42	$ 585,397	$ (282)	$ (107,110)	$ 478,047	Balance, December 31, 2021	-	$ -	41,817,503	$ 42	$ 585,397	$ (282)	$ (107,110)	$ 478
Fees incurred for registration filings	Fees incurred for registration filings	-	-	-	-	(76)	-	-	(76)	Fees incurred for registration filings	-	-	-	-	(130)	-	-	(
Stock-based compensation	Stock-based compensation	-	-	-	-	11,372	-	-	11,372	Stock-based compensation	-	-	-	-	17,671	-	-	17
Stock option exercises	Stock option exercises	-	-	154,504	-	301	-	-	301	Stock option exercises	-	-	158,075	-	307	-	-	
Stock issued – on vested RSAs	Stock issued – on vested RSAs	-	-	500,597	1	-	-	-	1	Stock issued – on vested RSAs	-	-	666,336	1	(1)	-	-	
Contingent consideration shares issued	Contingent consideration shares issued	-	-	64,130	-	816	-	-	816	Contingent consideration shares issued	-	-	64,130	-	816	-	-	

Foreign currency translation	Foreign currency translation	-	-	-	-	-	(578)	-	(578)
Unrealized loss on available-for-sale securities	Unrealized loss on available-for-sale securities	-	-	-	-	-	(40)	-	(40)
Net loss	Net loss	-	-	-	-	-	-	(80,299)	(80,299)
Balance, June 30, 2022		-	$ -	42,536,734	$ 43	$ 597,810	$ (900)	$ (187,409)	$ 409,544
Balance, September 30, 2022									

Foreign currency translation	-	-	-	-	-	(900)	-	(
Unrealized loss on available-for-sale securities	-	-	-	-	-	(75)	-	
Net loss	-	-	-	-	-	-	(90,616)	(90,
Balance, September 30, 2022	-	$ -	42,706,044	$ 43	$ 604,060	$ (1,257)	$ (197,726)	$ 405

		Three Months Ended June 30, 2022							
(In thousands, except share data)	**(In thousands, except share data)**	**Series A Preferred Stock Shares**	**Series A Preferred Stock Amount**	**Common Stock Shares**	**Common Stock Amount**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Loss**	**Accumulated Deficit**	**Total Shareholders' Equity**
Balance, March 31, 2022		-	$ -	42,331,082	$ 42	$ 591,002	$ (438)	$ (114,531)	$ 476,075
Balance, June 30, 2022									
Fees incurred for registration filings	Fees incurred for registration filings	-	-	-	-	(24)	-	-	(24)
Stock-based compensation	Stock-based compensation	-	-	-	-	5,973	-	-	5,973
Stock option exercises	Stock option exercises	-	-	24,571	-	43	-	-	43
Stock issued – on vested RSAs	Stock issued – on vested RSAs	-	-	116,951	1	-	-	-	1
Contingent consideration shares issued		-	-	64,130	-	816	-	-	816
Foreign currency translation	Foreign currency translation	-	-	-	-	-	(422)	-	(422)
Unrealized loss on available-for-sale securities	Unrealized loss on available-for-sale securities	-	-	-	-	-	(40)	-	(40)
Net loss	Net loss	-	-	-	-	-	-	(72,878)	(72,878)
Balance, June 30, 2022		-	$ -	42,536,734	$ 43	$ 597,810	$ (900)	$ (187,409)	$ 409,544
Balance, September 30, 2022									

	Three Months Ended September 30, 2022							
(In thousands, except share data)	**Series A Preferred Stock Shares**	**Series A Preferred Stock Amount**	**Common Stock Shares**	**Common Stock Amount**	**Additional Paid-in Capital**	**Accumulated Other Comprehensive Loss**	**Accumulated Deficit**	**Total Sharehol Equit**
Balance, June 30, 2022	-	$ -	42,536,734	$ 43	$ 597,810	$ (900)	$ (187,409)	$ 409
Fees incurred for registration filings	-	-	-	-	(55)	-	-	
Stock-based compensation	-	-	-	-	6,299	-	-	6
Stock option exercises	-	-	3,571	-	6	-	-	
Stock issued – on vested RSAs	-	-	165,739	-	-	-	-	
Foreign currency translation	-	-	-	-	-	(321)	-	(
Unrealized loss on available-for-sale securities	-	-	-	-	-	(36)	-	
Net loss	-	-	-	-	-	-	(10,317)	(10,
Balance, September 30, 2022	-	$ -	42,706,044	$ 43	$ 604,060	$ (1,257)	$ (197,726)	$ 405

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

BioLife Solutions, Inc.
Unaudited Condensed Consolidated Statements of Cash Flows

		Six Months Ended June 30,			Nine Months Ended September 30,	
(In thousands)	**(In thousands)**	**2023**	**2022**	**(In thousands)**	**2023**	**2022**

Cash flows from operating activities	**Cash flows from operating activities**			**Cash flows from operating activities**		
Net loss	Net loss	$ (23,913)	$ (80,299)	Net loss	$ (53,045)	$ (90,616)
Adjustments to reconcile net loss to net cash used in operating activities	Adjustments to reconcile net loss to net cash used in operating activities			Adjustments to reconcile net loss to net cash used in operating activities		
Impairment of intangible assets	Impairment of intangible assets	-	69,900	Impairment of intangible assets	5,758	69,900
Impairment of long-lived assets				Impairment of long-lived assets	9,727	-
Settlement of Global Cooling escrow	Settlement of Global Cooling escrow	(5,115)	-	Settlement of Global Cooling escrow	(5,115)	-
Depreciation	Depreciation	3,724	3,257	Depreciation	5,646	5,056
Amortization of intangible assets	Amortization of intangible assets	2,911	5,725	Amortization of intangible assets	4,266	8,236
Amortization of loan costs	Amortization of loan costs	13	-	Amortization of loan costs	13	-
Stock-based compensation	Stock-based compensation	14,220	11,372	Stock-based compensation	23,337	17,671
Non-cash lease expense	Non-cash lease expense	28	1,308	Non-cash lease expense	494	1,025
Deferred income tax expense (benefit)	Deferred income tax expense (benefit)	13	(4,338)	Deferred income tax expense (benefit)	36	(4,937)
Change in fair value of contingent consideration	Change in fair value of contingent consideration	(198)	(5,695)	Change in fair value of contingent consideration	(1,778)	(3,348)
Amortization of investments		(740)	-			
Change in fair value of equity investments				Change in fair value of equity investments	-	(697)
Accretion of investments				Accretion of investments	(1,049)	-
Loss on disposal of property and equipment, net	Loss on disposal of property and equipment, net	215	35	Loss on disposal of property and equipment, net	227	54
Loss (gain) on disposal of assets held for rent, net		336	(264)			
Loss on disposal of assets held for rent, net				Loss on disposal of assets held for rent, net	443	369
Other	Other	(53)	200	Other	-	302
Change in operating assets and liabilities, net of effects of acquisitions	Change in operating assets and liabilities, net of effects of acquisitions			Change in operating assets and liabilities, net of effects of acquisitions		
Accounts receivable, trade, net	Accounts receivable, trade, net	7,091	(8,128)	Accounts receivable, trade, net	9,437	(9,438)
Inventories	Inventories	(4,273)	(4,990)	Inventories	(8,450)	(5,403)
Prepaid expenses and other assets	Prepaid expenses and other assets	(1,183)	(2,411)	Prepaid expenses and other assets	(1,045)	(1,843)
Accounts payable	Accounts payable	(4,681)	(3,402)	Accounts payable	(3,380)	(3,615)

Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	110	(1,033)	Accrued expenses and other current liabilities	(1,692)	444
Warranty liability	Warranty liability	124	(676)	Warranty liability	(97)	(1,031)
Sales taxes payable	Sales taxes payable	918	1,598	Sales taxes payable	1,330	1,526
Other	Other	23	-	Other	128	-
Net cash used in operating activities	Net cash used in operating activities	(10,430)	(17,841)	Net cash used in operating activities	(14,809)	(16,345)
Cash flows from investing activities	**Cash flows from investing activities**			**Cash flows from investing activities**		
Purchases of available-for-sale securities	Purchases of available-for-sale securities	(15,728)	(23,075)	Purchases of available-for-sale securities	(22,688)	(35,767)
Proceeds from sale of available-for-sale securities	Proceeds from sale of available-for-sale securities	1,852	-	Proceeds from sale of available-for-sale securities	2,971	-
Maturities of available-for-sale securities	Maturities of available-for-sale securities	32,550	-	Maturities of available-for-sale securities	42,450	750
Purchases of assets held for rent	Purchases of assets held for rent	(2,552)	(774)	Purchases of assets held for rent	(3,453)	(2,269)
Purchases of property and equipment	Purchases of property and equipment	(3,904)	(3,491)	Purchases of property and equipment	(5,400)	(5,937)
Net cash provided by (used in) investing activities	Net cash provided by (used in) investing activities	12,218	(27,340)	Net cash provided by (used in) investing activities	13,880	(43,223)
Cash flows from financing activities	**Cash flows from financing activities**			**Cash flows from financing activities**		
Payments on equipment loans	Payments on equipment loans	(256)	(247)	Payments on equipment loans	(383)	(370)
Proceeds from exercise of common stock options	Proceeds from exercise of common stock options	306	301	Proceeds from exercise of common stock options	370	307
Fees incurred for registration filings		-	(76)			
Payments on financed insurance premium		108	(458)			
Other		(16)	10			
Proceeds from term loans				Proceeds from term loans	-	20,000

Net cash used in financing activities	142	(470)			
Payments on term loans			Payments on term loans	(300)	(1,750)
Fees paid related to issuance of common stock			Fees paid related to issuance of common stock	-	(130)
Proceeds from financed insurance premium			Proceeds from financed insurance premium	2,639	

Payments on financed insurance premium				Payments on financed insurance premium	(1,653)	(814)
Other				Other	77	(302)
Net cash provided by financing activities				Net cash provided by financing activities	750	16,941
Net decrease in cash, cash equivalents, and restricted cash	Net decrease in cash, cash equivalents, and restricted cash	1,930	(45,651)	Net decrease in cash, cash equivalents, and restricted cash	(179)	(42,627)
Cash, cash equivalents, and restricted cash – beginning of period	Cash, cash equivalents, and restricted cash – beginning of period	19,473	69,870	Cash, cash equivalents, and restricted cash – beginning of period	19,473	69,870
Effects of currency translation on cash, cash equivalents, and restricted cash	Effects of currency translation on cash, cash equivalents, and restricted cash	28	(190)	Effects of currency translation on cash, cash equivalents, and restricted cash	(28)	(176)
Cash, cash equivalents, and restricted cash – end of period	Cash, cash equivalents, and restricted cash – end of period	$ 21,431	$ 24,029	Cash, cash equivalents, and restricted cash – end of period	$ 19,266	$ 27,067
Non-cash investing and financing activities	Non-cash investing and financing activities			Non-cash investing and financing activities		
Purchase of property and equipment not yet paid	Purchase of property and equipment not yet paid	$ 830	$ 102	Purchase of property and equipment not yet paid	$ 4,064	$ 1,661
Equipment acquired under operating leases		$ 880	$ 243			
Assets acquired under operating leases				Assets acquired under operating leases	$ (880)	$ 243
Assets acquired under financing leases				Assets acquired under financing leases	$ 1,682	$ -
Unrealized gains and losses on currency translation				Unrealized gains and losses on currency translation	$ (11)	$ -
Unrealized gains and losses on available-for-sale securities	Unrealized gains and losses on available-for-sale securities	$ (37)	$ -	Unrealized gains and losses on available-for-sale securities	$ (44)	$ 75
Cashless issuance of SciSafe earnout shares	Cashless issuance of SciSafe earnout shares	$ 2,263	$ 816	Cashless issuance of SciSafe earnout shares	$ 2,263	$ 817
Cash interest paid	Cash interest paid	$ 935	$ 121	Cash interest paid	$ 1,394	$ 230
Settlement of Global Cooling escrow		$ (5,115)	$ -			

Returned shares from settlement of Global Cooling escrow	Returned shares from settlement of Global Cooling escrow	$	(5,115)	$	-

The accompanying notes are an integral part of these Unaudited Condensed Consolidated Financial Statements.

BioLife Solutions, Inc.
Notes to Unaudited Condensed Consolidated Financial Statements

1. Organization and significant accounting policies

Business

BioLife Solutions, Inc. ("BioLife", "us", "we", "our", or the "Company") is a developer, manufacturer, and supplier of a portfolio of bioproduction tools and services including proprietary biopreservation media, automated thawing devices, cloud-connected shipping containers, ultra-low temperature mechanical freezers, cryogenic and controlled rate freezers, and biological and pharmaceutical materials storage. Our CryoStor® freeze media and HypoThermosol® hypothermic storage media are optimized to preserve cells in the regenerative medicine market. These novel biopreservation media products are serum-free and protein-free, fully defined, and are formulated to reduce preservation-induced cell damage and death. Our Sexton cell processing product line includes human platelet lysates ("hPL") for cell expansion, reducing risk and improving downstream performance over fetal bovine serum, human serum, and other chemically defined media, CellSeal® cryogenic vials that are purpose-built rigid containers used in cell and gene therapy ("CGT") that can be filled manually or with high throughput systems, and automated cell processing machines that bring multiple processes traditionally performed by manual techniques under a higher level of control to protect therapies from loss or contamination. Our ThawSTAR® product line is comprised composed of a family of automated thawing devices for frozen cell and gene therapies packaged in cryovials and cryobags. These products help administer temperature-sensitive biologic therapies to patients by standardizing the thawing process and reducing the risks of contamination and overheating, which are inherent with the use of traditional water baths. Our cryogenic freezer technology provides for controlled rate freezing and cryogenic storage of biologic materials. Our ultra-low temperature mechanical freezers allow biological materials and vaccines to be stored at temperatures which range from negative 20 to negative 86. Our evo® shipping containers provide cloud-connected passive storage and transport containers for temperature-sensitive biologics and pharmaceuticals. Our biological and pharmaceutical materials storage services provide facilities that allow for real-time tracking of biologic materials and vaccines that can be stored at a wide range of temperatures.

Use of estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States ("U.S. GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Significant estimates and assumptions by management affect the Company's net realizable value of inventory, sales tax liabilities, valuation of market based market-based stock awards, valuations, and purchase price allocations related to investments, fair value of marketable debt securities, expected future cash flows including growth rates, discount rates, terminal values and other assumptions and estimates used to evaluate the recoverability of long-lived assets, estimated fair values of intangible assets and goodwill, amortization methods and periods, warranty reserves, certain accrued expenses, stock-based compensation, contingent consideration from business combinations, and provision for income taxes.

The Company regularly assesses these estimates; however, actual results could differ materially from these estimates. Changes in estimates are recorded in the period in which they become known. The Company bases its estimates on historical experience and various other assumptions that it believes to be reasonable under the circumstances.

Basis of presentation

The Unaudited Condensed Consolidated Financial Statements included herein have been prepared by BioLife and related footnote disclosures as of and for the three and nine months ended September 30, 2023 are unaudited, and are not necessarily indicative of the Company's operating results for a full year. The Unaudited Condensed Consolidated Financial Statements include all normal and recurring adjustments necessary for a fair presentation of the Company's financial results for the three and nine months ended September 30, 2023 in accordance with U.S. GAAP, however, certain information and footnote disclosures normally included in annual financial statements prepared in accordance with U.S. GAAP have been condensed or omitted pursuant to the rules and regulations of the U.S. Securities and Exchange Commission ("SEC" (the "SEC"), for Quarterly Reports on Form 10-Q rules and Article 10 of Regulation S-X and do not include all of the information and footnote disclosures required by U.S. GAAP. regulations relating to interim financial statements. These Unaudited Condensed Consolidated Financial Statements should be read in conjunction with the Audited Consolidated Financial Statements and accompanying notes thereto included in the Company's Annual Report on Form 10-K as of and for the fiscal year ended December 31, 2022, filed with the SEC on March 31, 2023 (the "Annual Report").

The Unaudited Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned subsidiaries, SAVSU Technologies, Inc. ("SAVSU"), Arctic Solutions, Inc. doing business as Custom Biogenic Systems ("CBS"), SciSafe Holdings, Inc. ("SciSafe"), BioLife Solutions B.V, Global Cooling, Inc. doing business as Stirling

Ultracold ("Global Cooling" or "GCI"), and Sexton Biotechnologies, Inc. ("Sexton"). All intercompany accounts and transactions have been eliminated in consolidation.

In the opinion of management, the accompanying Unaudited Condensed Consolidated Financial Statements include all adjustments, consisting of only normal, recurring adjustments necessary for a fair presentation of the financial position, results of operations, and cash flows. The results of operations for the interim periods presented are not necessarily indicative of results to be expected for the entire year.

Foreign currency translation

The Company translates items presented on its Unaudited Condensed Consolidated Balance Sheet, Unaudited Condensed Consolidated Statements of Operations, Unaudited Condensed Consolidated Statements of Comprehensive Loss, Unaudited Condensed Consolidated Statements of Shareholders' Equity, and Unaudited Condensed Consolidated Statements of Cash Flows into U.S. dollars. For the Company's subsidiaries that operate in a local currency functional environment, all assets and liabilities are translated into U.S. dollars using current exchange rates at the balance sheet date; revenue and expenses are translated using average exchange rates in effect during each period. Resulting translation adjustments are reported as a separate component of Accumulated Other Comprehensive Loss in the Unaudited Condensed Consolidated Statements of Shareholders' Equity.

Segment reporting

The Company views its operations and makes decisions regarding how to allocate resources and manages its business as one reportable segment and one reporting unit. The Company's Chief Executive Officer, who is the chief operating decision maker, reviews financial information on an aggregate basis for purposes of allocating resources and evaluating financial performance.

Significant accounting policies

There have been no significant changes to the accounting policies during the three and six nine months ended June 30, 2023 September 30, 2023, as compared to the significant accounting policies described in our Annual Report.

Liquidity and capital resources

On June 30, 2023 September 30, 2023 and December 31, 2022, we had $48.1 million $42.2 million and $64.1 million in cash, cash equivalents, and available-for-sale securities, respectively. We have the ability to borrow up to $10 million under our 2022 term loan 3. See Loan Agreement (as defined in Note 13: *Long-term debt* 14 below). For additional information, see Note 14. Additionally, on October 19, 2023, we entered into a Securities Purchase Agreement with Casdin Partners Master Fund, L.P. ("Casdin") whereby the Company sold, and Casdin purchased, 927,165 shares of common stock of the Company at a share price of $11.19 per share for an aggregate purchase price of $10,374,976, infusing additional details on borrowing requirements under our 2022 term loan 3. capital into the Company. Based on our current expectations with respect to our future revenue and expenses, we believe that our current level of cash, cash equivalents, and other liquid assets will be sufficient to meet our liquidity needs for at least the next twelve months from the date of the filing of this Quarterly Report on Form 10-Q. However, the Company may choose to raise additional capital through a debt or equity financing in order to pursue additional acquisition or strategic investment opportunities. Additional capital, if required, may not be available on reasonable terms, if at all.

Risks and uncertainties

Supply chain considerations

Our domestic and international supply chain operations had been were affected by the global pandemic of the coronavirus ("COVID-19") and the resulting volatility and uncertainty it caused in the U.S. and international markets. The onset of the COVID-19 pandemic caused supply chains globally to become constrained, and these constraints historically impacted our business through both increased difficulty in obtaining semiconductor chips and increased pricing on available parts. However, as of the six nine months ended June 30, 2023 September 30, 2023, both availability and pricing of semiconductor chips have improved and no longer pose constraints on our supply chain. We currently have sufficient supply for electrical component parts within our operations and do not foresee constraints to return over our supply chain.

Concentrations of credit risk and business risk

Significant customers are those that represent more than 10% of the Company's total revenues or gross accounts receivable balances for the periods and as of each balance sheet date presented. For each significant customer, revenue as a percentage of total revenues and gross accounts receivable as a percentage of total gross accounts receivable as of the periods presented were as follows:

		Accounts Receivable		Revenue					Accounts Receivable		Revenue			
		June 30,	December 31,	Three Months Ended June 30,		Six Months Ended June 30,			September 30,	December 31,	Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	2022	2023	2022	2023	2022		2023	2022	2023	2022	2023	2022
Customer A	Customer A	*	15 %	*	*	*	*	Customer A	*	15 %	*	*	*	*
Customer B	Customer B	*	*	17 %	20 %	15 %	20 %	Customer B	11 %	*	19 %	17 %	16 %	19 %

Customer C	Customer C	*	11 %	*	*	*	*	Customer C	*	11 %	*	*	*	*
Customer D	11 %	*	*	*	*	*								

* less than 10%

Revenue from foreign customers is denominated in United States dollars or euros.

The following table represents the Company's products representing more than 10% of the Company's total revenues:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
Product revenue concentration	**Product revenue concentration**	**2023**	**2022**	**2023**	**2022**	**Product revenue concentration**	**2023**	**2022**	**2023**	**2022**
CryoStor	CryoStor	41 %	32 %	42 %	33 %	CryoStor	33 %	38 %	39 %	35 %
780XLE Freezer	780XLE Freezer	20 %	25 %	17 %	23 %	780XLE Freezer	23 %	21 %	19 %	22 %

The following table represents the Company's total revenue by geographic area (based on the location of the customer):

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
Revenue by customers' geographic locations(1)	**Revenue by customers' geographic locations(1)**	**2023**	**2022**	**2023**	**2022**	**Revenue by customers' geographic locations(1)**	**2023**	**2022**	**2023**	**2022**
United States		83 %	75 %	81 %	77 %					
North America(2)						North America(2)	81 %	81 %	81 %	81 %
Europe, Middle East, Africa (EMEA)	Europe, Middle East, Africa (EMEA)	13 %	17 %	16 %	17 %	Europe, Middle East, Africa (EMEA)	15 %	16 %	16 %	16 %
Canada		— %	5 %	— %	3 %					
Other	Other	4 %	3 %	3 %	3 %	Other	4 %	3 %	3 %	3 %
Total revenue	Total revenue	100 %	100 %	100 %	100 %	Total revenue	100 %	100 %	100 %	100 %

(1) During the nine months ended September 30, 2023, the Company updated its methodology for determining the country of origin for its sales. Sales are now recorded by shipping country rather than billing country. The Company updated the methodology retrospectively, adjusting the prior year presentation for all regions presented.

(2) The line item presented above previously bifurcated sales between the United States and Canada. Due to the updated methodology for determining the country of origin for sales, it was noted that Canada no longer was a material location to separately disclose. Both have been combined in the line item presented above to more accurately reflect origin of sales for material regions.

In the three and nine months ended June 30, 2023, no supplier accounted for more than 10% of purchases. In the six months ended June 30, 2023 September 30, 2023, one supplier accounted for 11% 14% and 12% of purchases. purchases, respectively. In the three and six nine months ended June 30, 2022 September 30, 2022, no suppliers accounted for more than 10% of purchases.

As of June 30, 2023 September 30, 2023, no suppliers one supplier accounted for more than 10% 19% of our accounts payable. As of December 31, 2022, one supplier accounted for 23% of our accounts payable.

Recent accounting pronouncements

As of January 1, 2023, we adopted the ASC 2016-13, Measurement of Credit Losses on Financial Instruments, which later was codified as ASC 326 (CECL). In addition to the adoption of ASC 326, the Company adopted the accompanying ASU No. 2022-02, Financial Instruments-Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures. Both standards mark a significant change requiring the immediate recognition of estimated credit losses expected to occur over the remaining life of many financial assets. ASU 2022-02 specifically eliminates the accounting guidance for troubled debt restructurings and requires disclosure of current-period gross write-offs by year of loan origination. Additionally, ASU 2022-02 updates the accounting for credit losses under ASC 326 and adds enhanced disclosures with respect to loan refinancings and restructurings in the form of principal forgiveness, interest rate concessions, other-than-insignificant payment delays, or term extensions when the borrower is experiencing financial difficulties. ASC 326 is intended to improve financial reporting by corporations by requiring earlier recognition of credit losses on loans from corporations, held-to-maturity (HTM) securities, and certain other financial assets. ASC 326 also amended the impairment guidance for available-for-sale (AFS) debt securities in that it eliminated the Other Than Temporary Impairment (OTTI) impairment model. Under Subtopic ASC 326-30, Financial Instruments—Credit Losses—Available-for-Sale Debt Securities, changes in expected cash flows due to credit on AFS debt securities will be recorded through an allowance, rather than permanent write-downs for negative changes and prospective yield adjustments for positive changes, as required by the current OTTI model. ASC 326 replaces the current incurred loss impairment model that recognizes losses when a probable threshold is met with a requirement to recognize lifetime expected credit losses immediately when a financial asset is originated or purchased. For the period ended June 30, 2023 September 30, 2023, the adoption of ASC 326 did not result in a material effect on the Company's Unaudited Condensed Consolidated financial statements.

2. Correction of immaterial errors

As reported in our Annual Report, as of and for the fiscal year ended December 31, 2022, we determined that an error existed in our previously issued consolidated financial statements. Specifically, we identified we had established nexus in several jurisdictions beginning in the year ended December 31, 2019 in which we were not collecting and remitting sales taxes appropriately. The error was evaluated and recorded as of each period impacted by the error under the SEC guidance on evaluating the materiality of prior period misstatements to the Company's financial statements. We evaluated the error and concluded that it was not material to any previously issued consolidated financial statements and accompanying Unaudited Condensed Consolidated financial statements. Although the error was not material to any period, we corrected the accompanying historical Unaudited Condensed Consolidated financial statements for each period impacted. The corrections to the quarter ended June 30, 2022 September 30, 2022 are presented below to reflect the sales tax liability and associated expenses owed within the period for comparative purposes.

The effect of the adjustments to our Unaudited Condensed Consolidated Balance Sheet as of June 30, 2022 September 30, 2022 was as follows:

		June 30, 2022				September 30, 2022		
(In thousands)	(In thousands)	As reported	Adjustment	As corrected	(In thousands)	As reported	Adjustment	As corrected
Prepaid expenses and other current assets	Prepaid expenses and other current assets	$ 6,890	$ 302	$ 7,192	Prepaid expenses and other current assets	$ 8,041	$ 341	$ 8,382
Total current assets	Total current assets	118,057	302	118,359	Total current assets	135,874	341	136,215
Total assets	Total assets	470,379	302	470,681	Total assets	487,679	341	488,020
Accrued expenses and other current liabilities	Accrued expenses and other current liabilities	7,187	(423)	6,764	Accrued expenses and other current liabilities	7,778	(340)	7,438
Sales taxes payable	Sales taxes payable	-	3,494	3,494	Sales taxes payable	-	3,810	3,810
Total current liabilities	Total current liabilities	33,298	3,071	36,369	Total current liabilities	36,948	3,470	40,418
Total liabilities	Total liabilities	58,066	3,071	61,137	Total liabilities	79,430	3,470	82,900
Accumulated deficit	Accumulated deficit	(184,640)	(2,769)	(187,409)	Accumulated deficit	(194,597)	(3,129)	(197,726)
Total shareholders' equity	Total shareholders' equity	412,313	(2,769)	409,544	Total shareholders' equity	408,249	(3,129)	405,120
Total liabilities and shareholders' equity	Total liabilities and shareholders' equity	470,379	302	470,681	Total liabilities and shareholders' equity	487,679	341	488,020

The effect of the adjustments to our Unaudited Condensed Consolidated Statements of Operations for the quarter ended June 30, 2022 September 30, 2022 was as follows:

		Three Months Ended June 30, 2022			Six Months Ended June 30, 2022				Three Months Ended September 30, 2022			Nine Months End September 30, 20		
(In thousands, except per share and share data)	(In thousands, except per share and share data)	As reported	Adjustment	As corrected	As reported	Adjustment	As corrected	(In thousands, except per share and share data)	As reported	Adjustment	As corrected	As reported	Adjustment	c
General and administrative	General and administrative	$ 11,351	$ 301	$ 11,652	$ 22,546	$ 636	$ 23,182	General and administrative	$ 11,581	$ 335	$ 11,916	$ 34,128	$ 970	$
Total operating expenses	Total operating expenses	116,795	301	117,096	160,647	636	161,283	Total operating expenses	52,152	335	52,487	212,800	970	

Operating loss	Operating loss	(76,262)	(301)	(76,563)	(83,895)	(636)	(84,531)	Operating loss	(11,405)	(335)	(11,740)	(95,300)	(970)
Interest expense		(9)	(23)	(32)	(173)	(43)	(216)						
Total other expense, net		(31)	(23)	(54)	(63)	(43)	(106)						
Interest income (expense)								Interest income (expense)	10	(25)	(15)	(181)	(69)
Total other income, net								Total other income, net	849	(25)	824	786	(69)
Loss before income tax benefit	Loss before income tax benefit	(76,293)	(324)	(76,617)	(83,958)	(679)	(84,637)	Loss before income tax benefit	(10,556)	(360)	(10,916)	(94,514)	(1,039)
Net loss	Net loss	(72,554)	(324)	(72,878)	(79,620)	(679)	(80,299)	Net loss	(9,957)	(360)	(10,317)	(89,577)	(1,039)
Net loss per basic and diluted share	Net loss per basic and diluted share	(1.71)	(0.01)	(1.72)	(1.89)	(0.01)	(1.90)	Net loss per basic and diluted share	(0.23)	(0.01)	(0.24)	(2.11)	(0.03)

The effect of the adjustments to our Unaudited Condensed Consolidated Statements of Cash flows Flows for the quarter ended June 30, 2022 September 30, 2022 was as follows:

		Six Months Ended June 30, 2022				Nine Months Ended September 30, 2022		
(In thousands)	**(In thousands)**	**As reported**	**Adjustment**	**As corrected**	**(In thousands)**	**As reported**	**Adjustment**	**As corrected**
Net loss	Net loss	$ (79,620)	$ (679)	$ (80,299)	Net loss	$ (89,577)	$ (1,039)	$ (90,616)
Prepaid expenses and other current assets	Prepaid expenses and other current assets	(1,492)	(919)	(2,411)	Prepaid expenses and other current assets	(1,356)	(487)	(1,843)
Sales taxes payable	Sales taxes payable	-	1,598	1,598	Sales taxes payable	-	1,526	1,526

3. Impairment of property and equipment and definite-lived intangible assets

Subsequent to the second quarter of 2023, the Company began to actively seek divestment of its GCI and CBS freezer product lines (the "Freezer Business"). The announcement, coupled with broader economic uncertainty leading to reductions in spending across the biopharma industry and the Company's customer base constituted interim triggering events that required further analysis with respect to potential impairment to goodwill, indefinite-lived intangibles, and its long-lived asset groups. The Company performed an interim quantitative impairment test as of the September 30, 2023 balance sheet date.

To assess any potential impairment of goodwill, the Company compared the carrying value of its single reporting unit against its market capitalization, noting that the market capitalization exceeded the carrying value. As such, goodwill was not impaired as of September 30, 2023.

As a part of the interim quantitative impairment analysis performed, the Company determined that decreases in the market price of the GCI long-lived asset group and historical operating cash flow losses for both GCI and CBS were indicative of potential impairment. The recoverability tests performed over the asset groups of the Freezer Business resulted in a $9.7 million non-cash impairment charge over property and equipment and a $5.8 million non-cash impairment charge over definite-lived intangible assets reflected in the Company's Unaudited Condensed Consolidated Statements of Operations, which represents the entirety of the asset groups' carrying value.

In order to determine the fair value of the property and equipment, acquired technology, customer relationships, and tradename definite-lived intangible assets, the Company utilized the market approach and discounted cash flow analyses to

determine if the recoverability of the Freezer Business asset groups were above its carrying value. The key assumptions associated with determining the estimated fair value include (i) the amount and timing of projected future cash flows (including revenue and expenses), (ii) the discount rate selected to measure the risks inherent in the future cash flows, (iii) the assessment of the asset's life cycle, and (iv) the competitive trends impacting the asset. As a result of the analysis, we recognized non-cash impairment charges of $9.7 million, $3.1 million, $0.2 million, and $2.5 million during the period ended September 30, 2023 for the property and equipment, acquired technology, customer relationships, and tradename definite-lived intangible assets, respectively, in the line item titled, "*Asset impairment charges*" in the Company's Unaudited Condensed Consolidated Statements of Operations, which represents the difference between the estimated fair value of the Company's definite-lived intangible assets and their carrying values.

Fair value determinations require considerable judgment and are sensitive to changes in underlying assumptions, estimates and market factors. Estimating the fair value of the Company's reporting unit and definite-lived intangible assets requires us to make assumptions and estimates regarding our future plans, as well as industry, economic, and regulatory conditions. These assumptions and estimates include projected future revenue growth rates, EBITDA margins, terminal growth rates, discount rates, royalty rates and other market factors. If current expectations of future growth rates, margins and cash flows are not met, or if market factors outside of our control change significantly, then our reporting unit, indefinite-lived intangible assets, and definite-lived intangible assets might become impaired in the future, negatively impacting our operating results and financial position. As the carrying amounts of the Company's definite-lived intangible assets were impaired as of September 30, 2023 and written down to fair value, those amounts are more susceptible to an impairment risk if there are unfavorable changes in assumptions and estimates.

4. Fair value measurement

In accordance with FASB ASC Topic 820, the Company measures its financial instruments at fair value on a recurring basis. The carrying values of certain of our financial instruments including cash and cash equivalents, accounts receivable, accounts payable, and accrued liabilities approximate fair value because of their short maturities. The carrying value of our marketable debt securities, which are accounted for as available-for-sale, are classified within either Level 1 or Level 2 in the fair value hierarchy because we use quoted market prices or alternative pricing sources and models utilizing market observable inputs to determine their fair value. The carrying values of our long-term debt, which is classified within Level 2 in the fair value hierarchy, approximates fair value as our borrowings with lenders are at interest rates that approximate market rates for comparable loans. The fair values of investments and contingent consideration classified as Level 3 were derived from management assumptions. The Company also measures certain assets and liabilities at fair value on a non-recurring basis when applying acquisition accounting. ASC Topic 820 clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, ASC Topic 820 establishes a three-tier value fair hierarchy, which prioritizes the inputs used in measuring fair value as follows:

Level 1 – Observable inputs that reflect quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – Observable inputs other than quoted prices included in Level 1 for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the related assets or liabilities.

Level 3 – Unobservable data points for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.

The fair value of the SciSafe Contingent Consideration Liability was initially valued based on unobservable inputs using a Monte Carlo simulation. These inputs included the estimated amount and timing of projected future revenue, a discount rate of 4.5%, a risk-free rate of approximately 0.20%, asset volatility of 60%, and revenue volatility of 15%. Significant changes in any of those inputs in isolation would result in a significant change in the fair value measurement of the liability. Generally, changes used in the assumptions for projected future revenue and revenue volatility would be accompanied by a directionally similar change in the fair value measurement. Conversely, changes in the discount rate would be accompanied by a directionally opposite change in the related fair value measurement. However, due to the contingent consideration having a maximum payout amount, changes in these assumptions would not affect the fair value of the contingent consideration if they increase (decrease) beyond certain amounts. At the acquisition date, the contingent consideration was determined to have a fair value of $3.7 million. Subsequent to the acquisition date, the SciSafe Contingent Consideration Liability was re-measured to fair value with changes recorded in the Change in Fair Value of Contingent Consideration in the Unaudited Condensed Consolidated Statements of Operations. During the most recent re-measurement of the SciSafe

Contingent Consideration Liability as of June 30, 2023 September 30, 2023, the Company used a discount rate of 13.0% 14.5%, a risk-free rate of approximately 4.1% 4.9%, asset volatility of 71%, and revenue volatility of 34% 36%. This The SciSafe Contingent Consideration Liability is included in the Unaudited Condensed Consolidated Balance Sheets as of June 30, 2023 September 30, 2023 and December 31, 2022 in the amounts of $1.9 million $0.3 million and $4.3 million, respectively. The changes in fair value of contingent consideration associated with this liability are included within the Change in Fair Value of Contingent Consideration in the Unaudited Condensed Consolidated Statements of Operations. These changes in fair value of contingent consideration associated with this liability are included within the Change in Fair Value of Contingent Consideration in the Unaudited Condensed Consolidated Statements of Operations. These changes were $0.9 $1.6 million and $0.2 million $1.8 million of benefit for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and $2.4 million $2.3 million of expense and $5.7 million $3.3 million of benefit for the three and six nine months ended June 30, 2022 September 30, 2022, respectively. As of the year ended December 31, 2022, the second hurdle associated with this liability was satisfied and 116,973 shares were issued as payment during the six months ended June 30, 2023. second quarter of 2023.

There were no remeasurements to fair value during the three and six nine months ended June 30, 2023 September 30, 2023 of financial assets and liabilities that are not measured at fair value on a recurring basis.

The following tables set forth the Company's financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2023 September 30, 2023 and December 31, 2022, based on the three-tier fair value hierarchy:

(In thousands)

As of June 30, 2023		**Level 1**	**Level 2**	**Level 3**	**Total**					
As of September 30, 2023						**As of September 30, 2023**	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets:	**Assets:**					**Assets:**				

Cash equivalents:	Cash equivalents:					Cash equivalents:				
Money market accounts	Money market accounts	$ 15,788	$ -	$ -	$ 15,788	Money market accounts	$ 12,392	$ -	$ -	$ 12,392
Available-for-sale securities:	Available-for-sale securities:					Available-for-sale securities:				
U.S. government securities	U.S. government securities	5,909	-	-	5,909	U.S. government securities	5,028	-	-	5,028
Corporate debt securities	Corporate debt securities	-	18,338	-	18,338	Corporate debt securities	-	15,898	-	15,898
Other debt securities	Other debt securities	-	2,450	-	2,450	Other debt securities	-	2,024	-	2,024
Total	Total	$ 21,697	$ 20,788	$ -	$ 42,485	Total	$ 17,420	$ 17,922	$ -	$ 35,342
Liabilities:	**Liabilities:**					**Liabilities:**				
Contingent consideration - business combinations	Contingent consideration - business combinations	-	-	1,995	1,995	Contingent consideration - business combinations	-	-	415	415
Debt	Debt	-	25,507	-	25,507	Debt	-	25,971	-	25,971
Total	Total	$ -	$ 25,507	$ 1,995	$ 27,502	Total	$ -	$ 25,971	$ 415	$ 26,386
As of December 31, 2022	**As of December 31, 2022**					**As of December 31, 2022**				
Assets:	**Assets:**					**Assets:**				
Cash equivalents:	Cash equivalents:					Cash equivalents:				
Money market accounts	Money market accounts	$ 11,416	$ -	$ -	$ 11,416	Money market accounts	$ 11,416	$ -	$ -	$ 11,416
Available-for-sale securities:	Available-for-sale securities:					Available-for-sale securities:				
U.S. government securities	U.S. government securities	15,051	-	-	15,051	U.S. government securities	15,051	-	-	15,051
Corporate debt securities	Corporate debt securities	-	26,047	-	26,047	Corporate debt securities	-	26,047	-	26,047
Other debt securities	Other debt securities	-	3,494	-	3,494	Other debt securities	-	3,494	-	3,494
Total	Total	$ 26,467	$ 29,541	$ -	$ 56,008	Total	$ 26,467	$ 29,541	$ -	$ 56,008
Liabilities:	**Liabilities:**					**Liabilities:**				
Contingent consideration - business combinations	Contingent consideration - business combinations	-	-	4,456	4,456	Contingent consideration - business combinations	-	-	4,456	4,456
Debt	Debt	-	25,607	-	25,607	Debt	-	25,607	-	25,607
Total	Total	$ -	$ 25,607	$ 4,456	$ 30,063	Total	$ -	$ 25,607	$ 4,456	$ 30,063

There have been no transfers of assets or liabilities between the fair value measurement levels.

The following table presents the changes in fair value of contingent consideration liabilities which are measured using Level 3 inputs:

(In thousands)	(In thousands)	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022	(In thousands)	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Beginning balance as of December 31, 2022 and 2021	Beginning balance as of December 31, 2022 and 2021	$ 4,456	$ 10,027	Beginning balance as of December 31, 2022 and 2021	$ 4,456	$ 10,027
Change in fair value recognized in net loss	Change in fair value recognized in net loss	(198)	(3,335)	Change in fair value recognized in net loss	(1,778)	(3,348)
Payment of contingent consideration earned	Payment of contingent consideration earned	(2,263)	—	Payment of contingent consideration earned	(2,263)	(817)
Ending balance	Ending balance	$ 1,995	$ 6,692	Ending balance	$ 415	$ 5,862

4. 5. Investments

Available-for-sale securities

The Company's portfolio of available-for-sale marketable securities consists of the following:

		June 30, 2023					September 30, 2023			
			Gross unrealized					Gross unrealized		
(In thousands)	(In thousands)	Amortized Cost	Gains	Losses	Estimated Fair Value	(In thousands)	Amortized Cost	Gains	Losses	Estimated Fair Value
Available-for-sale securities, current portion	**Available-for-sale securities, current portion**					**Available-for-sale securities, current portion**				
U.S. government securities	U.S. government securities	$ 5,911	$ 1	$ 3	$ 5,909	U.S. government securities	$ 5,030	$ -	$ 2	$ 5,028
Corporate debt securities	Corporate debt securities	18,346	1	9	18,338	Corporate debt securities	15,901	1	4	15,898
Other debt securities	Other debt securities	611	-	-	611	Other debt securities	868	-	-	868
Total short-term	Total short-term	24,868	2	12	24,858	Total short-term	21,799	1	6	21,794
Available-for-sale securities, long-term	**Available-for-sale securities, long-term**					**Available-for-sale securities, long-term**				
Other debt securities	Other debt securities	1,839	5	5	1,839	Other debt securities	1,158	2	4	1,156
Total marketable securities	Total marketable securities	$ 26,707	$ 7	$ 17	$ 26,697	Total marketable securities	$ 22,957	$ 3	$ 10	$ 22,950

	December 31, 2022			
		Gross unrealized		
(In thousands)	Amortized Cost	Gains	Losses	Estimated Fair Value
Available-for-sale securities, current portion				
U.S. government securities	$ 15,087	$ 1	$ 37	$ 15,051
Corporate debt securities	26,057	6	16	26,047
Other debt securities	2,169	-	7	2,162
Total short-term	43,313	7	60	43,260

Available-for-sale securities, long-term				
Other debt securities	1,329	3	-	1,332
Total marketable securities	$ 44,642	$ 10	$ 60	$ 44,592

	June 30, 2023	
(In thousands)	**Amortized Cost**	**Estimated Fair Value**
Due in one year or less	$ 24,868	$ 24,858
Due after one year through five years	1,839	1,839
Total	$ 26,707	$ 26,697

	September 30, 2023	
(In thousands)	**Amortized Cost**	**Estimated Fair Value**
Due in one year or less	$ 21,799	$ 21,794
Due after one year through five years	1,158	1,156
Total	$ 22,957	$ 22,950

Equity investments

The Company periodically invests in non-marketable equity securities of private companies without a readily determinable fair value to promote business and strategic objectives. The securities are carried at cost minus impairment, if any, plus or minus changes resulting from observable process changes in orderly transactions for identical or similar transactions of the same issuer. These securities included Series A-1 and A-2 Preferred Stock in iVexSol, Inc. carried at $4.1 million for both the periods ending June 30, 2023 September 30, 2023 and December 31, 2022, respectively, and Series E Preferred Stock in PanTHERA CryoSolutions, Inc. carried at $995,000 as of June 30, 2023 September 30, 2023 and December 31, 2022.

5. 6. Inventories

Inventories consists consist of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands)	(In thousands)	2023	2022	(In thousands)	September 30, 2023	December 31, 2022
Raw materials	Raw materials	$ 23,012	$ 20,950	Raw materials	$ 24,452	$ 20,950
Work in progress	Work in progress	7,095	5,680	Work in progress	5,973	5,680
Finished goods	Finished goods	12,038	8,726	Finished goods	12,929	8,274
Total inventories	Total inventories	42,145	35,356	Total inventories	$ 43,354	$ 34,904
Less: Inventory reserve		(2,968)	(452)			
Inventories, net		$ 39,177	$ 34,904			

6. 7. Leases

The Company has various operating lease agreements for office space, warehouses, manufacturing, and production locations as well as vehicles and other equipment. Our real estate leases have remaining lease terms of one to ten years. We exclude options that are not reasonably certain to be exercised from our lease terms, ranging from one to five years. Our lease payments consist primarily of fixed rental payments for the right to use the underlying leased assets over the lease terms. For certain leases, we receive incentives from our landlords, such as rent abatements, which effectively reduce the total lease payments owed for these leases. Vehicle and other equipment operating leases have terms between one and five years.

Our financing leases relate to research equipment, machinery, and other equipment.

The table below presents certain information related to the weighted average discount rate and weighted average remaining lease term for the Company's leases as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands)	(In thousands)	June 30, 2023	December 31, 2022	(In thousands)	September 30, 2023	December 31, 2022
Weighted average discount rate - operating leases	Weighted average discount rate - operating leases	4.3 %	4.2 %	Weighted average discount rate - operating leases	4.3 %	4.2 %
Weighted average discount rate - finance leases	Weighted average discount rate - finance leases	8.3 %	6.1 %	Weighted average discount rate - finance leases	8.3 %	6.1 %
Weighted average remaining lease term in years - operating leases	Weighted average remaining lease term in years - operating leases	6.7	7.2	Weighted average remaining lease term in years - operating leases	6.5	7.2
Weighted average remaining lease term in years - finance leases	Weighted average remaining lease term in years - finance leases	4.5	2.0	Weighted average remaining lease term in years - finance leases	4.3	2.0

The components of lease expense for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 were as follows:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	(In thousands)	2023	2022	2023	2022	(In thousands)	2023	2022	2023	2022
Operating lease costs	Operating lease costs	$ 898	$ 929	$ 1,795	$ 1,836	Operating lease costs	$ 883	$ 909	$ 2,679	$ 2,745
Short-term lease costs	Short-term lease costs	448	519	850	986	Short-term lease costs	560	534	1,410	1,627
Total operating lease costs	Total operating lease costs	1,346	1,448	2,645	2,822	Total operating lease costs	1,443	1,443	4,089	4,372
Variable lease costs	Variable lease costs	345	254	604	559	Variable lease costs	299	250	903	809
Total lease costs	Total lease costs	$ 1,691	$ 1,702	$ 3,249	$ 3,381	Total lease costs	$ 1,742	$ 1,693	$ 4,992	$ 5,181

Maturities of our lease liabilities as of June 30, 2023 September 30, 2023 are as follows:

(In thousands)	(In thousands)	Operating Leases	Financing Leases	(In thousands)	Operating Leases	Financing Leases
2023 (6 months remaining)		$ 1,768	$ 275			
2023 (3 months remaining)				2023 (3 months remaining)	$ 909	$ 134
2024	2024	3,405	487	2024	3,383	487
2025	2025	2,960	424	2025	2,942	424
2026	2026	2,534	389	2026	2,532	389
2027	2027	2,280	387	2027	2,280	387
Thereafter	Thereafter	6,938	134	Thereafter	6,938	134
Total lease payments	Total lease payments	19,885	2,096	Total lease payments	18,984	1,955
Less: interest	Less: interest	(2,582)	(340)	Less: interest	(2,401)	(307)

Total present value of lease liabilities	Total present value of lease liabilities	$ 17,303	$ 1,756	Total present value of lease liabilities	$ 16,583	$ 1,648

7. 8. Assets held for rent

Assets held for rent consist of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands)	(In thousands)	2023	2022	(In thousands)	September 30, 2023	December 31, 2022
Shippers placed in service	Shippers placed in service	$ 9,550	$ 7,671	Shippers placed in service	$ 9,848	$ 7,671
Fixed assets held for rent	Fixed assets held for rent	4,686	4,686	Fixed assets held for rent	1,562	4,686
Accumulated depreciation	Accumulated depreciation	(6,171)	(4,952)	Accumulated depreciation	(5,778)	(4,952)
Subtotal	Subtotal	8,065	7,405	Subtotal	5,632	7,405
Shippers and related components in production	Shippers and related components in production	1,352	1,659	Shippers and related components in production	1,577	1,659
Total	Total	$ 9,417	$ 9,064	Total	$ 7,209	$ 9,064

Shippers and related components in production include shippers complete and ready to be deployed and placed in service upon a customer order, shippers in the process of being assembled, and components available to build shippers. We recognized $1.0 $0.9 million and $1.9 million $2.8 million in depreciation expense related to assets held for rent during the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and $0.9 million and $1.8 million $2.7 million during the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

8.

9. Property and equipment

Property and equipment consist of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands)	(In thousands)	June 30, 2023	December 31, 2022	(In thousands)	September 30, 2023	December 31, 2022
Property and equipment						
Property and equipment(1)				Property and equipment(1)		
Leasehold improvements	Leasehold improvements	$ 7,079	$ 5,249	Leasehold improvements	$ 5,948	$ 5,249
Furniture and computer equipment	Furniture and computer equipment	1,839	1,908	Furniture and computer equipment	1,046	1,908
Manufacturing and other equipment	Manufacturing and other equipment	22,894	20,557	Manufacturing and other equipment	19,862	20,557
Construction in-progress	Construction in-progress	4,235	5,095	Construction in-progress	3,500	5,095
Subtotal	Subtotal	36,047	32,809	Subtotal	30,356	32,809
Less: Accumulated depreciation	Less: Accumulated depreciation	(10,482)	(9,171)	Less: Accumulated depreciation	(9,358)	(9,171)

Property and equipment, net	Property and equipment, net	$ 25,565	$ 23,638	Property and equipment, net	$ 20,998	$ 23,638

(1) The entirety of the carrying values and accumulated depreciation of the Freezer Business property and equipment assets were impaired during the three months ended September 30, 2023. Refer to Note 3: *Impairment of property and equipment and definite-lived intangible assets* for more information on the assessed non-cash impairment charges.

Depreciation expense for property and equipment was $1.0 million and $1.9 $2.9 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and $0.7 $0.9 million and $1.5 $2.4 million during the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

9. 10. Goodwill and intangible assets

Goodwill

Goodwill represents the difference between the purchase price and the estimated fair value of identifiable assets acquired and liabilities assumed. Goodwill acquired in a business combination is determined to have an indefinite useful life and is not amortized but instead is tested for impairment at least annually in accordance with ASC 350.

Intangible assets

Intangible assets, net consisted of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands, except weighted average useful life)	**(In thousands, except weighted average useful life)**	**June 30, 2023**				**(In thousands, except weighted average useful life)**	**September 30, 2023**			
Intangible assets:	**Intangible assets:**	**Gross Carrying Value**	**Accumulated Amortization**	**Net Carrying Value**	**Weighted Average Useful Life (in years)**	**Intangible assets:**	**Gross Carrying Value**	**Accumulated Amortization**	**Net Carrying Value**	**Weighted Average Useful Life (in years)**
Customer relationships (1)	Customer relationships (1)	$ 10,496	$ (4,098)	$ 6,398	8.3	Customer relationships (1)	$ 9,936	$ (4,081)	$ 5,855	10.9
Tradenames (1)	Tradenames (1)	11,328	(2,386)	8,942	11.3	Tradenames (1)	8,134	(1,921)	6,213	11.5
Technology - acquired (1)	Technology - acquired (1)	23,802	(10,171)	13,631	5.3	Technology - acquired (1)	18,372	(8,541)	9,831	4.3
Non-compete agreements	Non-compete agreements	750	(544)	206	1.3	Non-compete agreements	750	(585)	165	1.0
Total intangible assets	Total intangible assets	$ 46,376	$ (17,199)	$ 29,177	7.8	Total intangible assets	$ 37,192	$ (15,128)	$ 22,064	7.6

(1) The entirety of the gross carrying values and accumulated amortization of the specified intangible assets above associated with the Freezer Business were impaired during the three months ended September 30, 2023. Refer to Note 3: *Impairment of property and equipment and definite-lived intangible assets* for more information on the assessed non-cash impairment charges.

(In thousands, except weighted average useful life)	**December 31, 2022**			
Intangible assets:	**Gross Carrying Value(1)**	**Accumulated Amortization(1)**	**Net Carrying Value**	**Weighted Average Useful Life (in years)(1)**
Customer relationships	$ 10,496	$ (3,328)	$ 7,168	8.8
Tradenames	11,328	(1,794)	9,534	11.8
Technology - acquired	23,802	(8,705)	15,097	5.3
Non-compete agreements	750	(461)	289	1.8
Total intangible assets	$ 46,376	$ (14,288)	$ 32,088	8.0

(1) Both the Gross Carrying Value and Accumulated Amortization balances as of December 31, 2022 contain immaterial adjustments to reflect impairments taken during the year ended December 31, 2022 on each of the intangible asset classes presented here. Each intangible asset class was adjusted as follows: Customer relationships: $0.8 million; million, Tradenames: $2.4 million, Technology - acquired: $4.1 million, and Non-compete agreements: $0.4 million. The Weighted Average Useful Life was additionally adjusted to reflect the updated balances subsequent to the impairment charges.

Amortization expense for definite-lived intangible assets was $1.5 million $1.4 million and $2.9 $4.3 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively and $2.9 $2.5 million and $5.7 $8.2 million for the three and six nine months ended June 30, 2022 September 30, 2022,

respectively. As of June 30, 2023 September 30, 2023, the Company expects to record the following amortization expense for definite-lived intangible assets:

(In thousands)	(In thousands)	Amortization Expense	(In thousands)	Amortization Expense
For the Years Ending December 31,				
2023 (6 months remaining)		$ 2,520		
2023 (3 months remaining)			2023 (3 months remaining)	$ 915
2024	2024	4,607	2024	3,602
2025	2025	4,435	2025	3,468
2026	2026	4,137	2026	3,358
2027	2027	3,383	2027	2,605
Thereafter	Thereafter	10,095	Thereafter	8,116
Total	Total	$ 29,177	Total	$ 22,064

10. 11. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consist of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands)	(In thousands)	June 30, 2023	December 31, 2022	(In thousands)	September 30, 2023	December 31, 2022
Accrued compensation	Accrued compensation	$ 5,150	$ 5,080	Accrued compensation	$ 3,309	$ 5,080
Accrued expenses	Accrued expenses	3,673	3,128	Accrued expenses	3,704	3,128
Deferred revenue, current	Deferred revenue, current	385	548	Deferred revenue, current	660	548
Accrued taxes	Accrued taxes	906	975	Accrued taxes	895	975
Other	Other	-	51	Other	-	51
Total accrued expenses and other current liabilities	Total accrued expenses and other current liabilities	$ 10,114	$ 9,782	Total accrued expenses and other current liabilities	$ 8,568	$ 9,782

11. 12. Warranty reserve liability

The Company reserves estimated exposures on known claims, as well as anticipated claims, for product warranty and rework cost, based on historical product liability claims. Claim costs are deducted from the accrual when paid. Factors that could have an impact on the warranty accrual in any given period include the following: changes in manufacturing quality, changes in product costs, changes in product mix and any significant changes in sales volume.

A rollforward of our warranty liability is as follows:

		Six Months Ended June 30,			Nine Months Ended September 30,	
(In thousands)	(In thousands)	2023	2022	(In thousands)	2023	2022

Beginning balance as of December 31, 2022 and 2021	Beginning balance as of December 31, 2022 and 2021	$	8,312	$	9,398	Beginning balance as of December 31, 2022 and 2021	$	8,312	$	9,398
Provision for warranties(1)	Provision for warranties(1)		2,160		1,991	Provision for warranties(1)		2,861		2,353
Settlements of warranty claims(1)	Settlements of warranty claims(1)		(2,036)		(2,667)	Settlements of warranty claims(1)		(2,958)		(3,384)
Ending Balance		$	8,436	$	8,722					
Ending balance						Ending balance	$	8,215	$	8,367

(1) Both the Provision for warranties and Settlements of warranty claims balances during the six nine months ended June 30, 2022 September 30, 2022 include immaterial reclassifications of $0.5 $0.6 million to reflect changes in warranty utilization on pre-existing claims.

12. 13. Commitments and contingencies

Employment agreements

We have employment agreements with certain key employees. None of these employment agreements is for a definitive period, but rather each will continue indefinitely until terminated in accordance with its terms. The agreements provide for a base annual salary, payable in monthly (or shorter) installments. Under certain conditions and for certain of these officers, we may be required to pay additional amounts upon terminating the employee or upon the employee resigning for good reason.

Litigation

From time to time, the Company is subject to various legal proceedings that arise in the ordinary course of business, none of which are currently material to the Company's business. The Company's industry is characterized by frequent claims and litigation, including claims regarding intellectual property. As a result, the Company may be subject to various legal proceedings from time to time. The results of any future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of management resources and other factors. Management is not aware of any significant pending or threatened litigation that is anticipated to result in unfavorable judgments against the Company.

Indemnification

As permitted under Delaware law and in accordance with the Company's bylaws, the Company is required to indemnify its officers and directors for certain errors and occurrences while the officer or director is or was serving in such capacity. The Company is also party to indemnification agreements with its directors. The Company believes the fair value of the indemnification rights and agreements is minimal. Accordingly, the Company has not recorded any liabilities for these indemnification rights and agreements as of June 30, 2023 September 30, 2023 and December 31, 2022.

Purchase obligations

Purchase obligations are defined as agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum, or variable pricing provisions and the approximate timing of the transactions. As of September 30, 2023, our total short-term obligations were $14.3 million.

Non-income related taxes

Companies are required to collect and remit sales tax from certain customers if the company is determined to have nexus in a particular state. Upon the determination of nexus, which varies by state, companies are additionally required to maintain detailed record of specific product and customer information within each jurisdiction in which it has established nexus to appropriately determine their sales tax liability, requiring technical knowledge of each jurisdiction's tax case law. During the year ended December 31, 2022, the Company determined that a sales tax liability related to the periods of 2019 through 2022 was probable and determined an estimated liability. The estimated liability was approximately $4.8 million $5.2 million and $3.7 million as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Outside of the analysis performed to determine the sales tax liability related to the periods of 2019 through 2022, we assessed approximately $266,000 $0.1 million and $306,000 $0.3 million of sales tax obligations generated during the normal course of business as of June 30, 2023 September 30, 2023 and December 31, 2022, respectively. Due to the variety of jurisdictions in which this estimated liability relates to and our ongoing assessment of sales taxes owed, we cannot predict when final liabilities will be satisfied. We will reevaluate the estimated liability and timing of satisfaction each reporting period.

Settlement of Global Cooling escrow

On May 3, 2021, the Company acquired Global Cooling Inc. Within GCI pursuant to an Agreement and Plan of Merger, dated as of March 19, 2021 (the "GCI Merger Agreement").Pursuant to the GCI Merger Agreement, the merger agreement, aggregate consideration paid to former stockholders of GCI (collectively, the "GCI Stockholders") was 6,646,870 newly issued shares of common stock (the "GCI Merger Consideration") were provided with the requirement that the GCI Merger Consideration otherwise payable to GCI Stockholders were subject to reduction for indemnification obligations. Approximately 9% of the GCI Merger Consideration (the "Escrow "GCI Escrow Shares") otherwise issuable to the GCI Stockholders were deposited into a segregated escrow account (the "GCI Escrow Account") in accordance with an escrow agreement entered into in connection with the

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closing of the transactions contemplated by the GCI Merger Agreement (the "GCI Escrow Agreement"). Of the GCI Escrow Agreement. Of Shares, an amount equal to 5% of the segregated shares, 5% GCI Merger Consideration were considered general escrow shares (the "General Escrow Shares"). The General Escrow Shares. These shares Shares were eligible to be held in escrow for a period of up to 18 months after the closing of the GCI acquisition as the sole and exclusive source of payment for any post-GCI Closing indemnification claims. claims made by the Company.

On September 28, 2022, BioLife asserted an Indemnification Claim indemnification claim pursuant to the Seller Representatives. As of December 31, 2022 and March 31, 2023, the outcome of the claim was uncertain.

GCI Merger Agreement. On June 5, 2023, the Company entered into a settlement agreement was signed granting BioLife rights Settlement Agreement with the representatives of the GCI Stockholders, pursuant to which the parties agreed to release 65% of the General Escrow Shares, totaling 216,024 shares. The shares, to the Company from the GCI Escrow Account. These shares were returned to BioLife the Company and subsequently cancelled. As a result of the settlement, the Company recorded a $5.1 million gain recognizing the return of the shares. shares during the second quarter of 2023.

13. 14. Long-term debt

2022 term loan 2

Upon acquisition of Global Cooling in May 2021, the Company assumed three term notes. In October 2021, the Company entered into amended and restated term notes for all three term notes. Pursuant to the loan agreements, one lender provided two term notes in the amounts of $1.4 million and $1.4 million. A separate lender provided one term note in the amount of $1.8 million. All three term notes bear interest at a fixed rate of 4%, were interest-only with one balloon principal payment at maturity, and could be pre-paid without penalty at any time. As of September 20, 2022, the Company fully extinguished one of the three term notes. All financial covenants included in the original agreements previously in effect were removed by the amended loan agreements.

2022 term loan 3

On September 20, 2022, the Company and certain of its subsidiaries entered into a term loan agreement, which provided for up to $50 million $50.0 million in aggregate principal to be drawn. The term loan matures on June 1, 2026. The agreement provided for borrowings of up to $30 million $30.0 million upon closing and options to borrow up to $10 million $10.0 million between closing and June 30, 2023, up to $10 million $10.0 million upon the achievement of certain revenue milestones, and an additional $10 million $10.0 million at the discretion of the lender. The Company borrowed $20 million $20.0 million upon closing. As of June 30, 2023 September 30, 2023, the Company had not drawn additional funding nor had it met the revenue milestones outlined within the term loan agreement. The Company has until December 31, 2023 to draw and an additional $10 million $10.0 million, subject to approval from the lender. Payments on the borrowing are interest-only through June 2024, with additional criteria allowing for interest-only payments to continue through June 2025. Tranches borrowed under the term loan agreement bear interest at the Wall Street Journal prime rate plus 0.5%. The However, the interest rate is subject to a ceiling that restricts the interest rate for each tranche from exceeding 1.0% above the overall rate applicable to each tranche at their respective funding dates. dates and has a balloon payment due at the earliest of term loan maturity, repayment of the term loan in full, or termination of the loan agreement at $1.2 million. The term loan agreement contains customary representations and warranties as well as customary affirmative and negative covenants. As of the date of this filing, September 30, 2023, the Company is in compliance with the covenants set forth in the 2022 term loan 3 agreement. In the event that borrowings under 2022 term loan 3 exceed $20 million $20.0 million, the Company will become subject to certain financial covenants.

Long-term debt consisted of the following as of June 30, 2023 September 30, 2023 and December 31, 2022:

(In thousands)	(In thousands)	Maturity Date	Interest Rate	June 30, 2023	December 31, 2022	(In thousands)	Maturity Date	Interest Rate	September 30, 2023	December 31, 2022
2022 term loan 2	2022 term loan 2	Various	4.0 %	2,896	2,896	2022 term loan 2	Various	4.0 %	2,596	2,896
2022 term loan 3	2022 term loan 3	Jun-26	7.0 %	20,000	20,000	2022 term loan 3	Jun-26	7.0 %	20,000	20,000
Insurance premium financing	Insurance premium financing	Apr-24	8.0 %	1,184	1,074	Insurance premium financing	Apr-24	8.0 %	2,061	1,074
Freezer equipment loan	Freezer equipment loan	Dec-25	5.7 %	393	466	Freezer equipment loan	Dec-25	5.7 %	355	466
Manufacturing equipment loans	Manufacturing equipment loans	Oct-25	5.7 %	218	266	Manufacturing equipment loans	Oct-25	5.7 %	195	266
Freezer installation loan	Freezer installation loan	Various	6.3 %	944	1,078	Freezer installation loan	Various	6.3 %	876	1,078
Other loans	Other loans	Various	Various	4	6	Other loans	Various	Various	3	6

Total debt, excluding unamortized debt issuance costs	Total debt, excluding unamortized debt issuance costs	25,639	25,786	Total debt, excluding unamortized debt issuance costs	26,086	25,786
Less: unamortized debt issuance costs	Less: unamortized debt issuance costs	(132)	(179)	Less: unamortized debt issuance costs	(115)	(179)
Total debt	Total debt	25,507	25,607	Total debt	25,971	25,607
Less: current portion	Less: current portion	(1,935)	(1,814)	Less: current portion	(5,034)	(1,814)
Total long-term debt	Total long-term debt	$ 23,572	$ 23,793	Total long-term debt	$ 20,937	$ 23,793

2022 term loan 3 is secured by substantially all assets of BioLife, SAVSU, CBS, SciSafe, Global Cooling and Sexton, other than intellectual property. 2022 term loan 2 is secured by substantially all assets of Global Cooling and is effectively subordinated to the security interest established by the lenders of 2022 term loan 3. Equipment loans are secured by the financed equipment.

As of June 30, 2023 September 30, 2023, the scheduled maturities of loans payable for each of the next five years and thereafter were as follows:

(In thousands)	**(In thousands)**	**Amount**	**(In thousands)**	**Amount**
2023 (6 months remaining)		$ 1,217		
2023 (3 months remaining)			2023 (3 months remaining)	$ 816
2024	2024	5,965	2024	6,830
2025	2025	10,511	2025	10,511
2026	2026	5,218	2026	5,218
2027	2027	2,596	2027	2,596
Thereafter	Thereafter	-	Thereafter	-
Total debt	Total debt	25,507	Total debt	$ 25,971

14. 15. Revenue

To determine revenue recognition for contractual arrangements that we determine are within the scope of FASB Topic 606, Revenue from Contracts with Customers, we perform the following five steps: (i) identify each contract with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to our performance obligations in the contract; and (v) recognize revenue when (or as) we satisfy the relevant performance obligation. We only apply the five-step model to contracts when it is probable that we will collect the consideration we are entitled to in exchange for the goods or services we transfer to the customer. Contracts with customers may contain multiple performance obligations. For such arrangements, the transaction price is allocated to each performance obligation based on the estimated relative standalone selling prices of the promised products or services underlying each performance obligation. The Company determines standalone selling prices based on the price at which the performance obligation is sold separately. If the standalone selling price is not observable through past transactions, the Company estimates the standalone selling price, taking into account available information such as market conditions and internally approved pricing guidelines related to the performance obligations. Payment terms and conditions vary, although terms generally include a requirement of payment within 30 to 90 days. As of June 30, 2023 September 30, 2023 and December 31, 2022, our deferred revenue balance totaled $0.4 $0.7 million and $0.6 million, respectively. During the three and six nine months ended June 30, 2023 September 30, 2023, the Company recognized approximately $0.3 $0.1 million and $0.4 million, respectively, of revenue that was included in the deferred revenue balance at the beginning of the year. During the three and nine months ended September 30, 2022, the Company recognized approximately $26 thousand and $0.5 million, respectively, of revenue that was included in the deferred revenue balance at the beginning of the year.

The Company primarily recognizes product revenues, service revenues, and rental revenues. Product revenues are generated from the sale of cell processing tools, freezers, thawing devices, and cold chain products. We recognize product revenue, including shipping and handling charges billed to customers, at a point in time when we transfer control of our products to our customers, which is upon shipment for substantially all transactions. Shipping and handling costs are classified as part of cost of product revenue in the Condensed Consolidated Statements of Operations. Service revenue is generated from the storage of biological and pharmaceutical materials. We recognize service revenue over time as services are performed or ratably over the contract term. To the extent the transaction price includes variable consideration, the Company estimates the amount of variable consideration that should be included in the transaction price utilizing the expected value method or the most likely amount method, depending on the facts and circumstances relative to the contract. When determining the transaction price of a contract, an adjustment is made if payment from a customer occurs either significantly before or significantly after performance, resulting in a significant financing component. Applying the practical expedient in ASC Topic 606, the Company does not assess whether a significant financing component exists if the period between when the Company performs its obligations under the contract and when the customer pays is one year or less. None of the Company's contracts contained a significant financing component as of and during the three and six nine months ended June 30, 2023 September 30, 2023.

The Company also generates revenue from the leasing of our property, plant, and equipment, operating right-of-use assets, and evo cold chain systems within its storage and storage biostorage services product line to customers pursuant to service contracts or rental arrangements entered into with the customer. Revenue from these arrangements is not within the scope of FASB ASC Topic 606 as it is within the scope of FASB ASC Topic 842, Leases. All customers leasing shippers currently do so under month-to-month rental arrangements. We account for these rental transactions as operating leases and record rental revenue on a straight-line basis over the rental term.

The Company enters into various customer service agreements (collectively, "Service Contracts") with customers to provide biological and pharmaceutical storage services. In certain of these Service Contracts, the property, plant, and equipment or operating right-of-use assets used to store the customer product are used only for the benefit of one customer. This is primarily driven by the customer's desire to ensure that sufficient storage capacity is available in a specific geographic location for a set period of time. These agreements may include extension and termination clauses. These Service Contracts do not allow for customers to purchase the underlying assets.

The Company has assessed its Service Contracts and concluded that certain of the contracts for the storage of customer products met the criteria to be considered a leasing arrangement ("Embedded Leases"), with the Company as the lessor. The specific Service Contracts that met the criteria were those that provided a single customer with the ability to substantially direct the use of the Company's property, plant, and equipment or operating right-of-use assets.

Applying the practical expedient from ASC Topic 842, consistent with the previous guidance, the Company will continue to recognize operating right-of-use asset embedded lessor arrangements on its Unaudited Condensed Consolidated Balance Sheets in operating right-of-use assets.

None of the Embedded Leases identified by the Company qualify as a sales-type or direct finance lease. None of the operating leases for which the Company is the lessor include options for the lessee to purchase the underlying asset at the end of the lease term or residual value guarantees, nor are any such operating leases with related parties.

Embedded Leases may contain both lease and non-lease components. We have elected to utilize the practical expedient from ASC Topic 842 to account for lease and non-lease components together as a single combined lease component as the timing and pattern of transfer are the same for the non-lease components and associated lease component and, the lease component, if accounted for separately, would be classified as an operating lease. Non-lease components of the Company's rental arrangements include reimbursements of lessor costs.

Total bioproduction tools and services revenue for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 were comprised composed of the following:

(In thousands, except percentages)	Three Months Ended June 30, 2023	Three Months Ended June 30, 2022	Six Months Ended June 30, 2023	Six Months Ended June 30, 2022
Product revenue				
Freezer and thaw	$ 13,849	$ 18,670	$ 26,230	$ 34,005
Cell processing	18,673	15,356	37,666	30,254
Storage and storage services	515	144	734	299
Service revenue				
Storage and storage services	4,155	3,698	7,980	6,787
Freezer and thaw	40	-	685	-
Rental revenue				
Storage and storage services	2,276	2,665	3,915	5,407
Total revenue	$ 39,508	$ 40,533	$ 77,210	$ 76,752

(In thousands, except percentages)	Three Months Ended September 30, 2023	Three Months Ended September 30, 2022	Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022
Product revenue				
Freezer and thaw	$ 13,188	$ 15,326	$ 39,417	$ 49,331
Cell processing	13,338	18,082	51,004	48,336
Biostorage services	365	260	1,099	560
Service revenue				
Biostorage services	4,186	4,312	12,166	11,099
Freezer and thaw	192	18	877	18
Rental revenue				
Biostorage services	2,059	2,749	5,975	8,156
Total revenue	$ 33,328	$ 40,747	$ 110,538	$ 117,500

The following table includes estimated rental revenue expected to be recognized in the future related to embedded leases as well as estimated service revenue expected to be recognized in the future related to performance obligations that are unsatisfied or partially unsatisfied as of the end of the reporting periods. The Company is electing not to disclose the value of the remaining unsatisfied performance obligation with a duration of one year or less as permitted by the practical expedient in ASU 2014-09, Revenue from Contracts with Customers. The estimated revenue in the following table does not include contracts with the original durations of one year or less, amounts of variable consideration attributable to royalties, or contract renewals that are unexercised as of June 30, 2023 September 30, 2023.

The balances in the table below are partially based on judgments involved in estimating future orders from customers pursuant to their respective contracts:

(In thousands)	(In thousands)	2023 (6 months remaining)	2024	Total	(In thousands)	2023 (3 months remaining)	2024	Total
Rental revenue	Rental revenue	$ 1,800	$ 900	$ 2,700	Rental revenue	$ 900	$ 900	$ 1,800
Service revenue	Service revenue	$ 133	$ 10	$ 143	Service revenue	$ 313	$ 10	$ 323

15. 16. Stock-based compensation

Service vesting-based stock options

The following is a summary of service vesting-based stock option activity for the June 30, 2023 September 30, 2023, and the status of service vesting-based stock options outstanding as of June 30, 2023 September 30, 2023:

		Six Months Ended June 30, 2023			Nine Months Ended September 30, 2023	
		Options	Wtd. Avg. Exercise Price		Options	Wtd. Avg. Exercise Price
Outstanding as of beginning of year	Outstanding as of beginning of year	456,293	$ 2.17	Outstanding as of beginning of year	456,293	$ 2.17
Exercised	Exercised	(144,043)	2.13	Exercised	(175,043)	2.11
Outstanding as of June 30, 2023		312,250	$ 2.18			
Outstanding as of September 30, 2023				Outstanding as of September 30, 2023	281,250	$ 2.19
Stock options exercisable as of June 30, 2023		312,250	$ 2.18			
Stock options exercisable as of September 30, 2023				Stock options exercisable as of September 30, 2023	281,250	$ 2.19

As of June 30, 2023 September 30, 2023, there was $6.2 million $3.3 million of aggregate intrinsic value of outstanding and exercisable service vesting-based stock options. Intrinsic value is the total pretax intrinsic value for all "in-the-money" options (i.e., the difference between the Company's closing stock price on the last trading day of the reporting period and the exercise price, multiplied by the number of shares) that would have been received by the option holders had all option holders exercised their options on June 30, 2023 September 30, 2023. This amount will change based on the fair market value of the Company's stock. Intrinsic value of service vesting-based awards exercised was $1.2 million $0.5 million and $2.8 $3.3 million during the three and six nine months ended June 30, 2023 September 30, 2023, respectively. There were no service based-vesting service-based vesting options granted during the three and six nine months ended June 30, 2023 September 30, 2023. The weighted average remaining contractual life of service vesting-based options outstanding and exercisable as of June 30, 2023 September 30, 2023 is 2.6 2.3 years. There were no unrecognized compensation costs for service vesting-based stock options as of June 30, 2023 September 30, 2023.

Restricted stock

Service vesting-based restricted stock

The following is a summary of service vesting-based restricted stock activity for the three and six nine months ended June 30, 2023 September 30, 2023, and the status of unvested service vesting-based restricted stock outstanding as of June 30, 2023 September 30, 2023:

		Six Months Ended June 30, 2023			Nine Months Ended September 30, 2023	
		Shares	Wtd. Avg. Grant Date Fair Value		Shares	Wtd. Avg. Grant Date Fair Value
Outstanding as of beginning of year	Outstanding as of beginning of year	1,879,215	$ 28.94	Outstanding as of beginning of year	1,879,215	$ 28.94
Granted	Granted	509,629	18.13	Granted	584,976	17.57
Vested	Vested	(534,411)	26.42	Vested	(892,512)	25.95

Forfeited	Forfeited	(115,038)		28.73	Forfeited	(151,984)		28.25
Non-vested as of June 30, 2023		1,739,395	$	26.56				
Non-vested as of September 30, 2023					Non-vested as of September 30, 2023	1,419,695	$	26.21

The aggregate fair value of the service vesting-based awards granted was $1.9 million $1.0 million and $9.2 $16.8 million during the three and six nine months ended June 30, 2023 September 30, 2023, respectively. The aggregate fair value of the service vesting-based awards that vested was $3.9 million $5.0 million and $11.2 $16.9 million during the three and six nine months ended June 30, 2023 September 30, 2023, respectively.

We recognized stock compensation expense related to service vesting-based awards of $5.0 million $9.1 million and $11.0 $23.3 million during the three and six nine months ended June 30, 2023 September 30, 2023, respectively. As of June 30, 2023 September 30, 2023, there was $41.8 million $33.0

million in unrecognized compensation costs related to service vesting-based awards. We expect to recognize those costs over 2.5 2.2 years.

Market-based restricted stock

The following is a summary of market-based restricted stock activity under our stock option plan for the three and six nine months ended June 30, 2023 September 30, 2023 and the status of market-based restricted stock outstanding as of June 30, 2023 September 30, 2023:

		Six Months Ended June 30, 2023				Nine Months Ended September 30, 2023		
		Shares		Wtd. Avg. Grant		Shares		Wtd. Avg. Grant
Outstanding as of beginning of year	Outstanding as of beginning of year	271,044	$	30.64	Outstanding as of beginning of year	271,044	$	30.64
Granted	Granted	268,738		24.23	Granted	268,738		19.67
Vested	Vested	(30,616)		51.65	Vested	(30,616)		51.65
Non-vested as of June 30, 2023		509,166	$	26.00				
Non-vested as of September 30, 2023					Non-vested as of September 30, 2023	509,166	$	26.00

On February 8, 2021, the Company granted 30,616 shares of market-based stock to its executives in the form of restricted stock. The shares granted contain a market condition based on TSR. The TSR market condition measures the Company's performance against a peer group. On March 31, 2023, the Company's Compensation Committee determined the TSR attainment was 100% of the targeted shares and 30,616 shares were granted and immediately vested to the executives of the Company based on our total shareholder return during the period beginning on January 1, 2021 through December 31, 2022 as compared to the total shareholder return of 20 of our peers. The fair value of this award was determined at the grant date using a Monte Carlo simulation with the following assumptions: a historical volatility of 68%, 0% dividend yield and a risk-free interest rate of 0.1%. The historical volatility was based on the most recent 2-year period for the Company and correlated with the components of the peer group. The stock price projection for the Company and the components of the peer group assumes a 0% dividend yield. This is mathematically equivalent to reinvesting dividends in the issuing entity over the performance period. The risk-free interest rate is based on the yield on the U.S. Treasury Strips as of the Measurement Date with a maturity consistent with the 2-year term associated with the market condition of the award. The

fair value of this award of $1.3 million was being expensed on a straight-line basis over the grant date to the vesting date of December 31, 2022.

On February 24, 2022, the Company granted 240,428 shares of market-based stock to its executives in the form of restricted stock. The shares granted contain a market condition based on TSR. The TSR market condition measures the Company's performance against a peer group. The market-based restricted stock awards will vest as to between 0% and 200% of the number of restricted shares granted to each recipient based on our total shareholder return during the period beginning on January 1, 2022 through December 31, 2023 as compared to the total shareholder return of 20 of our peers. The fair value of this award was determined using a Monte Carlo simulation with the following assumptions: a historical volatility of 63%, 0% dividend yield and a risk-free interest rate of 1.5%. The historical volatility was based on the most recent 2-year period for the Company and correlated with the components of the peer group. The stock price projection for the Company and the components of the peer group assumes a 0% dividend yield. This is mathematically equivalent to reinvesting dividends in the issuing entity over the performance period. The risk-free interest rate is based on the yield on the U.S. Treasury Strips as of the Measurement Date with a maturity consistent with the 2-year term associated with the market condition of the award. The fair value of this award of $6.7 million is being expensed on a straight-line basis over the grant date to the vesting date of December 31, 2023.

On January 8, 2023, the Company granted 268,738 shares of market-based stock to its executives in the form of restricted stock. The shares granted contain a market condition based on TSR. The TSR market condition measures the Company's performance against a peer group. The market-based restricted stock awards will vest as to between 0% and 200% of the number of restricted shares granted to each recipient based on our total shareholder return during the period beginning on January 1, 2023 through December 31, 2024 as compared to the total shareholder return of 20 of our peers. The fair value of this award was determined using a Monte Carlo simulation with the following assumptions: a historical volatility of 78%, 0% dividend yield and a risk-free interest rate of 4.4%. The historical volatility was based on the most recent 2-year period for the Company and correlated with the components of the peer group. The stock price projection for the Company and the components of the peer group assumes a 0% dividend yield. This is mathematically equivalent to reinvesting dividends in the issuing entity over the performance period. The risk-free interest rate is based on the yield on the U.S.

Treasury Strips as of the Measurement Date with a maturity consistent with the 2-year term associated with the market condition of the award. The fair value of this award of $6.8 million is being expensed on a straight-line basis over the grant date to the vesting date of December 31, 2024.

We recognized stock compensation expense of $1.6 million and $3.2 $4.9 million related to market-based restricted stock awards for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and $1.2 million and $1.8 million $3.1 million during the three and six nine months ended June 30, 2022 September 30, 2022. As of June 30, 2023 September 30, 2023, there was $6.6 million $4.9 million in unrecognized non-cash compensation costs related to market-based restricted stock awards expected to vest. We expect to recognize those costs over 1.3 1.1 years.

There were no market-based awards granted or vested during the three months ended September 30, 2023 and September 30, 2022. The aggregate fair value of the market-based awards granted was zero and $6.5 million during the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and zero and $6.7 million during the three and six nine months ended June 30, 2022, respectively. September 30, 2022. The aggregate fair value of the market-based awards that vested was zero and $0.7 million during the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and zero and $5.0 million during the three and six nine months ended June 30, 2022, respectively. September 30, 2022.

Total stock compensation expense

Compensation expense associated with equity-based awards is recognized on a straight-line basis over the requisite service period, with awards generally vesting over a 4 year period, and forfeitures recognized as incurred. We recorded total stock compensation expense for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022, as follows:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands)	**(In thousands)**	**2023**	**2022**	**2023**	**2022**	**(In thousands)**	**2023**	**2022**	**2023**	**2022**
Cost of revenue	Cost of revenue	$ 1,212	$ 802	$ 2,844	$ 1,809	Cost of revenue	$ 1,409	$ 809	$ 4,252	$ 2,619
General and administrative costs	General and administrative costs	3,555	3,719	6,848	6,729	General and administrative costs	3,696	3,959	10,544	10,687
Sales and marketing costs	Sales and marketing costs	1,082	738	2,338	1,443	Sales and marketing costs	2,225	829	4,563	2,272
Research and development costs	Research and development costs	1,007	714	2,190	1,391	Research and development costs	1,787	702	3,978	2,093
Total	Total	$ 6,856	$ 5,973	$ 14,220	$ 11,372	Total	$ 9,117	$ 6,299	$ 23,337	$ 17,671

16. 17. Income taxes

The Company accounts for income taxes under ASC Topic 740 – Income Taxes. Under this standard, deferred tax assets and liabilities are recognized for future tax benefits or consequences attributable to temporary differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled.

The Company's tax provision for interim periods is determined using an estimate of the annual effective income tax rate, adjusted for discrete items, if any, that occur in the relevant period. The income tax expense of $0.1 million $0.2 million for the six nine months ended June 30, 2023 September 30, 2023 resulted in an effective income tax rate of negative 0.4%. Included in the $0.1 million $0.2 million was a discrete tax expense benefit of $0.4 $1.2 million related to stock compensation shortfall tax expenses, which were offset by a change in the valuation allowance.

The Company's US projected effective income tax rate without discrete items was negative 0.4%, which is lower than the US federal statutory rate of 21% primarily due to the increase in the valuation allowance on US deferred tax assets and non-deductible executive compensation offset by a non-taxable gain, state tax benefits, and research tax credits.

Realization of deferred tax assets is dependent upon the generation of future taxable income, the timing and amount of which are uncertain. In determining the need for a valuation allowance, the Company's management evaluates both positive and negative evidence when concluding whether it is more likely than not that deferred tax assets are realizable. After reviewing the evidence available, the Company's management believes there is uncertainty regarding the future realizability of the U.S. net operating loss carryforward and is projecting a full valuation allowance of $44.1 million $48.2 million by year end. If operating results improve and projections indicate future utilization of the tax attributes, all or a portion of the valuation allowance would be released, resulting in a corresponding non-cash income tax benefit.

17. 18. Net loss per common share

The Company considers its unvested restricted shares, which contain non-forfeitable rights to dividends, participating securities, and includes such participating securities in its computation of earnings per share pursuant to the two-class method. Basic earnings per share is calculated by dividing net loss by the weighted average number of shares of common stock outstanding during the reporting period. Diluted earnings per share is calculated using the weighted average number of shares of common stock plus the potentially dilutive effect of common equivalent shares outstanding determined under both the two-class method and the treasury stock method, whichever is more dilutive. In periods when we have a net loss, common stock equivalents are excluded from our calculation of earnings per share as their inclusion would have an antidilutive effect.

The following table presents computations of basic and diluted earnings per share under the two-class method: share:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
(In thousands, except share and earnings per share data)	**(In thousands, except share and earnings per share data)**	**2023**	**2022**	**2023**	**2022**	**(In thousands, except share and earnings per share data)**	**2023**	**2022**	**2023**	**2022**
Basic earnings (loss) per common share	**Basic earnings (loss) per common share**					**Basic earnings (loss) per common share**				
Numerator:	**Numerator:**					**Numerator:**				
Net loss	Net loss	$ (10,199)	$ (72,878)	$ (23,913)	$ (80,299)	Net loss	$ (29,132)	$ (10,317)	$ (53,045)	$ (90,616)
Net loss allocated to common shareholders	Net loss allocated to common shareholders	(10,199)	(72,878)	(23,913)	(80,299)	Net loss allocated to common shareholders	(29,132)	(10,317)	(53,045)	(90,616)
Denominator:	**Denominator:**					**Denominator:**				
Weighted-average common shares issued and outstanding	Weighted-average common shares issued and outstanding	43,441,219	42,460,189	43,235,558	42,238,355	Weighted-average common shares issued and outstanding	43,570,438	42,647,967	43,348,412	42,376,392
Basic loss per common share		$ (0.23)	$ (1.72)	$ (0.55)	$ (1.90)					
Basic and diluted loss per common share						Basic and diluted loss per common share	$ (0.67)	$ (0.24)	$ (1.22)	$ (2.14)

The following table sets forth the number of weighted-average common shares excluded from the computation of diluted loss per share, as their inclusion would have been anti-dilutive:

		Three Months Ended June 30,		Six Months Ended June 30,			Three Months Ended September 30,		Nine Months Ended September 30,	
		2023	**2022**	**2023**	**2022**		**2023**	**2022**	**2023**	**2022**
Stock options and restricted stock awards	Stock options and restricted stock awards	3,027,060	1,942,812	3,202,537	2,767,841	Stock options and restricted stock awards	2,636,283	2,022,405	3,007,126	2,678,601
Total	Total	3,027,060	1,942,812	3,202,537	2,767,841	Total	2,636,283	2,022,405	3,007,126	2,678,601

18. 19. Employee benefit plan

The Company sponsors 401(k) defined contribution plans for its employees. These plans provide for pre-tax and post-tax contributions for all employees. Employee contributions are voluntary. Employees may contribute up to 100% of their annual compensation to these plans, as limited by an annual maximum amount as determined by the Internal Revenue Service. The Company matches employee contributions in amounts to be determined at the Company's sole discretion. The Company made $0.3 million and $0.6 $0.9 million in contributions to the plan for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and $0.3 million and $0.5 $0.8 million for the three and six nine months ended June 30, 2022 September 30, 2022, respectively.

19. 20. Subsequent events

The Company has evaluated events subsequent to June 30, 2023 September 30, 2023 through the date of this filing to assess the need for potential recognition or disclosure. Subsequent

On October 19, 2023, the Company entered into a Securities Purchase Agreement (the "Purchase Agreement") with Casdin, whereby the Company sold, and Casdin purchased, 927,165 shares of common stock of the Company, par value $0.001 per share, at a purchase price of $11.19 per share for an aggregate purchase price of $10,374,976.35 (the "Private

Placement”). For further information on the Purchase Agreement, please see the Company’s Form 8-K filed with the SEC on October 19, 2023.

Additionally, on October 19, 2023, Michael Rice, the Chief Executive Officer and Chairman of the Board of Directors of the Company (the "Board"), retired from his positions as Chairman of the Board and Chief Executive Officer of the Company. Mr. Rice’s resignation was not the result of any disagreement with the Company on any matter relating to the end Company’s operations, policies or practices. In connection with Mr. Rice’s resignation, the Company and Mr. Rice entered into a Separation, Release of Claims and Consulting Agreement (the "Separation Agreement") on October 19, 2023 (the “Separation Date”), pursuant to which Mr. Rice will serve as a consultant for the Company beginning on the Separation Date and ending on the six-month anniversary thereof.

On October 19, 2023, the Board appointed Roderick de Greef as the President and Chief Executive Officer of the second quarter 2023, after considering other strategic alternatives, management Company and Chairman of the board Board. In connection with Mr. de Greef’s appointment as Chief Executive Officer, on October 19, 2023, the Company and Mr. de Greef entered into an Employment Agreement (the “de Greef Employment Agreement”).

For further information on the resignation of directors began actively seeking to divest Mr. Rice and appointment of Mr. de Greef, including the Global Cooling Separation Agreement and CBS freezer product lines. de Greef Employment Agreement referenced above, please see the Company's Form 8-K filed with the SEC on October 23, 2023.

Other than the event events outlined here, above, based upon this evaluation, it was determined that no other subsequent events occurred that require recognition or disclosure in the Consolidated Financial Statements.

Item 2. Management’s discussion and analysis of financial condition and results of operations

Forward looking statements

This Quarterly Report on Form 10-Q contains “forward-looking statements” which are made pursuant to the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). The forward-looking Certain statements in this Form 10-Q do not constitute guarantees of future performance and actual results could differ materially from those contained in the forward-looking statements. These statements are based on current expectations of future events. Such statements include, but are not limited to, statements about our products, including our newly acquired products, customers, regulatory approvals, the potential utility of and market for our products and services, our ability to implement our business strategy and anticipated business and operations, in particular following our acquisitions in recent years, future financial and operational performance, our anticipated future growth strategy, including the acquisition of other synergistic cell and gene therapy manufacturing tools and services or technologies or other companies or technologies, capital requirements, intellectual property, suppliers, joint venture partners, future financial and operating results, the impact of the COVID-19 pandemic, plans, objectives, expectations and intentions, revenues, costs and expenses, interest rates, outcome of contingencies, business strategies, regulatory filings and requirements, the estimated potential size of markets, capital requirements, the terms of any capital financing agreements, and other statements that are not historical facts. You can find many of these statements by looking for words like “believes”, “expects”, “anticipates”, “estimates”, “may”, “should”, “will”, “could”, “plan”, “intend”, or similar expressions in this Quarterly Report on Form 10-Q. We intend that such 10-Q are not historical facts and may be forward-looking statements be subject within the meaning of the Private Securities Litigation Reform Act of 1995. Words such as “plans,” “expects,” “believes,” “anticipates,” “designed,” and similar words are intended to the safe harbors created thereby.

These identify forward-looking statements. Forward-looking statements are based on the our current expectations and beliefs, and expectations involve a number of our management and are subject to significant risks and uncertainties. If underlying assumptions prove inaccurate or unknown risks or uncertainties materialize, that are difficult to predict and that could cause actual results may to differ materially from current expectations those stated or implied by the forward-looking statements. A description of certain of these risks, uncertainties and projections. These risks other matters can be found in filings we make with the U.S. Securities and uncertainties include those factors described in greater detail in the risk factors disclosed in Exchange Commission (the “SEC”), all of which are available at www.sec.gov, including our Annual Report on Form 10-K as of and for the fiscal year ended December 31, 2022, filed with the SEC. Should one or more of these SEC on March 31, 2023. Because forward-looking statements involve risks or and uncertainties, materialize, or should any of our assumptions prove incorrect, actual results and events may vary in material respects differ materially from those anticipated in these forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future results and events or otherwise, except as may be required under applicable securities laws.

You currently expected by us. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this Quarterly Report on Form 10-Q or, in the case of documents referred to or incorporated by reference, the date of those documents.

All subsequent written or oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. hereof. We do not undertake any no obligation to release publicly any revisions to update these forward-looking statements to reflect events or circumstances that occur after the date of this Quarterly Report on Form 10-Q hereof or to reflect any change in its expectations with regard to these forward-looking statements or the occurrence of unanticipated events, except as may be required under applicable U.S. securities law. If we do update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. events.

Overview

Management’s discussion and analysis provides additional insight into the Company and is provided as a supplement to, and should be read in conjunction with, our Annual Report on Form 10-K as of and for the fiscal year ended December 31, 2022 filed with the SEC. Report.

We are a life sciences company that develops, manufactures, and markets bioproduction tools and services which are designed to improve quality and de-risk biologic manufacturing, storage, distribution, and transportation in the cell and gene therapy (“CGT”) industry and broader biopharma markets. Our products are used in basic and applied research and commercial manufacturing of biologic-based therapies. Customers use our products to maintain the health and function of biologic material during sourcing, manufacturing, storage, and distribution.

Our current portfolio of bioproduction tools and services are comprised is composed of three revenue lines that contain seven main offerings: (i) cell processing (including biopreservation media for the preservation of cells and tissues, human platelet lysate media for the supplementation of cell expansion, cryogenic vials and automated fill machines that provide high-

quality, high-quality, efficient, and precise mixes of solutions), (ii) freezers and thaw systems (including a full line of mechanical ultra-low temperature ("ULT"), isothermal, and liquid nitrogen freezers and accessories, automated thaw devices which provide controlled, consistent thawing of frozen biologics in vials and cryobags), and (iii) storage and storage biostorage services (including biological and pharmaceutical storage services, and "smart", cloud connected devices for transporting biologic payloads).

We currently operate as one bioproduction tools and services business reporting segment which supports several steps in the biologic material manufacturing and delivery process. We have a diversified portfolio of tools and services that focuses on biopreservation, cell processing, frozen biologic storage products and services, cold-chain transportation, and thawing of biologic materials. We have in-house expertise in cryobiology and continue to capitalize on opportunities to maximize the value of our product platform for our extensive customer base through both organic growth innovations and acquisitions.

Our products

Our bioproduction tools and services are comprised composed of three revenue lines that contain seven main offerings:

- Cell processing
  - Biopreservation media
  - Human platelet lysate media ("hPL"), cryogenic vials, and automated cell-processing fill machines
- Freezers and thaw systems
  - Ultra-low temperature freezers
  - Cryogenic freezers and accessories
  - Automated thawing devices
- Storage and storage Biostorage services
  - Biological and pharmaceutical material storage
  - Cloud connected "smart" shipping containers

Biopreservation media

Our proprietary biopreservation media products, HypoThermosol FRS and CryoStor, are formulated to mitigate preservation-induced, delayed-onset cell damage and death, which result when cells and tissues are subjected to reduced temperatures. Our technology can provide our CGT customers with significant shelf-life extension of biologic source material and final cell products and can also greatly improve post-preservation cell and tissue viability and function. Our biopreservation media are serum-free, protein-free, fully defined, and manufactured under current Good Manufacturing Practices (cGMP) ("cGMP"). We strive to source wherever possible, the highest available grade, multi-compendium raw materials. We estimate our cell processing products have been incorporated in over 700 customer clinical applications, including numerous chimeric antigen receptor ("CAR") T cell and other cell types.

Stability (i.e. shelf-life) and functional recovery are crucial aspects of academic research and clinical practice in the biopreservation of biologic-based source material, intermediate derivatives, and isolated/derived/ isolated, derived, and expanded cellular products and therapies. Limited stability is especially critical in the CGT field, where harvested cells and tissues will lose viability over time, if not maintained appropriately at normothermic body temperature (37ºC) or stored in a hypothermic state in an effective preservation medium. Chilling (hypothermia) is used to reduce metabolism and delay degradation of harvested cells and tissues. However, subjecting biologic material to hypothermic environments induces damaging molecular stress and structural changes. Although cooling successfully reduces metabolism (i.e., lowers demand for energy), various levels of cellular damage and death occur when using suboptimal methods. Traditional biopreservation media range from simple "balanced salt" (electrolyte) formulations to complex mixtures of electrolytes, energy substrates such as sugars, osmotic buffering agents and antibiotics. The limited stability, which results from the use of these traditional biopreservation media formulations, is a significant shortcoming that our optimized proprietary products address with great success.

Our scientific research activities over the last 30+ years enabled a detailed understanding of the molecular basis for the hypothermic and cryogenic (low-temperature induced) damage/destruction of cells through apoptosis and necrosis. This research led directly to the development of our HypoThermosol FRS and CryoStor technologies. Our proprietary biopreservation media products are specifically formulated to:

- Minimize cell and tissue swelling
- Reduce free radical levels upon formation
- Maintain appropriate low temperature ionic balances

- Provide regenerative, high energy substrates to stimulate recovery upon warming
- Avoid the creation of an acidic state (acidosis)
- Inhibit the onset of apoptosis and necrosis

A key feature of our biopreservation media products is their “fully-defined” profile. All of our cGMP products are serum-free, protein-free and are formulated and filled using aseptic processing. We strive to use USP/Multicompendial grade or the highest quality available synthetic components. All of these features benefit prospective customers by facilitating the qualification process required to incorporate our products into their regulatory filings.

Competing biopreservation media products are often formulated with simple isotonic media cocktails, animal serum, potentially a single sugar or human protein. A key differentiator of our proprietary HypoThermosol FRS and CryoStor formulation is the engineered optimization of the key ionic component concentrations for low temperature environments, as opposed to normothermic body temperature around 37°C, as found in culture media or saline-based isotonic formulas. Competing cryopreservation freeze media is often comprised composed of a single permeating cryoprotectant such as dimethyl sulfoxide (“DMSO”). Our CryoStor formulations incorporate multiple permeating and non-permeating cryoprotectant agents which allow for multiple mechanisms of protection and reduces the dependence on a single cryoprotectant. We believe that our products offer significant advantages over in-house formulations, or commercial “generic” preservation media, including, time savings, improved quality of components, more rigorous quality control release testing, cost effectiveness, and improved preservation efficacy.

The results of independent testing demonstrate that our biopreservation media products significantly extend shelf-life and improve cell and tissue post-thaw viability and function. Our products have demonstrated improved biopreservation outcomes, including greatly extended shelf-life and post-thaw viability, across a broad array of cell and tissue types.

We estimate that annual revenue from each customer commercial application in which our products are used could range from $500,000 to $2.0 million, if such application is approved and our customer commences large scale commercial manufacturing of the biologic based therapy.

Human platelet lysate media, cryogenic vials and automated cell-processing fill machines

Our bioproduction tools portfolio includes hPL for cell expansion, which reduces risk and improves downstream performance over fetal bovine serum, human serum, and other chemically defined media, CellSeal closed system vials that are purpose-built rigid containers used in CGT that can be filled manually or with high throughput systems, and automated cell processing machines that bring multiple processes traditionally performed by manual techniques under a higher level of control to protect therapies from loss or contamination..

For our Sexton vials and media, we estimate that annual revenue from each customer commercial application in which these products are used could also range from $500,000 to $2.0 million, if such application is approved and our customer commences large scale commercial manufacturing of the biologic-based therapy.

Ultra-low temperature freezers

Our portfolio of class defining ultra-low temperature freezers range in size from portable units to stationary upright freezers to accommodate a wide variety of use cases. Users can configure these freezers to achieve temperatures between -20°C and -86°C. The portfolio was designed to be environmentally friendly and energy efficient, using as little as 2.8 kWh/day at temperatures of -80°C. The freezers do not use compressor-based or cascade refrigeration systems. Instead, they use patented free-piston Stirling engine technology that uses fewer moving parts, resulting in maintenance cost savings for end users.

Liquid nitrogen freezers and storage devices

Our line of cryogenic freezers offer leading design and manufacture of state-of-the-art liquid nitrogen laboratory freezers, cryogenic equipment, and accessories.

Our line of liquid nitrogen freezers are controlled-rate freezers and Isothermal LN2 freezers, constructed with a patented system which stores liquid nitrogen in a jacketed space in the walls of the freezer. This dry storage method eliminates liquid nitrogen contact with stored specimens, reduces the risk of cross-contamination and provides increased user safety in a laboratory setting. To accommodate customer requirements, we offer customizable features including wide bodied and extended height.

To accompany the offerings of cryogenic freezer equipment, we supply equipment for storing critically important biological materials. This storage equipment includes upright freezer racks, chest freezer racks, liquid nitrogen freezer racks, canisters/cassettes and frames as well as laboratory boxes and dividers. Due to our onsite design and manufacturing capability, racks and canisters can be customized to address customers’ varying requirements.

In order to provide customers with a proactive approach to safety and monitoring of equipment containing liquefied gas, we offer Versalert, a patented wireless remote asset monitoring system that can monitor and record temperatures. Versalert has an intelligent mesh network system that enables customers to view current equipment conditions and receive alarm notification on smartphones, tablets or personal computers and maintain permanent electronic records for regulatory compliance and legal verification.

Automated, water-free thawing products

The ThawSTAR line includes automated vial and cryobag thawing products that control the heat and timing of the thawing process of biologic material. Our customizable, automated, water-free thawing products uses algorithmic programmed, heating plates to consistently bring biologic material from a frozen state to a liquid state in a controlled and consistent manner. This helps reduce cell structure damage during the temperature transition. The ThawSTAR products can reduce risks of contamination versus using a traditional water bath.

Biological and pharmaceutical storage

We are a premier provider of biological and pharmaceutical storage services, including cold chain logistics that ensures materials are kept at target temperatures from the moment that the materials leave the customer's premises to their ultimate return. Our state-of-the-art monitoring systems allow for customers to monitor the storage temperatures of their materials throughout the entire logistics chain.

We operate six storage facilities in the USA and one facility in the Netherlands.

evo cloud connected shipping containers

We are a leading developer and supplier of next generation cold chain management tools for cell and gene therapies. Our cloud-connected shipping containers and evo.is cloud app allows biologic products to be traced and tracked in real time. Our evo platform consists of rentable cloud-connected shippers that include technologies enabling tracking software to provide real-time information on geolocation, payload temperature, ambient temperature, tilt of shipper, humidity, altitude, and real-time alerts when a shipper has been opened. Our internally developed evo.is software allows customers to customize alert notifications both in data measurements and user requirements. The evo Dry Vapor Shipper ("DVS") is specifically marketed for use with cell and gene therapies. The evo DVS has an improved form factor and ergonomics over the traditional dewar, including extended thermal performance, reduced liquid nitrogen recharge time, improved payload extractors, and ability to maintain temperature for longer periods if tilted on its side.

We utilize couriers who already have established logistic channels and distribution centers. Our strategy greatly reduces the cash need to build out specialized facilities around the world. Our partnerships with several white glove couriers allow us to scale our sales and marketing effort by leveraging their salesforce. Our courier partnerships market our evo platform to their existing cell and gene therapy customers as a cost effective and innovative solution. We also market directly to our existing and prospective customers who can utilize the evo platform through our courier partnerships.

Critical accounting policies and estimates

A "critical accounting policy" is one which is both important to the portrayal of our financial condition and results and requires management's most difficult, subjective or complex judgments, often as a result of the need to make estimates about the effect of matters that are inherently uncertain. For a description of our critical accounting policies that affect our more significant judgments and estimates used in the preparation of our Unaudited Condensed Consolidated Financial Statements, refer to the recently updated policy below in addition to Management's Discussion and Analysis of Financial Condition and Results of Operations and our significant accounting policies in Note 1 to the Consolidated Financial Statements included in our Annual Report on Form

10-K for the year ended December 31, 2022 filed with the SEC and Note 1 to the Unaudited Condensed Consolidated Financial Statements in this Quarterly Report on form Form 10-Q.

Stock-based compensation

We measure and record compensation expense using the applicable accounting guidance for share-based payments related to stock options, time-based restricted stock, market-based restricted stock awards and performance-based awards granted to our directors and employees. The fair value of market-based restricted stock awards is estimated at the date of grant using the Monte Carlo Simulation model. The Monte Carlo Simulation valuation model incorporates assumptions as to stock price volatility, the expected life of options or awards, a risk-free interest rate and dividend yield. In valuing our market-based stock awards, significant judgment is required in determining the expected volatility of our common stock. Expected volatility for our market-based restricted stock awards is based on the historical volatility of our own stock and the stock of companies within our defined peer group. Further, our expected volatility may change in the future, which could substantially change the grant-date fair value of future awards and, ultimately, the expense we record. The fair value of restricted stock, including performance awards, without a market condition is estimated using the current market price of our common stock on the date of grant.

We expense stock-based compensation for stock options, restricted stock awards, and performance awards over the requisite service period. For awards with only a service condition, we expense stock-based compensation using the straight-line method over the requisite service period for the entire award. For awards with a market condition, we expense over the vesting period regardless of the value that the award recipients will ultimately receive. Share-based compensation expense from both service vesting-based and market-based awards are adjusted for forfeitures as incurred.

Results of operations

The following discussion of the financial condition and results of operations should be read in conjunction with the accompanying Unaudited Condensed Consolidated Financial Statements and the related footnotes thereto.

Revenues

Total bioproduction tools and services revenue for three and six nine months ended June 30, 2023 September 30, 2023 and 2022 was comprised consisted of the following:

	Three Months Ended June 30,	Six Months Ended June 30,	Three Months Ended September 30,	Nine Months Ended September 30,

(In thousands, except percentages)	(In thousands, except percentages)	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change	(In thousands, except percentages)	2023	2022	$ Change	% Change	2023	2022	$ Cha
Product revenue	Product revenue									Product revenue							
Freezer and thaw	Freezer and thaw	$13,849	$18,670	$(4,821)	(26) %	$26,230	$34,005	$(7,775)	(23) %	Freezer and thaw	$13,188	$15,326	$(2,138)	(14) %	$ 39,417	$ 49,331	$(9,
Cell processing	Cell processing	18,673	15,356	$ 3,317	22 %	37,666	30,254	$ 7,412	24 %	Cell processing	13,338	18,082	$(4,744)	(26) %	51,004	48,336	$ 2,
Storage and storage services		515	144	$ 371	258 %	734	299	$ 435	145 %								
Biostorage services										Biostorage services	365	260	$ 105	40 %	1,099	560	$
Service revenue	Service revenue									Service revenue							
Storage and storage services		4,155	3,698	$ 457	12 %	7,980	6,787	$ 1,193	18 %								
Biostorage services										Biostorage services	4,186	4,312	$ (126)	(3) %	12,166	11,099	$ 1,
Freezer and thaw	Freezer and thaw	40	-	$ 40	NM	685	-	$ 685	NM	Freezer and thaw	192	18	$ 174	NM	877	18	$
Rental revenue	Rental revenue									Rental revenue							
Storage and storage services		2,276	2,665	$ (389)	(15) %	3,915	5,407	$(1,492)	(28) %								
Biostorage services										Biostorage services	2,059	2,749	$ (690)	(25) %	5,975	8,156	$(2,
Total revenue	Total revenue	$39,508	$40,533	$(1,025)	(3) %	$77,210	$76,752	$ 458	1 %	Total revenue	$33,328	$40,747	$(7,419)	(18) %	$110,538	$117,500	$(6,

Product revenue

Product revenue was $33.0 million $26.9 million for the three months ended June 30, 2023 September 30, 2023, representing a decrease of $1.1 $6.8 million, or 3% 20%, compared with the same period in 2022, and was $64.6 million $91.5 million for the six nine months ended June 30, 2023 September 30, 2023, representing an increase a decrease of $0.1 million $6.7 million, or 0.1% 6.8%, compared with the same period in 2022. The decrease for the three months ended June 30, 2023 September 30, 2023 is primarily driven by decreases in sales within our ULT freezer and thaw and cell processing product line lines compared to the same period in 2022, while the increase decrease for the six nine months ended June 30, 2023 September 30, 2023 can be attributed to continued strength decreases in the adoption of sales within our ULT freezer and thaw product line. Decreases in cell processing products product revenues are largely driven by an overall decrease in capital expenditure investment from the broader biopharma markets in addition to our customers within destocking inventory levels compared to the CGT market. prior year.

Product revenue from our freezer and thaw products decreased by $4.8 million $2.1 million and $7.8 million $9.9 million, or 26% 14% and 23% 20%, in the three and six nine months ended June 30, 2023 September 30, 2023, respectively, compared with the same period in 2022. The decrease can be attributed to a decrease in sales of our ULT freezer line compared to the prior year.

Product revenue from our cell processing products decreased by $4.7 million, or by 26%, during the three months ended September 30, 2023, and increased by $3.3 million and $7.4 million $2.7 million, or 22% and 24% by 6%, in the three and six nine months ended June 30, 2023, respectively, compared with the same period in 2022. The increase is driven by the continued adoption of our cell processing products by customers in the CGT market.

Product revenue from our storage and storage services increased by $0.4 million and $0.4 million, or 258% and 145%, in the three and six months ended June 30, 2023 September 30, 2023, respectively, compared with the same periods in 2022. The decrease in revenue from cell processing products is driven by customers reducing safety stock levels and an overall decrease in capital expenditure investment from the broader biopharma markets.

Product revenue from our biostorage services increased by $0.1 million and $0.5 million, or 40% and 96%, in the three and nine months ended September 30, 2023, respectively, compared with the same periods in 2022. The increases relate to larger volumes of consumables sold from our evo product line.

Service revenue

Service revenue was $4.2 million $4.4 million and $8.7 million $13.0 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, representing an increase of $0.5 million $48 thousand and $1.9 million, or 13% 1% and 28% 17%, compared with the same period periods in 2022. The increase relates primarily to the expansion of service revenues generated by SciSafe storage services.

Rental revenue

Rental revenue was $2.3 million $2.1 million and $3.9 million $6.0 million for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, representing a decrease of $0.4 million $0.7 million and $1.5 million $2.2 million, or 15% 25% and 28% 27%, compared with the same periods in 2022. The decrease can be attributed to the runout expiration of an agreement with a major customer for the storage of material inputs in the COVID-19 vaccine during the prior year.

Costs and operating expenses

Total costs and operating expenses for three and six nine months ended June 30, 2023 September 30, 2023 and 2022 were comprised composed of the following:

		Three Months Ended June 30,				Six Months Ended June 30,					Three Months Ended September 30,				Nine Months Ended September 30,	
(In thousands, except percentages)	**(In thousands, except percentages)**	**2023**	**2022**	**$ Change**	**% Change**	**2023**	**2022**	**$ Change**	**% Change**	**(In thousands, except percentages)**	**2023**	**2022**	**$ Change**	**% Change**	**2023**	**2022**
Cost of product, rental, and service revenue	Cost of product, rental, and service revenue	$27,696	$ 26,194	$ 1,502	6 %	$ 51,359	$ 50,640	$ 719	1 %	Cost of product, rental, and service revenue	$21,679	$27,009	$ (5,330)	(20) %	$ 73,036	$ 77,649
General and administrative	General and administrative	15,402	11,652	$ 3,750	32 %	30,241	23,182	$ 7,059	30 %	General and administrative	12,513	11,916	$ 597	5 %	42,757	35,098
Sales and marketing	Sales and marketing	6,318	5,415	$ 903	17 %	12,789	10,306	$ 2,483	24 %	Sales and marketing	7,256	5,278	$ 1,978	37 %	20,045	15,601
Research and development	Research and development	4,840	3,428	$ 1,412	41 %	8,995	7,209	$ 1,786	25 %	Research and development	5,402	3,425	$ 1,977	58 %	14,397	10,634
Intangible asset impairment charges		—	69,900	$(69,900)	(100) %	—	69,900	$(69,900)	(100) %							
Asset impairment charges										Asset impairment charges	15,485	—	$15,485	— %	15,485	69,900
Intangible asset amortization	Intangible asset amortization	1,450	2,863	$ (1,413)	(49) %	2,911	5,725	$ (2,814)	(49) %	Intangible asset amortization	1,356	2,513	$ (1,157)	(46) %	4,266	8,236
Acquisition costs		—	5	$ (5)	(100) %	—	16	$ (16)	(100) %							
Change in fair value of contingent consideration	Change in fair value of contingent consideration	(918)	(2,361)	$ 1,443	NM	(198)	(5,695)	$ 5,497	NM	Change in fair value of contingent consideration	(1,580)	2,346	$ (3,926)	NM	(1,778)	(3,348)
Total operating expenses	Total operating expenses	$54,788	$117,096	$(62,308)	(53) %	$106,097	$161,283	$(55,186)	(34) %	Total operating expenses	$62,111	$52,487	$ 9,624	18 %	$168,208	$213,770

Cost of product, rental, and service revenue

Cost of revenue increased $1.5 million decreased $5.3 million and $0.7 million $4.6 million for the three and six nine months ended June 30, 2023 September 30, 2023, or 6% 20% and 1% 6%, respectively, compared to the same periods in 2022, due primarily to increases decreases in sales and a $2.2 million inventory reserve in across multiple product lines compared to the three months ended June 30, 2023 for potentially unusable final product containers for which no similar reserve was made during the same period in 2022. prior year.

Cost of revenue net inclusive of intangible amortization related to acquired technology was 72% 67% and 68% as a percentage of revenue for the three and six nine months ended June 30, 2023 September 30, 2023, respectively, and compared to 67% and 69% as a percentage of revenue for the three and six nine months ended 2022, September 30, 2022, respectively. This increase in cost of revenue net of intangible amortization for the three months ended June 30, 2023 is a result of increased personnel expenses and an increase in inventory reserve compared to the same time period in the prior year. The decrease in cost of revenue net inclusive of intangible amortization related to acquired technology for the six nine months ended June 30, 2023 September 30, 2023 is a result of a favorable product mix in our media product line and a greater concentration of higher margin revenue as a percentage of total revenue, offset by increases in personnel expenses, including stock-based compensation expenses, and an increase in inventory reserve compared to the prior year.

General and administrative expenses

General and administrative ("G&A") expense consists primarily of personnel-related costs, including non-cash stock-based expense for administrative personnel and members of the board of directors, professional fees, such as accounting and legal, and corporate insurance.

G&A expenses for the three and six nine months ended June 30, 2023 September 30, 2023 increased $3.8 million $0.6 million and $7.1 million $7.7 million, or 32% 5% and 30% 22%, respectively, compared with the same period periods in 2022. The increase reflects increased headcount compared to the prior year, driving increases in personnel expenses from stock-based compensation. We additionally experienced compensation and increases in professional services fees fees. We additionally experienced one-time increases in severance costs compared to the prior year.

We expect G&A expense to increase reflecting decrease in future periods due to the infrastructure and costs related ongoing initiative to supporting divest the larger expected enterprise created as a result of freezer product lines from our growth strategy. current product portfolio.

Sales and marketing expenses

Sales and marketing expense ("S&M") consists primarily of salaries and other personnel-related costs, including non-cash stock-based expense, for sales and marketing personnel, consulting fees, trade shows, show costs, travel expenses, sales commissions, and advertising. advertising costs.

S&M expense for the three and six nine months ended June 30, 2023 September 30, 2023 increased $0.9 million $2.0 million and $2.5 million $4.4 million, or 17% 37% and 24% 28%, respectively, compared with the same period periods in 2022. The increase is primarily due to one-time increases in severance costs in addition to increased personnel expenses from stock-based compensation. marketing and advertising fees associated with sales expansion efforts.

We expect S&M expense to increase, as we expand decrease in future periods due to the ongoing initiative to divest the freezer product lines from our direct selling efforts to support the expansion of our current product line offerings. portfolio.

Research and development expenses

Research and development ("R&D") expense consists primarily of salaries and other personnel-related costs, including non-cash stock-based compensation expense, for research and development personnel, consulting fees, and external product development services. service costs.

R&D expense for the three and six nine months ended June 30, 2023 September 30, 2023 increased $1.4 million $2.0 million and $1.8 million $3.8 million, or 41% 58% and 25% 35%, respectively, compared with the same period in 2022. The increase is primarily due to a $1.0 million write-off of R&D supplies from the Freezer Business, one-time increases in severance costs, and research milestone payment and increased personnel costs, including stock-based compensation expenses. payments.

We expect our R&D expense to increase decrease in future periods due to the ongoing initiative to divest the freezer product lines from our current product portfolio.

Asset impairment charges

Relates to the non-cash write-down of both property and equipment and definite-lived intangible assets that resulted from a quantitative fair value assessment performed as we continue of September 30, 2023. Macroeconomic conditions and the announcement of efforts to expand, develop, and refine our product line offerings. divest the Freezer Business resulted in assessing the associated long-lived assets for impairment. For more information on the nature of the impairment charges assessed, see Note 3.

Intangible asset amortization expense

Amortization Intangible asset amortization expense consists of charges related to the amortization of intangible assets associated with the acquisitions of Astero, SAVSU, CBS, SciSafe, Global Cooling, and Sexton in which we acquired definite-lived intangible assets.

Acquisition costs

Acquisition costs in 2022 consist of legal, accounting, and other due diligence costs incurred related primarily to our Global Cooling and Sexton acquisitions.

Change in fair value of contingent consideration

Change in fair value of contingent consideration consists of changes in estimated fair value of our potential earnouts related to our SciSafe acquisition. The benefit recognized in the three and six nine months ended June 30, 2023 September 30, 2023 relates primarily to changes in our estimated probability of achieving budgeted operational results set forth within our contingent consideration arrangement, as certain contingent consideration arrangements are payable in BioLife's shares.

Other (expense) income and expense

Total other income and expenses for the three and six nine months ended June 30, 2023 September 30, 2023 and 2022 were comprised composed of the following:

	Three Months Ended June 30,	Six Months Ended June 30,

(In thousands, except percentages)	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Gain on settlement of Global Cooling escrow	$ 5,115	$ —	$ 5,115	NM	$ 5,115	$ —	$ 5,115	NM
Interest expense	$ (419)	$ (32)	$ (387)	1209 %	$ (829)	$ (216)	$ (613)	284 %
Other income (expense)	390	(22)	$ 412	NM	785	110	$ 675	614 %
Total other income (expense), net	$ 5,086	$ (54)	$ 25	(46)%	$ 5,071	$ (106)	$ 62	(58)%

	Three Months Ended September 30,				Nine Months Ended September 30,			
(In thousands, except percentages)	2023	2022	$ Change	% Change	2023	2022	$ Change	% Change
Change in fair value of investments	$ —	$ 697	$ (697)	NM	$ —	$ 697	$ (697)	NM
Gain on settlement of Global Cooling escrow	$ —	$ —	$ -	NM	$ 5,115	$ —	$ 5,115	NM
Interest expense, net	$ (476)	$ (15)	$ (461)	3073 %	$ (1,305)	$ (250)	$ (1,055)	422 %
Other income	242	142	$ 100	NM	1,027	270	$ 757	280 %
Total other (expense) income, net	$ (234)	$ 824	$ (1,058)	(128)%	$ 4,837	$ 717	$ 4,120	575 %

Change in fair value of investments

Reflects the change in fair value of the Company's equity investments.

Gain on settlement of Global Cooling escrow.

Reflects the non-cash gain associated with our settlement of an indemnification in connection with our acquisition of Global Cooling, and subsequent release to us of certain shares of our common stock from the GCI General Escrow upon indemnification of shares within the escrow. See third-party escrow account established in connection with that transaction. For additional information, see Note 12: *Commitments and contingencies* for additional details on the nature of the settlement.13.

Interest expense, net.

Interest expense, net incurred during the three and six nine months ended June 30, 2023 September 30, 2023 related primarily to the term loan obtained in September 2022, financed insurance premiums, and two loans that were a loan assumed in the acquisition of Global Cooling. We also earn interest on cash held in our money market account. Increases in interest expenses during the three and nine months ended March 31, 2023 September 30, 2023 can also be attributed to the increases in interest rates set by the United States Federal Reserve, causing the variable interest component on our 2022 term loan to be exposed to increasing interest rates.

Liquidity and capital resources

On June 30, 2023 September 30, 2023 and December 31, 2022, we had $48.1 million $42.2 million and $64.1 million in cash, cash equivalents, and available-for-sale securities, respectively. We additionally also have the ability to borrow up to $10 million an additional $10.0 million under our 2022 term loan 3. See Note 13: 14: *Long-term debt* for additional details on borrowing requirements under 2022 term loan 3. Additionally, on October 19, 2023, we entered into a Securities Purchase Agreement with Casdin whereby the Company sold, and Casdin purchased, 927,165 shares of common stock of the Company at a share price of $11.19 per share for an aggregate purchase price of $10,374,976, infusing additional capital into the Company. Based on our current expectations with respect to our future revenue and expenses, we believe that our current level of cash, cash equivalents, and other liquid assets will be sufficient to meet our liquidity needs for at least the next twelve months from the date of the filing of this Quarterly Report on Form 10-Q. However, the Company may choose to raise additional capital through a debt or equity financing in order to pursue additional acquisition or for strategic investment opportunities. purposes. Additional capital, if required, may not be available on reasonable terms, if at all.

Cash flows

		Six Months Ended June 30,				Nine Months Ended September 30,		
(In thousands, except percentages)	(In thousands, except percentages)	2023	2022	$ Change	(In thousands, except percentages)	2023	2022	$ Change

Operating activities	Operating activities	$ (10,430)	$ (17,841)	$ 7,411	Operating activities	$ (14,809)	$ (16,345)	$ 1,536
Investing activities	Investing activities	12,218	(27,340)	$ 39,558	Investing activities	13,880	(43,223)	$ 57,103
Financing activities	Financing activities	142	$ (470)	$ 612	Financing activities	750	$ 16,941	$ (16,191)
Net increase (decrease) in cash and cash equivalents		$ 1,930	$ (45,651)	$ 47,581				
Net decrease in cash and cash equivalents					Net decrease in cash and cash equivalents	$ (179)	$ (42,627)	$ 42,448

Net cash used in operating activities

Net cash used by operating activities was $10.4 million $14.8 million during the six nine months ended June 30, 2023 September 30, 2023 compared to $17.8 million $16.3 million during the six nine months ended June 30, 2022 September 30, 2022. The decrease in cash used by operating activities was primarily due to the result of the timing of collection and disbursement of working capital related items in accounts receivable, prepaid expenses, and accounts payable.

Net cash provided by (used in) investing activities

Net cash provided by investing activities totaled $12.2 million $13.9 million during the six nine months ended June 30, 2023 September 30, 2023 compared to $27.3 million $43.2 million used by investing activities for the six nine months ended June 30, 2022 September 30, 2022. The increase in cash provided by investing activities was primarily driven by $32.6 million $42.5 million in maturities of our investments in available-for-sale marketable securities made throughout the year ended December 31, 2022. This was offset by $15.7 million $22.7 million in investments made in additional available-for-sale marketable securities in addition to $6.5 million of purchases $8.5 million of property plant, and equipment. equipment and assets held for rent purchases.

Net cash provided by (used in) financing activities

Net cash provided by financing activities totaled $0.1 million $0.8 million during the six nine months ended June 30, 2023 September 30, 2023, compared to $0.5 million $16.9 million used in financing activities during the six nine months ended June 30, 2022 September 30, 2022. The increase decrease in cash provided by financing activities was primarily the result of decreased payments on financed insurance premiums. the proceeds of the $20.0 million term loan executed during the nine months ended September 30, 2022 with no similar financing transaction taking place during the nine months ended September 30, 2023.

Off-balance sheet arrangements

As of June 30, 2023 September 30, 2023, we did not have any off-balance sheet arrangements.

Contractual obligations

We Our material cash requirements include contractual and other obligations which we previously disclosed certain contractual obligations and contingencies and commitments relevant to us within the financial statements and Management Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2022, as filed with the SEC. Report. Other than the contractual obligation listed below, there have been no significant changes to these obligations in the three months ended June 30, 2023 September 30, 2023.

Purchase obligations

Purchase obligations are defined as agreements to purchase goods or services that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased, fixed, minimum, or variable pricing provisions and the approximate timing of the transactions. As of June 30, 2023 September 30, 2023, our total short-term obligations were $14.0 $14.3 million.

Item 3. Quantitative and qualitative disclosures about market risk

Interest rate risk

Our exposure to market risk for changes in interest rates relates primarily to our long-term debt. Our long-term debt primarily bears interest at a fixed rate, with a variable component subject to an interest rate ceiling. Fluctuations in interest rates therefore do not materially impact our consolidated financial statements from long-term debt. For additional information, about our long-term debt, see Note 13 to the consolidated financial statements in Part I, Item 1 of this Quarterly Report. 14.

Foreign currency exchange risk

For a discussion of market risks related to foreign currency exchange rates, refer to Item 7A, "Quantitative and Qualitative Disclosures about Market Risk" in our Annual Report on Form 10-K for the year ended December 31, 2022. Report. During the six nine months ended June 30, 2023 September 30, 2023, there were no material changes or developments that would materially alter the market risk assessment of our exposures to foreign currency exchange rates performed as of December 31, 2022.

Item 4. Controls and procedures

Evaluation of Disclosure Controls and Procedures.

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q were not effective, due to the material weaknesses in our internal controls over financial reporting. As previously reported, we identified material weaknesses in our internal controls over financial reporting as of December 31, 2022 with regard to (i) inappropriately designed entity-level controls impacting the control environment, risk assessment procedures, and monitoring activities to prevent or detect material misstatements to the consolidated financial statements attributed to an insufficient number of qualified resources and inadequate oversight and accountability over the performance of controls, ineffective identification and assessment or risks impacting internal control over financial reporting, and ineffective monitoring controls; (ii) information system logical access within certain key financial systems; (iii) accounting policies and procedures and related controls over complex financial statement areas; (iv) accounting policies, procedures, and related controls over revenue recognition and procure to pay processes; and (v) inadequate risk assessment procedures, or maintenance of effectively designed and implemented accounting policies, procedures, and related controls, over the recognition and measurement of indirect tax liabilities in the consolidated financial statements in accordance with the applicable financial reporting requirements.

Changes in Internal Control Over Financial Reporting.

There were no changes in our internal control over financial reporting that occurred during the quarter ended June 30, 2023 September 30, 2023 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

Limitations on Effectiveness of Control. Control

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal 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. 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. Because of 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 BioLife Solutions have been detected.

Remediation. Remediation

We are continuing to implement remediation plans outlined in our Annual Report on Form 10-K for the year ended December 31, 2022. Report. We also may implement additional changes to our internal control over financial reporting as may be appropriate in the course of remediating the material weaknesses. Management, with the oversight of the Audit Committee of the Board, will continue to take steps necessary to remedy the material weaknesses to reinforce the overall design and capability of our control environment.

PART II: Other information

Item 1. LEGAL PROCEEDINGS

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business. We are not currently aware of any such proceedings or claims that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations.

Item 1A. RISK FACTORS

The matters discussed in this Quarterly Report on Form 10-Q include forward-looking statements that involve risks or uncertainties. These statements are neither promises nor guarantees, but are based on various assumptions by management regarding future circumstances, over many of which BioLife has little or no control. A number of important risks and uncertainties, including those identified under the caption "Risk Factors" in Part I, Item 1A of our Annual Report on Form 10-K for the period ended December 31, 2022 and in subsequent filings, could cause our actual results to differ materially from those in the forward-looking statements. There are no material changes to the risk factors described in our Annual Report on Form 10-K for the period ended December 31, 2022.

Item 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

Item 3. DEFAULTS UPON SENIOR SECURITIES

None.

Item 4. MINE SAFETY DISCLOSURES

None.

Item 5. OTHER INFORMATION

Rule 10b5-1 Trading Plans

Our

During our fiscal quarter ended September 30, 2023, certain of our officers (as defined in Rule 16a-1(f) under the Exchange Act) and directors and executive officers may entered into contracts, instructions, or written plans for the purchase or sell shares sale of our common stock securities that are intended to satisfy the conditions specified in the market from time to time, including pursuant to equity trading plans adopted in accordance with Rule 10b5-1 10b5-1(c) under the Exchange Act and for an affirmative defense against liability for trading in compliance with guidelines specified by securities on the Company's stock trading standard. In accordance with Rule 10b5-1 and the Company's insider trading policy, directors, officers and certain employees who, at such time, are not in possession of material non-public information about the Company are permitted to enter into written plans that pre-establish amounts, prices and dates (or formula for determining the amounts, prices and dates) of future purchases or sales of the Company's stock, including shares acquired pursuant to the Company's employee and director equity plans. Under the Company's stock trading standard, the first trade made pursuant to a Rule 10b5-1 trading plan may take place no earlier than 90 days after adoption of the trading plan. Under a Rule 10b5-1 trading plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The use of these trading plans permits asset diversification as well as financial and tax planning. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession basis of material nonpublic information, subject information. We refer to compliance with SEC rules, the terms of our stock these contracts, instructions, and written plans as "Rule 10b5-1 trading standard, plans" and holding requirements. each one as a "Rule 10b5-1 trading plan." The following table shows identifies and provides the material terms of the Rule 10b5-1 trading plans intended to satisfy the affirmative defense conditions of Rule 10b-1(c) 10b5-1(c) adopted or terminated by our directors officers and executive officers directors during the three months ended June 30, 2023 September 30, 2023.

Name and Position	Plan Adoption / Termination	Plan Adoption / Termination Date	Expiration Date	Number of Shares to be Purchased (Sold) / Terminated under Plan	
Sarah Aebersold, Aby J. Mathew, EVP & Chief Human Resources Scientific Officer(1)	Termination	Adoption	June 15, August 17, 2023	October 30, December 31, 2023	(12,000)
Marcus Schulz, Chief Revenue Officer	Adoption	May 26, 2023	April 30, 2024	(10,000) 123,404	

(1) On August 17, 2023, Aby J. Mathew, EVP & Chief Scientific Officer, terminated the remaining portion of his 10b5-1 Plan originally adopted on November 15, 2022 for the sale of up to 263,404 shares of the Company's common stock until December 31, 2023. The trading arrangement was in place solely for the potential exercise of vested stock options and for sales intended to satisfy tax obligations payable due to the vesting and settlement of certain restricted stock awards. Since the adoption of the 10b5-1 Plan, 140,000 shares of the Company's common stock were sold out of the original 263,404 shares.

Item 6. Exhibits

REFINITIV

Exhibit No.	Description
10.1	Form of Amendment to Employment Terms (incorporated by reference to Exhibit 10.1 to the Company's report on Form 8-K filed August 16, 2023)
31.1	Certification Certification of Principal Executive Officer pursuantto Section 302 Rule 13a-14(a) or Rule 15d-14(a) of the Sarbanes-Oxley Securities Exchange Act of 2002 1934, as amended
31.2	Certification of Principal Financial Officer pursuant to Section 302 Rule 13a-14(a) or Rule 15d-14(a) of the Sarbanes-Oxley Securities Exchange Act of 2002 1934, as amended
32.1#	Certification Certifications of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2#	Certification Certifications of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS 101.INS**	XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH 101.SCH**	Inline XBRL Taxonomy Extension Schema Document
101.CAL 101.CAL**	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.DEF 101.DEF**	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB 101.LAB**	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE 101.PRE**	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104	Cover Page Interactive Data File (formatted as Inline XBRL with applicable taxonomy extension information contained in Exhibits 101)
#	The information in Exhibits 32.1 and 32.2 shall not be deemed "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act (including this Quarterly Report on Form 10-Q), unless the Company specifically incorporates the foregoing information into those documents by reference.
**	In accordance with Rule 402 of Regulation S-T, this interactive data file is deemed not filed or part of this Quarterly Report on Form 10-Q for purposes of Sections 11 or 12 of the Securities Act or Section 18 of the Exchange Act and otherwise is not subject to liability under these sections.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

BIOLIFE SOLUTIONS, INC.

Date: August 9, 2023 November 9, 2023

/s/ Troy Wichterman

Troy Wichterman

Chief Financial Officer

(Duly authorized officer and principal
financial and accounting officer)

BIOLIFE SOLUTIONS, INC.

INDEX TO EXHIBITS

Exhibit No.	Description
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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 with applicable taxonomy extension information contained in Exhibits 101)

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EXHIBIT 31.1

CERTIFICATION PURSUANT TO
RULE 13a-14(a) or RULE 13d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Michael Rice, Roderick de Greef, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioLife Solutions, 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 controls 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 9, 2023 November 9, 2023

/s/ Michael Rice Roderick de Greef

Michael Rice Roderick de Greef

Chief Executive Officer and Chairman of the Board

EXHIBIT 31.2

CERTIFICATION PURSUANT TO
RULE 13a-14(a) or RULE 13d-14(a) OF THE
SECURITIES EXCHANGE ACT OF 1934

I, Troy Wichterman, certify that:

1. I have reviewed this quarterly report on Form 10-Q of BioLife Solutions, 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 controls 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 9, 2023 November 9, 2023

/s/ Troy Wichterman

Troy Wichterman

Chief Financial Officer

EXHIBIT 32.1

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 BioLife Solutions, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Michael Rice, Roderick de Greef, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 9, 2023 November 9, 2023

/s/ Michael Rice Roderick de Greef

Michael Rice Roderick de Greef

Chief Executive Officer and Chairman of the Board

EXHIBIT 32.2

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 BioLife Solutions, Inc. (the “Company”) on Form 10-Q for the period ending June 30, 2023 September 30, 2023, as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Troy Wichterman, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

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

Date: August 9, 2023 November 9, 2023

/s/ Troy Wichterman

Troy Wichterman

Chief Financial Officer

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