UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K/A
(Amendment No. 1)

CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): **October 1, 2020**

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

Nevada	**001-34632**	**88-0313393**
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

112 Westwood Place, Suite 350
Brentwood, TN 37027
(Address of principal executive offices, including zip code)

Registrant’s telephone number, including area code: **(949) 470-2300**

Not Applicable
(Former name or former address, if changed since last report)

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

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

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

Title of each class	**Trading Symbol**	**Name of each exchange on which registered**
Common Stock, $0.001 par value	CYRX	The NASDAQ Stock Market LLC

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

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

Introductory Note

This Amendment No. 1 on Form 8-K/A ("Amendment No. 1") amends the Current Report on Form 8-K of Cryoport, Inc., a Nevada corporation (the "Company"), filed on October 1, 2020 (the "Original Report"), in which the Company reported, among other events, the completion of the MVE Acquisition and CRYOPDP Acquisition (each as defined in the Original Report and together, the "Transactions").

This Amendment No. 1 is being filed in order to include (a) unaudited pro forma condensed combined financial information for the Company, the MVE cryobiological business and CRYOPDP as of and for the nine months ended September 30, 2020 and for the year ended December 31, 2019 and the related notes, (b) the audited combined financial statements of the MVE cryobiological business as of and for the years ended December 31, 2018 and December 31, 2019 and the related notes, (c) the audited consolidated financial statements of CRYOPDP as of and for the years ended December 31, 2018 and December 31, 2019 and the related notes, (d) the unaudited condensed combined financial statements of the MVE cryobiological business as of December 31, 2019 and September 30, 2020 and for the nine months ended September 30, 2019 and 2020 and the related notes and (e) the unaudited consolidated financial statements of CRYOPDP as of December 31, 2019 and September 30, 2020 and for the nine months ended September 30, 2019 and 2020 and the related notes.

This Amendment No. 1 does not amend any other item of the Original Report or purport to provide an update or a discussion of any developments at the Company or its subsidiaries subsequent to the filing date of the Original Report, except as indicated below under Item 9.01. The information previously reported in or filed with the Original Report is hereby incorporated by reference to this Amendment No. 1.

Item 9.01. Financial Statements and Exhibits

(a) Financial Statements of businesses acquired

MVE Cryobiological Business

The financial statements of the MVE cryobiological business are attached as Exhibit 99.2 and Exhibit 99.4 and are incorporated herein by reference.

CRYOPDP

The financial statements of CRYOPDP are attached as Exhibit 99.3 and Exhibit 99.5 and are incorporated herein by reference.

(b) Pro forma financial information

The unaudited pro forma condensed combined financial information for the Company, the MVE cryobiological business and CRYOPDP is attached hereto as Exhibit 99.1 and is incorporated herein by reference. This unaudited pro forma condensed combined financial information may not be indicative of what our actual financial position or results of operations would have been if the Transactions had been consummated on such dates and are not necessarily indicative of results to be expected for any future period following the Transactions.

(d) Exhibits

The exhibits filed as part of this Current Report on Form 8-K are listed in the index to exhibits immediately preceding the signature page to this Current Report on Form 8-K, which index to exhibits is incorporated herein by reference.

Exhibit No.	Description
23.1	Consent of Deloitte & Touche LLP.
23.2	Consent of Crowe HAF.
99.1	The unaudited pro forma condensed combined financial information for the Company, the MVE cryobiological business and CRYOPDP as of and for the nine months ended September 30, 2020 and for the year ended December 31, 2019 and the related notes.
99.2	The audited combined financial statements of the MVE cryobiological business for the years ended December 31, 2018 and December 31, 2019 and the related notes.
99.3	The audited consolidated financial statements of the CRYOPDP for the years ended December 31, 2018 and December 31, 2019 and the related notes.
99.4	The unaudited condensed combined financial statements of the MVE cryobiological business as of December 31, 2019 and September 30, 2020 and for the nine months ended September 30, 2019 and 2020 and the related notes.
99.5	The unaudited consolidated financial statements of CRYOPDP as of December 31, 2019 and September 30, 2020 and for the nine months ended September 30, 2019 and 2020 and the related notes.

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

Date: December 14, 2020	Cryoport, Inc.
	/s/ Robert Stefanovich
	Robert Stefanovich Chief Financial Officer

Exhibit 23.1

CONSENT OF INDEPENDENT AUDITORS

We consent to the incorporation by reference in Registration Statement Nos. 333 -230237 and 333-229395 on Form S-3 and Registration Statement Nos. 333-177168, 333-184543, 333-197437, 333-208381 and 333-225387 on Form S-8 of Cryoport, Inc. of our report dated August 14, 2020, relating to the combined financial statements of Chart Cryobiological Storage appearing in this Current Report on Form 8-K/A dated December 14, 2020.

/s/ Deloitte & Touche LLP
Atlanta, Georgia
December 14, 2020

Exhibit 23.2

CONSENT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

We have issued our report dated December 7, 2020, with respect to the financial statements of CRYOPDP which are included in the Current Report on Form 8-K/A of Cryoport, Inc. filed December 14, 2020. We consent to the incorporation by reference of said report in the Registration Statements of Cryoport, Inc. on Form S-3 (File Nos. 333-230237 and 333-229395) and in the Registration Statements of Cryoport, Inc. on Form S-8 (File Nos. 333-177168, 333-184543, 333-197437, 333-208381 and 333-225387).

/s/ Crowe HAF
Registered Auditor in France
Represented by Marc de Prémare, Partner
December 14, 2020

Cryoport, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Combined Financial Information

CRYOPDP Acquisition

On October 1, 2020, Cryoport, Inc. (the “Company” or “Cryoport”) completed its acquisition of CRYOPDP for a cash consideration of €49 million, subject to cash, net debt, working capital and other adjustments (the “CRYOPDP Acquisition”). This acquisition was funded with existing cash on hand in the amount of $57.4 million. CRYOPDP, based in France, is a leading global provider of innovative temperature-controlled logistics solutions to the clinical research, pharmaceutical and cell and gene therapy markets. CRYOPDP conducts its business activities mainly through entities based in the United Kingdom, the United States, the Asia-Pacific region, and India.

MVE Acquisition

On October 1, 2020, the Company completed its acquisition of Chart Industries, Inc.’s (“Chart”) MVE cryobiological storage business (the “MVE Acquisition”) for a cash consideration of $320 million, subject to customary closing working capital and other adjustments. The Company financed a portion of the closing cash payment of the MVE Acquisition with the net proceeds of the Blackstone Private Placement, as further discussed below. MVE is a global leader in manufactured vacuum insulated products and cryogenic freezer systems for the life sciences industry. MVE has manufacturing and distribution operations in the United States, Europe, and Asia.

Blackstone Private Placement

In connection with the MVE Acquisition, on October 1, 2020 the Company completed a private placement with an investment vehicle of funds affiliated with The Blackstone Group Inc. (collectively, “Blackstone”), consisting of (i) 250,000 shares of a newly designated 4.0% Series C Convertible Preferred Stock, par value $0.001 per share (“Series C Preferred Stock”), at a price of $1,000 per share, for $250 million, and (ii) 675,536 shares of common stock of the Company, par value $0.001 per share (“Common Stock”) for $25 million, for an aggregate purchase price of $275 million. The Company paid Blackstone $1 million as reimbursement for transactional expenses incurred in connection with the private placement. Also, the Company incurred direct and incremental expenses of approximately $10.4 million, including financial advisory fees, closing costs, legal expenses and other offering-related expenses. The Company allocated the net proceeds of $263.6 million on a relative fair value basis to the Series C Preferred Stock and the Common Stock, resulting in allocated proceeds of $235.6 million and $28 million, respectively.

The following unaudited pro forma condensed combined financial statements are based on Cryoport’s historical consolidated financial statements and CRYOPDP’s and MVE’s historical consolidated financial statements as adjusted to give effect to the Company’s acquisitions of CRYOPDP and MVE and the related Blackstone financing transaction. The MVE Acquisition is a component of Chart’s Cryobiological Storage business and has historically operated as part of Chart and not as a separate stand-alone entity. Therefore, the accompanying historical financial statements related to the MVE Acquisition have been prepared on a carve-out basis and are derived from Chart’s consolidated financial statements and accounting records, and reflect Cryobiological Storage’s financial position, results of operations, and cash flows in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”). Accordingly, these financial statements reflect assets, liabilities, revenues and expenses directly attributable to Cryobiological Storage, as well as allocations deemed reasonable by its management to present the financial position, results of operations, changes in equity and cash flows of Cryobiological Storage on a stand-alone basis. These allocated expenses have been charged to Cryobiological Storage on the basis of direct usage, specific identification when identifiable, on a relative percentage of net sales or headcount. Chart’s management considers the expense allocation methodology and results to be reasonable for all periods presented. These financial statements may not necessarily reflect the financial position, results of operations, changes in equity and cash flows of Cryobiological Storage as if Cryobiological Storage had been a separate, stand-alone entity.

The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2020 and the 12 months ended December 31, 2019 give effect to these transactions as if they had occurred on January 1, 2019. The unaudited pro forma condensed combined balance sheet as of September 30, 2020 gives effect to these transactions as if they had occurred on September 30, 2020.

The assumptions and estimates underlying the unaudited adjustments to the pro forma condensed combined financial statements are described in the accompanying notes, which should be read together with the pro forma condensed combined financial statements.

The unaudited pro forma condensed combined financial information should be read together with the Company’s historical financial statements, which are included in the Company’s latest annual report on Form 10-K and quarterly report on Form 10-Q, and CRYOPDP’s and MVE’s historical information included herein.

Cryoport, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Combined Balance Sheet

As of September 30, 2020

	Historical					Historical				
	Cryoport	CRYOPDP After Reclassifications (Note 4)	CRYOPDP Pro Forma Adjustments		CRYOPDP Pro Forma Combined	MVE After Reclassifications (Note 5)	MVE Pro Forma Adjustments		MVE Pro Forma Combined	Pro Forma Combined
ASSETS										
Current assets:										
Cash and cash equivalents	$ 161,987,083	$ 8,268,654	$ (57,563,558)	(a)	$ 112,692,179	$ 4,234,000	$ (60,730,176)	(g)	$ 105,490,907	$ 56,196,003
Short-term investments	40,952,522	-			40,952,522	-			40,952,522	40,952,522
Accounts receivable, net	7,783,502	10,313,867			18,097,369	8,931,000	(8,232)	(h)	16,706,270	27,020,137
Inventories	476,622	641,544			1,118,166	11,639,000	1,509,000	(i)	13,624,622	14,266,166
Prepaid expenses and other current assets	1,444,303	4,635,972			6,080,275	645,000			2,089,303	6,725,275
Total current assets	212,644,032	23,860,037	(57,563,558)		178,940,511	25,449,000	(59,229,408)		178,863,624	145,160,103
Property and equipment, net	15,178,619	2,960,701			18,139,320	6,286,000	5,030,909	(j)	26,495,528	29,456,229
Operating lease right-of-use assets	8,113,923	1,980,824			10,094,747	12,000			8,125,923	10,106,747
Intangible assets, net	4,891,124	3,393,859	25,287,120	(b)	33,572,103	6,713,000	174,387,000	(k)	185,991,124	214,672,103
Goodwill	10,999,722	18,264,091	7,972,467	(c)	37,236,280	15,405,000	90,631,502	(l)	117,036,224	143,272,782
Other non-current assets	535,750	479,987			1,015,737	793,000			1,328,750	1,808,737
Total assets	$ 252,363,170	$ 50,939,499	$ (24,303,971)		$ 278,998,698	$ 54,658,000	$ 210,820,003		$ 517,841,173	$ 544,476,701
LIABILITIES AND STOCKHOLDERS' EQUITY										
Current liabilities:										
Accounts payable and other accrued expenses	$ 9,663,211	$ 6,414,265	$ -		$ 16,077,476	$ 3,197,000	$ (8,232)	(h)	$ 12,851,979	$ 19,266,244
Accrued compensation and related expenses	2,554,753	-			2,554,753	1,239,000			3,793,753	3,793,753
Deferred revenue	236,975	-			236,975	-			236,975	236,975
Operating lease liabilities	666,929	975,193			1,642,122	10,378			677,307	1,652,500
Finance lease liabilities	63,616	-			63,616	-			63,616	63,616
Short-term debt and current portion of long-term debt	-	24,505,093	(20,721,390)	(d)	3,783,703	-			-	3,783,703
Other current liabilities	-	3,170,255			3,170,255	552,622			552,622	3,722,877
Total current liabilities	13,185,484	35,064,806	(20,721,390)		27,528,900	4,999,000	(8,232)		18,176,252	32,519,668
Convertible senior notes, net of discount	111,155,209	-			111,155,209	-			111,155,209	111,155,209
Operating lease liabilities, net of current portion	7,814,874	1,006,802			8,821,676	3,258			7,818,132	8,824,934
Finance lease liabilities, net of current portion	123,654	-			123,654	-			123,654	123,654
Deferred tax liability	47,943	-	5,816,038	(e)	5,863,981	1,149,000	(1,149,000)	(m)	47,943	5,863,981
Long-term debt	-	4,682,800			4,682,800	-			-	4,682,800
Other non-current liabilities	-	985,730			985,730	66,742			66,742	1,052,472
Total liabilities	132,327,164	41,740,138	(14,905,352)		159,161,950	6,218,000	(1,157,232)		137,387,932	164,222,718
Stockholders' equity:										
Preferred stock, $0.001 par value; 2,500,000 shares authorized:										
Class A convertible preferred stock	-				-				-	-
Class B convertible preferred stock	-				-				-	-
Class C convertible preferred stock	-				-		250	(n)	250	250
Common Stock	38,984	14,555,313	(14,555,313)	(f)	38,984	-	676	(n)	39,660	39,660
Additional paid-in capital	300,273,819	-			300,273,819	48,440,000	215,147,912	(n)	563,861,731	563,861,731
Accumulated deficit	(180,483,423)	(5,564,337)	5,365,079	(f)	(180,682,681)	-	(3,171,603)	(n)	(183,655,026)	(183,854,284)
Accumulated other comprehensive income (loss)	206,626	-			206,626	-			206,626	206,626
Cumulative translation reserve	-	208,385	(208,385)	(f)	-	-			-	-
Total stockholders' equity	120,036,006	9,199,361	(9,398,619)		119,836,748	48,440,000	211,977,235		380,453,241	380,253,983
Total liabilities and stockholders' equity	$ 252,363,170	$ 50,939,499	$ (24,303,971)		$ 278,998,698	$ 54,658,000	$ 210,820,003		$ 517,841,173	$ 544,476,701

See accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information

Cryoport, Inc. and Subsidiaries

Unaudited Pro Forma Condensed Combined Statements of Operations
Nine Months Ended September 30, 2020

	Historical Cryoport	Historical CRYOPDP After Reclassifications (Note 4)	CRYOPDP Pro Forma Adjustments		CRYOPDP Pro Forma Combined	Historical MVE After Reclassifications (Note 5)	MVE Pro Forma Adjustments		MVE Pro Forma Combined	Pro Forma Combined
Revenues	$ 30,335,165	$ 35,471,110	$ -		$ 65,806,275	$ 59,529,000	$ (1,549,156)	(p)	$ 88,315,009	$ 123,786,119
Cost of revenues	13,894,952	22,533,251	-		36,428,203	31,472,000	(789,438)	(p)	44,577,514	67,110,765
Gross margin	16,440,213	12,937,859	-		29,378,072	28,057,000	(759,718)		43,737,495	56,675,354
Operating costs and expenses:										
General and administrative	20,557,301	15,744,812	2,302,027	(b)	36,891,132	639,244	(5,931,930)	(q)	22,752,368	39,086,199
			(1,713,008)	(o)			(323,031)	(j)		
							7,810,784	(k)		
Sales and marketing	10,056,134	92,253			10,148,387	2,502,868			12,559,002	12,651,255
Engineering and development	5,990,887	-			5,990,887	1,157,888			7,148,775	7,148,775
Total operating costs and expenses	36,604,322	15,837,065	589,019		53,030,406	4,300,000	1,555,823		42,460,145	58,886,229
Income (loss) from operations	(20,164,109)	(2,899,206)	(589,019)		(23,652,334)	23,757,000	(2,315,541)		1,277,350	(2,210,875)
Other income (expense):										
Interest expense	(1,482,249)	(1,912,554)			(3,394,803)	-			(1,482,249)	(3,394,803)
Other income (expense), net	536,691	-			536,691	91,000			627,691	627,691
Income (loss) before provision for income taxes	(21,109,667)	(4,811,760)	(589,019)		(26,510,446)	23,848,000	(2,315,541)		422,792	(4,977,987)
Provision for income taxes	(53,793)	(1,193,658)	135,474	(r)	(1,111,977)	(5,003,000)	4,061,215	(s)	(995,578)	(2,053,762)
Net income (loss)	$ (21,163,460)	$ (6,005,418)	$ (453,545)		$ (27,622,423)	$ 18,845,000	$ 1,745,674		$ (572,786)	$ (7,031,749)
Net earnings (loss) per share - basic and diluted	$ (0.55)				$ (0.72)				$ (0.01)	$ (0.18)
Weighted average common shares outstanding - basic and diluted	38,211,327				38,211,327		675,536	(t)	38,886,863	38,886,863

See accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information

Cryoport, Inc. and Subsidiaries
Unaudited Pro Forma Condensed Combined Statements of Operations
Year Ended December 31, 2019

	Historical								
	Cryoport	CRYOPDP After Reclassifications (Note 4)	CRYOPDP Pro Forma Adjustments		CRYOPDP Pro Forma Combined	Historical MVE After Reclassifications (Note 5)	MVE Pro Forma Adjustments		MVE Pro Forma Combined	Pro Forma Combined
Revenues	$ 33,941,900	$ 47,409,745	$ -		$ 81,351,645	$ 83,629,000	$ (1,763,430)	(p)	$ 115,807,470	$ 163,217,215
Cost of revenues	16,590,244	28,888,040	-		45,478,284	44,348,000	(899,509)	(p)	60,038,735	88,926,775
Gross margin	17,351,656	18,521,705	-		35,873,361	39,281,000	(863,921)		55,768,735	74,290,440
Operating costs and expenses:										
General and administrative	17,465,191	17,777,143	2,913,276	(b)	38,155,610	1,092,779	(529,042)	(j)	30,440,974	51,131,393
							12,412,046	(k)		
Sales and marketing	13,820,868	91,797			13,912,665	4,214,275			18,035,143	18,126,940
Engineering and development	3,740,642	-			3,740,642	1,853,946			5,594,588	5,594,588
Total operating costs and expenses	35,026,701	17,868,940	2,913,276		55,808,917	7,161,000	11,883,004		54,070,705	74,852,921
Income (loss) from operations	(17,675,045)	652,765	(2,913,276)		(19,935,556)	32,120,000	(12,746,925)		1,698,030	(562,481)
Other income (expense):										
Interest expense	(1,366,924)	(396,406)			(1,763,330)	-			(1,366,924)	(1,763,330)
Other income (expense), net	772,065	(62,691)			709,374	(110,000)			662,065	599,374
Total other expense, net	(594,859)	(459,097)	-		(1,053,956)	(110,000)	-		(704,859)	(1,163,956)
Income (loss) before provision for income taxes	(18,269,904)	193,668	(2,913,276)		(20,989,512)	32,010,000	(12,746,925)		993,171	(1,726,437)
Provision for income taxes	(61,575)	(769,079)	670,053	(r)	(160,601)	(6,762,000)	5,499,560	(s)	(1,324,015)	(1,423,041)
Net income (loss)	$ (18,331,479)	$ (575,411)	$ (2,243,223)		$ (21,150,113)	$ 25,248,000	$ (7,247,365)		$ (330,844)	$ (3,149,478)
Net earnings (loss) per share - basic and diluted	$ (0.55)				$ (0.63)				$ (0.01)	$ (0.09)
Weighted average common shares outstanding - basic and diluted	33,394,285				33,394,285		675,536	(t)	34,069,821	34,069,821

See accompanying notes to the Unaudited Pro Forma Condensed Combined Financial Information

Cryoport, Inc. and Subsidiaries

Notes to Unaudited Pro Forma Condensed Combined Financial Information

1. Basis of Presentation

The historical consolidated financial statements have been adjusted in the pro forma condensed combined financial information to give effect to pro forma events that are (1) directly attributable to the business combinations and financing transaction, (2) factually supportable and (3) with respect to the pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results following the business combinations and financing transaction.

The business combinations were accounted for under the acquisition method of accounting in accordance with ASC Topic 805, *Business Combinations*. As the acquirer for accounting purposes, the Company has estimated the fair value of both CRYOPDP's and MVE's assets acquired and liabilities assumed and conformed the accounting policies of the two acquired businesses to its own accounting policies.

The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2020 and the 12 months ended December 31, 2019 give effect to the CRYOPDP and MVE acquisitions and the financing transaction as if they had occurred on January 1, 2019. The unaudited pro forma condensed combined balance sheet as of September 30, 2020 gives effect to the CRYOPDP and MVE acquisitions and the financing transaction as if they had occurred on September 30, 2020. The MVE Acquisition is a component of Chart's Cryobiological Storage business and has historically operated as part of Chart and not as a separate stand-alone entity. The unaudited condensed combined financial statements of Cryobiological Storage have been prepared in accordance with U.S. GAAP for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for annual financial statements. These financial statements should be read in conjunction with the audited financial statements and notes thereto. All adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. Operating results for the nine months ended September 30, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020.

The unaudited pro forma condensed combined financial information has been compiled in a manner consistent with the accounting policies adopted by the Company. Certain financial information of CRYOPDP and MVE as presented in their historical combined financial statements has been reclassified to conform to the historical presentation in the Company's consolidated financial statements for the purposes of preparing the unaudited pro forma condensed combined financial information.

As of the date of this Form 8-K/A Current Report, the Company has not completed the detailed valuation studies necessary to determine the fair value of the CRYOPDP and MVE assets to be acquired and the liabilities to be assumed and the related allocations of purchase price. Therefore, the allocation of the purchase price as reflected in the unaudited pro forma condensed combined financial information is based upon management's preliminary estimates of the fair market value of the assets acquired and liabilities assumed, as if the CRYOPDP Acquisition and the MVE Acquisition had occurred on the aforementioned dates. Definitive allocations of the purchase price will be performed and finalized after final determination of the estimated fair value of CRYOPDP's and MVE's assets and liabilities, and associated tax adjustments. Any adjustments to the preliminary estimated fair value amounts could have a significant impact on the unaudited pro forma condensed combined financial information contained herein and our future results of operations and financial position.

The pro forma condensed combined financial information does not necessarily reflect what the combined company's financial condition or results of operations would have been had the acquisitions and the financing transaction occurred on the dates indicated. They also may not be useful in predicting the future financial condition and results of operations of the combined company. The actual financial position and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

The pro forma condensed combined financial information does not reflect the realization of any expected cost savings or other synergies from the acquisitions of CRYOPDP and MVE as a result of potential restructuring activities and other planned cost savings initiatives following the completion of the business combinations.

2. Financing Transactions

On October 1, 2020, the Company completed the acquisition of CRYOPDP for approximately $57.4 million in cash, transferred from the Company's cash reserves.

On October 1, 2020, the Company completed the acquisition of MVE for approximately $317.5 million in cash. The Company financed the purchase by issuing 250,000 shares of Series C Preferred Stock and 675,536 shares of Common Stock for net proceeds of $275 million, with the remaining $42.5 million transferred from the Company's cash reserves.

3. Preliminary Purchase Price Allocation

CRYOPDP Acquisition

The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of CRYOPDP based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the assets acquired and liabilities assumed. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

The following table shows the preliminary allocation of the purchase price for CRYOPDP to the assets acquired and liabilities assumed based on the Company's current best estimates:

Total purchase consideration paid	$ 57,364,300
Purchase price allocation:	
Cash and cash equivalents	8,268,654
Accounts receivable, net	10,313,867
Inventories	641,544
Other current assets	4,635,972
Property and equipment, net	2,960,700
Operating lease right-of-use assets	2,032,335
Intangible assets	28,680,979
Other non-current assets	479,987
Accounts payable and other accrued expenses	(6,414,265)
Operating lease liabilities	(975,193)
Short-term debt and current portion of long-term debt	(3,783,702)
Other current liabilities	(3,866,822)
Operating lease liabilities, net of current portion	(1,058,313)
Deferred tax liability	(5,816,038)
Other non-current liabilities	(4,971,963)
Total identifiable net assets	31,127,742
Goodwill	26,236,558
Net assets acquired	$ 57,364,300

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the pro forma condensed combined balance sheet and statements of operations. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in fair values of property, plant and equipment, (2) changes in allocations to intangible assets such as trade names, technology and customer relationships as well as goodwill and (3) other changes to assets and liabilities.

MVE Acquisition

The unaudited pro forma condensed combined financial information includes various assumptions, including those related to the preliminary purchase price allocation of the assets acquired and liabilities assumed of MVE based on management's best estimates of fair value. The final purchase price allocation may vary based on final appraisals, valuations and analyses of the fair value of the assets acquired and liabilities assumed. Accordingly, the pro forma adjustments are preliminary and have been made solely for illustrative purposes.

The following table shows the preliminary allocation of the purchase price for MVE to the assets acquired and liabilities assumed based on the Company's current best estimates:

Total purchase consideration paid	$	317,413,411
Purchase price allocation:		
Cash and cash equivalents		500,000
Accounts receivable, net		8,931,000
Inventories		13,148,000
Other current assets		645,000
Property and equipment, net		11,320,909
Operating lease right-of-use assets		8,000
Intangible assets		181,100,000
Other non-current assets		793,000
Accounts payable and other accrued expenses		(4,436,000)
Operating lease liabilities		(10,378)
Other current liabilities		(552,622)
Operating lease liabilities, net of current portion		(3,258)
Other non-current liabilities		(66,742)
Total identifiable net assets		211,376,909
Goodwill		106,036,502
Net assets acquired	$	317,413,411

This preliminary purchase price allocation has been used to prepare pro forma adjustments in the pro forma condensed combined balance sheet and statements of operations. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in fair values of property, plant and equipment, (2) changes in allocations to intangible assets such as trade names, technology and customer relationships as well as goodwill and (3) other changes to assets and liabilities.

4. Reclassification, Foreign Currency and U.S. GAAP Conversion Adjustments for CRYOPDP Acquisition

Acquisition accounting rules require evaluation of certain assumptions, estimates, or determination of financial statement classifications which are completed during the measurement period as defined in current accounting standards. Certain balances were reclassified from CRYOPDP's historical financial statements so that their presentation would be consistent with that of Cryoport. These reclassification adjustments are based on management's preliminary analysis and calculations. Additional differences or reclassification adjustments may be identified that, when conformed, could have a material impact on these unaudited pro forma condensed combined financial statements. The amounts included in the table below may differ slightly from the historical financial statements of CRYOPDP due to rounding.

The historical financial information of CRYOPDP was prepared in accordance with IFRS and presented in Euro. The historical financial information was translated from Euro to U.S. dollars using the following historical exchange rates:

	$ / €
Average exchange rate for year ended December 31, 2019 (statement of operations)	1.12
Average exchange rate for nine months ended September 30, 2020 (statement of operations)	1.13
Period end exchange rate as of September 30, 2020 (balance sheet)	1.17

CRYOPDP

Historical Balance Sheet

As of September 30, 2020

The following tables summarize the reclassification, foreign currency and U.S. GAAP adjustments of the historical condensed balance sheet and condensed statements of operations for CRYOPDP:

	Historical CRYOPDP IFRS (in Euros)	Historical CRYOPDP IFRS (in US $)	CRYOPDP U.S. GAAP Adjustments	Historical CRYOPDP U.S. GAAP Before Reclassifications	Reclassifications	Historical CRYOPDP After Reclassifications
Cash and cash equivalents	€ 7,063,000	$ 8,268,654	$ -	$ 8,268,654	$ -	$ 8,268,654
Accounts receivable	8,810,000	10,313,867	-	10,313,867	-	10,313,867
Inventories	548,000	641,544	-	641,544	-	641,544
Other current assets	3,960,000	4,635,972	-	4,635,972	(4,635,972) (e)	-
Prepaid expenses and other current assets	-	-	-	-	4,635,972 (e)	4,635,972
Total current assets	20,381,000	23,860,037	-	23,860,037	-	23,860,037
Property and equipment and right of use assets	4,265,000	4,993,036	-	4,993,036	(2,032,335) (f)	2,960,701
Operating lease right-of-use assets	-	-	(51,511) (a)	(51,511)	2,032,335 (f)	1,980,824
Goodwill	15,601,000	18,264,091	-	18,264,091	-	18,264,091
Intangible assets	2,899,000	3,393,859	-	3,393,859	-	3,393,859
Deferred income taxes	234,000	273,944	-	273,944	(273,944) (g)	-
Non-current financial assets	176,000	206,043	-	206,043	(206,043) (g)	-
Other non-current assets	-	-	-	-	479,987 (g)	479,987
Total non-current assets	23,175,000	27,130,973	(51,511)	27,079,462	-	27,079,462
Total Assets	€ 43,556,000	$ 50,991,010	$ (51,511)	$ 50,939,499	$ -	$ 50,939,499
Accounts payable	€ 5,479,000	$ 6,414,265	$ -	$ 6,414,265	$ (6,414,265) (h)	$ -
Accounts payable and other accrued expenses	-	-	-	-	6,414,265 (h)	6,414,265
Other current liabilities	3,303,000	3,866,822	(696,567) (b)	3,170,255		3,170,255
Short-term debt and current portion of long-term debt	21,765,000	25,480,286	-	25,480,286	(975,193) (i)	24,505,093
Operating lease liabilities	-	-	-	-	975,193 (i)	975,193
Total Current Liabilities	30,547,000	35,761,373	(696,567)	35,064,806	-	35,064,806
Accrued pension plan liability	247,000	289,163	-	289,163	(289,163) (k)	-
Operating lease liabilities, net of current portion	-	-	(51,511) (a)	(51,511)	1,058,313 (j)	1,006,802
Long-term debt	4,904,000	5,741,113	-	5,741,113	(1,058,313) (j)	4,682,800
Other non-current liabilities	-	-	696,567 (b)	696,567	289,163 (k)	985,730
Total non-current liabilities	5,151,000	6,030,276	645,056	6,675,332	-	6,675,332
Total liabilities	35,698,000	41,791,649	(51,511)	41,740,138	-	41,740,138
Share capital	12,433,000	14,555,313	-	14,555,313	(14,555,313) (l)	-
Common stock	-	-	-	-	14,555,313 (l)	14,555,313
Additional paid-in capital	-	-	-	-	-	-
Consolidated reserves	(3,000)	(3,512)	-	(3,512)	3,512 (m)	-
Accumulated deficit	-	-	-	-	(5,564,337) (m)	(5,564,337)
Cumulative translation reserve	178,000	208,385	-	208,385	-	208,385
Profit (loss) for the year attributable to shareholders	(4,750,000)	(5,560,825)	-	(5,560,825)	5,560,825 (m)	-
Total Equity	7,858,000	9,199,361	-	9,199,361	-	9,199,361
Total Equity and Liabilities	€ 43,556,000	$ 50,991,010	$ (51,511)	$ 50,939,499	$ -	$ 50,939,499

CRYOPDP
Historical Statement of Operations
Nine Months Ended September 30, 2020

	CRYOPDP Historical IFRS (in Euros)	CRYOPDP Historical IFRS (in US $)	CRYOPDP U.S. GAAP Adjustments		Historical CRYOPDP U.S. GAAP Before Reclassifications	Reclassifications		Historical CRYOPDP After Reclassifications
Revenue	€ 31,529,000	$ 35,471,110	$ -		$ 35,471,110	$ -		$ 35,471,110
Cost of sales	(20,029,000)	(22,533,251)	-		(22,533,251)	-		(22,533,251)
Sales, general and administration costs	(2,385,000)	(2,683,200)	-		(2,683,200)	2,590,947	(n)	-
						92,253	(o)	
General and administrative	-	-	(766,146)	(c)	(766,146)	(2,590,947)	(n)	(15,744,812)
						(7,944,971)	(p)	
						(955,151)	(q)	
						(3,487,597)	(r)	
Sales and marketing	-	-	-		-	(92,253)	(o)	(92,253)
Engineering and development	-	-	-		-	-		-
Employee benefits / staff costs	(7,062,000)	(7,944,971)	-		(7,944,971)	7,944,971	(p)	-
EBITDA	2,053,000	2,309,688	(766,146)		1,543,542	(4,442,748)		(2,899,206)
Depreciation and amortization	(1,486,000)	(1,671,796)	716,645	(c)	(955,151)	955,151	(q)	-
Current operating profit	567,000	637,892	(49,501)		588,391	(3,487,597)		(2,899,206)
Other operating income and expenses	(3,100,000)	(3,487,597)	-		(3,487,597)	3,487,597	(r)	-
Operating profit	(2,533,000)	(2,849,705)	(49,501)		(2,899,206)	-		(2,899,206)
Interest and debt expense	(1,744,000)	(1,962,055)	49,501	(c)	(1,912,554)	-		(1,912,554)
Other financial income and expenses	-	-	-		-	-		-
Financial result	(1,744,000)	(1,962,055)	49,501		(1,912,554)	-		(1,912,554)
Profit before tax	(4,277,000)	(4,811,760)	-		(4,811,760)	-		(4,811,760)
Income tax	(1,061,000)	(1,193,658)	-		(1,193,658)	-		(1,193,658)
Net income from continuing operations	(5,338,000)	(6,005,418)	-		(6,005,418)	-		(6,005,418)
Net result	(5,338,000)	(6,005,418)	-		(6,005,418)	-		(6,005,418)
Profit (loss) for the year attributable to shareholders	€ (5,338,000)	$ (6,005,418)	$ -		$ (6,005,418)	$ -		$ (6,005,418)

CRYOPDP
Historical Statement of Operations
Year Ended December 31, 2019

	CRYOPDP Historical IFRS (in Euros)	CRYOPDP Historical IFRS (in US $)	CRYOPDP U.S. GAAP Adjustments	Historical CRYOPDP U.S. GAAP Before Reclassifications	Reclassifications	Historical CRYOPDP After Reclassifications
Revenue	€ 42,350,000	$ 47,409,745	$ -	$ 47,409,745	$ -	$ 47,409,745
Cost of sales	(25,805,000)	(28,888,040)	-	(28,888,040)	-	(28,888,040)
Sales, general and administration costs	(4,257,000)	(4,765,603)	-	(4,765,603)	4,673,806 (n)	-
					91,797 (o)	
General and administrative	-	-	(1,088,017) (c)	(1,308,553)	(4,673,806) (n)	(17,777,143)
			(220,536) (d)		(10,075,271) (p)	
					(863,115) (q)	
					(856,398) (r)	
Sales and marketing	-	-	-	-	(91,797) (o)	(91,797)
Engineering and development	-	-	-	-	-	-
Employee benefits / staff costs	(9,000,000)	(10,075,271)	-	(10,075,271)	10,075,271 (p)	-
EBITDA	3,288,000	3,680,831	(1,308,553)	2,372,278	(1,719,513)	652,765
Depreciation and amortization	(1,654,000)	(1,851,611)	988,496 (c)	(863,115)	863,115 (q)	-
Current operating profit	1,634,000	1,829,220	(320,057)	1,509,163	(856,398)	652,765
Other operating income and expenses	(765,000)	(856,398)	-	(856,398)	856,398 (r)	-
Operating profit	869,000	972,822	(320,057)	652,765	-	652,765
Interest and debt expense	(443,000)	(495,927)	99,521 (c)	(396,406)	-	(396,406)
Other financial income and expenses	(56,000)	(62,691)	-	(62,691)	-	(62,691)
Financial result	(499,000)	(558,618)	99,521	(459,097)	-	(459,097)
Profit before tax	370,000	414,204	(220,536)	193,668	-	193,668
Income tax	(687,000)	(769,079)	-	(769,079)	-	(769,079)
Net income from continuing operations	(317,000)	(354,875)	(220,536)	(575,411)	-	(575,411)
Net result	(317,000)	(354,875)	(220,536)	(575,411)	-	(575,411)
Profit (loss) for the year attributable to shareholders	€ (317,000)	$ (354,875)	$ (220,536)	$ (575,411)	$ -	$ (575,411)

(a) To record the adjustment to "Operating lease right-of-use assets" and "Operating lease liabilities, net of current portion" due to transition from IFRS to U.S. GAAP
(b) To reclassify the uncertain tax position from "Other current liabilities" to "Other non-current liabilities"
(c) To reclassify the operating lease amortization expense and finance charges to lease expenses for operating leases
(d) To record additional reserve on accounts receivable in line with the Company's accounting policy
(e) To reclassify "Other current assets" to "Prepaid expenses and other current assets"
(f) To reclassify "Property and equipment and right of use assets" to "Operating lease right-of-use assets"
(g) To reclassify "Deferred income taxes" and "Non-current financial assets" to "Other non-current assets"
(h) To reclassify "Accounts payable" to "Accounts payable and other accrued expenses"
(i) To reclassify "Short-term debt and current portion of long-term debt" to "Operating lease liabilities"
(j) To reclassify "Long-term debt" to "Operating lease liabilities, net of current portion"
(k) To reclassify "Accrued pension plan liability" to "Other non-current liabilities"
(l) To reclassify "Share capital" to "Common stock"
(m) To reclassify "Consolidated reserves" and "Profit (loss) for the year attributable to shareholders" to "Accumulated deficit"
(n) To reclassify "Sales, general and administration costs" to "General and administrative"
(o) To reclassify "Sales, general and administration costs" to "Sales and marketing"
(p) To reclassify "Employee benefits / staff costs" to "General and administrative"
(q) To reclassify "Depreciation and amortization" to "General and administrative"
(r) To reclassify "Other operating income and expenses" to "General and administrative"

5. Reclassification Adjustments for MVE Acquisition

Acquisition accounting rules require evaluation of certain assumptions, estimates, or determination of financial statement classifications which are completed during the measurement period as defined in current accounting standards. Certain balances were reclassified from MVE's historical financial statements so that their presentation would be consistent with that of Cryoport. These reclassification adjustments are based on management's preliminary analysis and calculations. Additional differences or reclassification adjustments may be identified that, when conformed, could have a material impact on this unaudited pro forma condensed combined financial information. The amounts included in the table below may differ slightly from the historical financial statements of MVE due to rounding.

MVE
Historical Balance Sheet
As of September 30, 2020

	Historical MVE Before Reclassifications	Reclassifications		Historical MVE After Reclassifications
ASSETS				
Current Assets				
Cash and cash equivalents	$ 4,234,000	$ -		$ 4,234,000
Accounts receivable, less allowances	8,931,000	-		8,931,000
Inventories, net	11,639,000	-		11,639,000
Prepaid expenses	296,000	(296,000)	(a)	-
Prepaid expenses and other current assets	-	645,000	(a), (b)	645,000
Other current assets	349,000	(349,000)	(b)	-
Total current assets	25,449,000	-		25,449,000
Property, plant, and equipment, net	6,298,000	(12,000)	(c)	6,286,000
Operating lease right-of-use assets	-	12,000	(c)	12,000
Goodwill	15,405,000	-		15,405,000
Identifiable intangible assets, net	6,713,000	-		6,713,000
Other assets	793,000	(793,000)	(d)	-
Other non-current assets	-	793,000	(d)	793,000
TOTAL ASSETS	$ 54,658,000	$ -		$ 54,658,000
LIABILITIES AND EQUITY				
Current liabilities				
Accounts payable	$ 3,197,000	$ (3,197,000)	(e)	$ -
Accounts payable and other accrued expenses	-	3,197,000	(e)	3,197,000
Customer advances	286,000	(286,000)	(f)	-
Accrued salaries, wages, and benefits	1,239,000	(1,239,000)	(g)	-
Accrued compensation and related expenses	-	1,239,000	(g)	1,239,000
Current portion of warranty reserve	146,000	(146,000)	(h)	-
Operating lease liabilities, current	-	10,378	(i)	10,378
Other current liabilities	131,000	421,622	(f), (h), (i)	552,622
Total Current Liabilities	4,999,000	-		4,999,000
Long-term deferred tax liabilities	1,149,000	(1,149,000)	(j)	-
Deferred tax liability	-	1,149,000	(j)	1,149,000
Warranty reserve, non-current	64,000	(64,000)	(k)	-
Other non-current liabilities	-	66,742	(k), (l)	66,742
Operating lease liabilities, net of current portion	-	3,258	(l)	3,258
Other long-term liabilities	6,000	(6,000)	(l)	-
Total liabilities	6,218,000	-		6,218,000
Equity				
Chart invested equity	48,440,000	(48,440,000)	(m)	-
Additional paid-in capital	-	48,440,000	(m)	48,440,000
Total Equity	48,440,000	-		48,440,000
TOTAL LIABILITIES AND EQUITY	$ 54,658,000	$ -		$ 54,658,000

MVE
Historical Statement of Operations
Nine Months Ended September 30, 2020

	Historical MVE Before Reclassifications	Reclassifications		Historical MVE After Reclassifications
Sales	$ 59,529,000	$ -		$ 59,529,000
Cost of sales	31,472,000	-		31,472,000
Gross profit	28,057,000	-		28,057,000
Selling, general, and administrative expenses	4,286,000	(4,286,000)	(n), (o), (p)	-
General and administrative	-	639,244	(n), (q)	639,244
Sales and marketing	-	2,502,868	(o)	2,502,868
Engineering and development	-	1,157,888	(p)	1,157,888
Amortization expense	14,000	(14,000)	(q)	-
Operating expenses	4,300,000	-		4,300,000
Operating income	23,757,000	-		23,757,000
Other income	(91,000)	-		(91,000)
Income before income taxes	23,848,000	-		23,848,000
Income tax expense	5,003,000	-		5,003,000
Net income	$ 18,845,000	$ -		$ 18,845,000

MVE
Historical Statement of Operations
Year Ended December 31, 2019

	Historical MVE Before Reclassifications	**Reclassifications**		**Historical MVE After Reclassifications**
Sales	$ 83,629,000	$ -		$ 83,629,000
Cost of sales	44,348,000	-		44,348,000
Gross profit	39,281,000	-		39,281,000
Selling, general, and administrative expenses	7,140,000	(7,140,000)	(n), (o), (p)	-
General and administrative	-	1,092,779	(n), (q)	1,092,779
Sales and marketing	-	4,214,275	(o)	4,214,275
Engineering and development	-	1,853,946	(p)	1,853,946
Amortization expense	21,000	(21,000)	(q)	-
Operating expenses	7,161,000	-		7,161,000
Operating income	32,120,000	-		32,120,000
Other expense	110,000	-		110,000
Income before income taxes	32,010,000	-		32,010,000
Income tax expense	6,762,000	-		6,762,000
Net income	$ 25,248,000	$ -		$ 25,248,000

(a) To reclassify "Prepaid expenses" to "Prepaid expenses and other current assets"
(b) To reclassify "Other current assets" to "Prepaid expenses and other current assets"
(c) To reclassify "Property, plant and equipment, net" to "Operating lease right-of-use assets"
(d) To reclassify "Other assets" to "Other non-current assets"
(e) To reclassify "Accounts payable" to "Accounts payable and accrued expenses"
(f) To reclassify "Customer advances" to "Other current liabilities"
(g) To reclassify "Accrued salaries, wages, and benefits" to "Accrued compensation and related expenses"
(h) To reclassify "Current portion of warranty reserve" to "Other current liabilities"
(i) To reclassify "Other current liabilities" to "Operating lease liabilities, current"
(j) To reclassify "Long-term deferred tax liabilities" to "Deferred tax liability"
(k) To reclassify "Warranty reserve, non-current" to "Other non-current liabilities"
(l) To reclassify "Other long-term liabilities" to "Operating lease liabilities, net of current portion" and "Other non-current liabilities"
(m) To reclassify "Chart invested equity" to "Additional paid-in capital"
(n) To reclassify "Selling, general, and administrative expenses" to "General and administrative"
(o) To reclassify "Selling, general, and administrative expenses" to "Sales and marketing"
(p) To reclassify "Selling, general, and administrative expenses" to "Engineering and development"
(q) To reclassify "Amortization expense" to "General and administrative"

6. **Pro Forma Adjustments**

(a) Represents the CRYOPDP purchase consideration funded by existing cash, and the payment of estimated transaction costs.

The following table summarizes the cash adjustments:

Purchase consideration	$	(57,364,300)
Estimated transaction costs		(199,258)
Pro forma adjustment to cash	**$**	**(57,563,558)**

(b) Reflects the adjustment of historical CRYOPDP's intangible assets acquired by the Company to their estimated fair values. As part of the preliminary valuation analysis, the Company identified intangible assets, including internally-developed software, customer relationships, agent network, and trade names. The fair value of identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows. Since all information required to perform a detailed valuation analysis of CRYOPDP's intangible assets could not be obtained as of the date of this filing, for purposes of these unaudited pro forma condensed combined financial statements, the Company used certain assumptions based on publicly available transaction data for the industry.

The following table summarizes the estimated fair values of CRYOPDP's identifiable intangible assets and their estimated useful lives:

	Estimated Fair Value	**Estimated Useful Life in Years**	**Year ended December 31, 2019 Amortization Expense**	**Nine months ended September 30, 2020 Amortization Expense**
Software	3,393,859	7	484,837	363,628
Customer Relationships	6,790,060	11.5	590,440	442,830
Agent Network	8,194,900	4	2,048,725	1,536,544
Trade Names / Trademarks	10,302,160	Indefinite	-	-
	28,680,979		3,124,002	2,343,002
Historical amortization expense			(210,726)	(40,975)
Pro forma adjustments to amortization expense			**$ 2,913,276**	**$ 2,302,027**

These preliminary estimates of fair value and estimated useful lives will likely differ from final amounts the Company will calculate after completing a detailed valuation analysis, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. A 10% change in the valuation of intangible assets would cause a corresponding increase or decrease in the balance of goodwill and annual amortization expense of approximately $0.5 million, assuming an overall weighted-average useful life of 5.9 years.

(c) Reflects adjustment to remove CRYOPDP's historical goodwill of $18.3 million and record goodwill associated with the acquisition of $26.2 million as shown in Note 3.

(d) Represents the exclusion of liabilities not assumed in the acquisition. CRYOPDP's current portion of long-term debt was settled as part of the acquisition.

(e) Reflects the deferred tax liabilities resulting from the acquisition. The estimated deferred tax liability of $5.8 million stems from the fair value adjustments for non-deductible intangible assets based on an estimated tax rate of 23%. The estimate of deferred tax income tax balances is preliminary and subject to change based on management's final determination of the fair value of assets acquired and liabilities assumed by jurisdiction.

(f) Reflects the elimination of CRYOPDP's historical equity and the estimated transaction costs of $0.2 million.

(g) Represents the MVE purchase consideration, the proceeds of stock issuance, the adjustment of MVE closing cash balance and the payment of estimated transaction costs.

The following table summarizes the adjustments to cash:

Purchase consideration	$ (317,413,411)
Historical cash balance as of September 30, 2020	(4,234,000)
Closing cash balance on acquisition date	500,000
Estimated transaction costs paid in connection with the acquisition	(3,171,603)
Proceeds from the issuance of Series C Preferred Stock and Common Stock	274,000,000
Estimated transaction costs related to the issuance of Series C Preferred Stock and Common Stock	(10,411,162)
Pro forma adjustment to cash	**$ (60,730,176)**

(h) Reflects the settlement of trade receivable balance between MVE and the Company upon the acquisition date.

(i) Represents the estimated adjustment to step up MVE's finished goods and work in process inventory to a fair value of approximately $13.1 million, an increase of $1.5 million from the carrying value. The fair value calculation is preliminary and subject to change. The fair value was determined based on the estimated selling price of the inventory less the remaining manufacturing and selling costs and a normal profit margin on those efforts. After the acquisition, the step-up in inventory fair value of $1.5 million will increase cost of sales over approximately two months as the inventory is sold. This increase is not reflected in the pro forma condensed combined statements of operations because it does not have a continuing impact.

(j) Reflects the adjustment of $5.0 million to increase the basis in the acquired MVE's property, plant and equipment to estimated fair value of $11.3 million. The estimated useful lives range from three to thirty-seven years for depreciable assets, excluding land which is not depreciated. The fair value and useful life calculations are preliminary and subject to change after the Company finalizes its review of the specific types, nature, age, condition and location of MVE's property, plant and equipment.

The following table summarizes the changes in the estimated depreciation expense:

	Year ended 31 December 2019	**Nine months ended 30 September 2020**
Estimated depreciation expense	575,958	431,969
Historical depreciation expense	1,105,000	755,000
Pro forma adjustments to depreciation expense	**(529,042)**	**(323,031)**

(k) Reflects the adjustment of historical MVE's intangible assets acquired by the Company to their estimated fair values. As part of the preliminary valuation analysis, the Company identified intangible assets, including order backlog, customer relationships, developed technology, and trade names. The fair value of identifiable intangible assets is determined primarily using the "income approach," which requires a forecast of all of the expected future cash flows. Since all information required to perform a detailed valuation analysis of MVE's intangible assets could not be obtained as of the date of this filing, for purposes of these unaudited pro forma condensed combined financial statements, the Company used certain assumptions based on publicly available transaction data for the industry.

The following table summarizes the estimated fair values of MVE's identifiable intangible assets and their estimated useful lives:

	Estimated Fair Value	Estimated Useful Life in Years	Year ended December 31, 2019 Amortization Expense	Nine months ended September 30, 2020 Amortization Expense
Order Backlog	2,000,000	0.125	2,000,000	-
Customer Relationships	116,600,000	14.5	8,041,379	6,031,034
Developed Technology	28,700,000	12	2,391,667	1,793,750
Trade Names / Trademarks	33,800,000	Indefinite	-	-
	181,100,000		12,433,046	7,824,784
Historical amortization expense			(21,000)	(14,000)
Pro forma adjustments to amortization expense			**$ 12,412,046**	**$ 7,810,784**

These preliminary estimates of fair value and estimated useful lives will likely differ from final amounts the Company will calculate after completing a detailed valuation analysis, and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. A 10% change in the valuation of intangible assets would cause a corresponding increase or decrease in the balance of goodwill and annual amortization expense of approximately $2 million, assuming an overall weighted-average useful life of 11.8 years.

(l) Reflects adjustment to remove MVE's historical goodwill of $15.4 million and record goodwill associated with the acquisition of $106 million as shown in Note 3.

(m) Represents the elimination of the historical deferred tax liability of MVE associated with historical temporary differences as MVE was acquired in a taxable acquisition.

(n) Represents the elimination of the historical equity of MVE and the issuance of Series C Preferred Stock and Common Stock in connection with the Blackstone private placement to finance the acquisition, as follows:

Net equity proceeds from the issuance of Series C Preferred Stock and Common Stock	274,000,000
Less: historical MVE shareholders' equity as of September 30, 2020	(48,440,000)
Less: transaction costs related to the issuance of Series C Preferred Stock and Common Stock	(10,411,162)
Less: transaction costs paid in connection with the acquisition	(3,171,603)
Less: Preferred stock – par value	(250)
Less: Common stock – par value	(676)
Pro Forma adjustment to shareholders' equity	**$ 211,976,309**

(o) Reflects the elimination of $1.7 million of transaction costs related to the CRYOPDP Acquisition recognized in the Company's historical financial statements.

(p) Reflects the elimination of revenue and related cost of goods sold from MVE to the Company. During the 12 months ended December 31, 2019, MVE recorded revenues from the Company of $1.8 million and related cost of goods sold of $0.9 million. During the nine months ended September 30, 2020, MVE recorded revenues from the Company of $1.5 million and related cost of goods sold of $0.8 million.

(q) Reflects the elimination of $5.7 million of transaction costs and $0.3 million in bonuses to four key executives related to the MVE Acquisition recognized in the Company's historical financial statements.

(r) Represents the income tax effect of CRYOPDP's pro forma adjustments based on the estimated blended tax rate of 23%.

(s) Represents the income tax effect of MVE's pro forma adjustments. This tax effect is impacted by the availability of Cryoport U.S. federal net operating loss carryforwards that can be used to offset a portion of the taxable income generated by MVE in the U.S., as well as the subsequent impact of the reduction of the valuation allowance maintained against such loss carryforwards.

(t) Represents the increase in the weighted average shares in connection with the issuance of 675,536 common shares to finance the acquisition.

7. Forward-Looking Statements

The unaudited pro forma condensed combined financial information is forward-looking and involves a number of risks and uncertainties. There are a number of important factors that could cause actual events to differ materially from those suggested or indicated by such forward-looking statements and you should not place undue reliance on any such forward-looking statements. These factors include risks and uncertainties related to, among other things: the possibility that the expected synergies from the acquisitions of CRYOPDP and MVE will not be realized, or will not be realized within the expected time period; the risk that the businesses will not be integrated successfully; the possibility that disruption from the acquisitions may make it more difficult to maintain business and operational relationships; difficulty in integrating personnel, operations and financial and other controls and systems, and retaining key employees and customers; the Company's, CRYOPDP's ,and MVE's ability to accurately predict future market conditions; and the risk of new and changing regulation and public policy in the U.S. and internationally. Additional information regarding the factors that may cause actual results to differ materially from these forward-looking statements is available in the Company's SEC filings, including the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2020. These forward-looking statements speak only as of the date of this Current Report and the Company does not assume any obligation to update or revise any forward-looking statements, whether as a result of new information, future events and developments or otherwise, except as required by law.

Note regarding Use of Non-GAAP Financial Measures

This Form 8-K Current Report contains a non-GAAP financial measure as defined in Regulation G of the Securities Exchange Act of 1934. The financial measure is not calculated in accordance with generally accepted accounting principles (GAAP) and is not based on any comprehensive set of accounting rules or principles. In evaluating the Company's performance, management uses certain non-GAAP financial measures to supplement financial statements prepared under GAAP. Management believes that the following non-GAAP financial measure, adjusted EBITDA, provides a useful measure of the Company's operating results, a meaningful comparison with historical results and with the results of other companies, and insight into the Company's ongoing operating performance. Further, management and the Board of Directors utilize this non-GAAP financial measure to gain a better understanding of the Company's comparative operating performance from period-to-period and as a basis for planning and forecasting future periods. Management believes this non-GAAP financial measure, when read in conjunction with the Company's GAAP financials and the Unaudited Pro Forma Condensed Combined Financial Information in this Form 8-K Current Report, is useful to investors because they provide a basis for meaningful period-to-period comparisons of the Company's ongoing operating results, including results of operations of CRYOPDP and MVE, against investor and analyst financial models, identifying trends in the Company's underlying business and performing related trend analyses, and they provide a better understanding of how management plans and measures the Company's underlying business.

Cryoport, Inc. and Subsidiaries
Unaudited Pro Forma Combined EBITDA
Nine Months Ended September 30, 2020

	Historical							
	Cryoport	CRYOPDP After Reclassifications	CRYOPDP Pro Forma Adjustments	CRYOPDP Pro Forma Combined	Historical MVE After Reclassifications	MVE Pro Forma Adjustments	MVE Pro Forma Combined	Pro Forma Combined
GAAP net income (loss)	$ (21,163,460)	$ (6,005,418)	$ (453,545)	$ (27,622,423)	$ 18,845,000	$ 1,745,674	$ (572,786)	$ (7,031,749)
Non-GAAP adjustments to net loss:								
Depreciation and amortization expense	2,499,087	955,152	2,302,027	5,756,266	769,000	7,487,753	10,755,840	14,013,019
Interest expense, net	873,581	1,912,553	-	2,786,134	-	-	873,581	2,786,134
Stock-based compensation expense	6,354,546	-	-	6,354,546	207,000	-	6,561,546	6,561,546
Income taxes	53,793	1,193,658	(135,474)	1,11,977	5,003,000	(4,061,215)	995,578	2,053,762
Acquisition costs	7,379,938	3,487,597	(1,713,008)	9,154,527	-	(5,666,930)	1,713,008	3,487,597
Adjusted EBITDA	$ (4,002,515)	$ 1,543,542	$ -	$ (2,458,973)	$ 24,824,000	$ (494,718)	$ 20,326,767	$ 21,870,309

Cryoport, Inc. and Subsidiaries
Unaudited Pro Forma Combined EBITDA
Year Ended December 31, 2019

	Historical							
	Cryoport	CRYOPDP After Reclassifications	CRYOPDP Pro Forma Adjustments	CRYOPDP Pro Forma Combined	Historical MVE After Reclassifications	MVE Pro Forma Adjustments	MVE Pro Forma Combined	Pro Forma Combined
GAAP net income (loss)	$ (18,331,479)	$ (575,411)	$ (2,243,223)	$ (21,150,113)	$ 25,248,000	$ (7,247,365)	$ (330,844)	$ (3,149,478)
Non-GAAP adjustments to net loss:								
Depreciation and amortization expense	2,415,222	863,115	2,913,276	6,191,613	21,000	11,883,004	14,319,226	18,095,617
Interest expense, net	1,366,924	396,406	-	1,763,330	-	-	1,366,924	1,763,330
Stock-based compensation expense	16,523,506	-	-	16,523,506	231,000	-	16,754,506	16,754,506
Income taxes	61,575	769,079	(670,053)	160,601	6,762,000	(5,499,560)	1,324,015	1,423,041
Adjusted EBITDA	$ 2,035,748	$ 1,453,189	$ -	$ 3,488,937	$ 32,262,000	$ (863,921)	$ 33,433,827	$ 34,887,016

Exhibit 99.2

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)

Combined Financial Statements as of and for the Years Ended December 31, 2019 and 2018

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)

INDEX

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INDEPENDENT AUDITORS' REPORT

To the Management of Chart Cryobiological Storage Business of Chart Industries, Inc.

We have audited the accompanying combined financial statements of Chart Cryobiological Storage business of Chart Industries, Inc. (the "Business"), which comprise the combined balance sheets as of December 31, 2019 and 2018, and the related combined statements of income, comprehensive income, cash flows, and changes in invested equity for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Business' preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Business' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Chart Cryobiological Storage business of Chart Industries, Inc as of December 31, 2019 and December 31, 2018, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1 to the combined financial statements, the financial statements have been prepared from the separate records maintained by the Business and may not necessarily be indicative of the conditions that would have existed or results of operations if the Business had been operated as an unaffiliated company of Chart Industries, Inc. Our opinion is not modified with respect to this matter.

/s/ Deloitte & Touche LLP
Atlanta, Georgia

August 14, 2020

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
COMBINED BALANCE SHEETS
(Dollars in thousands)

	December 31, 2019	December 31, 2018
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,032	$ 738
Accounts receivable, less allowances of $209 and $447, respectively	11,394	11,237
Inventories, net	9,173	11,257
Prepaid expenses	386	266
Other current assets	767	107
Total Current Assets	25,752	23,605
Property, plant, and equipment, net	6,822	7,087
Goodwill	15,405	15,405
Identifiable intangible assets, net	6,709	6,742
Other assets	794	749
TOTAL ASSETS	$ 55,482	$ 53,588
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 4,247	$ 4,007
Customer advances	77	169
Accrued salaries, wages, and benefits	1,529	1,697
Current portion of warranty reserve	161	165
Other current liabilities	52	468
Total Current Liabilities	6,066	6,506
Long-term deferred tax liabilities	1,150	936
Warranty reserve, non-current	64	64
Other long-term liabilities	56	48
Total Liabilities	7,336	7,554
Equity		
Chart invested equity	48,146	46,034
Total Equity	48,146	46,034
TOTAL LIABILITIES AND EQUITY	$ 55,482	$ 53,588

See accompanying notes to these combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
COMBINED STATEMENTS OF INCOME
(Dollars in thousands)

	Year Ended December 31,	
	2019	**2018**
Sales	$ 83,629	$ 80,419
Cost of sales	44,348	43,500
Gross profit	39,281	36,919
Selling, general, and administrative expenses	7,140	9,255
Amortization expense	21	4
Operating expenses	7,161	9,259
Operating income	32,120	27,660
Other expense	110	324
Income before income taxes	32,010	27,336
Income tax expense	6,762	5,520
Net income	$ 25,248	$ 21,816

See accompanying notes to these combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
COMBINED STATEMENTS OF COMPREHENSIVE INCOME
(Dollars in thousands)

	Year Ended December 31,	
	2019	**2018**
Net income	$ 25,248	$ 21,816
Other comprehensive loss, net of tax:		
Foreign currency translation adjustments	(319)	—
Comprehensive income	$ 24,929	$ 21,816

See accompanying notes to these combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
COMBINED STATEMENTS OF CASH FLOWS
(Dollars in thousands)

	Year Ended December 31,	
	2019	**2018**
OPERATING ACTIVITIES		
Net income	$ 25,248	$ 21,816
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,126	1,030
Employee share-based compensation expense	231	206
Deferred income tax expense (benefit)	151	(244)
Other non-cash operating activities	(214)	180
Changes in assets and liabilities:		
Accounts receivable	81	(410)
Inventories	2,059	(3,719)
Other assets	(811)	5
Accounts payable and other liabilities	(206)	(550)
Customer advances	(92)	2
Net Cash Provided By Operating Activities	27,573	18,316
INVESTING ACTIVITIES		
Capital expenditures	(912)	(403)
Net Cash Used In Investing Activities	(912)	(403)
FINANCING ACTIVITIES		
Net changes in Chart invested equity	(23,367)	(17,218)
Net Used In Financing Activities	(23,367)	(17,218)
Net increase in cash and cash equivalents	3,294	695
Cash and cash equivalents at beginning of period	738	43
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,032	$ 738
Supplementary cash flow information:		
Change in accrual for purchased of property, plant and equipment included in accounts payable	$ 72	$ 339

See accompanying notes to these combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
COMBINED STATEMENTS OF CHANGES IN INVESTED EQUITY
(Dollars in thousands)

	Chart Industries, Inc. Net Investment	Accumulated other comprehensive loss	Chart Invested Equity
Balance at January 1, 2018	42,014	(785)	41,229
Net income	21,816	—	21,816
Net change in Chart invested equity	(17,011)	—	(17,011)
Balance at December 31, 2018	46,819	(785)	46,034
Net income	25,248	—	25,248
Other comprehensive loss	—	(319)	(319)
Net change in Chart invested equity	(22,817)	—	(22,817)
Balance at December 31, 2019	$ 49,250	$ (1,104)	$ 48,146

See accompanying notes to these combined financial statements.

NOTE 1 — Basis of Presentation

Nature of Operations: Chart Industries, Inc. and its consolidated subsidiaries (herein referred to as the "Company," "Chart," "we," "us," or "our") is a leading independent global manufacturer of highly engineered equipment servicing multiple applications in the Energy and Industrial Gas markets. The structure of our internal organization is divided into the following reportable segments, which are also our operating segments: Distribution and Storage Eastern Hemisphere, Distribution and Storage Western Hemisphere ("D&S West"), Energy & Chemicals Cryogenics, and Energy & Chemicals FinFans. The Chart Cryobiological Storage business ("Cryobiological Storage") is a component of our D&S West segment which is a separate reportable segment of Chart and is not a separate stand-alone entity.

Cryobiological Storage includes cryobiological storage manufacturing and distribution operations in the U.S., Europe and Asia, which serve customers around the world with products that include vacuum insulated containment vessels for the storage of biological materials. The primary applications for cryobiological storage include medical laboratories, biotech/ pharmaceutical research facilities, blood and tissue banks, veterinary laboratories, large-scale repositories, and artificial insemination, particularly in the beef and dairy industry.

Basis of Presentation: These combined financial statements represent Cryobiological Storage's global operations, and have been prepared on a stand-alone basis. The combined financial statements are derived from Chart's consolidated financial statements and accounting records, and reflect Cryobiological Storage's financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles ("U.S. GAAP").

The combined financial statements reflect assets, liabilities, revenues and expenses directly attributable to Cryobiological Storage, as well as allocations deemed reasonable by its management to present the financial position, results of operations, changes in equity and cash flows of Cryobiological Storage on a stand-alone basis. These allocated expenses have been charged to Cryobiological Storage on the basis of direct usage, specific identification when identifiable, on a relative percentage of net sales or headcount. We consider the expense allocation methodology and results to be reasonable for all periods presented. The combined financial statements may not necessarily reflect the financial position, results of operations, changes in equity and cash flows of Cryobiological Storage as if Cryobiological Storage had been a separate, stand-alone entity.

Chart uses a centralized approach for managing certain of its cash and financing operations with its segments and subsidiaries. Accordingly, a portion of Cryobiological Storage's cash is transferred to Chart's cash management accounts and therefore is not included in the combined financial statements. Transfers of cash between Cryobiological Storage and Chart are included within "Net changes in Chart invested equity" on the combined statements of cash flows and the combined statements of changes in invested equity. Chart's long-term debt and related interest expense have not been attributed to Cryobiological Storage for any of the periods presented because Chart's borrowings are neither directly attributable to Cryobiological Storage nor is Cryobiological Storage the legal obligor of such borrowings.

Chart maintains a number of benefit and stock-based compensation programs in which our eligible employees participate. As such, Cryobiological Storage was charged a portion of the expenses associated with these programs. However, Cryobiological Storage's combined balance sheets include neither any Chart net benefit plan obligations nor Chart equity related to the share-based compensation programs.

Chart's net investment balance represents the cumulative net investment in Cryobiological Storage by Chart through that date, including any prior net income or loss and allocations or other transactions with Chart. Certain current domestic and foreign income tax liabilities are deemed to be remitted in cash to Chart in the period the related income tax expense is recorded. All transactions between Chart and Cryobiological Storage were included in the combined financial statements and are reflected in the combined statements of cash flows as "Net changes in Chart invested equity" within financing activities.

Principles of Combination: The combined financial statements include accounts of Cryobiological Storage. There were no entities in which Cryobiological Storage had a controlling voting interest or variable interest entities required to be consolidated in accordance with U.S. GAAP. Intercompany accounts and transactions among Cryobiological Storage entities have been eliminated.

Related Party Transactions: The caption "Chart invested equity" on the combined balance sheets represent our net investment in Cryobiological Storage and is presented in lieu of stockholders' equity. Non-trade intercompany receivable and payable transactions between Cryobiological Storage and Chart are accounted for through Chart invested equity. Additionally, other assets, liabilities, revenues and expenses recorded by us which have been allocated to Cryobiological Storage for purposes of the combined financial statements have been reflected in Chart invested equity. There were no transactions, of a normal trading nature, between Cryobiological Storage and Chart for any of the periods presented.

Financing decisions are determined centrally by Chart's treasury and finance operations. Our short and long-term debt has not been pushed down to the Cryobiological Storage combined financial statements because it is not specifically identifiable to Cryobiological Storage.

NOTE 2 — Significant Accounting Policies

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Cryobiological Storage management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates may also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions. Furthermore, Cryobiological Storage considered the impact of the COVID-19 pandemic on the use of estimates and assumptions used for financial reporting and determined that there was no adverse material impact to its results of operations. While Cryobiological Storage's production has been considered "essential" in all locations Cryobiological Storage operates in, Cryobiological Storage has experienced, and may again experience in the future, temporary facility closures while awaiting appropriate government approvals in certain jurisdictions. The COVID-19 outbreak could also disrupt Cryobiological Storage's supply chain and materially adversely impact its ability to secure supplies for its facilities, which could materially adversely affect its operations. There may also be long-term effects on Cryobiological Storage's customers in and the economies of affected countries. As a result of these uncertainties, actual results could differ from those estimates and assumptions. If the economy or markets in which Cryobiological Storage operates remain weak or deteriorate further, its business, financial condition and results of operations may be materially and adversely impacted.

Cash and Cash Equivalents: Cryobiological Storage considers all investments with an initial maturity of three months or less when purchased to be cash equivalents.

Accounts Receivable, Net of Allowances: Accounts receivable includes amounts billed and currently due from customers. The amounts due are stated at their net estimated realizable value. Cryobiological Storage maintains an allowance for doubtful accounts to provide for the estimated amount of receivables that will not be collected. The allowance is based upon an assessment of customer creditworthiness, historical payment experience, the age of outstanding receivables and collateral to the extent applicable. Past-due trade receivable balances are written off when Cryobiological Storage's internal collection efforts have been unsuccessful. As a practical expedient, Cryobiological Storage does not adjust the promised amount of consideration for the effects of a significant financing component when Cryobiological Storage expects, at contract inception, that the period between the transfer of a promised product or service to a customer and when the customer pays for that product or service will be one year or less. Cryobiological Storage does not typically include extended payment terms in contracts with customers.

Inventories: Inventories are stated at the lower of cost or net realizable value with cost being determined by the first-in, first-out ("FIFO") method. Cryobiological Storage determines inventory valuation reserves based on a combination of factors. In circumstances where Cryobiological Storage is aware of a specific problem in the valuation of a certain item, a specific reserve is recorded to reduce the item to its net realizable value. Cryobiological Storage also recognizes reserves based on the actual usage in recent history and projected usage in the near-term.

Property, Plant and Equipment: Capital expenditures for property, plant and equipment are recorded at cost. Expenditures for maintenance and repairs are charged to expense as incurred, whereas major improvements that extend the useful life are capitalized. The cost of applicable assets is depreciated over their estimated useful lives. Depreciation is computed using the straight-line method for financial reporting purposes and accelerated methods for income tax purposes.

Leases: At lease inception, Cryobiological Storage determines if an arrangement is a lease and if it includes options to extend or terminate the lease if it is reasonably certain that the options will be exercised. Lease expense for lease payments is recognized on a straight-line basis over the lease term. Operating leases are recognized as right-of-use ("ROU") assets and are included within property, plant and equipment, net, and the related lease liabilities are included in operating lease liabilities, current and operating lease liabilities, non-current in the combined balance sheet as of January 1, 2019 (the "Commencement Date") and at December 31, 2019. ROU assets represent Cryobiological Storage's right to use an underlying asset for the lease term and lease liabilities represent Cryobiological Storage's obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities were recognized on the Commencement Date based on the present value of lease payments over the lease term. As most of Cryobiological Storage's leases do not provide an implicit rate, Cryobiological Storage used Chart's incremental borrowing rate based on the information available on the Commencement Date in determining the present value of lease payments.

Long-lived Assets: Cryobiological Storage monitors its property, plant, equipment, and finite-lived intangible assets for impairment indicators on an ongoing basis. Assets are grouped and tested at the lowest level for which identifiable cash flows are largely independent of the cash flows of other groups of assets. If impairment indicators exist, Cryobiological Storage performs the required analysis and records impairment charges, if applicable. In conducting its analysis, Cryobiological Storage compares the undiscounted cash flows expected to be generated from the long-lived assets to the related net book values. If the undiscounted cash flows exceed the net book value, the long-lived assets are considered not to be impaired. If the net book value exceeds the undiscounted cash flows, an impairment loss is measured and recognized. An impairment loss is measured as the difference between the net book value and the fair value of the long-lived assets. Fair value is estimated from discounted future net cash flows (for assets held and used) or net realizable value (for assets held for sale). Changes in economic or operating conditions impacting these estimates and assumptions could result in the impairment of long-lived assets. Cryobiological Storage amortizes intangible assets that have finite lives over their estimated useful lives.

Goodwill and Indefinite-Lived Intangible Assets: Goodwill is recognized as the excess cost of an acquired entity over the net amount assigned to assets acquired and liabilities assumed. Cryobiological Storage does not amortize goodwill or indefinite-lived intangible assets, but reviews them for impairment annually in the fourth quarter or whenever events or changes in circumstances indicate that an evaluation should be completed. Goodwill is analyzed on a reporting unit basis. The reporting unit is the same as our operating segment, which is the Cryobiological Storage business.

Goodwill and accumulated goodwill impairment loss from the D&S West segment of Chart was allocated on a relative fair value basis to Cryobiological Storage for the preparation of these combined financial statements. Goodwill allocated to these combined financial statements from the D&S West segment of Chart was previously evaluated as part of the D&S West segment for impairment and determined not to be impaired.

We first evaluate qualitative factors, such as macroeconomic conditions and its overall financial performance to determine whether it is more likely than not that the fair value of a reporting unit is less than its carrying amount, including goodwill. We then evaluate how significant each of the identified factors could be to the fair value or carrying amount of a reporting unit and weigh these factors in totality in forming a conclusion of whether or not it is more likely than not that the fair value of a reporting unit is less than its carrying amount (the "Step 0 Test"). If we determine that it is not more likely than not that the fair value of a reporting unit is less than its carrying amount, the first step of the goodwill impairment test is not necessary. Otherwise, we would proceed to the first step of the goodwill impairment test.

Alternatively, we may also bypass the Step 0 Test and proceed directly to the first step of the goodwill impairment test. Under the first step ("Step 1"), we estimate the fair value of the reporting units by considering income and market approaches to develop fair value estimates, which are weighted to arrive at a fair value estimate for the reporting unit. With respect to the income approach, a model has been developed to estimate the fair value of the reporting unit. This fair value model incorporates estimates of future cash flows, estimates of allocations of certain assets and cash flows among affiliated entities, estimates of future growth rates and management's judgment regarding the applicable discount rates to use to discount such estimates of cash flows. With respect to the market approach, a guideline company method is employed whereby pricing multiples are derived from companies with similar assets or businesses to estimate fair value of the reporting unit. If the fair value of the reporting unit exceeds the carrying amount of the net assets assigned to the reporting unit, then goodwill is not impaired and no further testing is required. However, if the fair value of the reporting unit is less than its carrying amount, the impairment charge is based on the excess of the reporting unit's carrying amount over its fair value (i.e., we would measure the charge based on the result from Step 1).

Changes to the assumptions and estimates used throughout the steps described above may result in a significantly different estimate of the fair value of the reporting unit, which could result in a different assessment of the recoverability of goodwill and result in future impairment charges.

With respect to indefinite-lived intangible assets, we first evaluate relevant events and circumstances to determine whether it is more likely than not that the fair value of an indefinite-lived intangible asset is less than its carrying amount. If, in weighing all relevant events and circumstances in totality, we determine that it is more likely than not that an indefinite-lived intangible asset is not impaired, no further action is necessary. Otherwise, we would determine the fair value of indefinite-lived intangible assets and perform a quantitative impairment assessment by comparing the indefinite-lived intangible asset's fair value to its carrying amount. We may bypass such a qualitative assessment and proceed directly to the quantitative assessment. We estimate the fair value of the indefinite-lived assets using the income approach. This may include the relief from royalty method or use of a model similar to the one described above related to goodwill which estimates the future cash flows attributed to the indefinite-lived intangible asset and then discounting these cash flows back to a present value. Under the relief from royalty method, fair value is estimated by discounting the royalty savings, as well as any tax benefits related to ownership to a present value. The fair value from either approach is compared to the carrying value and an impairment is recorded if the fair value is determined to be less than the carrying value.

See Note 7, "Goodwill and Intangible Assets," for more information relating to goodwill and indefinite-lived intangible assets.

Financial Instruments: The fair values of cash equivalents, accounts receivable and accounts payable approximate their carrying amount because of the short maturity of these instruments. To minimize credit risk from trade receivables, Cryobiological Storage reviews the financial condition of potential customers in relation to established credit requirements before sales credit is extended and monitors the financial condition and payment history of customers to help ensure timely collections and to minimize losses. Additionally, for certain domestic and foreign customers, Cryobiological Storage requires advance payments, letters of credit, bankers' acceptances, and other such guarantees of payment. Certain customers also require Cryobiological Storage to issue letters of credit or performance bonds, particularly in instances where advance payments are involved, as a condition of placing the order.

Fair Value Measurements: Cryobiological Storage measures its financial assets and liabilities at fair value on a recurring basis using a three-tier fair value hierarchy, which prioritizes the inputs used in the valuation methodologies. The three levels of inputs used to measure fair value are as follows:

Level 1 — Valuations based on quoted prices for identical assets and liabilities in active markets.

Level 2 — Valuations based on observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets and liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 — Valuations based on unobservable inputs reflecting Cryobiological Storage's own assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

Product Warranties: Cryobiological Storage provides product warranties with varying terms and durations for the majority of its products. Cryobiological Storage estimates product warranty costs and accrue for these costs as products are sold with a charge to cost of sales. Factors considered in estimating warranty costs include historical and projected warranty claims, historical and projected cost-per-claim, and knowledge of specific product issues that are outside of typical experience. Warranty accruals are evaluated and adjusted as necessary based on actual claims experience and changes in future claim and cost estimates.

Revenue Recognition: Revenue is recognized when (or as) Cryobiological Storage satisfies performance obligations by transferring a promised good or service, an asset, to a customer. An asset is transferred to a customer when, or as, the customer obtains control over that asset. In most contracts, the transaction price includes both fixed and variable consideration. The variable consideration contained within Cryobiological Storage's contracts with customers includes discounts, refunds, credits, price concessions, and other similar items. When a contract includes variable consideration, Cryobiological Storage evaluates the estimate of the variable consideration to determine whether the estimate needs to be constrained; therefore, Cryobiological Storage includes the variable consideration in the transaction price only to the extent that it is probable that a significant reversal of the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration estimates are updated at each reporting date. When a contract includes multiple performance obligations, the contract price is allocated among the performance obligations based upon the stand alone selling prices. When the period between when Cryobiological Storage transfers a promised good or service to a customer and when the customer pays for that good or service is expected, at contract inception, to be one year or less, Cryobiological Storage does not adjust for the effects of a significant financing component. Contract modifications can change a contract's scope, price, or both. Approved contract modifications are accounted for as either a separate contract or as part of the existing contract depending on the nature of the modification.

For Cryobiological Storage's products, the contract with the customer contains language that transfers control to the customer at a point in time. For these contracts, revenue is recognized when Cryobiological Storage satisfies its performance obligation to the customer. Timing of amounts billed on contracts varies from contract to contract. The specific point in time when control transfers depends on the contract with the customer, contract terms that provide for a present obligation to pay, physical possession, legal title, risk and rewards of ownership, and acceptance of the asset may impact the point in time when control transfers to the customer.

Incremental contract costs are expensed when incurred when the amortization period of the asset that would have been recognized is one year or less; otherwise, incremental contract costs are recognized as an asset and amortized over time as promised goods and services are transferred to a customer. When losses are expected to be incurred on a contract, Cryobiological Storage recognizes the entire anticipated loss in the accounting period when the loss becomes evident. The loss is recognized when the current estimate of the consideration Cryobiological Storage expects to receive, modified to include unconstrained variable consideration instead of constrained variable consideration, is less than the current estimate of total costs for the contract.

Taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, that are collected by Cryobiological Storage from a customer, are excluded from revenue.

Shipping and handling fee revenues and the related expenses are reported as fulfillment revenues and expenses for all customers because Cryobiological Storage has adopted the practical expedient contained in ASC 606-10-25-18B. Therefore, all shipping and handling costs associated with outbound freight are accounted for as fulfillment costs and are included in cost of sales. Amounts billed to customers for shipping are classified as sales, and the related costs are classified as cost of sales on the combined statements of income. Shipping revenue of $744 and $864 for the years ended December 31, 2019 and 2018, respectively, are included in sales. Shipping costs of $2,541 and $1,686 for the years ended December 31, 2019 and 2018, respectively, are included in cost of sales.

Cost of Sales: Manufacturing expenses associated with sales are included in cost of sales. Cost of sales includes all materials, direct and indirect labor, inbound freight, purchasing and receiving, inspection, internal transfers, and distribution and warehousing of inventory. In addition, shop supplies, facility maintenance costs, manufacturing engineering, project management, and depreciation expense for assets used in the manufacturing process are included in cost of sales on the combined statements of income.

Selling, General and Administrative ("SG&A") Expenses: SG&A expenses include selling, marketing, customer service, product management, design engineering, and other administrative expenses not directly supporting the manufacturing process, as well as depreciation and amortization expense associated with non-manufacturing assets. In addition, SG&A expenses include operating expenses allocated from corporate for insurance and share-based compensation. See Note 13, "Related Party Transactions," for details of amounts allocated from Chart to Cryobiological Storage that are included within SG&A.

Advertising Costs: Cryobiological Storage incurred advertising costs of $265 and $294 for the years ended December 31, 2019 and 2018, respectively. Such costs are expensed as incurred and included in SG&A expenses on the combined statements of income.

Research and Development Costs: Research and development costs are expensed as incurred and included in SG&A expenses on the combined statements of income. Cryobiological Storage research and development costs were $1,854 and $2,350 for the years ended December 31, 2019 and 2018, respectively.

Foreign Currency Translation: The functional currency for the majority of Cryobiological Storage's foreign operations is the applicable local currency. The translation from the applicable foreign currencies to U.S. dollars is performed for asset and liability accounts using exchange rates in effect at the balance sheet date and for revenue and expense accounts using the average exchange rate during the period. Gains or losses resulting from foreign currency transactions are charged to net income in the combined statements of income as incurred.

Income Taxes: During the periods presented, Cryobiological Storage did not file separate tax returns as Cryobiological Storage was included in the tax returns of Chart. The income tax provision and related balance sheet accounts included in the combined financial statements were calculated using a separate return basis, as if Cryobiological Storage was a separate taxpayer. Cryobiological Storage accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of the events that have been included in the combined financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

The significant assumptions and estimates described in the preceding paragraphs are important contributors to the effective tax rate each year.

See Note 9, "Income Taxes" for additional information.

Share-based Compensation: Certain of Cryobiological Storage's employees have historically participated in Chart's share-based compensation plans. Share-based compensation expense has been charged to Cryobiological Storage based on the awards and terms previously granted to certain of Cryobiological Storage's employees. Cryobiological Storage measures share-based compensation expense for these share-based awards to employees, including grants of employee stock options, restricted stock and restricted stock units. The fair value of stock options is calculated using the Black-Scholes pricing model and is recognized on an accelerated basis over the vesting period. The grant-date fair value calculation under the Black-Scholes pricing model requires the use of variables such as exercise term of the option, future volatility, dividend yield, and risk-free interest rate. The fair value of restricted stock and restricted stock units is based on Chart's market price on the date of grant and is generally recognized on an accelerated basis over the vesting period.

During the year, Chart may repurchase shares of common stock from equity plan participants to satisfy tax withholding obligations relating to the vesting or payment of equity awards. All such repurchased shares are retired in the period in which the repurchases occur.

Recently Issued Accounting Standards (Not Yet Adopted): In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement." This ASU adds, modifies and removes several disclosure requirements relative to the three levels of inputs used to measure fair value in accordance with Topic 820, "Fair Value Measurement." This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. Early adoption is permitted. Cryobiological Storage adopted this guidance effective January 1, 2020, and adoption of this guidance did not have a material impact on Cryobiological Storage's financial position, results of operations or disclosures.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" and subsequently issued additional guidance that modified ASU 2016-13. ASU 2016-13 and the subsequent modifications are identified as Accounting Standards Codification ("ASC") 326. The standard requires an entity to change its accounting approach in determining impairment of certain financial instruments, including trade receivables, from an "incurred loss" to a "current expected credit loss" model. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within such fiscal years. Cryobiological Storage adopted this guidance effective January 1, 2020 using the required modified retrospective transition method with a cumulative-effect adjustment. The adoption of this guidance did not have a material impact on Cryobiological Storage's financial position, results of operations or disclosures. Cryobiological Storage maintains an allowance for doubtful accounts to provide for the estimated amount of receivables that will not be collected. In addition, Cryobiological Storage estimates expected credit losses based on historical loss information then adjust the estimates based on current, reasonable and supportable forecast economic conditions.

Recently Adopted Accounting Standards: In July 2018, the FASB issued ASU 2018-09, "Codification Improvements." This ASU makes amendments to multiple codification Topics. The transition and effective date guidance are based on the facts and circumstances of each amendment. Some of the amendments in this ASU do not require transition guidance and were effective upon issuance of this ASU. However, many of the amendments in this ASU had transition guidance with effective dates for annual periods beginning after December 15, 2018. The adoption of this guidance did not have a material impact on Cryobiological Storage's financial position, results of operations or disclosures.

In May 2017, the FASB issued ASU 2017-09, "Compensation – Stock Compensation (Topic 718): Scope of Modification Accounting." The FASB issued this guidance to provide clarity as to when modification accounting should be applied when there is a change to the terms or conditions of a share-based payment award in order to prevent diversity in practice. This ASU requires modification accounting to be applied unless all of the following conditions exist: (1) the fair value of the modified award is the same as the fair value of the original award before the original award is modified; if the modification does not affect any of the inputs to the valuation, the entity is not required to estimate the value immediately before and after the modification; (2) the vesting conditions of the modified award are the same as the vesting conditions of the original award before it was modified; and (3) the classification of the modified award as an equity instrument or a liability instrument is the same as the classification of the original award before it was modified. This guidance is applied prospectively for annual periods and interim periods beginning after December 15, 2017. Cryobiological Storage has adopted this guidance effective January 1, 2018. The adoption of this guidance did not have a material impact on Cryobiological Storage's financial position, results of operations, and disclosures.

In January 2017, the FASB issued ASU 2017-04, “Intangibles – Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment.” The new guidance eliminates the requirement to calculate the implied fair value of goodwill (Step 2 of the current guidance’s goodwill impairment test) to measure a goodwill impairment charge. Instead, entities will record an impairment charge based on the excess of a reporting unit’s carrying amount over its fair value (i.e., measure the charge based on current guidance’s Step 1). Cryobiological Storage has adopted this guidance as of January 1, 2018. This guidance will only have an impact on future periods’ financial position, results of operations, and disclosures if a goodwill impairment occurs.

In August 2016, the FASB issued ASU 2016-15, “Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments.” The FASB issued this update to clarify how entities should classify certain cash receipts and cash payments on the statement of cash flows. The new guidance also clarifies how the predominance principle should be applied when cash receipts and cash payments have aspects of more than one class of cash flows. This standard is effective for fiscal years beginning after December 15, 2017, including interim periods within those years, and this guidance will generally be applied retrospectively. Cryobiological Storage has adopted this guidance effective January 1, 2018. The adoption of this guidance did not have a material impact Cryobiological Storage’s financial position, results of operations, and disclosures.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)” and other subsequent amendments collectively identified as ASC 842, related to leases to increase transparency and comparability among organizations by requiring the recognition of right-of-use (“ROU”) assets and lease liabilities on the balance sheet. Effective January 1, 2019, Cryobiological Storage adopted the new lease accounting standard using the modified retrospective transition option of applying the new standard at the adoption date for all leases with terms greater than 12 months. The adoption of the new standard resulted in the recording of operating ROU assets, primarily consisting of leased facilities and equipment and operating lease liabilities of $67 as of the Commencement Date. The adoption did not have a material impact on Cryobiological Storage’s combined statement of income or cash flows related to existing leases as of the Commencement Date. As a result, there was no cumulative-effect adjustment.

Cryobiological Storage elected certain practical expedients and as such did not reassess the following: 1) whether any expired or existing contracts are or contain leases, 2) lease classification for any expired or existing leases, 3) initial direct costs for any expired or existing leases and 4) whether existing or expired land easements are or contain leases. However, Cryobiological Storage will evaluate new or modified land easements under the new guidance after the Commencement Date. Cryobiological Storage also elected the practical expedient to not separate lease and non-lease components.

In May 2014, the FASB issued ASU 2014-09, “Revenue from Contracts with Customers (Topic 606)” and subsequently issued additional guidance that modified ASU 2014-09. ASU 2014-09 and the subsequent modifications are identified as ASC 606. ASC 606 replaces existing revenue recognition rules with a comprehensive revenue measurement and recognition standard and provides for expanded disclosure requirements. This update requires entities to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. ASC 606 applies to all contracts with customers except those that are within the scope of other topics in the FASB Accounting Standards Codification.

On January 1, 2018, Cryobiological Storage adopted ASC 606 using the modified retrospective method to contracts that were not completed as of January 1, 2018. Results for reporting periods beginning after January 1, 2018 are presented under ASC 606. There was no cumulative impact of adopting ASC 606 on Chart invested equity.

(Dollars in thousands)

NOTE 3 — Revenue

Disaggregation of Revenue

The following table represents a disaggregation of revenue by the geographic area destination of sales:

	Year Ended December 31,	
	2019	2018
North America	$ 49,635	$ 44,172
Asia	20,022	22,180
Europe	13,317	13,343
Latin America	655	724
Total	$ 83,629	$ 80,419

Contract Balances

Contract assets included accounts receivable, net of allowances were $11,394 and $11,237 as of December 31, 2019 and 2018, respectively. Contract liabilities were not significant for the periods presented.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price of firm signed purchase orders or other written contractual commitments from customers for which work has not been performed, or is partially completed, and excludes unexercised contract options and potential orders. As of December 31, 2019, the estimated revenue expected to be recognized in the future related to remaining performance obligations was $11,128. Cryobiological Storage expects to recognize revenue on all of its remaining performance obligations over the next 12 months.

NOTE 4 — Inventories

The following table summarizes the components of inventory:

	December 31,	
	2019	2018
Raw materials and supplies	$ 5,946	$ 6,445
Work in process	237	165
Finished goods	2,990	4,647
Total inventories, net	$ 9,173	$ 11,257

The allowance for excess and obsolete inventory balance at December 31, 2019 and 2018 was $231 and $207, respectively.

(Dollars in thousands)

NOTE 5 — Property, Plant and Equipment

The following table summarizes the components of property, plant and equipment:

	Estimated Useful Life	December 31, 2019	December 31, 2018
Land and buildings	20-35 years	$ 6,686	$ 6,623
Machinery and equipment	3-12 years	9,544	9,193
Computer equipment, furniture and fixtures	3-7 years	2,157	2,142
Right-of-use assets		67	—
Construction in process		430	163
Total property, plant and equipment, gross		18,884	18,121
Less: accumulated depreciation		(12,062)	(11,034)
Total property, plant and equipment, net		$ 6,822	$ 7,087

Depreciation expense was $1,105 and $1,026 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6 — Leases

Cryobiological Storage incurred $260 and $179 of rental expense under operating leases for the years ended December 31, 2019 and 2018, respectively. As of December 31, 2019, operating ROU assets and lease liabilities were both $38 ($32 of which is classified as current liabilities). Lease maturity dates range from January 2022 to June 2023. Cryobiological Storage has the right, but no obligation, to renew certain leases for various renewal terms. Future minimum lease payments for non-cancelable operating leases is not significant for any of the years in the lease terms.

NOTE 7 — Goodwill and Intangible Assets

Goodwill

The carrying amount of goodwill for Cryobiological Storage was $15,405 at both December 31, 2019 and 2018. There was no change in goodwill for the periods presented. Accumulated goodwill impairment loss for Cryobiological Storage was $82,549 at both December 31, 2019 and 2018.

Intangible Assets

The following table displays the gross carrying amount and accumulated amortization for finite-lived intangible assets and indefinite-lived intangible assets (exclusive of goodwill) [(1)]:

	Weighted-average Estimated Useful Life	December 31, 2019 Gross Carrying Amount	December 31, 2019 Accumulated Amortization	December 31, 2018 Gross Carrying Amount	December 31, 2018 Accumulated Amortization
Finite-lived intangible assets:					
Land use rights	50 years	$ 1,001	$ (232)	$ 1,017	$ (215)
Total finite-lived intangible assets	50 years	1,001	(232)	1,017	(215)
Indefinite-lived intangible assets:					
Trademarks and trade names		5,940	—	5,940	—
Total intangible assets		$ 6,941	$ (232)	$ 6,957	$ (215)

(1) Amounts include the impact of foreign currency translation. Fully amortized or impaired amounts are written off.

(Dollars in thousands)

Amortization expense for intangible assets subject to amortization was $21 and $4 for years ended December 31, 2019 and 2018, respectively. Cryobiological Storage estimates amortization expense of $20 to be recognized during each of the next five years.

NOTE 8 — Product Warranties

Cryobiological Storage provides product warranties with varying terms and durations for the majority of its products. Cryobiological Storage estimates its warranty reserve by considering historical and projected warranty claims, historical and projected cost-per-claim, and knowledge of specific product issues that are outside its typical experience. Cryobiological Storage records warranty expense in cost of sales in the combined statements of income. Product warranty claims not expected to occur within one year are included as part of other long-term liabilities in the combined balance sheets.

The following table represents changes in Cryobiological Storage's warranty reserve:

	Year Ended December 31,	
	2019	2018
Beginning balance	$ 229	$ 445
Warranty expense (1)	481	3,909
Warranty usage	(485)	(4,125)
Ending balance	$ 225	$ 229

(1) During 2018, Cryobiological Storage established a reserve related to a recall notice issued for certain aluminum cryobiological tanks in Cryobiological Storage manufactured in its New Prague, Minnesota facility during a limited time period. See Note 12, "Commitments and Contingencies," for additional information.

NOTE 9 — Income Taxes

Income before income taxes as reported in the combined statements of income consists of the following:

	Year Ended December 31,	
	2019	2018
United States	$ 28,631	$ 24,116
Foreign	3,379	3,220
Income before income taxes	$ 32,010	$ 27,336

Income tax expense as reported in the combined statements of income consists of the following:

	Year Ended December 31,	
	2019	2018
Current:		
Federal	$ 5,346	$ 4,459
State	706	566
Foreign	560	739
Total Current	6,612	5,764
Deferred:		
Federal	213	44
State	(1)	4
Foreign	(62)	(292)
Total Deferred	150	(244)
Income tax expense	$ 6,762	$ 5,520

(Dollars in thousands)

Cryobiological Storage's income tax filings are included in the U.S. federal, state and foreign income tax returns for which Chart is considered the taxpayer. The current and deferred tax amounts related to these tax filings were calculated on a separate return basis. Cryobiological Storage's income taxes currently payable have been reclassified to Chart invested equity at December 31, 2019 and 2018 since these amounts do not represent liabilities that will be settled by Cryobiological Storage.

A reconciliation of the normal expected statutory U.S. federal income tax expense to the actual income tax expense as reported on the combined statements of income is as follows:

	Year Ended December 31,	
	2019	2018
Income tax expense at U.S. statutory rate	$ 6,722	$ 5,741
Effective tax rate differential of earnings outside of U.S.	(204)	(290)
State income taxes, net of federal tax benefit	557	451
Research & experimentation credits	(75)	(62)
Foreign derived intangible income	(133)	(326)
Share-based compensation	(119)	(20)
Non-deductible items	14	26
Income tax expense	$ 6,762	$ 5,520

At December 31, 2019 and 2018, Cryobiological Storage's annual effective income tax rate on income before income taxes was 21.1% and 20.2%, respectively.

The deferred tax asset and liability balances recognized on the combined balance sheets are as follows:

	Year Ended December 31,	
	2019	2018
Deferred tax assets:		
Accruals and reserves	$ 481	$ 503
Inventory	245	330
Share-based compensation	88	109
Tax credit carryforwards	—	—
Foreign net operating loss carryforwards	485	423
Other – net	67	57
Total deferred tax assets before valuation allowances	1,366	1,422
Valuation allowances	—	—
Total deferred tax assets, net of valuation allowances	$ 1,366	$ 1,422
Deferred tax liabilities:		
Property, plant and equipment	353	248
Goodwill and intangible assets	1,374	1,374
Other – net	3	13
Total deferred tax liabilities	$ 1,730	$ 1,635
Net deferred tax liabilities	$ 364	$ 213
The net deferred tax liability is classified as follows:		
Other assets	(786)	(723)
Long-term deferred tax liabilities	1,150	936
Net deferred tax liabilities	$ 364	213

Cryobiological Storage does not have any uncertain tax positions for the years ended December 31, 2019 and 2018.

NOTE 10 — Employee Benefit Plans

Defined Contribution Savings Plan

Chart has a defined contribution savings plan that covers most of its U.S. employees for which eligible Business employees participate. Chart contributions to the plan are based on employee contributions, and include a match and discretionary contributions.

Expense allocations for this defined contribution savings plan was determined based on a review of personnel by business unit and are recorded in Cryobiological Storage's combined statements of income within cost of sales and SG&A expenses, as applicable. These costs are funded through intercompany transactions with Chart. Cryobiological Storage's allocated expenses for the defined contribution savings plan were $464 and $490 for the years ended December 31, 2019 and 2018, respectively.

NOTE 11 — Share-based Compensation

Chart maintains share-based compensation plans in which Cryobiological Storage's employees participate. On May 25, 2017, Chart held its annual meeting of stockholders. At the annual meeting, Chart's stockholders approved the Chart Industries, Inc. 2017 Omnibus Equity Plan (the "2017 Omnibus Equity Plan"). As described in Chart's definitive proxy statement for the annual meeting, Chart's directors, officers and employees (including its principal executive officer, principal financial officer and other "named executive officers" and certain employees of the Business) are eligible to be granted stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), performance shares and common shares to employees and directors under the 2017 Omnibus Equity Plan.

Under the Amended and Restated 2009 Omnibus Equity Plan ("Omnibus Equity Plan") which was originally approved by Chart shareholders in May 2009 and re-approved by Chart shareholders in May 2012 as amended and restated, the Parent may grant stock options, SARs, RSUs, restricted stock, performance shares, leveraged restricted shares, and common shares to employees and directors, including employees of the Business.

Total share-based compensation expense allocated to Cryobiological Storage related to awards issued under each plan was $231 and $206 for the years ended December 31, 2019 and 2018, respectively, and is included in SG&A expenses on the combined statements of income. These expenses have been allocated to Cryobiological Storage on a headcount basis. These amounts were based on the awards and terms previously granted to Cryobiological Storage employees by Chart, but may not reflect the equity awards or results that Cryobiological Storage would have experienced or expect to experience as a separate stand-alone company.

NOTE 12 — Commitments and Contingencies

Aluminum Cryobiological Tank Recall

In April 2018, Cryobiological Storage received several customer inquiries regarding the performance of certain aluminum cryobiological tanks manufactured at its New Prague, Minnesota facility. An investigation has determined that certain aluminum tanks manufactured at the facility during a limited certain period should be repaired or replaced. As such, on April 23, 2018, Cryobiological Storage issued a recall notice for the impacted product lines and recorded an expense of $4,018 to cost of sales during 2018 related to the estimated costs of the recall. As of December 31, 2019, there is no remaining liability related to the tank recall.

Legal Proceedings

Stainless Steel Cryobiological Tank Legal Proceedings

During the second quarter of 2018, Chart was named in lawsuits (including lawsuits filed in the U.S. District Court for the Northern District of California) filed against Chart and other defendants with respect to the alleged failure of a stainless steel cryobiological storage tank (model MVE 808AF-GB) at the Pacific Fertility Center in San Francisco, California. Chart continues to evaluate the merits of such claims in light of the information available to date regarding use, maintenance and operation of the tank that was sold to the Pacific Fertility Center through an independent distributor and which has been out of Chart's control for six years prior to the alleged failure. Accordingly, an accrual related to any damages that may result from the lawsuits has not been recorded because a potential loss is not currently probable or estimable.

Chart has asserted various defenses against the claims in the lawsuits, including a defense that since manufacture, Chart was not in any way involved with the installation, ongoing maintenance or monitoring of the tank or related fertility center cryogenic systems at any time since the initial delivery of the tank.

Chart is occasionally subject to various legal claims related to performance under contracts, product liability, taxes, employment matters, environmental matters, intellectual property, and other matters incidental to the normal course of its business. Based on Chart's historical experience in litigating these claims, as well as its current assessment of the underlying merits of the claims and applicable insurance, if any, management believes that the final resolution of these matters will not have a material adverse effect on its financial position, liquidity, cash flows, or results of operations. Future developments may, however, result in resolution of these legal claims in a way that could have a material adverse effect.

NOTE 13 — Related Party Transactions

Cryobiological Storage's combined financial statements include certain expenses of Chart which were allocated to Cryobiological Storage for certain functions including insurance, legal, defined contribution savings plan, share-based compensation and building rent. The bases of allocation for the defined contribution savings plan and share-based compensation are discussed in the preceding paragraphs. Insurance was allocated primarily on a relative percentage of net sales, and legal expenses were allocated on a case-by-case basis. The total amount of these allocations from Chart was $1,314 and $1,609 for the years ended December 31, 2019 and 2018, respectively, and are included in cost of sales and SG&A expenses in the accompanying combined statements of income. Furthermore, Chart charges Cryobiological Storage for a leased facility in Ball Ground, Georgia. The amount of this allocation was $468 and $454 for the years ended December 31, 2019 and 2018, respectively, and is included in cost of sales in the accompanying combined statements of income. This lease, held by Chart, matures on October 31, 2026.

Cryobiological Storage considers the expense allocation methodology and results to be reasonable for all periods presented. However, these allocations may not be indicative of the actual expenses we would have incurred as a separate, stand-alone company or of the costs Cryobiological Storage will incur in the future.

Historically, Chart has provided financing, cash management and other treasury services to Cryobiological Storage. Cryobiological Storage's cash balances are swept by Chart, and historically, Cryobiological Storage has received funding from Chart for most of its operating and investing cash needs. Cash transferred to and from Chart has historically been recorded as intercompany cash. Intercompany cash, receivables and payables with Chart are reflected within Chart Industries, Inc.'s Net Investment in the accompanying combined financial statements.

NOTE 14 — Subsequent Events

In preparing the combined financial statements, Cryobiological Storage has reviewed and considered all significant events occurring subsequent to June 30, 2020 and up until August 14, 2020, the date the combined financial statements were available to be issued.

CRYOPDP

Consolidated IFRS Financial Statements

December 31, 2019

(Expressed in Euros)

Sommaire

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Independent auditor's report

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Cryo International and its subsidiaries which comprise the statement of financial position as of December 31, 2019 and 2018, and the related consolidated statements of income, change in shareholders' equity, comprehensive income, statement of cash flows for the years then ended and the related notes to the financial statements ("the financial statements").

The financial statements have been prepared according to the International Financial Reporting Standards (IFRS) and in the context of the Covid 19 sanitary crisis which is in constant evolution and generates additional uncertainties relating to the future.

Independence

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United States of America together with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and we have fulfilled our other ethical responsibilities in accordance with these requirements, respectively.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with IFRS; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with AICPA auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Change in accounting principle

Without qualifying the opinion expressed below, we wish to draw your attention to the notes "Change in accounting principle applied as of January 1, 2019 - IFRS 16 Leases" and "Impact of IFRS16 transition", which detail the impact of the first-time application of IFRS 16 "Leases" on the financial statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cryo International and its subsidiaries as of December 31, 2019 and 2018, and the consolidated results of their operations and their cash flows for the years then ended in accordance with IFRS.

/s/ Crowe HAF

Registered Auditor in France

Represented by Marc de Prémare, Partner

December 07, 2020

Consolidated Statement of Financial Position

In thousands of euros	Notes	12/31/2019	12/31/2018
Cash and cash equivalents	5	2,444	1,910
Accounts receivable	6	11,638	11,048
Inventories	7	620	517
Other current assets	8	3,107	4,028
Total current assets		**17,809**	**17,503**
Property and equipment and right of use assets	9	4,348	1,702
Goodwill	10	29,830	28,386
Intangible assets	11	2,698	2,278
Deferred income taxes	12	239	188
Non-current financial assets		180	156
Total non-current assets		**37,295**	**32,710**
Total Assets		**55,104**	**50,213**

In thousands of euros	Notes	12/31/2019	12/31/2018
Accounts payable	13	5,543	5,559
Other current liabilities	14	1,917	2,333
Short-term debt and current portion of long-term debt	15	30,813	15,133
Total current liabilities		**38,273**	**23,025**
Accrued pension plan liability	16	247	209
Other long-term liabilities	17	233	213
Long-term debt	15	1,135	12,606
Total non-current liabilities		**1,615**	**13,028**
Total liabilities		**39,888**	**36,053**
Share capital	18	24,900	24,900
Additional paid-in capital		20,150	20,150
Consolidated reserves		(30,576)	(32,643)
Cumulative translation reserve		1,059	(314)
Profit (loss) for the year attributable to shareholders		(317)	2,067
Equity - attributable to shareholders		**15,216**	**14,160**
Total Equity		**15,216**	**14,160**
Total Equity and Liabilities		**55,104**	**50,213**

Consolidated Statement of Income

In thousands of euros	Notes	12/31/2019	12/31/2018
Revenue	19	**42,350**	**38,608**
Cost of sales		(25,805)	(22,896)
Sales, General and Administration costs		(4,257)	(5,775)
Employee benefits / staff costs		(9,000)	(9,104)
EBITDA		**3,288**	**833**
Depreciation and amortization		(1,654)	(637)
Current operating profit	20	**1,634**	**196**
Other operating income and expenses	20	(765)	2,761
Operating profit	20	**869**	**2,957**
Interest and debt expense		(443)	(330)
Other financial income and expenses		(56)	84
Financial result	21	**(499)**	**(246)**
Profit before tax		**370**	**2,711**
Income tax	22	(687)	(644)
Net income from continuing operations		**(317)**	**2,067**
Net result		**(317)**	**2,067**
Profit (loss) for the year attributable to shareholders		**(317)**	**2,067**
Basic earning per share in euros	18	(0.13)	0.83
Diluted earning per share in euros	18	(0.13)	0.83

Income and comprehensive income

In thousands of euros	12/31/2019	12/31/2018
Net result	**(317)**	**2,067**
Cumulative translation reserve	1,373	(392)
Total comprehensive income for the year	**1,056**	**1,675**

Consolidated Statement of Cash Flows

In thousands of euros	12/31/2019	12/31/2018
Net result	**(317)**	**2,067**
Depreciation and amortization	1,654	637
Gain from unpaid earn-out	-	(3,820)
Variation of provisions	37	9
Interest and debt expense	443	330
Income tax	687	644
Non-cash items	**2,821**	**(2,200)**
(Increase)/decrease in inventories	(105)	(136)
(Increase)/decrease in accounts receivable	(432)	(1,181)
Increase/(decrease) in accounts payable	(362)	25
Change in other receivables and payables	493	(578)
Changes in working capital related to operating activities	**(406)**	**(1,870)**
Income taxes paid	(502)	(569)
Net cash flows from operating activities	**1,596**	**(2,572)**
Capital expenditures	(2,280)	(1,462)
Purchases and proceeds of financial assets	54	(252)
Payments of debts on acquisition of shares in subsidiaries	-	(1,885)
Net cash used in investing activities	**(2,226)**	**(3,599)**
Interests paid	(532)	(142)
Additional borrowings	2,572	7,877
Repayments of borrowings	(883)	(222)
Dividends paid	-	(1,541)
Net cash (used in)/from financing activities	**1,157**	**5,972**
Currency translation effects on cash and cash equivalents	(15)	(48)
Net increase in cash and cash equivalents	**512**	**(247)**
Cash and cash equivalents at beginning of the period	**1,910**	**2,157**
Cash and cash equivalents at period end	**2,422**	**1,910**
Cash and cash equivalents	2,444	1,910
Less bank overdrafts	22	
Net cash and cash equivalents	**2,422**	**1,910**

Consolidated Statement of Changes in Shareholders' Equity

In thousands of euros	Notes	Share capital	Additional paid-in capital	Cumulative translation reserve	Net profit (loss) for the period	Consolidated reserves	Equity - attributable to shareholders	Non controlling interests	Total Equity
January 1st, 2018	18	**24,900**	**20,150**	**78**		**(31,102)**	**14,026**		**14,026**
Dividends paid						(1,541)	(1,541)		(1,541)
Net income				(392)	2,067		1,675		1,675
December 31, 2018	18	**24,900**	**20,150**	**(314)**	**2,067**	**(32,643)**	**14,160**		**14,160**
January 1st, 2019	18	**24,900**	**20,150**	**(314)**	**2,067**	**(32,643)**	**14,160**		**14,160**
Allocation of net profit from prior period					(2,067)	2,067			
Net income				1,373	(317)		1,056		1,056
December 31, 2019	18	**24,900**	**20,150**	**1,059**	**(317)**	**(30,576)**	**15,216**		**15,216**

The FY17 consolidated income has not been determined for the purposes of preparing the FY18 and FY19 financial statements, as it forms an integral part of opening consolidated reserves.

Notes to the Consolidated Financial Statements

CryoPDP group ("The Group" or "CryoPDP") provides temperature-controlled logistics and value-added services for clinical trials and the pharmaceutical industry worldwide.

The consolidated financial statements of the CryoPDP Group for the year ended December 31, 2019 are presented in accordance with IFRS published by the IASB as at December 31, 2019 and on a going concern basis.

IFRS are available on the website of the IASB.

https://www.ifrs.org/issued-standards/list-of-standards/

The financial statements are presented in thousands of euro unless otherwise indicated. The financial statements at December 31, 2019 and December 31, 2018 were approved by the Board of Directors on September 28, 2020. They were prepared for the first time at the level of the consolidating company Cryo International. Financial relations with the Air Liquide Group, which held the entire share capital of Cryo International during the period and up to 07/29/2020, have not been eliminated and are presented in relations with related parties (Note 24).

These consolidated financial statements are based on standards and interpretations that are mandatory for annual periods beginning on or after January 1, 2019. The Group has not early adopted any standards and interpretations whose application is not mandatory in 2019.

- **Change in accounting principles applied as of January 1, 2019: IFRS 16 "Leases"**

This standard came into effect on January 1, 2019. Given that the consolidated financial statements presented here were prepared in September 2020 for both the year ended December 31, 2019 and the year ended December 31, 2018, and given the difficulty in obtaining this information, the Group decided not to present the reconciliation required by the IFRS regulation with respect to the rental commitment at December 31, 2018 and the rental liability at the date of first application on January 1, 2019.

The main changes from IFRS 16 application are as follows:

Accounting for operating leases as of January 1, 2019: all operating leases are accounted for using a single model consisting of recording the lease liability (sum of discounted future payments) as a liability and a right of use as an asset. The Group choose for the simplification non retrospective method, starting from January 1,2019;

The lease term corresponds to the period of the contract without considering early termination or extension options.

The right of use asset is amortized over the expected term of the lease.

The discount rate used to measure the rental debt corresponds to the effective rate of each company. Capitalized leases are real estate leases.

In the cash flow statement, repayments and interest on rental debts are presented under the same heading "Repayment of loans" in cash flows from financing activities.

Impact of IFRS 16 transition:

As part of the transition to IFRS 16, the Group has recognized "rights of use" assets (€2,352k) and rental debts as liabilities (€2,352k), without any significant impact on equity as of January 1, 2019. IFRS 16 has a significant and favorable impact on the Ebitda: +972K€ and 883K€ on the amount of loan repayments.

Only loan repayments and interest appear in the cash flow statement.

Other standards, amendments and interpretations applicable to the Group as of January 1, 2019

- Amendments to IAS 19 Employee Benefits
- IFRIC 23 Uncertainty about Tax Treatment

The application of the standards and interpretations described above has no significant impact.

· **Covid 19**

The constraints imposed by the local regulators to face the Covid-19 sanitary crisis have had unprecedented consequences.

To date, it is difficult to predict the consequences on the financial health of the Group entities, given the uncertainties surrounding the duration of the current restrictive measures, as well as the terms and conditions for overcoming this crisis.

The Group did not request government aid mechanisms in France (State-guaranteed loans, partial unemployment) and has benefited from minor grants in the UK and Singapore.

It should be noted that the Group ensured business continuity as all of operating sites still operated during the containment period, which was all the more necessary given the vital nature of the Group's business in the healthcare sector.

Nevertheless, the restriction on the movement of goods and people will have a significant impact on 2020 revenue and earnings for the Group.

Given the date of these events, which are not directly related to the situation at the end of fiscal year 2019, the financial statements have been prepared on the basis of the information available at the balance sheet date without taking into account, in the valuation of assets and liabilities, the potential impacts related to these events. However, the specific situation with respect to impairment tests prepared for intangible assets with indefinite useful lives is presented in Note 11.

Given the context described above, it is possible that negative effects, in the short or medium term, may affect the business and cash flows without impacting the going concern principle.

Key Facts

In 2019, the business kept developing its targeted markets, mainly through its entities based in the United Kingdom, the United States, APAC and India.

The Group business portfolio has continued to grow significantly since the end of 2018, with a very strong increase in the number of tenders received, as a result of stronger brand awareness and attractivity.

The central functions located in Portugal from the end of 2018 have been strengthened and will keep growing the coming years.

During 2018 the Earn Out related to the acquisition of the PDP Couriers group in 2016 was paid for a final amount of 1.759 million GBP whereas an amount of 5 million GBP had been booked as a liability. The unpaid balance has been registered in the other operating income (3.820 million euros). The full liability was kept on the balance sheet as of December 31, 2017 since the final earn out was based on the revenues from August 2017 to July 2018.

Note 1 : Significant accounting principles

The consolidated financial statements are presented in accordance with the standard "Presentation of Financial Statements" ("IAS 1").

Basis of presentation

CryoPDP's consolidated financial statements are prepared under the historical cost convention except for financial assets which are measured at fair value.

The fair value of cash, accounts receivable, accounts payable, other receivables and other payables is equal to their carrying value due to the short-term nature of these instruments. Intra-group transactions, balances and unrealized gains on intercompany transactions between CryoPDP companies are eliminated. Unrealized losses are also eliminated for assets sold and are considered as an indicator of impairment. The accounting policies of subsidiaries have been aligned with those of CryoPDP.

CryoPDP entities' financial statement data is measured in the parent company's environmental currency: this is referred to as the functional currency. The presentation currency of CryoPDP's financial statements is therefore the euro.

The financial statements of all Group entities (none of which operates in a hyperinflationary economy) whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of each balance sheet,

- income and expenses for each income statement are translated at the average exchange rate;

- all resulting translation differences are recognized as a separate component of other comprehensive income.

These consolidated financial statements are presented in thousands of euro, unless otherwise indicated.

Note 2 : Use of estimates, judgments and assumptions

The preparation of financial statements requires CryoPDP's management to make estimates and assumptions that may affect the carrying amounts of assets, liabilities, income and expenses and the information disclosed in the notes to the financial statements. CryoPDP's management makes these estimates and assessments on an ongoing basis based on past experience and other factors deemed reasonable, which form the basis of these assessments. They may change as a result of events or information that could call into question the circumstances in which they were prepared at the end of each fiscal year. The amounts that will appear in its financial statements may differ from these estimates as a result of changes in these assumptions or different conditions.

Note 3 : Financial risk management

CryoPDP is mainly exposed to the following risks: credit risk, interest rate risk and liquidity risk, and management has put in place the necessary structures to cover these risks.

Based on an average debt of 30 million euros, a 1% change in interest rates would have an impact of 300 K euros on net financial income.

Given the quality of the Group's customer portfolio and its credit risk management policy, the Group has a history of insignificant credit losses (less than 0.5% of revenues).

Client risk is limited due to the structure of the client portfolio with a large majority of solvent international groups with sufficient financial strength to not be at risk of bankruptcy due to Covid 19. The only entity with a customer portfolio that structurally includes smaller customers is the French entity for which a collection team and a partnership with a collection agency is in place. Finally, most our balance's historical customers are still active customers, reducing the risk of non-payment.

Note 4 : Scope and methods of consolidation

The mother company of CryoPDP group is Cryo International S.A., a holding company incorporated in France with the headquarters located at the following adress: 171 avenue Henri Barbusse, 93000 BOBIGNY. Subsidiaries over which CryoPDP controlled more than half of the voting rights, are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases to be exercised.

Business combinations are accounted for using the purchase method in accordance with IFRS 3. The cost of a business combination corresponds to the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree.

Company name	Country and Siren number	12/31/2019 Voting rights	12/31/2019 Ownership Interest	12/31/2019 Consolidation method	12/31/2018 Voting rights	12/31/2018 Ownership Interest	12/31/2018 Consolidation method
CRYO INTERNATIONAL	France - 529 218 687			M			M
SPL - SERVICES LIMITED	England	100.00%	100.00%	I.G	100.00%	100.00%	I.G
CRYO EXPRESS	France - 428 782 833	100.00%	100.00%	I.G	100.00%	100.00%	I.G
CRYO EXPRESS zoo	Poland	100.00%	100.00%	I.G	100.00%	100.00%	I.G
CRYO EXPRESS Gmbh	Germany	100.00%	100.00%	I.G	100.00%	100.00%	I.G
PDP COURIER SERVICES	England	100.00%	100.00%	I.G	100.00%	100.00%	I.G
PDP COURIER SERVICES INC	United States	100.00%	100.00%	I.G	100.00%	100.00%	I.G
LIFE SCIENCE LOGISTICS INDIA PRIVATE LIMITED	India	100.00%	100.00%	I.G	100.00%	100.00%	I.G
PDP COURIER SERVICES LIMITED	Korea	100.00%	100.00%	I.G	100.00%	100.00%	I.G
PDP COURIER SERVICES PTE LIMITED	Singapore	100.00%	100.00%	I.G	100.00%	100.00%	I.G
ICS DRY ICE	Netherlands	100.00%	100.00%	I.G	100.00%	100.00%	I.G
CRYO EXPRESS PTY LTD	Australia	100.00%	100.00%	I.G	100.00%	100.00%	I.G
CRYOPDP GLOBAL SERVICES	Portugal	100.00%	100.00%	I.G	100.00%	100.00%	I.G

M = Parent company
I.G = Fully consolidated

The Russian, Malaysian and Hong Kong subsidiaries are not consolidated as they have no business and are not significant.

Note 5 : Cash and cash equivalents

"Cash and cash equivalents" include cash and short-term investments (less than three months), which are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of change in value. The effects of changes in the fair value of cash equivalents are recognized in financial income (loss). Net cash in the cash flow statement includes cash and cash equivalents less bank overdrafts.

In thousands of euros	12/31/2019	12/31/2018
Opening	**1,910**	**2,177**
Increase (decrease) during the year	540	(220)
Foreign exchange rate adjustm ent	(6)	(47)
At end of period	**2,444**	**1,910**

Note 6 : Accounts receivable

Accounts receivable are initially measured at fair value and subsequently at amortized cost less impairment losses. They correspond to the fair value of the consideration to be received and are discounted if payments are deferred beyond the periods usually granted by CryoPDP and if the effect on fair value is material.

In accordance with Ifrs 9, accounts receivable are subject to an impairment loss determined by considering the expected credit losses over the life of the receivables, based in particular on the impairment rate calculated on the basis of historical non-payments.

In thousands of euros	12/31/2019	12/31/2018
Opening	**11,047**	**9,911**
Increase during the year	**411**	1,253
Variation of provision	**(12)**	(53)
Foreign exchange rate adjustment	**192**	(64)
At end of period	**11,638**	**11,047**
Gross value at end of period	**11,823**	**11,217**
Accumulated impairment at end of period	**185**	**170**

Note 7 : Inventories

Inventory is valued at cost using the first-in, first-out method.

Where appropriate, inventories are written down when their value in use is less than their carrying amount.

In thousands of euros	12/31/2019	12/31/2018
Raw materials	620	517
Depreciation	**-**	-
At end of period	**620**	**517**

Note 8 : Other current assets

In thousands of euros	Current financial assets	Taxes receivables	Other receivables	Prepaid expenses	Total other current assets
Opening January 2018	**66**	**1,617**	**1,178**	**603**	**3,464**
Increase (decrease) during the year	89	572	(135)	50	**576**
Foreign exchange rate adjustment		(7)	(6)	1	**(12)**
At end of period December 2018	**155**	**2,182**	**1,037**	**654**	**4,028**
Gross value at end of period	**155**	**2,182**	**1,037**	**654**	**4,028**
Accumulated impairment at end of period	-	-	-	-	-

In thousands of euros	Current financial assets	Taxes receivables	Other receivables	Prepaid expenses	Total other current assets
Opening January 2019	**155**	**2,182**	**1,037**	**654**	**4,028**
Increase (decrease) during the year	(88)	(1,149)	(34)	263	**(1,008)**
Foreign exchange rate adjustment		21	43	23	**87**
At end of period December 2019	**67**	**1,054**	**1,046**	**940**	**3,107**
Gross value at end of period	**67**	**1,054**	**1,046**	**940**	**3,107**
Accumulated impairment at end of period	-	-	-	-	-

Note 9 : Property and equipment, and right of use assets

In accordance with the criteria of IAS 16 Property, Plant and Equipment ("IAS 16"), property, plant and equipment include assets held either for use in the production or supply of goods and services or for administrative purposes. These assets are recognized as assets in the consolidated financial position if it is probable that the future economic benefits attributable to the asset will flow to CryoPDP and if the cost of the asset can be measured reliably.

The depreciation method used by CryoPDP is the straight-line method. Property, plant and equipment are valued at their historical acquisition cost less accumulated depreciation and impairment losses.

They are depreciated over their useful life under the following conditions:

- Office furniture and equipment: 5 to 10 years.

- Computer equipment: 3 years.

- Transport equipment: 5 to 10 years.

Subsequent costs are included in the value of the asset or recognized separately if it is probable that the future economic benefits attributable to the asset will flow to CryoPDP and if the cost of the asset can be measured reliably. Routine maintenance costs are expensed as incurred. Residual value is included in the depreciable amount when it is deemed significant.

The various components of an item of property, plant and equipment are recognized separately when their estimated useful lives and therefore their depreciation periods are significantly different.

The impacts on the balance sheet as of December 31, 2019 concern the recognition of a right of use. The lease term corresponds to the non-cancellable period plus any renewal options whose exercise by the Group is reasonably certain.

In thousands of euros	Right of use assets IFRS 16	Technical installations and transport equipment	Computer and office equipment	Work in progress	Total property and equipment
Opening January 2018		**1,138**	**196**		**1,334**
Additions - externally acquired		416	249	189	**854**
Amortisation charge		(311)	(164)		**(475)**
Foreign exchange rate adjustment		(9)	(2)		**(11)**
At end of period December 2018		**1,234**	**279**	**189**	**1,702**
Gross value at end of period		**4,535**	**1,082**	**189**	**5,806**
Accumulated depreciation and impairment at end of period		**3,301**	**803**		**4,104**

In thousands of euros	Right of use assets IFRS 16	Technical installations and transport equipment	Computer and office equipment	Work in progress	Total property and equipement and right of use assets
Opening January 2019		**1,234**	**279**	**189**	**1,702**
Additions - externally acquired	350	1,149	209	(10)	**1,698**
Amortisation charge	(883)	(444)	(167)		**(1,494)**
IFRS 16 Adjustments	2,352				**2,352**
Foreign exchange rate adjustment	66	14	10		**90**
At end of period December 2019	**1,885**	**1,953**	**331**	**179**	**4,348**
Gross value at end of period	**2,768**	**5,691**	**1,344**	**179**	**9,982**
Accumulated depreciation and impairment at end of period	**883**	**3,738**	**1,013**	**-**	**5,634**

Note 10 : Goodwill

Goodwill is measured at cost, being the excess of the cost of shares in consolidated companies over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Like all intangible assets with an indefinite life, goodwill is not amortized but is tested for impairment at least annually or more frequently when events or changes in circumstances indicate that it may be impaired.

Any impairment recognized is irreversible.

Negative differences between the acquisition cost and the acquirer's interest in the net fair value of the identifiable assets and liabilities acquired (negative goodwill) are recorded, after verification of their amount, directly in the income statement for the period.

In thousands of euros	**12/31/2019**	**12/31/2018**
Opening	**28,386**	**28,617**
Foreign exchange rate adjustment	**1,443**	(231)
At end of period	**29,829**	**28,386**
Gross value at end of period	**29,829**	**28,386**
Accumulated depreciation and impairment at end of period	-	-

The main goodwill relates to the acquisition of the PDP Courier group including entities in the United Kingdom, India, the United States, Singapore and South Korea in 2016.

The main assumptions used to determine the recoverable amount of goodwill are as follows:

- Valuation method: value in use
- Number of years over which cash flows are estimated: 5 years
- Infinite cash-flow growth rate: 1.5%.
- Weighted average cost of capital employed: 12%.

The 5-year forecasts used to perform the impairment tests as of December 31, 2018 and December 31, 2019 were performed in July 2020 and were approved by the Board of Directors on September 28, 2020.

These impairment tests prepared based on recent forecasts did not lead to impair the goodwill and also confirmed that no impairment would have been needed if the impairment tests had been prepared using forecasts made prior to the health crisis.

An analysis of the sensitivity of the calculation by a joint change in key parameters (discount rate and infinite growth rate) based on reasonably possible assumptions was performed and did not reveal any probable scenario in which the recoverable value would become less than its carrying amount.

Note 11 : Intangible assets

Softwares are recorded at historical cost. Amortization is calculated on a straight-line basis over their estimated useful life (10 years).

Development costs are capitalized when they meet each of the following criteria: - technical feasibility of completing the intangible asset so that it will be available for use or sale;

- the company's intention to complete the intangible asset in order to use or sell it;

- the company's ability to use or sell the intangible asset;

- reliable estimate of future economic benefits;

- existence of technical and financial resources to complete the project;

- ability of the company to reliably measure the expenditure related to this asset during its development phase. These costs are amortized over their useful life.

In thousands of euros	Software and other intangible assets	Work in progress	Total intangible assets
Opening January 2018	**871**	**960**	**1,831**
Additions	535	72	**607**
Amortisation charge	(160)		**(160)**
At end of period December 2018	**1,246**	**1,032**	**2,278**
Gross value at end of period	**1,842**	**1,032**	**2,874**
Accumulated depreciation and impairment at end of period	**596**	**-**	**596**

In thousands of euros	Software and other intangible assets	Work in progress	Total intangible assets
Opening January 2019	**1,246**	**1,032**	**2,278**
Additions	501	99	**600**
Amortisation charge	-180		**-180**
At end of period December 2019	**1,567**	**1,131**	**2,698**
Gross value at end of period	**2,343**	**1,131**	**3,474**
Accumulated depreciation and impairment at end of period	**776**		**776**

Most of the other intangible assets and work-in-progress relate to the implementation of an ERP specific to CryoPDP's activity.

Note 12 : Deferred income taxes

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred taxes are recognized using the liability method on all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet.

Deferred tax assets on loss carry-forwards are recognized in accordance with the criteria set out in IAS 12, i.e. deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

In thousands of euros	Deferred taxes from temporary differences	Deferred taxes from employee benefits	Total deferred income tax assets
Opening January 2018	**33**	**58**	**91**
Increase of the year	94		**94**
Foreign exchange rate adjustment	3		**3**
At end of period December 2018	**130**	**58**	**188**

In thousands of euros	Deferred taxes from temporary differences	Deferred taxes from employee benefits	Total deferred income tax assets
Opening January 2019	**130**	**58**	**188**
Increase of the year	40	11	**51**
Foreign exchange rate adjustment			
At end of period December 2019	**170**	**69**	**239**

Tax assets and liabilities are grouped by group of fiscal units.

The following tax losses have not been recognized for conservative reasons and regarding the tax losses in France, these losses no longer belong to the group following the change of shareholder after the balance sheet date and have not been the subject of compensation as part of the exit from the Air Liquide tax consolidation group.

In thousands of euros	12/31/2018	12/31/2019
France	2,635	4,642
Pologne	842	607
USA	445	1,090
UK	170	0
Singapore	2,468	2,269
Australie	0	19
Portugal	17	28
At end of period	**6,577**	**8,655**

Note 13 : Accounts payable

In thousands of euros	12/31/2019	12/31/2018
Opening	**5,559**	**4,954**
Increase (decrease) during the year	**(179)**	635
Foreign exchange rate adjustment	**163**	(30)
At end of period	**5,543**	**5,559**

Note 14 : Other current liabilities

In thousands of euros	Suppliers of capital assets	Employee-related Payables	Taxes Payable	Other Payables	Total other current liabilities
Opening January 2018	**5,867**	**643**	**1,534**	**166**	**8,210**
Increase (decrease) during the year	(5,705)	139	(543)	248	**(5,861)**
Foreign exchange rate adjustment		(3)	(12)	(1)	**(16)**
At end of period December 2018	**162**	**779**	**979**	**413**	**2,333**

In thousands of euros	Suppliers of capital assets	Employee-related Payables	Taxes Payable	Other Payables	Total other current liabilities
Opening January 2019	**162**	**779**	**979**	**413**	**2,333**
Increase (decrease) during the year	(145)	(139)	(367)	185	**(466)**
Foreign exchange rate adjustment		5	37	8	**50**
At end of period December 2019	**17**	**645**	**649**	**606**	**1,917**

Note 15 : Short-term debts and long-term debts

Bank overdraft are included in the short-term debt.

Financial debts include short and medium-term bank loans and debts related to rights of use.

Interest-bearing loans and overdrafts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Differences between the amounts received (net of direct issue costs) and the amounts due on settlement or repayment are amortized to income over the term of the loan using this method.

- **2018**

In thousands of euros	Opening January 2018	New borrowings	Repayments	IFRS 16 Adjustments	Other reclassifications	Currency Translation Adjustment	At end of period
Non current related party	12,114	1,806			(1,314)		12,606
Other financial liabilities non current	1	(1)					
Long-term debt	**12,115**	**1,805**			**(1,314)**		**12,606**
Current related party	7,841	5,879			1,314	(58)	14,976
Other financial liabilities non current		193	(238)			45	
Bank Overdrafts	20	(20)					
Accrued Interest not yet due	25	157				(25)	157
Short-term debt and current portion of long-term debt	**7,886**	**6,209**	**(238)**		**1,314**	**(38)**	**15,133**
Financial debt	**20,001**	**8,014**	**(238)**			**(38)**	**27,739**

In thousands of euros	Opening January 2018	New borrowings	Repayments	IFRS 16 Adjustments	Other reclassifications	Currency Translation Adjustment	At end of period
Financial debt	20,001	8,014	(238)			(38)	27,739
Cash and cash equivalent	(2,177)	220				47	(1,910)
Net debt	**17,824**	**8,234**	**(238)**			**9**	**25,829**

· **2019**

In thousands of euros	Opening January 2019	New borrowings	Repayments	IFRS 16 Adjustments	Other reclassifications	Currency Translation Adjustment	At end of period
Non current related party liabilities	12,606				(12,606)		
Long-term leases liabilities - IFRS 16		316		1,503	(737)	44	1,126
Other financial liabilities non current		9					9
Long-term debt	**12,606**	**325**		**1,503**	**(13,343)**	**44**	**1,135**
Current related party liabilities	14,976	2,222			12,606	193	29,997
Short-term leases liabilities - IFRS 16		34	(883)	849	737	22	759
Bank Overdrafts		22					22
Accrued Interest not yet due	157	(122)					35
Short-term debt and current portion of long-term debt	**15,133**	**2,156**	**(883)**	**849**	**13,343**	**215**	**30,813**
Financial debt	**27,739**	**2,481**	**(883)**	**2,352**		**259**	**31,948**

In thousands of euros	Opening January 2019	New borrowings	Repayments	IFRS 16 Adjustments	Other reclassifications	Currency Translation Adjustment	At end of period
Financial debt	27,739	2,481	(883)	2,352		259	31,948
Cash and cash equivalent	(1,910)	(540)				6	(2,444)
Net debt	**25,829**	**1,941**	**(883)**	**2,352**		**265**	**29,504**

The current loans from affiliated companies as of 12/31/2019 consisted of a current account due at any time, and a 8 years loan contracted in 2016 for the acquisition of PDP Couriers, which has been reclassified as current financial liabilities as of 12/31/2019 considering its post-closing refinancing (see note 25 – Subsequent events).

Note 16 : Accrued pension plan liability

The Group accounts for defined benefit plans and defined contribution plans in respect of its retirement commitments, in accordance with the laws and practices of each country in which the Group operates.

The Group accounts for its pension commitments using the projected unit credit method as required by IAS 19. This valuation incorporates assumptions concerning mortality rates, staff turnover and future salary projections. The liability recognized in the balance sheet at each balance sheet date is the present value of the defined benefit obligation.

They mainly comprise retirement indemnities under the collective bargaining agreement in France.

	12/31/2019	12/31/2018
Average discount rate	0,77%	1,57%
Mortality table	INSEE TD-TV 14-16	INSEE TD-TV 14-16
Age of retirement	60 - 62 years	60 - 62 years
Future salary increase	3%	3%
Turnover rate	0% - 6%	0% - 6%

Note 17 : Other long-term liabilities

The Group recognizes provisions in the consolidated financial position at the end of the fiscal year if the company has a present obligation (legal or implicit) as a result of a past event and if it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and if the amount of the obligation can be reliably estimated.

If the effect is material, provisions are discounted using a rate that considers the risks specific to the transaction and the maturity of the provision. The effect of discounting is recognized in financial income (loss).

Net changes in provisions are recognized according to their nature in profit from recurring operations and in "Other non-current income and expenses" if they are unusual, abnormal or infrequent.

In thousands of euros	Provision for staff costs	Distributor litigation	Total Other long-term liabilities
Opening January 2018	**56**	**180**	**236**
Increase (decrease) during the year	(22)		(22)
Foreign exchange rate adjustment	(1)		(1)
At end of period December 2018	**33**	**180**	**213**

In thousands of euros	Provision for staff costs	Distributor litigation	Total Other long-term liabilities
Opening January 2019	**33**	**180**	**213**
Increase (decrease) during the year	20		20
Foreign exchange rate adjustment	(0)		(0)
At end of period December 2019	**53**	**180**	**233**

Note 18 : Share capital

Earnings per share are calculated by dividing the consolidated net income of CryoPDP by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated assuming the exercise of all dilutive options and using the "treasury stock" method as defined in IAS 33 Earnings per Share.

	12/31/2019	12/31/2018
Weighted average number of shares	**2,490,013**	2,490,013
Weighted average number of shares in the calculation of diluted earnings per share	**2,490,013**	2,490,013

The share capital consists of 2,490,013 shares. There are no dilutive instruments.

Note 19 : Revenue recognition

CryoPDP Group's revenues are recognized when the customer obtains control of the service. Control is defined as the ability to decide on the use of the asset and to obtain substantially all of the residual economic benefits. Most of CryoPDP revenue is composed of transportation services recognized upon full execution of the service according to incoterms transportation contract.

Note 20 : Other operating income and expenses

Operating profit includes all income and expenses directly related to the Group's activities, whether these income and expenses are recurring or result from one-off decisions or transactions.

Other income and expenses are defined as unusual, abnormal, infrequent and significant.

Other operating income and expenses are composed of:

In thousands of euros	12/31/2019	12/31/2018
Unpaid earn-out		3,820
Moving site	(169)	(313)
Key positions recruitment costs	(217)	
Restructuring costs		(291)
Rebranding cost		(139)
Departure costs	(103)	(316)
Others	(276)	
Total	**(765)**	**2,761**

The unpaid earn-out is related to the acquisition of the PDP Couriers group in 2016 was paid for a final amount of 1.759 million GBP whereas an amount of 5 million GBP had been booked as a liability. In FY18, the unpaid balance has been registered in the other operating income (3 820 thousand euros). The full liability was kept on the balance sheet as of December 31, 2017 since the final earn out was based on the revenues from August 2017 to July 2018.

Note 21 : Financial result

Cost of net financial debt is comprised of all income and expenses generated by the components of the cost of gross financial debt less those relating to cash and cash equivalents, including the related interest rate hedging gains and losses.

Gross financial debt comprises current and non-current borrowings, other current and non-current financial liabilities and derivatives.

Other financial income and expenses are those not included in the cost of net financial debt. They mainly comprise foreign exchange gains and losses and other miscellaneous financial income and expenses.

Note 22 : Income tax

According to IAS 12, a tax must be calculated based on a net amount of income and expenses, and this net amount may be different from the net accounting income.

The CVAE (Cotisation sur la Valeur Ajoutée des Entreprises) meets the definition of an income tax as set forth IAS 12 and therefore has been recognized under «Income taxes».

In thousands of euros	12/31/2019	12/31/2018
Payable income tax	**(834)**	(644)
Deferred income tax	**147**	
Income tax	**(687)**	**(644)**

In thousands of euros	12/31/2019	12/31/2018
Profit before tax	**370**	2,711
Parent company's tax rate	**31%**	33%
Theoretical tax charge	**(115)**	**(904)**
Impact of unbook tax losses carried forward	(622)	(155)
Others adjustments (permanent differences, rate, …)	50	415
Real tax charge	**(687)**	**(644)**
Effective tax rate	**186%**	24%

Great Britain and India are the main contributors.

Note 23 : Off-balance sheet commitments and contingent liabilities

The bank guarantees for leases given amount to 54 k€ in France.

Note 24 : Related party disclosures

Transactions involving related parties (Air Liquide group) are presented in the table below and those transactions are carried out under market conditions.

In thousands of euros	12/31/2019	12/31/2018
Due to related party non current		12,606
Due to related party current	**29,997**	14,976
Trade payables	**1,275**	775
Revenue	**715**	759
Cost of sales	**1,719**	1,873
Selling, General and Administration expenses	**1,474**	1,006
Cost of net financial debt	**294**	265

Note 25 : Subsequent events

Hivest Capital, an independent French private equity firm, acquired the entire share capital of Cryo International from Air Liquide on July 29, 2020.

On this occasion, the financial debts with Air Liquide were refinanced on the acquisition closing date. The main terms of this new debt are a 7-year in fine repayable loan for 17.7m€ bearing interest at Euribor (3 or 6 months) + 6% margin and an in fine 6-year interest-free seller's loan for 4m€.

Cryoport Inc. announced on August 21, 2020 that it has signed an agreement to acquire the French company Cryo International from Hivest Capital. This acquisition will trigger that this financing shall become immediately due and payable. Cryoport Inc. is committed to make available sufficient cash to Cryo International to fully meet its obligations under this agreement.

Exhibit 99.4

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)

Unaudited Condensed Combined Financial Statements as of September 30, 2020 and December 31, 2019 and the Nine Months Ended September 30, 2020 and 2019

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)

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CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
CONDENSED COMBINED BALANCE SHEETS (UNAUDITED)
(Dollars in thousands)

	September 30, 2020	December 31, 2019
ASSETS		
Current Assets		
Cash and cash equivalents	$ 4,234	$ 4,032
Accounts receivable, less allowances of $92 and $209, respectively	8,931	11,394
Inventories, net	11,639	9,173
Prepaid expenses	296	386
Other current assets	349	767
Total Current Assets	25,449	25,752
Property, plant, and equipment, net	6,298	6,822
Goodwill	15,405	15,405
Identifiable intangible assets, net	6,713	6,709
Other assets	793	794
TOTAL ASSETS	$ 54,658	$ 55,482
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable	$ 3,197	$ 4,247
Customer advances	286	77
Accrued salaries, wages, and benefits	1,239	1,529
Current portion of warranty reserve	146	161
Other current liabilities	131	52
Total Current Liabilities	4,999	6,066
Long-term deferred tax liabilities	1,149	1,150
Warranty reserve, non-current	64	64
Other long-term liabilities	6	56
Total Liabilities	6,218	7,336
Equity		
Chart invested equity	48,440	48,146
Total Equity	48,440	48,146
TOTAL LIABILITIES AND EQUITY	$ 54,658	$ 55,482

See accompanying notes to these unaudited condensed combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
CONDENSED COMBINED STATEMENTS OF INCOME (UNAUDITED)
(Dollars in thousands)

	Nine Months Ended September 30,	
	2020	**2019**
Sales	$ 59,529	$ 62,589
Cost of sales	31,472	33,604
Gross profit	28,057	28,985
Selling, general, and administrative expenses	4,286	5,579
Amortization expense	14	16
Operating expenses	4,300	5,595
Operating income	23,757	23,390
Other (income) expense	(91)	318
Income before income taxes	23,848	23,072
Income tax expense	5,003	4,046
Net income	$ 18,845	$ 19,026

See accompanying notes to these unaudited condensed combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
CONDENSED COMBINED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)
(Dollars in thousands)

	Nine Months Ended September 30,	
	2020	**2019**
Net income	$ 18,845	$ 19,026
Other comprehensive income (loss), net of tax:		
Foreign currency translation adjustments	582	(525)
Comprehensive income	$ 19,427	$ 18,501

See accompanying notes to these unaudited condensed combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
CONDENSED COMBINED STATEMENTS OF CASH FLOWS (UNAUDITED)
(Dollars in thousands)

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
OPERATING ACTIVITIES		
Net income	$ 18,845	$ 19,026
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	769	846
Employee share-based compensation expense	207	231
Unrealized foreign currency transaction loss (gain)	28	(17)
Other non-cash operating activities	(183)	(105)
Changes in assets and liabilities:		
Accounts receivable	2,552	1,163
Inventories	(2,417)	1,067
Other assets	507	(12,259)
Accounts payable and other liabilities	(1,183)	(617)
Customer advances	210	(41)
Net Cash Provided By Operating Activities	19,335	9,294
INVESTING ACTIVITIES		
Capital expenditures	(375)	(707)
Net Cash Used In Investing Activities	(375)	(707)
FINANCING ACTIVITIES		
Net changes in Chart invested equity	(18,758)	(5,259)
Net Cash Used In Financing Activities	(18,758)	(5,259)
Net increase in cash and cash equivalents	202	3,328
Cash and cash equivalents at beginning of period	4,032	738
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 4,234	$ 4,066
Supplementary cash flow information:		
Change in accrual for purchases of property, plant and equipment included in accounts payable	$ 145	$ 107

See accompanying notes to these unaudited condensed combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
CONDENSED COMBINED STATEMENTS OF CHANGES IN INVESTED EQUITY (UNAUDITED)
(Dollars in thousands)

	Chart Industries, Inc. Net Investment	Accumulated other comprehensive loss	Chart Invested Equity
Balance at December 31, 2019	$ 49,250	$ (1,104)	$ 48,146
Net income	18,845	—	18,845
Other comprehensive income	—	582	582
Net change in Chart invested equity	(19,133)	—	(19,133)
Balance at September 30, 2020	$ 48,962	$ (522)	$ 48,440
Balance at December 31, 2018	$ 46,819	$ (785)	$ 46,034
Net income	19,026	—	19,026
Other comprehensive loss	—	(525)	(525)
Net change in Chart invested equity	(4,485)	—	(4,485)
Balance at September 30, 2019	$ 61,360	$ (1,310)	$ 60,050

See accompanying notes to these unaudited condensed combined financial statements.

CHART CRYOBIOLOGICAL STORAGE
(A Component of the Distribution & Storage Western Hemisphere Segment of Chart Industries, Inc.)
NOTES TO UNAUDITED CONDENSED COMBINED FINANCIAL STATEMENTS
(Dollars in thousands)

NOTE 1 — Basis of Presentation

Nature of Operations: Chart Industries, Inc. and its consolidated subsidiaries (herein referred to as the “Company,” “Chart,” “we,” “us,” or “our”) is a leading independent global manufacturer of highly engineered equipment servicing multiple applications in the Energy and Industrial Gas markets. The structure of our internal organization is divided into the following reportable segments, which are also our operating segments: Distribution and Storage Eastern Hemisphere, Distribution and Storage Western Hemisphere (“D&S West”), Energy & Chemicals Cryogenics, and Energy & Chemicals FinFans. The Chart Cryobiological Storage business (“Cryobiological Storage”) is a component of our D&S West segment which is a separate reportable segment of Chart and is not a separate stand-alone entity.

Cryobiological Storage includes cryobiological storage manufacturing and distribution operations in the U.S., Europe and Asia, which serve customers around the world with products that include vacuum insulated containment vessels for the storage of biological materials. The primary applications for cryobiological storage include medical laboratories, biotech/pharmaceutical research facilities, blood and tissue banks, veterinary laboratories, large-scale repositories, and artificial insemination, particularly in the beef and dairy industry.

Basis of Presentation: These unaudited condensed combined financial statements represent Cryobiological Storage’s global operations, and have been prepared on a stand-alone basis. The unaudited condensed combined financial statements are derived from Chart’s consolidated financial statements and accounting records, and reflect Cryobiological Storage’s financial position, results of operations and cash flows in conformity with U.S. generally accepted accounting principles (“U.S. GAAP”).

The unaudited condensed combined financial statements reflect assets, liabilities, revenues and expenses directly attributable to Cryobiological Storage, as well as allocations deemed reasonable by its management to present the financial position, results of operations, changes in equity and cash flows of Cryobiological Storage on a stand-alone basis. These allocated expenses have been charged to Cryobiological Storage on the basis of direct usage, specific identification when identifiable, on a relative percentage of net sales or headcount. We consider the expense allocation methodology and results to be reasonable for all periods presented. The unaudited condensed combined financial statements may not necessarily reflect the financial position, results of operations, changes in equity and cash flows of Cryobiological Storage as if Cryobiological Storage had been a separate, stand-alone entity.

Chart uses a centralized approach for managing certain of its cash and financing operations with its segments and subsidiaries. Accordingly, a portion of Cryobiological Storage’s cash is transferred to Chart’s cash management accounts and therefore is not included in the unaudited condensed combined financial statements. Transfers of cash between Cryobiological Storage and Chart are included within “Net changes in Chart invested equity” on the condensed combined statements of cash flows and the condensed combined statements of changes in invested equity. Chart’s long-term debt and related interest expense have not been attributed to Cryobiological Storage for any of the periods presented because Chart’s borrowings are neither directly attributable to Cryobiological Storage nor is Cryobiological Storage the legal obligor of such borrowings.

Chart maintains a number of benefit and stock-based compensation programs in which our eligible employees participate. As such, Cryobiological Storage was charged a portion of the expenses associated with these programs. However, Cryobiological Storage’s condensed combined balance sheets include neither any Chart net benefit plan obligations nor Chart equity related to the share-based compensation programs.

Chart’s net investment balance represents the cumulative net investment in Cryobiological Storage by Chart through that date, including any prior net income or loss and allocations or other transactions with Chart. Certain current domestic and foreign income tax liabilities are deemed to be remitted in cash to Chart in the period the related income tax expense is recorded. All transactions between Chart and Cryobiological Storage were included in the unaudited condensed combined financial statements and are reflected in the condensed combined statements of cash flows as “Net changes in Chart invested equity” within financing activities.

Principles of Combination: The unaudited condensed combined financial statements include accounts of Cryobiological Storage. There were no entities in which Cryobiological Storage had a controlling voting interest or variable interest entities required to be consolidated in accordance with U.S. GAAP. Intercompany accounts and transactions among Cryobiological Storage entities have been eliminated.

Related Party Transactions: The caption "Chart invested equity" on the condensed combined balance sheets represent our net investment in Cryobiological Storage and is presented in lieu of stockholders' equity. Non-trade intercompany receivable and payable transactions between Cryobiological Storage and Chart are accounted for through Chart invested equity. Additionally, other assets, liabilities, revenues and expenses recorded by us which have been allocated to Cryobiological Storage for purposes of the unaudited condensed combined financial statements have been reflected in Chart invested equity. There were no transactions, of a normal trading nature, for any of the periods presented.

Financing decisions are determined centrally by Chart's treasury and finance operations. Our short and long-term debt has not been pushed down to the Cryobiological Storage unaudited condensed combined financial statements because it is not specifically identifiable to Cryobiological Storage.

Use of Estimates: The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Cryobiological Storage management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. These estimates may also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates and assumptions. Furthermore, Cryobiological Storage considered the impact of the COVID-19 pandemic on the use of estimates and assumptions used for financial reporting and determined that there was no adverse material impact to its results of operations. While Cryobiological Storage's production has been considered "essential" in all locations Cryobiological Storage operates in, Cryobiological Storage has experienced, and may again experience in the future, temporary facility closures while awaiting appropriate government approvals in certain jurisdictions. The COVID-19 outbreak could also disrupt Cryobiological Storage's supply chain and materially adversely impact its ability to secure supplies for its facilities, which could materially adversely affect its operations. There may also be long-term effects on Cryobiological Storage's customers in and the economies of affected countries. As a result of these uncertainties, actual results could differ from those estimates and assumptions. If the economy or markets in which Cryobiological Storage operates remain weak or deteriorate further, its business, financial condition and results of operations may be materially and adversely impacted.

NOTE 2 — Recently Adopted Accounting Standards

In August 2018, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Updates ("ASU") 2018-13, "Fair Value Measurement (Topic 820): Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement." This ASU adds, modifies and removes several disclosure requirements relative to the three levels of inputs used to measure fair value in accordance with Topic 820, "Fair Value Measurement." This guidance is effective for fiscal years beginning after December 15, 2019, including interim periods within that fiscal year. Cryobiological Storage adopted this guidance effective January 1, 2020. The adoption of this guidance did not impact Cryobiological Storage's financial position, results of operations or disclosures.

In June 2016, the FASB issued ASU 2016-13, "Financial Instruments—Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments" and subsequently issued additional guidance that modified ASU 2016-13. ASU 2016-13 and the subsequent modifications are identified as Accounting Standards Codification ("ASC") 326. The standard requires an entity to change its accounting approach in determining impairment of certain financial instruments, including trade receivables, from an "incurred loss" to a "current expected credit loss" model. The standard is effective for fiscal years beginning after December 15, 2019, including interim periods within such fiscal years. Cryobiological Storage adopted this guidance effective January 1, 2020. The adoption of this guidance did not have a material impact on Cryobiological Storage's financial position, results of operations or disclosures. Cryobiological Storage maintains an allowance for doubtful accounts to provide for the estimated amount of receivables that will not be collected. In addition, Cryobiological Storage estimates expected credit losses based on historical loss information then adjust the estimates based on current, reasonable and supportable forecast economic conditions.

(Dollars in thousands)

NOTE 3 — Revenue

Disaggregation of Revenue

The following table represents a disaggregation of revenue by the geographic area destination of sales:

	Nine Months Ended September 30,	
	2020	2019
North America	$ 30,798	$ 36,870
Asia	16,326	14,901
Europe	11,811	10,304
Latin America	594	514
Total	$ 59,529	$ 62,589

Contract Balances

Contract assets included accounts receivable, net of allowances were $8,931 and $11,394 as of September 30, 2020 and December 31, 2019, respectively. Customer advances were $286 and $77 as of September 30, 2020 and December 31, 2019, respectively.

Remaining Performance Obligations

Remaining performance obligations represent the transaction price of firm signed purchase orders or other written contractual commitments from customers for which work has not been performed, or is partially completed, and excludes unexercised contract options and potential orders. As of September 30, 2020, the estimated revenue expected to be recognized in the future related to remaining performance obligations was $11,999. Cryobiological Storage expects to recognize revenue on all of its remaining performance obligations over the next 12 months.

NOTE 4 — Inventories

The following table summarizes the components of inventory:

	September 30, 2020	December 31,2019
Raw materials and supplies	$ 8,238	$ 5,946
Work in process	284	237
Finished goods	3,117	2,990
Total inventories, net	$ 11,639	$ 9,173

The allowance for excess and obsolete inventory balance at September 30, 2020 and December 31, 2019 was $183 and $231, respectively.

(Dollars in thousands)

NOTE 5 — Property, Plant and Equipment

The following table summarizes the components of property, plant and equipment:

	Estimated Useful Life	September 30, 2020	December 31, 2019
Land and buildings	20-35 years	$ 6,817	$ 6,686
Machinery and equipment	3-12 years	10,114	9,544
Computer equipment, furniture and fixtures	3-7 years	1,575	2,157
Right-of-use assets		12	67
Construction in process		98	430
Total property, plant and equipment, gross		18,616	18,884
Less: accumulated depreciation		(12,318)	(12,062)
Total property, plant and equipment, net		$ 6,298	$ 6,822

Depreciation expense was $755 and $830 for the nine months ended September 30, 2020 and 2019, respectively.

NOTE 6 — Leases

Cryobiological Storage incurred $138 and $194 of rental expense under operating leases for the nine months ended September 30, 2020 and 2019, respectively. As of September 30, 2020, operating ROU assets and lease liabilities were both $12 ($11 of which is classified as current liabilities). As of December 31, 2019, operating ROU assets and lease liabilities were both $38 ($32 of which is classified as current liabilities). Lease maturity dates range from January 2022 to June 2023. Cryobiological Storage has the right, but no obligation, to renew certain leases for various renewal terms. Future minimum lease payments for non-cancelable operating leases is not significant for any of the years in the lease terms.

NOTE 7 — Goodwill and Intangible Assets

Goodwill

The carrying amount of goodwill for Cryobiological Storage was $15,405 at both September 30, 2020 and December 31, 2019. There was no change in goodwill for the periods presented. Accumulated goodwill impairment loss for Cryobiological Storage was $82,549 at both September 30, 2020 and December 31, 2019.

Intangible Assets

The following table displays the gross carrying amount and accumulated amortization for finite-lived intangible assets and indefinite-lived intangible assets (exclusive of goodwill) (1):

		September 30, 2020		December 31, 2019	
	Weighted-average Estimated Useful Life	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Finite-lived intangible assets:					
Land use rights	50 years	$ 1,024	$ (251)	$ 1,001	$ (232)
Total finite-lived intangible assets	50 years	1,024	(251)	1,001	(232)
Indefinite-lived intangible assets:					
Trademarks and trade names		5,940	—	5,940	—
Total intangible assets		$ 6,964	$ (251)	$ 6,941	$ (232)

(1) Amounts include the impact of foreign currency translation. Fully amortized or impaired amounts are written off.

(Dollars in thousands)

Amortization expense for intangible assets subject to amortization was $14 and $16 for nine months ended September 30, 2020 and 2019, respectively. Cryobiological Storage estimates amortization expense of $20 to be recognized during each of the next five years.

NOTE 8 — Product Warranties

Cryobiological Storage provides product warranties with varying terms and durations for the majority of its products. Cryobiological Storage estimates its warranty reserve by considering historical and projected warranty claims, historical and projected cost-per-claim, and knowledge of specific product issues that are outside its typical experience. Cryobiological Storage records warranty expense in cost of sales in the condensed combined statements of income. Product warranty claims not expected to occur within one year are included as part of other long-term liabilities in the condensed combined balance sheets.

The following table represents changes in Cryobiological Storage's warranty reserve:

Balance at December 31, 2019	$	225
Warranty expense		(429)
Warranty usage		414
Balance at September 30, 2020	$	210

NOTE 9 — Income Taxes

Income tax expense of $5,003 and $4,046 for the nine months ended September 30, 2020 and 2019, respectively, represents taxes on both U.S. and foreign earnings at a combined effective income tax rate of 21.0% and 17.5%, respectively.

NOTE 10 — Employee Benefit Plans

Defined Contribution Savings Plan

Chart has a defined contribution savings plan that covers most of its U.S. employees for which eligible Business employees participate. Chart contributions to the plan are based on employee contributions, and include a match and discretionary contributions.

Expense allocations for this defined contribution savings plan was determined based on a review of personnel by business unit and are recorded in Cryobiological Storage's condensed combined statements of income within cost of sales and SG&A expenses, as applicable. These costs are funded through intercompany transactions with Chart. Cryobiological Storage's allocated expenses for the defined contribution savings plan were $161 and $360 for the nine months ended September 30, 2020 and 2019, respectively.

NOTE 11 — Share-based Compensation

Chart maintains share-based compensation plans in which Cryobiological Storage's employees participate. On May 25, 2017, Chart held its annual meeting of stockholders. At the annual meeting, Chart's stockholders approved the Chart Industries, Inc. 2017 Omnibus Equity Plan (the "2017 Omnibus Equity Plan"). As described in Chart's definitive proxy statement for the annual meeting, Chart's directors, officers and employees (including its principal executive officer, principal financial officer and other "named executive officers" and certain employees of the Business) are eligible to be granted stock options, stock appreciation rights ("SARs"), restricted stock, restricted stock units ("RSUs"), performance shares and common shares to employees and directors under the 2017 Omnibus Equity Plan.

Under the Amended and Restated 2009 Omnibus Equity Plan ("Omnibus Equity Plan") which was originally approved by Chart shareholders in May 2009 and re-approved by Chart shareholders in May 2012 as amended and restated, the Parent may grant stock options, SARs, RSUs, restricted stock, performance shares, leveraged restricted shares, and common shares to employees and directors, including employees of the Business.

Total share-based compensation expense allocated to Cryobiological Storage related to awards issued under each plan was $207 and $231 for the nine months ended September 30, 2020 and 2019, respectively, and is included in SG&A expenses on the condensed combined statements of income. These amounts were based on the awards and terms previously granted to our employees by Chart, but may not reflect the equity awards or results that we would have experienced or expect to experience as a separate stand-alone company.

NOTE 12 — Commitments and Contingencies

Legal Proceedings

Stainless Steel Cryobiological Tank Legal Proceedings

During the second quarter of 2018, Chart was named in lawsuits (including lawsuits filed in the U.S. District Court for the Northern District of California) filed against Chart and other defendants with respect to the alleged failure of a stainless steel cryobiological storage tank (model MVE 808AF-GB) at the Pacific Fertility Center in San Francisco, California. Chart continues to evaluate the merits of such claims in light of the information available to date regarding use, maintenance and operation of the tank that was sold to the Pacific Fertility Center through an independent distributor and which has been out of Chart's control for six years prior to the alleged failure. Accordingly, an accrual related to any damages that may result from the lawsuits has not been recorded because a potential loss is not currently probable or estimable.

Chart has asserted various defenses against the claims in the lawsuits, including a defense that since manufacture, Chart was not in any way involved with the installation, ongoing maintenance or monitoring of the tank or related fertility center cryogenic systems at any time since the initial delivery of the tank.

Chart is occasionally subject to various legal claims related to performance under contracts, product liability, taxes, employment matters, environmental matters, intellectual property, and other matters incidental to the normal course of its business. Based on Chart's historical experience in litigating these claims, as well as its current assessment of the underlying merits of the claims and applicable insurance, if any, management believes that the final resolution of these matters will not have a material adverse effect on its financial position, liquidity, cash flows, or results of operations. Future developments may, however, result in resolution of these legal claims in a way that could have a material adverse effect.

NOTE 13 — Related Party Transactions

Cryobiological Storage's unaudited condensed combined financial statements include certain expenses of Chart which were allocated to Cryobiological Storage for certain functions including insurance, legal, defined contribution savings plan, share-based compensation and building rent. The bases of allocation for the defined contribution savings plan and share-based compensation are discussed in the preceding paragraphs. Insurance was allocated primarily on a relative percentage of net sales, and legal expenses were allocated on a case-by-case basis. The total amount of these allocations from Chart was $589 and $1,168 for the nine months ended September 30, 2020 and 2019, respectively, and are included in cost of sales and SG&A expenses in the accompanying condensed combined statements of income. Furthermore, Chart charges Cryobiological Storage for a leased facility in Ball Ground, Georgia. The amount of this allocation was $359 and $345 for the nine months ended September 30, 2020 and 2019, respectively, and is included in cost of sales in the accompanying condensed combined statements of income. This lease, held by Chart, matures on October 31, 2026.

Cryobiological Storage considers the expense allocation methodology and results to be reasonable for all periods presented. However, these allocations may not be indicative of the actual expenses we would have incurred as a separate, stand-alone company or of the costs Cryobiological Storage will incur in the future.

Historically, Chart has provided financing, cash management and other treasury services to Cryobiological Storage. Cryobiological Storage's cash balances are swept by Chart, and historically, Cryobiological Storage has received funding from Chart for most of its operating and investing cash needs. Cash transferred to and from Chart has historically been recorded as intercompany cash. Intercompany cash, receivables and payables with Chart are reflected within Chart Industries, Inc.'s Net Investment in the accompanying unaudited condensed combined financial statements.

NOTE 14 — Subsequent Events

In preparing the unaudited condensed combined financial statements, Cryobiological Storage has reviewed and considered all significant events occurring subsequent to September 30, 2020 and up until December 10, 2020, the date the unaudited condensed combined financial statements were available to be issued.

Advanced Therapy Logistics and Solutions Group

« ATLAS »

Consolidated IFRS Financial Statements

September 30, 2020

(Expressed in Euros)

Summary

Consolidated Statement of Financial Position

In thousands of euros	Notes	09/30/2020
Cash and cash equivalents	5	7,063
Accounts receivable	6	8,810
Inventories	7	548
Other current assets	8	3,960
Total current assets		**20,381**
Property and equipment and right of use assets	9	4,265
Goodwill	10	15,601
Intangible assets	11	2,899
Deferred income taxes	12	234
Non-current financial assets		176
Total non-current assets		**23,175**
Total Assets		**43,556**

In thousands of euros	Notes	09/30/2020
Accounts payable	13	5,479
Other current liabilities	14	3,303
Short-term debt and current portion of long-term debt	15	21,765
Total current liabilities		**30,547**
Accrued pension plan liability	16	247
Long-term debt	15	4,904
Total non-current liabilities		**5,151**
Total liabilities		**35,698**
Share capital	17	12,433
Consolidated reserves		(3)
Cumulative translation reserve		178
Profit (loss) for the year attributable to shareholders		(4,750)
Equity - attributable to shareholders		**7,858**
Total Equity		**7,858**
Total Equity and Liabilities		**43,556**

Consolidated Statement of Income

In thousands of euros	Notes	09/30/2020 Statutory	09/30/2020 Proforma
Revenue	18	**6,732**	**31,529**
Cost of sales		-4,606	-20,029
Sales, General and Administration costs		-286	-2,385
Employee benefits / staff costs		-1,437	-7,063
EBITDA		**404**	**2,053**
Depreciation and amortization		-326	-1,486
Current operating profit		**78**	**567**
Other operating income and expenses	19	-2,632	-3,100
Operating profit		**-2,554**	**-2,533**
Interest and debt expense		-1,535	-1,744
Financial result	20	**-1,535**	**-1,744**
Profit before tax		**-4,089**	**-4,277**
Income tax	21	-661	-1,061
Net income from continuing operations		**-4,750**	**-5,338**
Net result		**-4,750**	**-5,338**
Profit (loss) for the year attributable to shareholders		**-4,750**	**-5,338**
		0	
Basic earning per share in euros	17	-0.39	-0.43
Diluted earning per share in euros	17	-0.36	-0.40

Proforma statement of income includes the effects of the CryoPDP group acquisition as if this acquisition had occurred on January 01, 2020 whereas statutory statement includes the effects of this acquisition on July 29 its effective date.

Income and comprehensive income

In thousands of euros	Notes	09/30/2020 Statutory	09/30/2020 Proforma
Net result		**-4,750**	**-5,338**
Foreign currency translation adjustments		178	-438
Items that may subsequently recycled to profit or loss		**178**	**-438**
Comprehensive income		**-4,572**	**-5,776**

Consolidated Statement of Cash Flows

In thousands of euros	Notes	09/30/2020 2 months
Net result		**(4,750)**
Depreciation and amortization		326
Interest and debt expense		1,535
Income tax		661
Non-cash items		**2,522**
(Increase)/decrease in inventories		29
(Increase)/decrease in accounts receivable		751
Increase/(decrease) in accounts payable		(582)
Change in other receivables and payables		1,460
Changes in working capital related to operating activities		**1,658**
Income taxes paid		(510)
Net cash flows from operating activities		**(1,080)**
Capital expenditures		(359)
Acquisitions of subsidiaries, net of cash acquired		136
Net cash used in investing activities		**(223)**
Interests paid		(1,352)
Additional borrowings		25,045
Repayments of borrowings		(27,787)
Capital increase		12,433
Net cash (used in)/from financing activities		**8,339**
Exchange (losses)/gains on cash and cash equivalents		27
Net increase in cash and cash equivalents		**7,063**
Cash and cash equivalents at beginning of the period	5	**0**
Cash and cash equivalents at period end	5	**7,063**
Cash and cash equivalent		7,063
Less bank overdrafts		
Net cash and cash equivalents		**7,063**

Consolidated Statement of Changes in Shareholders' Equity

In thousands of euros	Notes	Share capital	Foreign currency translation differences	Net profit (loss) for the period	Consolidated reserves	Equity - attributable to shareholders	Non controlling interests	Total Equity
January 1st, 2020	18	**0**	**0**	**0**	**-3**	-3		**-3**
Increase (decrease) in capital		12,433				12,433		12,433
Allocation of net profit from prior period				0		0		0
Net income			178	-4,750		-4,572		-4,572
September 30, 2020	18	**12,433**	**178**	**-4,750**	**-3**	**7,858**		**7,858**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements of Advanced Therapy Logistics and Solutions Group ("Atlas" or "Atlas Group" or "Group") for the period ended September 30, 2020 are the first consolidated financial statements prepared by the company. They are prepared in accordance with IFRS accounting standards published by the IASB as of September 30, 2020 and on a going concern basis.

IFRS are available on the website of the IASB: https://www.ifrs.org/issued-standards/list-of-standards/

These consolidated financial statements have therefore been prepared in accordance with the provisions of IFRS 1, First-time Adoption of IFRS, with the first-time application procedures described below.

These consolidated financial statements are based on standards and interpretations that are mandatory for annual periods beginning on or after January 1, 2020. The Group has not early adopted any standards and interpretations whose application is not mandatory in 2020.

Other standards, amendments and interpretations applicable to the Group as of January 1, 2020:

- Amendments to IAS 19 Employee Benefits.

- IFRIC 23 Uncertainty about Tax Treatment.

The application of the standards and interpretations described above has no significant impact.

The financial statements are presented in thousands of euro unless otherwise indicated. The financial statements as of September 30, 2020 were closed by the Chairman on November 20th, 2020.

Pro forma information

At the beginning of 2020, Atlas was an empty holding company under the ownership of Hivest Capital Partners ("HCP"), an independent French private equity firm. On July 29th, 2020, Atlas acquired the CryoPDP group ("CryoPDP") through the acquisition of 100% of the shares of Cryo International S.A. from Air Liquide SA ("ALSA")

CryoPDP provides temperature-controlled logistics and value-added services for clinical trials and the pharmaceutical industry worldwide.

The financial statements include a pro forma Statement of Income for the 9 months period from January 1st to September 30, 2020. This pro forma Statement of Income is intended to facilitate future comparisons and evidence the impact of the acquisition of Cryo International shares. The proforma are prepared as if the acquisition by Atlas had taken place on January 1st, 2020.

Change in ownership

Cryoport Inc. announced on August 21, 2020 that it has signed an agreement to acquire the CryoPDP Group from HCP through the acquisition of 100% of the shares of Atlas. This acquisition was made via Cryoport Netherlands BV (Cryoport NV), a Dutch based company 100% affiliate of Cryoport Inc. (Nasdaq listed) on the October 1st, 2020.

Covid 19

In the context of Covid19 pandemic, the first 9 months of 2020 were impacted by containment measures in nearly all the countries in which CryoPDP operates. In this context, activity did not grow as expected mostly due to delayed clinical trials, postponed to 2021. As a result, the CryoPDP Group did not reach its double digit expected growth for 2020. However, the CryoPDP Group's revenue is still growing and despite this difficult context, the pipeline has never been so high with both existing and new customers, and Covid period was used to expand on new markets and reinforce relationships with customers finding tailor made solutions to respond to 100% of their needs. CryoPDP has maintained its efforts and kept recruiting people over the period to respond to client needs and coming growth with a focus on the mid and long term. Covid-related extra costs amounted to 632k€ from January to September 2020, mainly transport costs representing a direct loss. On the opposite, the CryoPDP Group has received very limited government grants: grants received represent only 13k€ in the UK and 31k€ in Singapore. Despite Covid, DSO reduced from 100 days to 77 days as of the end of September 2020. The target remains to reach the 70 days of DSO by year end.

Note 1: Significant accounting principles

The consolidated financial statements are presented in accordance with the standard "Presentation of Financial Statements" ("IAS 1").

Basis of presentation

Atlas' consolidated financial statements are prepared under the historical cost convention except for financial assets which are measured at fair value.

The fair value of cash, trade receivables, trade payables, other receivables and other payables is equal to their carrying value due to the short-term nature of these instruments. Intra-group transactions, balances and unrealized gains on intercompany transactions between CryoPDP companies are eliminated. Unrealized losses are also eliminated for assets sold and are considered as an indicator of impairment. The accounting policies of subsidiaries have been aligned with those of CryoPDP.

Atlas entities' financial statement data is converted into group functional currency, the euro. The presentation currency of Atlas' financial statements is therefore the euro.

The financial statements of all Group entities (none of which operates in a hyperinflationary economy) whose functional currency is different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of each balance sheet,

- income and expenses for each income statement are translated at the average exchange rate;

- all resulting translation differences are recognized as a separate component of other comprehensive income.

These consolidated financial statements are presented in thousands of euro, unless otherwise indicated.

Note 2: Use of estimates, judgments and assumptions

The preparation of financial statements requires Atlas' management to make estimates and assumptions that may affect the carrying amounts of assets, liabilities, income and expenses and the information disclosed in the notes to the financial statements. Atlas' management makes these estimates and assessments on an ongoing basis based on past experience and other factors deemed reasonable, which form the basis of these assessments. They may change as a result of events or information that could call into question the circumstances in which they were prepared at the end of each fiscal year. The amounts that will appear in its financial statements may differ from these estimates as a result of changes in these assumptions or different conditions.

Note 3: Financial risk management

Atlas is mainly exposed to the following risks: credit risk, interest rate risk and liquidity risk, and management has put in place the necessary structures to cover these risks.

Based on an average debt of 22 million euros, a 1% change in interest rates would have an impact of 220 K euros on net financial income.

Given the quality of the Group's customer portfolio and its credit risk management policy, the Group has a history of insignificant credit losses (approx. 0.7% of revenues).

Client risk is limited due to the structure of the client portfolio with a large majority of solvent international groups with sufficient financial strength to not be at risk of bankruptcy due to Covid 19. The only entity with a customer portfolio that structurally includes smaller customers is the French entity for which a collection team and a partnership with a collection agency is in place. Finally, most our balance's historical customers are still active customers, reducing the risk of non-payment.

The Group's working capital requirement is financed by the remittance of a portion of its trade receivables to factoring companies or by the assignment of receivables.

Note 4: Scope and methods of consolidation

Subsidiaries over which Atlas controlled more than half of the voting rights, are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date on which control ceases to be exercised.

Business combinations are accounted for using the purchase method in accordance with IFRS 3. The cost of a business combination corresponds to the fair value, at the date of exchange, of assets given, liabilities incurred or assumed and equity instruments issued by the Group in exchange for control of the acquiree.

Company name	Siren or Country	09/30/2020 Voting rights	09/30/2020 Ownership Interest	09/30/2020 Consolidation method
ATLAS	841 182 272			Parent
ATLAS BIDCO	885 010 249	100.00%	100.00%	I.G
CRYO INTERNATIONAL	529,218,687	100.00%	100.00%	I.G
SPL - SERVICES LIMITED	England	100.00%	100.00%	I.G
CRYO EXPRESS	428,782,833	100.00%	100.00%	I.G
CRYO EXPRESS zoo	Poland	100.00%	100.00%	I.G
CRYO EXPRESS Gmbh	Germany	100.00%	100.00%	I.G
PDP COURIER SERVICES	England	100.00%	100.00%	I.G
PDP COURIER SERVICES INC	United States	100.00%	100.00%	I.G
LIFE SCIENCE LOGISTICS INDIA PRIVATE LIMITED	India	100.00%	100.00%	I.G
PDP COURIER SERVICES LIMITED	Korea	100.00%	100.00%	I.G
PDP COURIER SERVICES PTE LIMITED	Singapore	100.00%	100.00%	I.G
ICS DRY ICE	Netherlands	100.00%	100.00%	I.G
CRYO EXPRESS PTY LTD	Australia	100.00%	100.00%	I.G
CRYOPDP GLOBAL SERVICES	Portugal	100.00%	100.00%	I.G

M = Parent company
I.G = Fully consolidated

The Russian, Malaysian and Hong Kong subsidiaries are not consolidated as they have no business and are not significant.

Business combinations

In July 2020, the Group acquired 100% of the shares of Cryo International, holding company of the CryoPDP group from Air Liquid for 3 534 K euros.

According to IFRS 3, the group will have to identify and estimate at fair value all assets and liabilities of the CryoPDP group in order to allocate the purchase price. This will be done in a later stage within the 12 months following the acquisition on July 29, 2020. All following disclosures are based on historical book value in CryoPDP books prior to acquisition, except for the prior goodwill which was eliminated.

The book value of the net assets acquired breaks down as follows:

In thousands of euros	07/29/2020
Cash and cash equivalents	3,670
Accounts receivable	9,492
Inventories	568
Other current assets	5,765
Total current assets	**19,495**
Property and equipment and right of use assets	4,266
Intangible assets (excluding goodwill)	2,846
Deferred income taxes	234
Non-current financial assets	175
Total non-current assets	**7,521**
Total Assets	**27,016**

In thousands of euros	07/29/2020
Accounts payable	6,002
Other current liabilities	3,541
Short-term debt and current portion of long-term debt	28,279
Total current liabilities	**37,822**
Accrued pension plan liability	247
Long-term debt	1,014
Total non-current liabilities	**1,261**
Total liabilities	**39,083**
Net Assets	**(12,067)**

Goodwill related to the acquisitions, as determined using the full goodwill method, breaks down as follows:

In thousands of euros	07/29/2020
Total of the purchase price paid in cash	3,534
Book value of net assets acquired	(12,067)
Goodwill	**15,601**

The cash flows relating to the acquisitions can be analyzed as follows:

In thousands of euros	07/29/2020
Cash and cash equivalents	3,670
Net cash acquired	**3,670**
Purchase price of shares	(3,534)
Net cash inflow	**136**

Note 5: Cash and cash equivalents

"Cash and cash equivalents" include cash and short-term investments (less than three months), which are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of change in value. The effects of changes in the fair value of cash equivalents are recognized in financial income (loss). Net cash in the cash flow statement includes cash and cash equivalents less bank overdrafts

In thousands of euros	09/30/2020
Opening	**0**
Acquisition of CryoPDP group	**3,670**
Increase (decrease) during the year	**3,366**
Foreign exchange rate adjustment	**27**
At end of period	**7,063**

Note 6: Account receivables

Trade receivables are initially measured at fair value and subsequently at amortized cost less impairment losses. They correspond to the fair value of the consideration to be received and are discounted if payments are deferred beyond the periods usually granted by the Group and if the effect on fair value is material.

In accordance with Ifrs 9, trade receivables are subject to an impairment loss determined by considering the expected credit losses over the life of the receivables, based in particular on the impairment rate calculated on the basis of historical non-payments.

In thousands of euros	09/30/2020
Opening	**1**
Acquisition of CryoPDP group	**9,492**
Increase (decrease) during the year	**-752**
Variation of provision	**-5**
Foreign exchange rate adjustment	**74**
At end of period	**8,810**
Gross value at end of period	**9,296**
Accumulated impairment at end of period	**486**

In accordance with IFRS 9 and considering the factoring arrangement, the Group maintains the transferred receivables under assets and classifies the debt to the factor under current financial liabilities.

From August 2020, the Group assigned its receivables (from its French and British entities) to the Factor and as of September 30, 2020, the closing balances with the Factor is as follow:

In thousands of euros	09/30/2020
Assigned receivables	**-3,049**
Factor guarranty deposits	**307**
Factor current account	**1,138**

Note 7: Inventories

Inventory is valued at cost using the first-in, first-out method.

Where appropriate, inventories are written down when their value in use is less than their carrying amount.

In thousands of euros	09/30/2020
Opening	**0**
Acquisition of CryoPDP group	**568**
Increase (decrease) during the year	**-29**
Variation of provision	
Foreign exchange rate adjustment	**9**
At end of period	**548**
Gross value at end of period	**548**
Accumulated impairment at end of period	

Note 8: Other current assets

In thousands of euros	Social receivables	Taxes receivables	Other receivables	Prepaid expenses	Total other current assets
Opening	**0**	**0**	**0**	**0**	**0**
Acquisition of CryoPDP group	1	2,442	2,301	1,021	**5,765**
Increase (decrease) during the year	19	-364	-1,395	-111	**-1,851**
Foreign exchange rate adjustment		40	-1	7	**46**
At end of period	**20**	**2,118**	**905**	**917**	**3,960**
Gross value at end of period	**20**	**2,118**	**905**	**917**	**3,960**
Accumulated impairment at end of period					

Note 9: Property and equipment, and rights of use assets

In accordance with the criteria of IAS 16 Property, Plant and Equipment ("IAS 16"), property, plant and equipment include assets held either for use in the production or supply of goods and services or for administrative purposes. These assets are recognized as assets in the consolidated financial position if it is probable that the future economic benefits attributable to the asset will flow to CryoPDP and if the cost of the asset can be measured reliably.

The depreciation method used by the Group is the straight-line method. Property, plant and equipment are valued at their historical acquisition cost less accumulated depreciation and impairment losses.

They are depreciated over their useful life under the following conditions:

- Buildings: 10 to 30 years.

- Office furniture and equipment: 5 to 10 years.

- Computer equipment: 3 years.

- Transport equipment: 5 to 10 years.

Subsequent costs are included in the value of the asset or recognized separately if it is probable that the future economic benefits attributable to the asset will flow to CryoPDP and if the cost of the asset can be measured reliably. Routine maintenance costs are expensed as incurred. Residual value is included in the depreciable amount when it is deemed significant.

The various components of an item of property, plant and equipment are recognized separately when their estimated useful lives and therefore their depreciation periods are significantly different.

The impacts on the balance sheet as of September 30, 2020 concern the recognition of a right of use. The lease term corresponds to the non-cancellable period plus any renewal options whose exercise by the Group is reasonably certain.

In thousands of euros	Property rights IFRS16	Technical installations and transport equipment	Computer and office equipment	Work in progress	Total tangible assets and rights of use
Opening	**0**	**0**	**0**	**0**	**0**
Acquisition of CryoPDP group	1,811	1,950	286	219	**4,266**
Increase (decrease) during the year	95	395		-219	**271**
Amortisation charge	-175	-67	-49		**-291**
Foreign exchange rate adjustment	5	13	1		**19**
At end of period	**1,736**	**2,291**	**238**	**0**	**4,265**
Gross value at end of period	**3,030**	**6,274**	**1,315**		**10,619**
Accumulated depreciation and impairment at end of period	**1,294**	**3,983**	**1,077**		**6,354**

Note 10: Goodwill

Goodwill is measured at cost, being the excess of the cost of shares in consolidated companies over the acquirer's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities.

Like all intangible assets with an indefinite life, goodwill is not amortized but is tested for impairment at least annually or more frequently when events or changes in circumstances indicate that it may be impaired.

Any impairment recognized is irreversible.

Negative differences between the acquisition cost and the acquirer's interest in the net fair value of the identifiable assets and liabilities acquired (negative goodwill) are recorded, after verification of their amount, directly in the income statement for the period.

In thousands of euros	**09/30/2020**
Opening	**0**
Acquisition of CryoPDP group	**15,601**
Foreign exchange rate adjustment	
At end of period	**15,601**
Gross value at end of period	**15,601**
Accumulated depreciation and impairment at end of period	

The goodwill relates to the acquisition of CryoPDP Group.

Considering that the Atlas acquisition occurred on July 29, 2020, the purchase price allocation following IFRS 3 has not been calculated yet. All goodwill existing in CryoPDP books prior to the acquisition by Atlas have been eliminated in order to calculate the gross value of goodwill as of July 29, 2020.

In a later stage and prior to twelve months after the acquisition, all identified assets and liabilities will be evaluated at fair value and accounted for, as part of the purchase price allocation.

As the context of the economic crisis associated with the Covid-19 pandemic was an indication of possible impairment, the impairment tests were performed internally on the basis of a business plan established in July 2020, integrating the possible effects expected from Covid-19. These tests do not question the recoverable value of the temporary goodwill.

Note 11: Intangible assets

Softwares are recorded at historical cost. Amortization is calculated on a straight-line basis over their estimated useful life (10 years).

Development costs are capitalized when they meet each of the following criteria:
- technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the company's intention to complete the intangible asset in order to use or sell it;
- the company's ability to use or sell the intangible asset;
- reliable estimate of future economic benefits;
- existence of technical and financial resources to complete the project;
- ability of the company to reliably measure the expenditure related to this asset during its development phase. These costs are amortized over their useful life.

In thousands of euros	Software and other intangible assets	Work in progress	Total intangible assets
Opening	**0**	**0**	**0**
Acquisition of CryoPDP group	2,657	189	**2,846**
Increase (decrease) during the year	101	-13	**88**
Amortisation charge	-35		**-35**
At end of period	**2,723**	**176**	**2,899**
Gross value at end of period	**3,785**	**176**	**3,961**
Accumulated depreciation and impairment at end of period	**1,062**		**1,062**

Most of the other intangible assets and work-in-progress relate to the implementation of an ERP specific to CryoPDP's activity.

Note 12: Current and deferred tax assets and liabilities

Deferred tax assets and liabilities are measured at the tax rate that is expected to apply to the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred taxes are recognized using the liability method on all temporary differences between the tax and book values of assets and liabilities in the consolidated balance sheet.

Deferred tax assets on loss carry-forwards are recognized in accordance with the criteria set out in IAS 12, i.e. deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized

In thousands of euros	Deferred taxes from temporary differences	Deferred taxes from employee benefits	Total deferred taxes income tax assets
Opening	**0**	**0**	**0**
Acquisition of CryoPDP group	170	69	**239**
Increase / (Decrease) of the period			**0**
Foreign exchange rate adjustment	-5		**-5**
At end of period	**165**	**69**	**234**

Tax assets and liabilities are grouped by group of fiscal units.

Potential deferred tax assets related to tax losses carryforward have not been recognized considering the historical tax losses. The CryoPDP group's tax losses carry forward at FY19 end are the following:

In thousands of euros	**12/31/2019**
France	0
Pologne	607
USA	1,090
UK	0
Singapore	2,269
Australie	19
Portugal	28
At end of period	**4,013**

Note 13: Accounts payable

In thousands of euros	**09/30/2020**
Opening	**4**
Acquisition of CryoPDP group	**6,002**
Increase (decrease) during the year	**-582**
Foreign exchange rate adjustment	**55**
At end of period	**5,479**

Note 14: Other current liabilities

In thousands of euros	**Suppliers of capital assets**	**Employee-related Payables**	**Taxes Payable**	**Other Payables**	**Total other current liabilities**
Opening	**0**	**0**	**0**	**0**	**0**
Acquisition of CryoPDP group	26	918	2,019	578	**3,541**
Increase (decrease) during the year	189	83	-515	-9	**-252**
Foreign exchange rate adjustment		-2	20	-4	**14**
At end of period	**215**	**999**	**1,524**	**565**	**3,303**
	215	999	1,524	565	**3,303**

Note 15: Short-term debts and long-term debts

Bank overdraft are included in the short-term debt.

Borrowings also include short and medium-term bank loans and debts related to rights of use.

Interest-bearing loans and overdrafts are initially recognized at fair value and subsequently measured at amortized cost using the effective interest rate method. Differences between the amounts received (net of direct issue costs) and the amounts due on settlement or repayment are amortized to income over the term of the loan using this method.

In thousands of euros	Opening	Acquisition of CryoPDP group	New borrowings	Repayments	Other reclassifications	Currency Translation Adjustment	At end of period
Borrowings non current portion			21,700		(17,700)		4,000
Long-term leases liabilities - IFRS 16		1,014	20		(132)	2	904
Other financial liabilities non current							
Long-term debt		**1,014**	**21,720**		**(17,832)**	**2**	**4,904**
Borrowings current portion		27,481		(27,612)	17,700	131	17,700
Short-term leases liabilities - IFRS 16		797	75	(175)	132	4	833
Other financial liabilities current			3,067			(19)	3,048
Accrued Interest		1	183				184
Short-term debt and current portion of long-term debt		**28,279**	**3,325**	**(27,787)**	**17,832**	**116**	**21,765**
Financial debt		**29,293**	**25,045**	**(27,787)**		**118**	**26,669**

In thousands of euros	Opening	Acquisition of CryoPDP group	New borrowings	Repayments	Other	Currency Translation Adjustments	At end of period
Financial liabilities		29,293	25,045	(27,787)		118	26,669
Cash and cash equivalent		(3,670)			(3,366)	(27)	(7,063)
Net debt		**25,623**	**25,045**	**(27,787)**	**(3,366)**	**91**	**19,606**

Prior to the transaction between ALSA and HCP, CryoPDP had only intercompany financial indebtedness with ALSA.

On the closing date of the acquisition of CryoPDP from ALSA, HCP refinanced all the financial debts and set up a 21.7m€ financing. The main terms of this new debt were:

- 17.7m€: a 7-year in fine repayable bond loan with attached warrants, bearing interest at Euribor (3 or 6 months) + 6% margin. Each bond comprises a Class 1 warrant and a Class 2 warrant, which shall give the right to subscribe respectively to 502 Atlas' preferred shares and 40 Atlas' ordinary shares.

- Furthermore, a 5m€ capex line facility for potential future acquisitions on the same terms of repayment and interest as the 17.7m€ loan was agreed with the lenders. This capex line was not drawn as of September 30, 2020.

- 4m€ interest free seller's loan repayable in two instalments: 0.5m€ to be repaid 5 years after the acquisition and 3.5m€ to be repaid 8 years after the acquisition.

- Two factoring arrangement contracts were signed at the beginning of August on the French and the UK operational entities for respectively 1.1m€ and 1.9m€. The factored accounts receivable are not derecognized and they are classified in short-term financial borrowings (see "Credit Risk").

The Sale and Purchase Agreement of the acquisition of Atlas by CryoPort signed on August 21, 2020 provides that the 17.7 m€ long-term loan was due and repayable at the date of the effective acquisition on October 1st, 2020. In that extent, the loan is classified as short-term financial liability at September 2020 end. Furthermore, on October 01st 2020, the change in shareholder control breaks one of the covenants provided by the loan agreement, and the loans become due and payable.

At the closing of the transaction between HCP and Cryoport (October 1st, 2020), all the existing debt was refinanced except the 4m€ seller's loan which remains in place:

- An intercompany loan was set up between Cryoport NV and CryoPDP for 18.8m€ in order to repay the 17.7m€. The 18.8 m€ intercompany loan with Cryoport NV have a maturity up to 2029 and an interest bearing as per Arm's Length Standard as per OECD rules and regulations.

- 5m€ of additional capex facility agreed by the lenders were not drawn down and therefore cancelled

- Factoring facilities remains for the same amount as of September 30, 2020.

According to IFRS 9, the borrowings are measured using the amortized cost method. The 1.3m€ financing costs incurred for the financing of the acquisition of the CryoPDP Group by Atlas have been spread from the date of the CryoPDP acquisition until the date of the refinancing by CryoPort.

Note 16: Accrued pension plan liability

The Group accounts for defined benefit plans and defined contribution plans in respect of its retirement commitments, in accordance with the laws and practices of each country in which the Group operates.

The Group accounts for its pension commitments using the projected unit credit method as required by IAS 19. This valuation incorporates assumptions concerning mortality rates, staff turnover and future salary projections. The liability recognized in the balance sheet at each balance sheet date is the present value of the defined benefit obligation.

They mainly comprise retirement indemnities under the collective bargaining agreement in France. The main assumptions used in 2019 are a discount rate of 0.77% and a salary increase rate of 3%. The amount has not been discounted. No variation has been booked at September 2020 end as it was not relevant.

	12/31/2019
Average discount rate	0,77%
Mortality table	INSEE TD-TV 14-16
Age of retirement	60 - 62 years
Future salary increase	3%
Turnover rate	0% - 6%

Note 17: Share capital

Earnings per share are calculated by dividing the consolidated net income of CryoPDP by the weighted average number of shares outstanding during the period.

Diluted earnings per share are calculated assuming the exercise of all dilutive options and using the "treasury stock" method as defined in IAS 33 Earnings per Share.

	09/30/2020
Weighted average number of shares	**12,432,500**
Weighted average number of shares in the calculation of diluted earnings per share	**13,391,840**

The share capital consists of 12,432,500 shares.

There are dilutive instruments: 1.770 BSA Class 1 entitling 888,540 preference shares and 1.770 BSA entitling 70,800 common shares, associated with the 17.7 m€ bonds issued for the financing of the acquisition.

Note 18: Revenue recognition

The Group's revenues are recognized when the customer obtains control of the service. Control is defined as the ability to decide on the use of the asset and to obtain substantially all of the residual economic benefits. Most of the Group revenue is composed of transportation services recognized upon full execution of the service according to incoterms transportation contract.

Note 19: Other operating income and expenses

Operating income and expenses include all income and expenses directly related to the Group's activities, whether these income and expenses are recurring or result from one-off decisions or transactions.

Other operating income and expenses are defined as unusual, abnormal, infrequent and significant.

As of 30 09 2020, other operating income and expenses represented a net expense of €-2.6m K split as below:

In thousands of euros	09/30/2020
Acquisition costs (not related to financing)	-2,618
Others	-14
Total	**-2,632**

Note 20: Financial result

Cost of net financial debt is comprised of all income and expenses generated by the components of the cost of gross financial debt less those relating to cash and cash equivalents, including the related interest rate hedging gains and losses.

Gross financial debt comprises current and non-current borrowings, other current and non-current financial liabilities and derivatives.

Other financial income and expenses are those not included in the cost of net financial debt. They mainly comprise foreign exchange gains and losses and other miscellaneous financial income and expenses.

The financial result includes 1.3m€ of financing costs and anticipated repayment fees paid to the lenders.

Note 21: Income tax

The income tax as of September 30, 2020 was calculated on the basis of the actual taxable profit / (loss) of each entity.

According to IAS 12, a tax must be calculated based on a net amount of income and expenses, and this net amount may be different from the net accounting income.

The CVAE (Cotisation sur la Valeur Ajoutée des Entreprises) meets the definition of an income tax as set forth IAS 12 and therefore has been recognized under «Income taxes".

In thousands of euros	**Statutory**
Payable income tax	**-664**
Deferred income tax	**3**
Income tax	**-661**

In thousands of euros	**Statutory**
Profit before tax	-4,089
Parent company's tax rate	28%
Theoretical tax (charge) / gain	**1,145**
Impact of unbook tax losses carried forward	-1,332
Provision for uncertainties tax position	-450
Others adjustments (permanent differences, rate, …)	-24
Real tax (charge) / gain	**-661**
Effective tax rate	-16%

Following IAS 12 and IFRIC 23, the group analyzed its tax uncertain position in all geographic and a 450 k€ accrual was accounted for.

Note 22: Off-balance sheet commitments and contingent liabilities

As part of the deal with Air Liquide, Atlas obtained from Air Liquide a liability guarantee for specific identified risks and a general liability guarantee capped to 5 m€ over a 24 months period.

The SPA also provides with an earn-out to pay by Atlas to Air Liquide if the FY20 EBITDA of CryoPDP subgroup will exceed 4.4 m€. The maximum earn-out is 4.4 m€ if the EBITDA exceed 5.7 m€.

The two bonds loans (17.7 m€ and undrawn 5.0 m€), which were fully refinanced on October 1st, 2020, were subject to financial conditions related to:

- a minimum EBITDA for FY20 and FY21,

- a certain level of cash at FY21 end

- the ratio of Cashflow to Debt Service not less than 1.0

- the net senior leverage ratio (Total Senior Net Debt to Consolidated EBITDA) not exceeding specific decreasing ratios assessed every month from Dec21 end to the maturity date of the loans.

Furthermore, the Group has commitments on lease agreements signed before September 2020 end starting later. The new office in Tremblay (replacing the old AL facility in Bobigny) is signed for 10years- starting date 1st November 2020, with a monthly rent of 12.9k€. Total commitment of 1.5m€.

Note 23: Related party disclosures

HCP is considered as a related party. HCP charged 837 k€ of services to Atlas, of which 531 k€ remain in accounts payables on September 30, 2020 and will be repaid immediately after.

Note 24: Subsequent events

On October 1st, 2020, HCP sold to Cryoport Inc 100% of the shares of Atlas and all its subsidiaries. All the existing financial debt was refinanced except the 4m€ seller's loan. For further information, please refer to Note 15 above.