UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the quarterly period ended March 31, 2020

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

For the transition period from _____ to _____.

Commission File Number: 001-34632

CRYOPORT, INC.
(Exact Name of Registrant as Specified in its Charter)

Nevada	**88-0313393**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

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

(949) 470-2300
(Registrant's telephone number, including area code)

(Former name, former address and former fiscal year, if changed since last report)

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

Title of each class:	**Trading Symbol(s)**	**Name of each exchange on which registered:**
Common Stock, $0.001 par value	CYRX	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)
Warrants to purchase Common Stock	CYRXW	The Nasdaq Stock Market LLC (The Nasdaq Capital Market)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes x No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.:

Large accelerated filer	¨	Accelerated filer	x
Non-accelerated filer	¨	Smaller reporting company	x
Emerging growth company	¨		

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

Indicate by check mark whether the Registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

As of April 30, 2020 there were 38,101,393 shares of the registrant's common stock outstanding.

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Cryoport, Inc. and Subsidiaries
Condensed Consolidated Balance Sheets

	March 31, 2020 (unaudited)	December 31, 2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 50,622,454	$ 47,234,770
Short-term investments	46,809,959	47,060,786
Accounts receivable, net	6,139,538	7,098,191
Inventories	464,588	473,961
Prepaid expenses and other current assets	1,002,189	1,096,855
Total current assets	105,038,728	102,964,563
Property and equipment, net	12,459,703	11,833,057
Operating lease right-of-use assets	6,068,616	4,460,319
Intangible assets, net	5,073,182	5,177,578
Goodwill	10,999,722	10,999,722
Deposits	483,300	437,299
Total assets	$ 140,123,251	$ 135,872,538
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable and other accrued expenses	$ 3,171,821	$ 2,498,375
Accrued compensation and related expenses	2,671,473	1,903,720
Deferred revenue	341,150	367,867
Operating lease liabilities	813,574	665,901
Finance lease liabilities	72,207	24,617
Total current liabilities	7,070,225	5,460,480
Operating lease liabilities, net of current portion	5,568,845	4,101,236
Finance lease liabilities, net of current portion	149,297	8,539
Deferred tax liability	29,937	20,935
Total liabilities	12,818,304	9,591,190
Commitments and contingencies		
Stockholders' Equity:		
Preferred stock, $0.001 par value; 2,500,000 shares authorized:		
Class A convertible preferred stock — $0.001 par value; 800,000 shares authorized; none issued and outstanding	—	—
Class B convertible preferred stock — $0.001 par value; 585,000 shares authorized; none issued and outstanding	—	—
Common stock, $0.001 par value; 100,000,000 shares authorized; 37,930,255 and 37,339,787 issued and outstanding at March 31, 2020 and December 31, 2019, respectively	37,930	37,340
Additional paid-in capital	290,106,664	285,609,022
Accumulated deficit	(163,262,856)	(159,319,963)
Accumulated other comprehensive income (loss)	423,209	(45,051)
Total stockholders' equity	127,304,947	126,281,348
Total liabilities and stockholders' equity	$ 140,123,251	$ 135,872,538

See accompanying notes to condensed consolidated financial statements.

Cryoport, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(unaudited)

	For the Three Months Ended March 31,	
	2020	**2019**
Revenues	$ 9,774,075	$ 6,652,912
Cost of revenues	4,516,111	3,199,011
Gross margin	5,257,964	3,453,901
Operating costs and expenses:		
General and administrative	4,030,042	2,696,859
Sales and marketing	3,081,427	2,407,992
Engineering and development	1,732,726	489,596
Total operating costs and expenses	8,844,195	5,594,447
Loss from operations	(3,586,231)	(2,140,546)
Other income (expense):		
Interest expense	(2,451)	(338,728)
Other income (expense), net	(321,186)	91,472
Loss before provision for income taxes	(3,909,868)	(2,387,802)
Benefit (provision) for income taxes	(33,025)	900
Net loss	$ (3,942,893)	$ (2,386,902)
Net loss per share – basic and diluted	$ (0.11)	$ (0.08)
Weighted average shares outstanding – basic and diluted	37,548,549	30,441,996

See accompanying notes to condensed consolidated financial statements.

Cryoport, Inc. and Subsidiaries
Condensed Consolidated Statements of Comprehensive Loss

	For the Three Months Ended March 31,	
	2020	**2019**
Net loss	$ (3,942,893)	$ (2,386,902)
Other comprehensive income (loss), net of tax:		
Net unrealized gain on available-for-sale debt securities	470,924	30,872
Reclassification of realized gain on available-for-sale debt securities to earnings	(394)	(3,098)
Foreign currency translation adjustments	(2,270)	(10,080)
Other comprehensive gain	468,260	17,694
Total comprehensive loss	$ (3,474,633)	$ (2,369,208)

Cryoport, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity

See accompanying notes to condensed consolidated financial statements.

	Class A Preferred Stock		Class B Preferred Stock		Common Stock		Additional Paid–In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income	Total Stockholders' Equity (Deficit)
	Shares	Amount	Shares	Amount	Shares	Amount				
Balance at December 31, 2018	—	$ —	—	$ —	30,319,038	$ 30,319	$ 179,501,577	$ (140,988,484)	$ 3,153	$ 38,546,565
Net loss	—	—	—	—	—	—	—	(2,386,902)	—	(2,386,902)
Other comprehensive income, net of taxes	—	—	—	—	—	—	—	—	17,694	17,694
Stock-based compensation expense	—	—	—	—	—	—	1,396,235	—	—	1,396,235
Issuance of common stock for board of director compensation	—	—	—	—	1,319	1	17,499	—	—	17,500
Proceeds from exercise of stock options and warrants	—	—	—	—	357,143	358	1,315,488	—	—	1,315,846
Balance at March 31, 2019	—	$ —	—	$ —	30,677,500	$ 30,678	$ 182,230,799	$ (143,375,386)	$ 20,847	$ 38,906,938
Balance at December 31, 2019	—	$ —	—	$ —	37,339,787	$ 37,340	$ 285,609,022	$ (159,319,963)	$ (45,051)	$ 126,281,348
Net loss	—	—	—	—	—	—	—	(3,942,893)	—	(3,942,893)
Other comprehensive income, net of taxes	—	—	—	—	—	—	—	—	468,260	468,260
Stock-based compensation expense	—	—	—	—	—	—	1,599,711	—	—	1,599,711
Issuance of common stock for board of director compensation	—	—	—	—	1,269	1	20,666	—	—	20,667
Proceeds from exercise of stock options and warrants	—	—	—	—	589,199	589	2,877,265	—	—	2,877,854
Balance at March 31, 2020	—	$ —	—	$ —	37,930,255	$ 37,930	$ 290,106,664	$ (163,262,856)	$ 423,209	$ 127,304,947

Cryoport, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(unaudited)

	For the Three Months Ended March 31,	
	2020	**2019**
Cash Flows From Operating Activities:		
Net loss	$ (3,942,893)	$ (2,386,902)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	824,429	300,565
Amortization of debt discount	—	15,383
Unrealized gain on investments in equity securities	(144,415)	(31,545)
Realized loss on investments in equity securities	793,175	—
Realized gain on available-for-sale investments	(10,934)	—
Stock-based compensation expense	1,620,378	1,413,735
Loss on disposal of property and equipment	80,593	47,603
Provision for bad debt	3,976	—
Changes in operating assets and liabilities:		
Accounts receivable	954,677	(664,667)
Inventories	9,373	(6,576)
Prepaid expenses and other current assets	94,666	10,049
Deposits	(46,001)	—
Change in operating lease right-of-use assets and lease liabilities	6,986	(9,309)
Accounts payable and other accrued expenses	65,312	659,335
Accrued compensation and related expenses	767,753	491,123
Deferred revenue	(26,717)	(28,397)
Deferred tax liability	9,002	—
Net cash provided by (used in) operating activities	1,059,360	(189,603)
Cash Flows From Investing Activities:		
Purchases of property and equipment	(596,159)	(1,121,025)
Purchases of short-term investments	(16,195,335)	(5,010,461)
Sales/maturities of short-term investments	16,278,866	500,000
Patent and trademark costs	(29,854)	(20,488)
Net cash used in investing activities	(542,482)	(5,651,974)
Cash Flows From Financing Activities:		
Proceeds from exercise of stock options and warrants	2,877,854	1,315,846
Payment of deferred financing costs	—	(19,748)
Repayment of finance lease liabilities	(14,299)	(5,678)
Net cash provided by financing activities	2,863,555	1,290,420
Effect of exchange rates on cash and cash equivalents	7,251	(3,982)
Net change in cash and cash equivalents	3,387,684	(4,555,139)
Cash and cash equivalents — beginning of period	47,234,770	37,327,125
Cash and cash equivalents — end of period	$ 50,622,454	$ 32,771,986
Supplemental Disclosure of Non-Cash Financing Activities:		
Net unrealized gain on available-for-sale securities	$ 470,924	$ 30,872
Reclassification of realized gain on available-for-sale debt securities to earnings	$ 394	$ 3,098
Purchase of equipment through capital lease obligations	$ 202,619	$ —
Fixed assets included in accounts payable and accrued liabilities	$ 608,134	$ —

See accompanying notes to condensed consolidated financial statements.

Cryoport, Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements
For the Three Months Ended March 31, 2020 and 2019
(Unaudited)

Note 1. Management's Representation and Basis of Presentation

The accompanying unaudited condensed consolidated financial statements have been prepared by Cryoport, Inc. (the "Company", "Cryoport", "our" or "we") in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information, and pursuant to the instructions to Form 10-Q and Article 10 of Regulation S-X promulgated by the Securities and Exchange Commission ("SEC"). Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statement presentation. However, the Company believes that the disclosures are adequate to make the information presented not misleading. In the opinion of management, all adjustments (consisting primarily of normal recurring accruals) considered necessary for a fair presentation have been included.

Operating results for the three months ended March 31, 2020 are not necessarily indicative of the results that may be expected for the year ending December 31, 2020. The unaudited condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

The Company has evaluated subsequent events through the date of this filing and determined that no subsequent events have occurred that would require recognition in the unaudited condensed consolidated financial statements or disclosure in the notes thereto other than as disclosed in the accompanying notes.

Note 2. Nature of the Business

Cryoport Inc. ("Cryoport", "we", or "our") is a life sciences services company that is an integral part of the supply chain supporting the biopharma, reproductive medicine and animal health markets. We are redefining logistics for the life sciences industry by providing a unique platform of critical solutions including highly differentiated temperature-controlled logistics, which include advanced packaging and informatics, and biostorage services. Through our products, services and unparalleled expertise, we enable our clients to ship, store and deliver cellular-based materials and drug products as well as other life sciences commodities in a precise, defined temperature-controlled state.

Cryoport's advanced platform, comprised of comprehensive and technology-centric systems and solutions are designed to support the global high-volume distribution of commercial biologic and cell-based products and therapies regulated by the United States Food and Drug Administration (FDA) and other international regulatory bodies for distribution in the Americas, EMEA (Europe, the Middle East, and Africa) and APAC (Asia-Pacific) regions. Cryoport's solutions are also designed to support pre-clinical, clinical trials, Biologics License Applications (BLA), Investigational New Drug Applications (IND) and New Drug Applications (NDA) with the FDA, as well as global clinical trials initiated in other countries, where strict regulatory compliance and quality assurance is mandated. Our industry standard setting Chain of ComplianceTM solutions, which include vital analytics, such as 'chain-of-condition' and 'chain-of-custody' information in a single data stream, empower our clients' continuous vigilance over their respective commodities. In addition, our Chain of ComplianceTM standard ensures full traceability of the equipment used and the processes employed, further supporting each client's goal of minimizing risk and maximizing success of their respective new biologics or other products and therapies as they are introduced into the global markets.

On May 14, 2019, the Company acquired substantially all of the assets of Cryogene Partners, a Texas general partnership doing business as Cryogene Labs ("Cryogene"). Cryogene operates a temperature-controlled biostorage solutions business in Houston, Texas. As a result of the Cryogene acquisition, the Company operates in two reportable segments: Global Logistics Solutions and Global Bioservices. See Note 6 for segment information.

The Company is a Nevada corporation and its common stock is traded on the NASDAQ Capital Market exchange under the ticker symbol "CYRX."

Note 3. Summary of Significant Accounting Policies

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of Cryoport, Inc. and its wholly owned subsidiaries, Cryoport Systems, Inc., Cryoport Netherlands B.V., Cryoport UK Limited and Cryogene, Inc. (collectively, the "Company"). All intercompany accounts and transactions have been eliminated.

Cash and Cash Equivalents

Our cash and cash equivalents represent demand deposits, and money market funds which are readily convertible into cash, have maturities of 90 days or less when purchased and are considered highly liquid and easily tradeable.

Short-Term Investments

Our investments in equity securities consist of mutual funds with readily determinable fair values which are carried at fair value with changes in fair value recognized in earnings.

Investments in debt securities are classified as available-for-sale and are carried at fair value, with unrealized gains and losses, net of tax, reported as accumulated other comprehensive income (loss) and included as a separate component of stockholders' equity.

Gains and losses are recognized when realized. When we have determined that an other than temporary decline in fair value has occurred, the amount related to a credit loss is recognized in earnings. Gains and losses are determined using the specific identification method.

Short-term investments are classified as current assets even though maturities may extend beyond one year because they represent investments of cash available for operations.

Use of Estimates

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from estimated amounts. The Company's significant estimates include the allowance for doubtful accounts, fair value of short-term investments, fair value of assets acquired and liabilities assumed in business combinations, recoverability of goodwill and long-lived assets, allowance for inventory obsolescence, deferred taxes and their accompanying valuations, and valuation of equity-based instruments.

Fair Value of Financial Instruments

The Company's financial instruments consist of cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued expenses, finance lease liabilities and the convertible note. The carrying value for all such instruments, except finance lease liabilities and the convertible note, approximates fair value at March 31, 2020 and December 31, 2019 due to their short-term nature. The carrying value of finance lease liabilities approximates fair value because the interest rate approximates market rates available to us for similar obligations with the same maturities.

Concentrations of Credit Risk

Financial instruments that potentially subject us to concentrations of credit risk consist primarily of cash, cash equivalents and short-term investments. From time to time, we maintain cash, cash equivalent and short-term investment balances in excess of amounts insured by the Federal Deposit Insurance Corporation ("FDIC") and the Securities Investor Protection Corporation ("SIPC"). Primarily all of our cash, cash equivalents and short-term investments at March 31, 2020 were in excess of amounts insured by the FDIC and SIPC. The Company performs ongoing evaluations of these institutions to limit its concentration risk exposure. We manage such risks in our portfolio by investing in highly liquid, highly-rated instruments, and limit investing in long-term maturity instruments.

Our investment policy requires that purchased instruments in marketable securities may only be in highly-rated instruments, which are primarily U.S. Treasury bills or treasury-backed securities, and also limits our investment in securities of any single issuer.

Customers

The Company grants credit to customers within the U.S. and to a limited number of international customers and does not require collateral. Revenues from international customers are generally secured by advance payments except for established foreign customers. The Company generally requires advance or credit card payments for initial revenues from new customers. The Company's ability to collect receivables can be affected by economic fluctuations in the geographic areas and industries served by the Company. Reserves for uncollectible amounts are provided based on past experience and a specific analysis of the accounts, which management believes to be sufficient. Accounts receivable at March 31, 2020 and December 31, 2019 are net of reserves for doubtful accounts of $140,000. Although the Company expects to collect amounts due, actual collections may differ from the estimated amounts. The Company maintains reserves for bad debt and such losses, in the aggregate, historically have not exceeded its estimates.

The Company's customers are in the biotechnology, pharmaceutical, animal health, reproductive medicine and other life science industries. Consequently, there is a concentration of accounts receivable within these industries, which is subject to normal credit risk. As of March 31, 2020, there were two customers that accounted for 36.2% and 13.6%, respectively, of net accounts receivable. As of December 31, 2019, there were two customers that accounted for 31.0% and 20.7%, respectively, of net accounts receivable. There were no other single customers that owed us more than 10% of net accounts receivable at March 31, 2020 and December 31, 2019.

The Company has revenue from foreign customers primarily in Europe, Japan, Canada, India and Australia. During the three months ended March 31, 2020 and 2019, the Company had revenues from foreign customers of approximately $2.1 million and $483,800, respectively, which constituted approximately 21.4% and 13.1%, respectively, of total revenues. There were three customers that accounted for 17.9%, 16.7% and 10.8% of revenues during the three months ended March 31, 2020, respectively. There were two customers that accounted for 24.7% and 10.6% of revenues during the three months ended March 31, 2019, respectively. No other single customer generated over 10% of revenues during the three months ended March 31, 2020 and 2019.

Inventories

The Company's inventories consist of packaging materials and accessories that are sold to customers. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the standard cost method which approximates the first-in, first-to-expire method. Inventories are reviewed periodically for slow-moving or obsolete status. The Company writes down the carrying value of its inventories to reflect situations in which the cost of inventories is not expected to be recovered. Once established, write-downs of inventories are considered permanent adjustments to the cost basis of the obsolete or excess inventories. Raw materials and finished goods include material costs less reserves for obsolete or excess inventories. The Company evaluates the current level of inventories considering historical trends and other factors, such as selling prices and costs of completion, disposal and transportation, and based on the evaluation, records adjustments to reflect inventories at net realizable value. These adjustments are estimates, which could vary significantly from actual results if future economic conditions, customer demand, competition or other relevant factors differ from expectations. These estimates require us to make assessments about future demand for the Company's products in order to categorize the status of such inventories items as slow-moving, obsolete or in excess-of-need. These estimates are subject to the ongoing accuracy of the Company's forecasts of market conditions, industry trends, competition and other factors.

Property and Equipment

The Company provides engineered shipping packages ("Cryoport Express® Shippers") to its customers and charges a fee in exchange for the use of the Cryoport Express® Shipper. The Company's arrangements are similar to the accounting standard for leases since they convey the right to use the Cryoport Express® Shipper over a period of time. The Company retains the title to the Cryoport Express® Shippers and provides its customers the use of the Cryoport Express® Shipper for a specific shipping cycle. At the culmination of the customer's shipping cycle, the Cryoport Express® Shipper is returned to the Company. As a result, the Company classifies the Cryoport Express® Shippers as property and equipment for the per-use Cryoport Express® Shipper program.

Property and equipment are recorded at cost. Cryoport Express® Shippers, which include SmartPak II™ Condition Monitoring Systems and/or data loggers, comprise 18% and 20% of the Company's net property and equipment balance at March 31, 2020 and December 31, 2019, respectively, and are depreciated using the straight-line method over their estimated useful lives of three years. Mechanical and liquid nitrogen freezers acquired in the Cryogene acquisition comprise 23% of the Company's net property and equipment balance at March 31, 2020 and are depreciated using the straight-line method over their estimated useful lives of seven to twelve years. Equipment and furniture are depreciated using the straight-line method over their estimated useful lives (generally three to fifteen years) and leasehold improvements are amortized using the straight-line method over the estimated useful life of the asset or the lease term, whichever is shorter.

Betterments, renewals and extraordinary repairs that extend the lives of the assets are capitalized; other repairs and maintenance charges are expensed as incurred. The cost and related accumulated depreciation and amortization applicable to assets retired are removed from the accounts, and the gain or loss on disposition is recognized in the consolidated statements of operations.

Leases

The Company determines if an arrangement is a lease at inception. Operating lease right-of-use ("ROU") assets represent the Company's right to use an underlying asset during the lease term, and operating lease liabilities represent the Company's obligation to make lease payments arising from the lease. Operating leases are included in ROU assets, current operating lease liabilities, and long-term operating lease liabilities on our consolidated balance sheets. Finance leases are included in property and equipment, current finance lease liabilities, and long-term finance lease liabilities on our consolidated balance sheets.

Lease ROU assets and lease liabilities are initially recognized based on the present value of the future minimum lease payments over the lease term at commencement date calculated using our incremental borrowing rate applicable to the lease asset, unless the implicit rate is readily determinable. ROU assets also include any lease payments made at or before lease commencement and exclude any lease incentives received. Our lease terms may include options to extend or terminate the lease when it is reasonably certain that we will exercise that option. Leases with a term of 12 months or less are not recognized on the condensed consolidated balance sheet. The Company's leases do not contain any residual value guarantees. Lease expense for minimum lease payments is recognized on a straight-line basis over the lease term.

The Company accounts for lease and non-lease components as a single lease component for all its leases.

Goodwill

The Company evaluates goodwill on an annual basis in the fourth quarter or more frequently if management believes indicators of impairment exist. Such indicators could include, but are not limited to: (1) a significant adverse change in legal factors or in business climate, (2) unanticipated competition, or (3) an adverse action or assessment by a regulator. The Company compares the fair value of the reporting unit with its carrying amount and then recognizes an impairment charge for the amount by which the carrying amount exceeds the reporting units fair value up to the total amount of goodwill allocated to the reporting unit. The Company assessed triggering events indicating potential goodwill impairment and after assessment, concluded that there was no impairment during the three months ended March 31, 2020.

Intangible Assets

Intangible assets are comprised of patents, trademarks, software development costs and the intangible assets acquired in the Cryogene acquisition which include a non-compete agreement, technology, customer relationships and trade name/trademark. The Company capitalizes costs of obtaining patents and trademarks, which are amortized, using the straight-line method over their estimated useful life of five years once the patent or trademark has been issued. The Company capitalizes certain costs related to software developed for internal use. Software development costs incurred during the preliminary or maintenance project stages are expensed as incurred, while costs incurred during the application development stage are capitalized and amortized using the straight-line method over the estimated useful life of the software, which is five years. Capitalized costs include purchased materials and costs of services. The non-compete agreement, technology, customer relationships and Cryogene trade name/trademark acquired in the Cryogene acquisition are amortized using the straight-line method over the estimated useful lives (see Note 7).

The Company evaluates the recoverability of identifiable intangible assets whenever events or changes in circumstances indicate that an intangible asset's carrying amount may not be recoverable. Such circumstances could include, but are not limited to: (1) a significant decrease in the market value of an asset, (2) a significant adverse change in the extent or manner in which an asset is used, or (3) an accumulation of costs significantly in excess of the amount originally expected for the acquisition of an asset. The Company measures the carrying amount of the asset against the estimated undiscounted future cash flows associated with it. Should the sum of the expected future net cash flows be less than the carrying value of the asset being evaluated, an impairment loss would be recognized. The impairment loss would be calculated as the amount by which the carrying value of the asset exceeds its fair value. The estimate of fair value is based on various valuation techniques, including the discounted value of estimated future cash flows. The evaluation of asset impairment requires the Company to make assumptions about future cash flows over the life of the asset being evaluated. These assumptions require significant judgment and actual results may differ from assumed and estimated amounts. There was no impairment of intangible assets during the three months ended March 31, 2020.

Other Long-lived Assets

If indicators of impairment exist, we assess the recoverability of the affected long-lived assets by determining whether the carrying value of such assets can be recovered through undiscounted future operating cash flows. If impairment is indicated, we measure the amount of such impairment by comparing the fair value to the carrying value. We believe the future cash flows to be received from the long-lived assets will exceed the assets' carrying value, and accordingly, we have not recognized any impairment losses through March 31, 2020.

Deferred Financing Costs

Deferred financing costs represent costs incurred in connection with the issuance of debt instruments and equity financings. Deferred financing costs related to the issuance of debt are amortized over the term of the financing instrument using the effective interest method and are presented in the consolidated balance sheets as an offset against the related debt. Offering costs from equity financings are netted against the gross proceeds received from the equity financings.

Income Taxes

The Company accounts for income taxes under the provision of the Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 740, *Income Taxes*, or ASC 740. As of March 31, 2020 and December 31, 2019, there were no unrecognized tax benefits included in the accompanying condensed consolidated balance sheets that would, if recognized, affect the effective tax rates.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance is provided for certain deferred tax assets if it is more likely than not that the Company will not realize tax assets through future operations. Based on the weight of available evidence, the Company's management has determined that it is more likely than not that the net deferred tax assets will not be realized. Therefore, the Company has recorded a full valuation allowance against the net deferred tax assets. The Company's income tax provision consists of state minimum taxes.

The Company's policy is to recognize interest and/or penalties related to income tax matters in income tax expense. The Company had no accrual for interest or penalties on its condensed consolidated balance sheets at March 31, 2020 and December 31, 2019 and has not recognized interest and/or penalties in the condensed consolidated statements of operations for the three months ended March 31, 2020 and 2019. The Company is subject to taxation in the U.S. and various state jurisdictions. As of March 31, 2020, the Company is no longer subject to U.S. federal examinations for years before 2015 and for California franchise and income tax examinations for years before 2014. However, to the extent allowed by law, the taxing authorities may have the right to examine prior periods where net operating losses were generated and carried forward and make adjustments up to the amount of the net operating loss carry forward amount. The Company is not currently under examination by U.S. federal or state jurisdictions.

On March 27, 2020, the United States enacted the Coronavirus Aid, Relief and Economic Security Act (CARES Act). The Cares Act is an emergency economic stimulus package that includes spending and tax breaks to strengthen the United States economy and fund a nationwide effort to curtail the effect of COVID-19. The CARES Act provides sweeping tax changes in response to the COVID-19 pandemic, some of the more significant provisions are removal of certain limitations on utilization of net operating losses, increasing the loss carryback period for certain losses to five years, and increasing the ability to deduct interest expense, as well as amending certain provisions of the previously enacted Tax Cuts and Jobs Act. At March 31, 2020, the Company has not booked any income tax provision/(benefit) for the impact for the CARES Act due the Company's history of net operating losses generated and the maintenance of a full valuation allowance against its net deferred tax assets. The Company will continue to analyze the impact that the CARES Act will have, if any, on its financial position, results of operations or cash flows.

Revenue Recognition

Revenues are recognized when control is transferred to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods and services. Revenue recognition is evaluated through the following five steps: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of revenue when or as a performance obligation is satisfied.

Performance Obligations

At contract inception, an assessment of the goods and services promised in the contracts with customers is performed and a performance obligation is identified for each distinct promise to transfer to the customer a good or service (or bundle of goods or services). To identify the performance obligations, the Company considers all of the goods or services promised in the contract regardless of whether they are explicitly stated or are implied by customary business practices. Revenue is recognized when our performance obligation has been met. The Company considers control to have transferred upon delivery because the Company has a present right to payment at that time, the Company has transferred use of the asset, and the customer is able to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

For arrangements under which the Company provides biological specimen storage services and logistics support and management to the customer, the Company satisfies its performance obligations as those services are performed whereby the customer simultaneously receives and consumes the benefits of such services under the agreement.

Revenue generated from short-term logistics and engineering consulting services provided to customers is recognized when the Company satisfies the contractually defined performance obligations.

Our performance obligations on our orders and under the terms of agreements with customers are generally satisfied within one year from a given reporting date and, therefore, we omit disclosure of the transaction price allocated to remaining performance obligations on open orders.

Shipping and handling activities related to contracts with customers are accounted for as costs to fulfill our promise to transfer the associated products pursuant to the accounting policy election allowed under Topic 606 and are not considered a separate performance obligation to our customers. Accordingly, the Company records amounts billed for shipping and handling as a component of revenue. Shipping and handling fees and costs are included in cost of revenues in the accompanying condensed consolidated statements of operations.

Revenues are recognized net of any taxes collected from customers, which are subsequently remitted to governmental agencies.

Significant Payment Terms

Pursuant to the Company's contracts with its customers, amounts billed for services or products delivered by the Company are generally due and payable in full within 15 to 60 days from the date of the invoice (except for any amounts disputed by the customer in good faith). Accordingly, the Company determined that its contracts with customers do not include extended payment terms or a significant financing component.

Variable Consideration

Variable consideration is estimated at the most likely amount that is expected to be earned. Estimated amounts are included in the transaction price to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Estimates of variable consideration and determination of whether to include estimated amounts in the transaction price are based largely on an assessment of the anticipated performance and all information (historical, current and forecasted) that is reasonably available

Revenues are recorded net of variable consideration, such as discounts and allowances.

Warranties

The Company's products and services are provided on an "as is" basis and no warranties are included in the contracts with customers. Also, the Company does not offer separately priced extended warranty or product maintenance contracts.

Incremental Direct Costs

The Company expenses incremental direct costs of obtaining a contract (sales commissions) when incurred because the amortization period is generally 12 months or less. The Company does not incur costs to fulfill a customer contract that meet the requirements for capitalization.

Contract Assets

Typically, we invoice the customer and recognize revenue once we have satisfied our performance obligation. Accordingly, our contract assets comprise accounts receivable, which are recognized when payment is unconditional and only the passage of time is required before payment is due. Generally, we do not have material amounts of other contract assets since revenue is recognized as control of goods is transferred or as services are performed.

Contract Liabilities (Deferred Revenue)

Contract liabilities are recorded when cash payments are received in advance of the Company's performance. Deferred revenue was $341,200 and $367,900 at March 31, 2020 and December 31, 2019, respectively. During the three months ended March 31, 2020, the Company recognized revenues of $152,800 from the related contact liabilities outstanding as the services were performed.

Nature of Goods and Services

The Global Logistics Solutions segment provides Cryoport Express® Shippers to its customers and charges a fee in exchange for the use of the Cryoport Express® Shipper under long-term master service agreements with customers. The Company's arrangements convey to the customers the right to use the Cryoport Express® Shippers over a period of time. The Company retains title to the Cryoport Express® Shippers and provides its customers the use of the Cryoport Express® Shipper for a specified shipping cycle. At the culmination of the customer's shipping cycle, the Cryoport Express® Shipper is returned to the Company.

The Global Bioservices segment provides comprehensive and integrated temperature-controlled biostorage solutions to customers in the life sciences industry and charges a fee under long-term master service agreements with customers. These services include (1) biological specimen cryopreservation storage and maintenance, (2) archiving, monitoring, tracking, receipt and delivery of samples, (3) transport of frozen biological specimens to and from customer locations, and (4) management of incoming and outgoing biological specimens.

The vast majority of our revenues are covered under long-term master service agreements. We have determined that individual Statements of Work or Scope of Work ("SOW"), whose terms and conditions taken with a Master Services Agreement ("MSA"), create the Topic 606 contracts which are generally short-term in nature (e.g., 15-day shipping cycle) for the Global Logistics Solutions segment and up to 12 months for the Global Bioservices segment. Our agreements (including SOWs) generally do not have multiple performance obligations and, therefore, do not require an allocation of a single price amongst multiple goods or services. Prices under these agreements are generally fixed. The Global Logistics Solutions segment recognizes revenue for the use of the Cryoport Express® Shipper at the time of the delivery of the Cryoport Express® Shipper to the end user of the enclosed materials, and at the time that collectability is probable. The Global Bioservices segment recognizes revenue as services are rendered over time and at the time that collectability is probable.

The Company also provides logistics support and management to some customers, which may include onsite logistics personnel. Revenue is recognized for these services as services are rendered over time and at the time that collectability is probable.

The Company also provides short-term logistics and engineering consulting services to some customers, with fees tied to the completion of contractually defined services. We recognize revenue from these services over time as the customer simultaneously receives and consumes the benefit of these services as they are performed.

Revenue Disaggregation

The Company operates in two reportable segments and evaluates financial performance on a Company-wide basis. We consider sales disaggregated by end-market to depict how the nature, amount, timing and uncertainty of revenues and cash flows are impacted by changes in economic factors. The following table disaggregates our revenues by major source for the three months ended March 31, 2020 and 2019:

(000's omitted)	Three Months Ended March 31, 2020	2019
Global Logistics Solutions:		
Biopharmaceutical	$ 7,517	$ 5,640
Reproductive Medicine	763	784
Animal Health	225	229
Total Global Logistics Solutions	8,505	6,653
Global Bioservices	1,269	—
Total revenues	$ 9,774	$ 6,653

Our geographical revenues, by origin, for the three months ended March 31, 2020 and 2019, were as follows:

(000's omitted)	Three Months Ended March 31, 2020	2019
Americas	$ 7,685	$ 6,169
Europe, the Middle East and Africa (EMEA)	1,932	364
Asia Pacific (APAC)	157	120
Total revenues	$ 9,774	$ 6,653

Engineering and Development Expenses

Expenditures relating to engineering and development are expensed in the period incurred to engineering and development expense in the statement of operations.

Stock-Based Compensation

The Company accounts for stock-based payments in accordance with stock-based payment accounting guidance which requires all stock-based payments to be recognized based upon their fair values. The fair value of stock-based awards is estimated at the grant date using the Black-Scholes Option Pricing Model ("Black-Scholes") and the portion that is ultimately expected to vest is recognized as compensation cost over the requisite service period. The determination of fair value using Black-Scholes is affected by the Company's stock price as well as assumptions regarding a number of complex and subjective variables, including expected stock price volatility, risk-free interest rate, expected dividends and expected term. The Company accounts for forfeitures of unvested awards as they occur.

The Company's stock-based compensation plans are discussed further in Note 11.

Basic and Diluted Net Loss Per Share

We calculate basic and diluted net income (loss) per share using the weighted average number of common shares outstanding during the periods presented. In periods of a net loss position, basic and diluted weighted average common shares are the same. For the diluted earnings per share calculation, we adjust the weighted average number of common shares outstanding to include dilutive stock options, warrants and shares associated with the conversion of convertible debt outstanding during the periods.

The following shows the amounts used in computing net loss per share for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31, 2020	2019
Net loss	$ (3,942,893)	$ (2,386,902)
Weighted average common shares issued and outstanding - basic and diluted	37,548,549	30,441,996
Basic and diluted net loss per share	$ (0.11)	$ (0.08)

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

	Three Months Ended March 31,	
	2020	2019
Stock options	3,867,924	2,986,999
Warrants	502,632	1,155,365
Convertible note	—	1,372,998
	4,370,556	5,515,362

Segment Reporting

We currently operate in two reportable segments, Global Logistics Solutions and Global Bioservices. The chief operating decision maker is our Chief Executive Officer.

Foreign Currency Transactions

Management has determined that the functional currency of its subsidiaries is the local currency. Assets and liabilities of the Netherlands and United Kingdom subsidiaries are translated into U.S. dollars at the period-end exchange rates. Income and expenses are translated at an average exchange rate for the period and the resulting translation gain (loss) adjustments are accumulated as a separate component of stockholders' equity. The translation gain (loss) adjustment totaled $(2,270) and $(10,080) for the three months ended March 31, 2020 and 2019, respectively. Foreign currency gains and losses from transactions denominated in other than respective local currencies are included in earnings. Foreign currency gains and losses for all periods presented were not significant.

Off-Balance Sheet Arrangements

We do not currently have any off-balance sheet arrangements.

Recently Adopted Accounting Pronouncements

In December 2019, the FASB issued ASU 2019-12 Income Taxes (Topic 740) Simplifying the Accounting for Income Taxes. The Board issued this Update as part of its Simplification Initiative to improve areas of GAAP and reduce cost and complexity while maintaining usefulness. The main provision that impacts the Company is the removal of the exception to the incremental approach of intra-period tax allocation when there is a loss from continuing operations and income or gain from other items (for example, discontinued operations and other comprehensive income). ASU 2019-12 is effective for annual periods, and interim periods within those annual periods, beginning after December 15, 2020. Early adoption is permitted, including adoption in an interim period. The Company has elected to early adopt ASU 2019-12. By early adopting, ASU 2019-12 becomes effective as of the beginning of 2020, however, there is no cumulative effect to be recognized with the early adoption.

In August 2018, the FASB issued ASU 2018--13, "Fair Value Measurement (Topic 820): Disclosure Framework—Changes to the Disclosure Requirements for Fair Value Measurement," which is part of the FASB disclosure framework project to improve the effectiveness of disclosures in the notes to the financial statements. The amendments in the new guidance remove, modify, and add certain disclosure requirements related to fair value measurements covered in Topic 820, "Fair Value Measurement." The new standard is effective for fiscal years beginning after December 15, 2019. Early adoption is permitted for either the entire standard or only the requirements that modify or eliminate the disclosure requirements, with certain requirements applied prospectively, and all other requirements applied retrospectively to all periods presented. We adopted this guidance on January 1, 2020. The adoption of this guidance did not have an impact on the Company's Condensed Consolidated Financial Statements or disclosures.

In January 2017, the FASB issued ASU 2017-04, "Intangibles—Goodwill and Other (Topic 350): Simplifying the Test for Goodwill Impairment", which is intended to simplify the subsequent accounting for goodwill acquired in a business combination. Prior guidance required utilizing a two-step process to review goodwill for impairment. A second step was required if there was an indication that an impairment may exist, and the second step required calculating the potential impairment by comparing the implied fair value of the reporting unit's goodwill (as if purchase accounting were performed on the testing date) with the carrying amount of the goodwill. The new guidance eliminates the second step from the goodwill impairment test. Under the new guidance, an entity should perform its annual, or interim, goodwill impairment test by comparing the fair value of a reporting unit with its carrying amount, and then recognize an impairment charge for the amount by which the carrying amount exceeds the reporting unit's fair value (although the loss should not exceed the total amount of goodwill allocated to the reporting unit). The guidance requires prospective adoption and will be effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019. We adopted this guidance on January 1, 2020. The adoption of this guidance did not have an impact on the Company's Condensed Consolidated Financial Statements or disclosures.

Accounting Guidance Issued but Not Adopted at March 31, 2020

In January 2020, the FASB issued ASU 2020-01, “Investments—Equity Securities (Topic 321), Investments—Equity Method and Joint Ventures (Topic 323), and Derivatives and Hedging (Topic 815): Clarifying the Interactions between Topic 321, Topic 323, and Topic 815.” The new guidance clarifies the interaction of accounting for the transition into and out of the equity method and the accounting for measuring certain purchased options and forward contracts to acquire investments. ASU 2020-01 is effective for fiscal years beginning after December 15, 2020, including interim periods within those fiscal years. Early adoption is permitted, including adoption in an interim period. We are currently evaluating the impact of adopting this guidance.

In December 2019, the FASB issued ASU 2019-12, “Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes,” as part of its initiative to reduce complexity in the accounting standards. The amendments in ASU 2019-12 eliminate certain exceptions related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. ASU 2019-12 also clarifies and simplifies other aspects of the accounting for income taxes. ASU 2019-12 is effective for fiscal years, and interim periods within those fiscal years, beginning after December 15, 2020. Early adoption is permitted, including adoption in any interim period. We are currently evaluating the impact of adopting this guidance.

In June 2016, the FASB issued ASU 2016-13, "Measurement of Credit Losses on Financial Instruments." This ASU replaces the incurred loss impairment methodology in current U.S. GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information for credit loss estimates on certain types of financial instruments, including trade receivables. In addition, new disclosures are required. The ASU, as subsequently amended, is effective for fiscal years beginning after December 15, 2022 for smaller reporting companies, as defined by the SEC. As a smaller reporting company, we are currently evaluating the impact of adopting this guidance. The Company currently believes the main impact of the new standard will relate to the Company’s assessment of its allowance for doubtful accounts on trade receivables.

Note 4. Cash, Cash Equivalents and Short-Term Investments

Cash, cash equivalents and short-term investments consisted of the following as of March 31, 2020 and December 31, 2019:

	March 31, 2020	December 31, 2019
Cash	$ 6,537,678	$ 546,893
Cash equivalents:		
Money market mutual fund	44,084,776	43,687,877
Total cash and cash equivalents	50,622,454	47,234,770
Short-term investments:		
U.S. Treasury notes and bills	32,675,970	21,094,100
Mutual funds	14,133,989	25,966,686
Total short-term investments	46,809,959	47,060,786
Cash, cash equivalents and short-term investments	$ 97,432,413	$ 94,295,556

Available-for-sale investments

The amortized cost, gross unrealized gains, gross unrealized losses and fair value of available-for-sale investments by type of security at March 31, 2020 were as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury notes	$ 32,232,999	$ 442,971	$ —	$ 32,675,970
Total available-for-sale investments	$ 32,232,999	$ 442,971	$ —	$ 32,675,970

The following table summarizes the fair value of available-for-sale investments based on stated contractual maturities as of March 31, 2020:

	Amortized Cost	Fair Value
Due within one year	$ 12,094,926	$ 12,154,380
Due between one and two years	20,138,073	20,521,590
Total	$ 32,232,999	$ 32,675,970

The amortized cost, gross unrealized gains, gross unrealized losses and fair value of available-for-sale investments by type of security at December 31, 2019 were as follows:

	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. Treasury notes	$ 21,121,659	$ 26,552	$ (54,111)	$ 21,094,100
Total available-for-sale investments	$ 21,121,659	$ 26,552	$ (54,111)	$ 21,094,100

The following table summarizes the fair value of available-for-sale investments based on stated contractual maturities as of December 31, 2019:

	Amortized Cost	Fair Value
Due within one year	$ 12,043,525	$ 12,046,700
Due between one and two years	9,078,134	9,047,400
Total	$ 21,121,659	$ 21,094,100

The primary objective of our investment portfolio is to enhance overall returns in an efficient manner while maintaining safety of principal, prudent levels of liquidity and acceptable levels of risk. Our investment policy limits interest-bearing security investments to certain types of debt and money market instruments issued by institutions with primarily investment-grade credit ratings, and it places restrictions on maturities and concentration by asset class and issuer.

We review our available-for-sale investments for other-than-temporary declines in fair value below our cost basis each quarter and whenever events or changes in circumstances indicate that the cost basis of an asset may not be recoverable. The evaluation is based on a number of factors, including the length of time and the extent to which the fair value has been below our cost basis, as well as adverse conditions related specifically to the security such as any changes to the credit rating of the security and the intent to sell or whether we will more likely than not be required to sell the security before recovery of its amortized cost basis. Our assessment of whether a security is other-than-temporarily impaired could change in the future based on new developments or changes in assumptions related to that particular security.

During the three months ended March 31, 2020, we had realized gains of $10,934 on available-for-sale investments.

Equity Investments

We held investments in equity securities with readily determinable fair values of $14.1 million at March 31, 2020. These investments consist of mutual funds that invest primarily in tax-free municipal bonds and treasury inflation protected securities.

Unrealized gains (losses) during 2020 related to equity securities held at March 31, 2020 are as follows:

Net losses recognized during the three months on equity securities	$ (648,760)
Less: net gains (losses) recognized during the period on equity securities sold during the period	(793,175)
Unrealized gains recognized during the three months on equity securities still held at March 31, 2020	$ 144,415

Note 5. Fair Value Measurements

We measure fair value based on the prices that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value measurements are based on a three-tier hierarchy that prioritizes the inputs used to measure fair value. These tiers include the following:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible at the measurement date. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data. These inputs include quoted prices for similar assets or liabilities; quoted market prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, we utilize valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as consider counterparty credit risk in the assessment of fair value.

We did not elect the fair value option, as allowed, to account for financial assets and liabilities that were not previously carried at fair value. Therefore, material financial assets and liabilities that are not carried at fair value, such as trade accounts receivable and payable, are reported at their historical carrying values.

The carrying values of our assets that are required to be measured at fair value on a recurring basis as of March 31, 2020 and December 31, 2019 approximate fair value because of our ability to immediately convert these instruments into cash with minimal expected change in value which are classified in the table below in one of the three categories of the fair value hierarchy described above:

	Fair Value Measurements			
	Level 1	**Level 2**	**Level 3**	**Total**
March 31, 2020				
Cash equivalents:				
Money market mutual fund	$ 44,084,776	$ —	$ —	$ 44,084,776
Marketable equity securities:				
Mutual funds	14,133,989	—	—	14,133,989
Available-for-sale debt securities:				
U.S. Treasury notes	32,675,970	—	—	32,675,970
	$ 90,084,735	$ —	$ —	$ 90,084,735

	Fair Value Measurements			
	Level 1	**Level 2**	**Level 3**	**Total**
December 31, 2019				
Cash equivalents:				
Money market mutual fund	$ 43,687,877	$ —	$ —	$ 43,687,877
Marketable equity securities:				
Mutual funds	25,966,686	—	—	25,966,686
Available-for-sale debt securities:				
U.S. Treasury notes	21,094,100	—	—	21,094,100
	$ 90,748,663	$ —	$ —	$ 90,748,663

Our equity securities and available-for-sale debt securities, including U.S. treasury notes and U.S. treasury bills are valued using inputs observable in active markets for identical securities and are therefore classified as Level 1 within the fair value hierarchy.

We did not have any financial liabilities measured at fair value on a recurring basis as of March 31, 2020.

Note 6. Segment Reporting

We currently operate in two reportable segments: Global Logistics Solutions and Global Bioservices. The Global Logistics Solutions segment provides temperature-controlled logistics solutions to the life sciences industry through its purpose-built proprietary packaging, information technology and specialized cold chain logistics expertise. The Company provides leading edge logistics solutions to the biopharma, reproductive medicine and animal health markets to ship, store and deliver biologic materials, such as immunotherapies, stem cells, CAR-T cell therapies, vaccines and reproductive cells for clients worldwide. The Global Bioservices segment provides a comprehensive temperature-controlled sample management solution to the life science industry, including specimen storage, sample processing, collection, and retrieval. The spectrum of temperature-controlled solutions provided by the Company ranges from ambient, or controlled room temperature (15°C to 25°C), refrigerated (2°C to 8°C), to frozen and cryogenic (below 0°C to as low as −150°C). Our Chief Executive Officer is the chief operating decision maker for both segments.

The Company derives the results of the segments directly from its internal management reporting system. The accounting policies of the operating segments are substantially the same as those described in the summary of significant accounting policies. The Company evaluates segment performance on the basis of revenues and profit or loss. Management uses these operating results, in part, to evaluate the performance of, and to allocate resources to, each of the segments.

The Company's reportable segments are strategic business units that offer different products and services. They are managed separately because each business requires different sales and marketing strategies and operational skillsets. The Global Bioservices segment is currently comprised of the Cryogene business that was acquired in May 2019, and the management at the time of the acquisition was retained. Prior to this acquisition, the Company had a single reportable segment: Global Logistics Solutions and therefore only the segment information for the three months ended March 31, 2020 is disclosed.

Reportable segment information is presented in the following tables:

	Three Months Ended March 31, 2020		
	Global Logistics Solutions	Global Bioservices	Total
Revenues	$ 8,504,913	$ 1,269,162	$ 9,774,075
Interest expense	(2,451)	—	(2,451)
Depreciation and amortization expense	(395,009)	(429,420)	(824,429)
Segment operating profit or loss	(3,633,688)	47,457	(3,586,231)
Other significant items:			
Segment assets	114,570,694	25,552,557	140,123,251
Goodwill	—	10,999,722	10,999,722
Expenditures for long-lived assets	(1,136,360)	(271,205)	(1,407,565)

Revenues from one customer of the Company's Global Bioservices segment represents approximately 82.9% of that segment's net revenues and 10.8% of the Company's consolidated net revenues for the three months ended March 31, 2020.

Note 7. Goodwill and Intangible Assets

Goodwill

As of March 31, 2020, the carrying value of goodwill is $11.0 million which is allocated to the Global Bioservices reportable segment.

Intangible Assets

The following table presents our intangible assets as of March 31, 2020:

	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Amortization Period (years)
Non-compete agreement	$ 390,000	$ 65,000	$ 325,000	5
Technology	510,000	85,000	425,000	5
Customer relationships	3,900,000	270,833	3,629,167	12
Cryogene trade name/trademark	480,000	26,667	453,333	15
Cryoport patents and trademarks	288,057	47,375	240,682	—
Total	$ 5,568,057	$ 494,875	$ 5,073,182	

The following table presents our intangible assets as of December 31, 2019:

	Gross Amount	Accumulated Amortization	Net Carrying Amount	Weighted Average Amortization Period (years)
Non-compete agreement	$ 390,000	$ 45,500	$ 344,500	5
Technology	510,000	59,500	450,500	5
Customer relationships	3,900,000	189,583	3,710,417	12
Cryogene trade name/trademark	480,000	18,667	461,333	15
Cryoport patents and trademarks	258,203	47,375	210,828	—
Total	$ 5,538,203	$ 360,625	$ 5,177,578	

Amortization expense for intangible assets for the three months ended March 31, 2020 and 2019, was $134,300 and $0, respectively.

Expected future amortization of intangible assets as of March 31, 2020 is as follows:

Years Ending December 31,	Amount
Remainder of 2020	$ 402,750
2021	537,000
2022	537,000
2023	537,000
2024	432,000
Thereafter	2,386,750
	$ 4,832,500

Note 8. Commitments and Contingencies

Facility and Equipment Leases

We lease 27,600 square feet of corporate, research and development, and logistics facilities in Irvine, California under an operating lease expiring February 2023, subject to our option to extend the lease for two additional five-year periods. The initial base rent is approximately $24,700 per month. We also lease 8,100 square feet of logistics facilities in Livingston, New Jersey under an operating lease expiring December 2024, subject to our option to extend the lease for an additional five-year period. The initial base rent is approximately $7,600 per month. In addition, we lease 7,600 square feet of logistics facilities in Hoofddorp, the Netherlands under an operating lease expiring May 2023, subject to our option to extend the lease for two additional five-year periods. The initial base rent is approximately $5,400 per month. We also lease a total of 21,476 square feet of corporate and logistics facilities in Houston, Texas in two adjacent buildings under operating leases expiring in January 2024. The aggregate initial base rent is approximately $22,000 per month. We also lease a 4,190 square foot corporate facility in Brentwood, Tennessee under an operating lease expiring August 2024. The initial base rent is approximately $11,000 per month. These lease agreements contain certain scheduled annual rent increases which are accounted for on a straight-line basis. In addition, we lease certain equipment which expires through January 2024.

Employment Agreements

We have entered into employment agreements with certain of our officers under which payment and benefits would become payable in the event of termination by us for any reason other than cause, or upon a change in control of our Company, or by the employee for good reason.

Litigation

The Company may become a party to product litigation in the normal course of business. The Company accrues for open claims based on its historical experience and available insurance coverage. We record a loss contingency when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. We also disclose material contingencies when we believe a loss is not probable but reasonably possible. Accounting for contingencies requires us to use judgment related to both the likelihood of a loss and the estimate of the amount or range of loss. The outcomes of our legal proceedings are inherently unpredictable, subject to significant uncertainties, and could be material to our financial condition, results of operations, and cash flows for a particular period.

Indemnities and Guarantees

The Company has made certain indemnities and guarantees, under which it may be required to make payments to a guaranteed or indemnified party, in relation to certain actions or transactions. The guarantees and indemnities do not provide for any limitation of the maximum potential future payments the Company could be obligated to make. Historically, the Company has not been obligated nor incurred any payments for these obligations and, therefore, no liabilities have been recorded for these indemnities and guarantees in the accompanying consolidated balance sheets.

The Company indemnifies its directors, officers, employees and agents, as permitted under the laws of the States of California and Nevada. In connection with its facility and equipment leases, the Company has indemnified its lessors for certain claims arising from the use of the facilities and equipment. The duration of the guarantees and indemnities varies and is generally tied to the life of the agreements.

Note 9. Leases

The Company has operating and finance leases for corporate offices and certain equipment. These leases have remaining lease terms of two years to approximately six years, some of which include options to extend the leases for multiple renewal periods of five years each. As of March 31, 2020 and December 31, 2019, assets recorded under finance leases were $273,700 and $71,000, respectively, and accumulated depreciation associated with finance leases was $28,600 and $22,800, respectively.

The components of lease cost were as follows:

	Three Months Ended March 31, 2020
Operating lease cost	$ 290,114
Finance lease cost:	
Amortization of right-of-use assets	$ 5,756
Interest on finance lease liabilities	2,449
	8,205
Total lease cost	$ 298,319

Other information related to leases was as follows:

Supplemental Cash Flows Information	Three Months Ended March 31, 2020
Cash paid for amounts included in the measurement of lease liabilities:	
Operating cash flows from operating leases	$ 283,129
Operating cash flows from finance leases	$ 16,720
Financing cash flows from finance leases	$ 14,299
Right-of-use assets obtained in exchange for lease obligations:	
Operating leases	$ 1,804,281
Finance leases	$ 202,619
Weighted-Average Remaining Lease Term	
Operating leases	7.5 years
Finance leases	3.5 years
Weighted-Average Discount Rate	
Operating leases	6.7%
Finance leases	5.4%

Future minimum lease payments under non-cancellable leases as of March 31, 2020 were as follows:

Years Ending December 31,	Operating Leases	Finance Leases
2020 (excluding the three months ended March 31, 2020)	$ 1,353,640	$ 61,783
2021	2,035,644	65,083
2022	2,104,540	56,437
2023	1,574,355	56,436
2024	1,469,710	3,586
2025	1,099,779	—
Thereafter	4,497,242	—
Total future minimum lease payments	14,134,910	243,325
Less imputed interest	(7,752,491)	(21,821)
Total	$ 6,382,419	$ 221,504

Reported as of March 31, 2020	Operating Leases	Finance Leases
Current lease liabilities	$ 813,574	$ 72,207
Noncurrent lease liabilities	5,568,845	149,297
Total	$ 6,382,419	$ 221,504

Note 10. Stockholders' Equity

Authorized Stock

The Company has 100,000,000 authorized shares of common stock with a par value of $0.001 per share, and 2,500,000 undesignated or "blank check" preferred stock, with a par value of $0.001, of which, 800,000 shares have been designated as Class A Convertible Preferred Stock and 585,000 shares have been designated as Class B Convertible Preferred Stock.

Common Stock Issued for Services

During the three months ended March 31, 2020, 1,269 shares of common stock with a fair value of $20,700 were issued to two members of the board of directors as compensation for services.

During the three months ended March 31, 2019, 1,319 shares of common stock with a fair value of $17,500 were issued to two members of the board of directors as compensation for services.

Common Stock Reserved for Future Issuance

As of March 31, 2020, approximately 8.4 million shares of common stock were issuable upon conversion or exercise of rights granted under prior financing arrangements, stock options and warrants, as follows:

Exercise of stock options	7,790,952
Exercise of warrants	639,635
Total shares of common stock reserved for future issuances	8,430,587

Share Repurchase Program

In October 2019, the Company's Board of Directors approved a share repurchase program authorizing the repurchase of the Company's common stock in the amount of up to $15.0 million from time to time, in amounts, at prices, and at such times as management deems appropriate and will depend on a number of factors, including the market price of the Company's common stock, general market and economic conditions, and applicable legal requirements. The repurchase program will expire on December 31, 2020 and may be extended, suspended, modified or discontinued at any time. Any repurchases will be funded from cash on hand and future cash flows from operations. The Company did not purchase any shares under this program in 2019 and has not purchased any shares under this program in 2020.

June 2019 Public Offering

On June 24, 2019, the Company completed an underwritten public offering (the "Offering") of 4,312,500 shares of its common stock, par value $0.001 per share (the "Public Offering Shares"). The Public Offering Shares were issued and sold pursuant to an underwriting agreement (the "Underwriting Agreement"), dated June 19, 2019, by and among the Company, on the one hand, and Jefferies LLC and SVB Leerink LLC, as representatives of certain underwriters (collectively, the "Underwriters") at a public offering price per share of $17.00. The Public Offering Shares include 562,500 shares issued and sold pursuant to the Underwriters' exercise in full of their option to purchase additional shares of common stock pursuant to the Underwriting Agreement. The Company received net proceeds of approximately $68.8 million from the Offering after deducting underwriting discounts and commissions and estimated offering expenses payable by the Company.

Note 11. Stock-Based Compensation

Warrant Activity

We typically issue warrants to purchase shares of our common stock to investors as part of a financing transaction or in connection with services rendered by placement agents and consultants. Our outstanding warrants expire on varying dates through July 2020. A summary of warrant activity is as follows:

	Number of Shares	Weighted-Average Exercise Price/Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)
Outstanding — December 31, 2019	1,001,028	$ 3.83		
Issued	—	—		
Exercised	(361,393)	3.97		
Expired	—	—		
Outstanding — March 31, 2020	639,635	$ 3.75	0.3	$ 8,518,900
Vested (exercisable) — March 31, 2020	639,635	$ 3.75	0.3	$ 8,518,900

(1) Aggregate intrinsic value represents the difference between the exercise price of the warrant and the closing market price of our common stock on March 31, 2020, which was $17.07 per share.

Total intrinsic value of warrants exercised during the three months ended March 31, 2020 was $4.6 million.

Stock Options

We have five stock incentive plans: the 2002 Stock Incentive Plan (the "2002 Plan"), the 2009 Stock Incentive Plan (the "2009 Plan"), the 2011 Stock Incentive Plan (the "2011 Plan"), the 2015 Omnibus Equity Incentive Plan (the "2015 Plan"), and the 2018 Omnibus Equity Incentive Plan (the "2018 Plan"), (collectively, the "Plans"). The 2002 Plan, the 2009 Plan, the 2011 Plan and the 2015 Plan (the "Prior Plans") have been superseded by the 2018 Plan. In May 2018, the stockholders approved the 2018 Plan for issuances up to an aggregate of 3,730,179 shares. The Prior Plans will remain in effect until all awards granted under such Prior Plans have been exercised, forfeited, cancelled, or have otherwise expired or terminated in accordance with the terms of such awards, but no awards will be made pursuant to the Prior Plans after the effectiveness of the 2018 Plan. As of March 31, 2020, the Company had 1,314,636 shares available for future awards under the 2018 Plan.

During the three months ended March 31, 2020, we granted stock options at exercise prices equal to the quoted market price of our common stock on the grant date. The fair value of each option grant was estimated on the date of grant using Black-Scholes with the following weighted average assumptions:

Expected life (years)	6.0 – 6.3
Risk-free interest rate	0.5% - 1.7%
Volatility	69.8% – 77.3%
Dividend yield	0%

The expected option life assumption is estimated based on the simplified method. Accordingly, the Company has utilized the average of the contractual term of the options and the weighted average vesting period for all options to calculate the expected option term. The risk-free interest rate assumption is based upon observed interest rates appropriate for the expected term of our employee stock options. In April 2019, the Company amended its expected volatility assumption from using exclusively a historical volatility. The Company calculates its expected volatility assumption based on a blended volatility using an average of its historical and implied volatilities over the expected life of the stock-based award. The selection of the blended volatility assumption was based upon the Company's assessment that blended volatility is more representative of the Company's future stock price trends as it weighed in the longer term historical volatility with the near-term future implied volatility. We do not anticipate paying dividends on the common stock in the foreseeable future.

We recognize stock-based compensation expense over the vesting period using the straight-line method. Stock-based compensation expense is recognized only for those awards that vest. We account for the forfeitures of unvested awards as they occur.

Total stock-based compensation expense related to all of our share-based payment awards is comprised of the following:

	Three months ended March 31,	
	2020	2019
Cost of revenues	$ 68,596	$ 62,753
General and administrative	1,075,169	940,139
Sales and marketing	368,328	339,075
Engineering and development	108,285	71,768
	$ 1,620,378	$ 1,413,735

A summary of stock option activity is as follows:

	Number of Shares	Weighted-Average Exercise Price/Share	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)
Outstanding — December 31, 2019	6,679,581	$ 7.14		
Granted (weighted-average fair value of $10.98 per share)	1,345,800	17.01		
Exercised	(227,806)	6.35		
Forfeited	(6,623)	10.32		
Outstanding — March 31, 2020	7,790,952	$ 8.86	7.2	$ 64,397,000
Vested (exercisable) — March 31, 2020	5,851,416	$ 6.45	6.3	$ 62,254,200
Expected to vest after March 31, 2020 (unexercisable)	1,939,536	$ 16.15	9.7	$ 3,083,800

(1) Aggregate intrinsic value represents the difference between the exercise price of the option and the closing market price of our common stock on March 31, 2020, which was $17.07 per share.

Total intrinsic value of options exercised during the three months ended March 31, 2020 was $2.8 million.

As of March 31, 2020, there was unrecognized compensation expense of $19.8 million related to unvested stock options, which we expect to recognize over a weighted average period of 3.4 years.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

In this Quarterly Report on Form 10-Q (this "Quarterly Report"), the terms "Cryoport," "Company" and similar terms refer to Cryoport, Inc. and its consolidated subsidiaries, unless the context suggest otherwise.

SAFE HARBOR FOR FORWARD LOOKING STATEMENTS:

This Quarterly Report contains forward-looking statements that have been made pursuant to the provisions of the Private Securities Litigation Reform Act of 1995 and concern matters that involve risks and uncertainties that could cause actual results to differ materially from those projected in the forward-looking statements. In some cases, you can identify these statements by terminology such as "may," "will," "should," "could," "expect," "plan," "anticipate," "believe," "estimate," "predict," "potential," "continue" or similar words which are intended to identify forward-looking statements, although not all forward-looking statements contain these words. Although we believe that our opinions and expectations reflected in the forward-looking statements are reasonable as of the date of this Quarterly Report, we cannot guarantee future results, levels of activity, performance or achievements, and our actual results may differ substantially from the views and expectations set forth in this Quarterly Report. You should be aware that these statements are projections or estimates as to future events and are subject to a number of factors that may tend to influence the accuracy of the statements. These forward-looking statements should not be regarded as a representation by the Company or any other person that the events or plans of the Company will be achieved. You should not unduly rely on these forward-looking statements, which speak only as of the date of this Quarterly Report. We undertake no obligation to publicly revise any forward-looking statement to reflect circumstances or events after the date of this Quarterly Report or to reflect the occurrence of unanticipated events. You should, however, review the factors and risks we describe in the reports we file from time to time with the Securities and Exchange Commission ("SEC"), including those contained in this Quarterly Report, our Annual Report on Form 10-K for the year ended December 31, 2019, as filed with the SEC on March 10, 2020 and those reports filed after the date of this Quarterly Report. Actual results may differ materially from any forward looking statement.

The following management's discussion and analysis of the Company's financial condition and results of operations ("MD&A") should be read in conjunction with the condensed consolidated balance sheet as of March 31, 2020 (unaudited) and the consolidated balance sheet as of December 31, 2019 (audited) and the related unaudited condensed consolidated statements of operations, comprehensive loss, and stockholders equity for the three months ended March 31, 2020 and 2019, and cash flows for the three months ended March 31, 2020 and 2019 and the related notes thereto (see Item 1. Financial Statements), as well as the audited consolidated financial statements of the Company for years ended December 31, 2019 and 2018, included in the Company's Annual Report on Form 10-K for the year ended December 31, 2019.

General Overview

Overview

Cryoport Inc. ("Cryoport", "we", or "our") is a life sciences services company that is an integral part of the supply chain supporting the biopharma, reproductive medicine and animal health markets. We are redefining logistics for the life sciences industry by providing a unique platform of critical solutions including highly differentiated temperature-controlled logistics and biostorage services. Through our products, services and unparalleled expertise, we enable our clients to ship, store and deliver cellular-based materials and drug products as well as other life sciences commodities in a precise, defined temperature-controlled state. We provide a platform of fully integrated, temperature-controlled solutions to the life sciences industry through a seamless combination of proprietary packaging, information technology, and specialized cold-chain logistics knowhow. Our solutions integrate "chain-of-condition," "chain-of-custody", and Chain of ComplianceTM information into a single data stream. Our competencies and capabilities are used to develop solutions that are customized to our client's requirements. We provide comprehensive and reliable technology-centric alternatives to traditional cold chain distribution/logistics solutions. Our platform of services are utilized for temperature controlled shipping and storage in the life sciences industry; e.g., personalized medicine, cell therapies, stem cells, cell lines, vaccines, diagnostic materials, semen, eggs, embryos, cord blood, bio-pharmaceuticals, infectious substances, and other commodities that require continuous exposure to certain ranges of precision controlled temperatures. As part of our services, our technologies provide the ability for us, or our client, to monitor location and other specified critical variables for each shipment in real time, which is recorded and archived for each shipment for scientific, quality assurance and regulatory purposes. This information enables an audit trail that can verify the 'in shipment' condition of the life sciences commodity, material, product or therapy being shipped. Included in our tailored solutions, Cryoport's technology is designed to support clinical trials, Biologics License Applications (BLA), Investigational New Drug Applications and New Drug Application (NDA) with the United States Food and Drug Administration (FDA) as well as commercial distribution. One of the most important features of our Cryoport Express® Solutions is the sophisticated, cloud-based, logistics management platform, which is branded as the Cryoportal® Logistics Management Platform (the "Cryoportal®"). The Cryoportal® supports the management of shipments through a single interface, which includes order entry, document preparation, customs documentation, courier management, near real-time shipment tracking and monitoring, issue resolution, and regulatory compliance requirements. In addition, it provides unique and incisive information dashboards and validation documentation for every shipment through data collected by the SmartPak™ Condition Monitoring System (the "SmartPak™"). The Cryoportal® can record and retain a fully documented history of all Cryoport Express® Shippers, including *chain-of-custody, chain-of-condition, chain-of-identity*, and Chain of Compliance™ information for each shipment, which is used to ensure that the stability of shipped biologic commodities are maintained throughout the shipping cycle. At the client's option, recorded information is archived, allowing the client to meet exacting requirements necessary for scientific work and/or proof of regulatory compliance during the logistics process.

Our Cryoport Express® Solutions include a family of Cryoport Express® Shippers ranging from liquid nitrogen dry vapor shippers (-150℃) to our C3™ Shippers (2-8℃), which are powered by phase-change materials. The Cryoport Express® Shippers are precision-engineered assemblies that are reliable, cost-effective and reusable or recyclable. Our liquid nitrogen dry vapor Cryoport Express® Shippers utilize an innovative application of 'dry vapor' liquid nitrogen technology and, most often, include a SmartPak™ Condition Monitoring System. Our Cryoport Express® Shippers are purpose built. One example is the launch of our Advanced Therapy Shippers™ for the Regenerative Medicine market, the development of which was announced in September 2019. The Cryoport Express® Advanced Therapy Shippers™ are designed to ensure that each shipper has only been used for human-based therapies and materials. Additionally, the Advanced Therapy Shippers™ provide complete traceability of the condition in which the commodity was shipped and all supporting equipment and components. The Advanced Therapy Shippers™ also provide verification information and supply chain support for biopharma companies developing and commercializing cell and gene therapies as well as employ advanced validated cleaning methods to minimize the risk of cross contamination of equipment and materials during use, delivery and distribution of biopharmaceutical materials.

During 2019, we added bioservices to our platform of solutions to provide for our clients' needs for comprehensive and integrated solutions offerings and the expected growth in the global biostorage and bioservices markets, which are driven by the acceleration of clinical trials and the commercialization of regenerative medicine therapies on a global basis. Through our recent acquisition of the biostorage business of Cryogene Partners ("Cryogene"), we now provide cGMP compliant, comprehensive temperature-controlled sample management solution to the life science industry, including specimen storage, sample processing, collection, and retrieval. Cryogene operates a recently expanded 21,000 square foot state-of-the-art biostorage facility located in Houston, Texas, specializing in the secure storage of biological specimens, materials and samples.

Strategic Logistics Alliances and Collaborations

We have been successful in establishing strategic alliances around the world, under our Compliance Unified Ecosystem™ and "*powered by cryoport*®" strategies, as a long-term method of marketing our solutions to the life sciences industry. We have focused our efforts on leading companies in the logistics services industry as well as participants in the life sciences industry. These strategies drive integration of our solutions into our alliance partner's services.

Cryoport supports the three largest integrators in the world, FedEx, DHL and UPS, with its advanced cryogenic logistics solutions for the life sciences industry and for logistics support. Our Compliance Unified Ecosystem™ includes the following alliance partners: McKesson Specialty Health, a division of McKesson Corporation, World Courier, a part of AmerisourceBergen, Be The Match BioTherapies®, EVERSANA™, Vineti, and Lonza.

The goal of the partnership is to provide fully integrated solutions including, but not limited to, co-location of manufacturing, bioservices and distribution facilities to improve and enhance responsiveness and optimized product workflow, automated data management providing integrated data entry, and process optimization that reduces risk, increases transparency and improves certainty.

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We believe Cryoport is well positioned as a life sciences platform company focused on redefining logistics by providing a platform of advanced solutions such as temperature-controlled logistics, bioservices and end-product fulfillment, to the regenerative medicine, reproductive medicine and animal health markets. Our differentiated platform of products and services enable our clients to ship, store and deliver biologics and other commodities required to remain in a continual cryogenic or temperature-controlled state, such as CAR-T therapies and other cell therapies, gene therapies, embryos for reproductive medicine, vaccines, and stem cells. Our standard-setting Chain of Compliance™, which includes vital analytics, including *chain-of-condition* and *chain-of-custody* information, in a single data stream, allows our clients continuous vigilance over their commodities through traceability of the equipment used and the processes employed to minimize risk and maximize success in the development of new products and therapies.

Life Sciences Agreements

Our clients include life sciences companies and institutions that have engaged us to support their clinical studies and trials as well as Our clients include life sciences companies and institutions that have engaged us to support their clinical studies and trials as well as the global distribution of their commercial biologics, vaccines and other products with our platform of temperature-controlled logistics and bioservices solutions. Our most significant agreements are as follows:

Novartis. In May 2017, we signed an agreement with Novartis Inc. to manage the global clinical and commercial shipments of its CAR-T cell therapies, including the commercial launch of CAR-T cell therapy, KYMRIAH® (CTL019), for children and young adults with B-cell ALL that is refractory or has relapsed at least twice. On August 30, 2017 Novartis received from the FDA the first ever CAR-T cell approval for the first indication of KYMRIAH®. Subsequently on May 1, 2018, the FDA approved KYMRIAH® for the treatment of adult patients with relapsed/refractory DLBCL. Thereafter, Novartis announced that KYMRIAH® was approved for both ALL and DLBCL by the EU on August 27, 2018. As of Mach 31, 2020 Novartis has qualified over 230 treatment centers and more than 20 countries worldwide have coverage for at least one indication of KYMRIAH®. Novartis reported Q1 2020 revenue of $93 million from KYMRIAH® compared to $45 million for Q1 2019. During the first quarter of 2020 KYMRIAH® received the FDA Regenerative Medicine Advanced Therapy designation for the treatment of follicular lymphoma. Under our agreement with Novartis, Cryoport provides its full platform of cryogenic packaging and shipping using its Cryoport Express® Shippers, monitoring using its SmartPak™ Condition Monitoring System technology and communications and information recording using its Cryoportal® Logistics Management Platform to manage shipments from the Novartis manufacturing sites to their clinical and commercial sites for patient administration globally

Kite/Gilead. In July 2017, we signed an agreement with Kite Pharmaceuticals Inc. (a subsidiary of Gilead Sciences) to manage the clinical and commercial shipments of its CAR-T cell therapy, YESCARTA® (Axicabtagene Ciloleucel). On October 18, 2017, YESCARTA® became the first CAR-T therapy approved by the FDA for the treatment of adult patients with relapsed or refractory large B-cell lymphoma. Additionally, YESCARTA® received EU approval on August 27, 2018 for relapsed/refractory DLBCL and PMBCL. As of the end of Q1 2020, Kite had 176 certified centers authorized to treat patients globally. Through these centers approximately 2,900 patients have been treated with YESCARTA®. Gilead reported Q1 2020 revenue of $140 million from YESCARTA® compared to $96 million for Q1 2019. In addition to YESCARTA®, Kite filed for regulatory approval in the United States of KTE-X19 for the treatment of mantle cell lymphoma in the fourth quarter of 2019, received a Priority Review designation, and expects commercial approval in the second half of 2020. Further, in the first quarter of 2020 Gilead filed for KTE-X19's approval with the European Medicines Agency and is now under review. Under our agreement with Kite, we provide our platform of cryogenic packaging and shipping using our Cryoport Express® Shippers, monitoring using our SmartPakTM Condition Monitoring System technology and communications and information recording using our Cryoportal® Logistics Management Platform to manage shipments from the Kite manufacturing sites to their clinical and commercial sites of patient administration globally. In April 2020, the agreement was further amended and extended through April 2023, subject to certain termination and extension provisions.

bluebird bio. We are currently supporting bluebird bio's clinical activity with our platform of temperature-controlled logistics solutions and are now also supporting bluebird bio's commercial activity of the gene therapy, ZYNTEGLO™. ZYNTEGLO™ is a one-time autologous gene therapy that adds functional copies of a modified form of the BetaGlobin gene into a patient's own hematopoietic (blood) stem cells (HSC's). On June 3, 2019, the EU approved ZYNTEGLO™ for patients 12 years and older with certain forms of Transfusion-Dependent BetaThalassemia (TDT). In January 2020, the company announced the availability of ZYNTEGLO™ in Germany. While the process of consenting, preparing, and treating patients with ZYNTEGLO™ in Germany remains ongoing, given the evolving COVID-19 situation, the company expects the treatment of the first commercial patient in Germany to be shifted to the second half of 2020. During this time, bluebird bio plans to continue to engage in reimbursement discussions and undertake commercial preparation activities in the priority launch markets in Europe. bluebird bio has initiated the rolling BLA submission for approval of ZYNTEGLO™ in the U.S. and has indicated that it is planning to complete the BLA submission in mid-2021. On March 31, 2020 Bristol Myers Squibb and bluebird bio announced the submission of their Biologics License Application (BLA) to the U.S. Food and Drug Administration (FDA) for idecabtagene vicleucel (ide-cel; bb2121), the companies' lead investigational B-cell maturation antigen (BCMA)-directed chimeric antigen receptor (CAR) T cell immunotherapy, for the treatment of adult patients with multiple myeloma who have received at least three prior therapies, including an immunomodulatory agent, a proteasome inhibitor and an anti-CD38 antibody.

Lonza. On November 15, 2019, Cryoport announced a partnership with Lonza. Lonza's network of cell and gene therapy facilities spans the US, Europe and Asia and serves both clinical and commercial customers globally. Integrating Cryoport's logistics and bioservices solutions with Lonza's manufacturing services and expertise will ensure a trusted and seamless supply chain and drive efficiencies in delivering innovative medicines to patients. The goal of the partnership is to provide fully integrated solutions including, but not limited to, co-location of manufacturing, bioservices and distribution facilities to improve and enhance responsiveness and optimized product workflow, automated data management providing integrated data entry, and process optimization that reduces risk, increases transparency and improves certainty.

Chain of Compliance™

During 2018 we introduced Cryoport's Chain of Compliance™ solution, as a new industry standard. Cryoport's Chain of Compliance™ goes beyond *chain of condition, chain of custody* and *chain of identity* by providing traceability of the equipment and processes supporting each client or patient therapy. The Chain of Compliance™ enables Cryoport to recall every transport that an individual Cryoport Express® Shipper has taken, the client it supported, the commodity transported, it's performance during transit, and each step that Cryoport performs before the shipper is put back into service. This includes container performance and requalification history, commodity history, courier handling and performance history, calibration history, and correlation competencies that can link in field events to equipment performance.

We believe the main reason that the FDA and other regulatory bodies are interested in Cryoport's Chain of Compliance™ is that it provides the ability to collect, interpret, and leverage comprehensive data enabling a significantly more intelligent supply chain. Rather than reactively trying to determine what has gone wrong after multiple failures, it becomes possible to take a proactive approach. Moreover, we believe that effective implementation provides historical traceability of logistics processes, equipment, and third-party support entities, which enables the critical assessment of the complete supply chain designed to minimize failures and risk.

Impact of COVID-19

In late 2019, a novel strain of coronavirus that causes coronavirus disease (COVID-19) was reported to have surfaced in Wuhan, China, which has since spread globally. In March 2020, the World Health Organization declared COVID-19 a global pandemic. Further, the COVID-19 outbreak has resulted in government authorities around the world implementing numerous measures to try to reduce the impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place or total lock-down orders. Many countries around the world have also implemented the temporary closure of non-essential businesses and other material limitations on the conduct of business. As a provider of life saving therapies, Cryoport is deemed to be an essential business and has remained fully open and operational. However, the full extent of this outbreak is still unknown at this point and the related governmental, business and travel restrictions in order to contain this virus are continuing to evolve globally. Accordingly, there is significant uncertainty related to the ultimate impact that this global pandemic will have on the results of our operations.

For example, a several life sciences companies, including some of our clients, have announced the temporary suspension of clinical studies and trials as well as other COVID-19 related risks that may impact their preclinical and clinical trials, including delays in patient enrollment or difficulties in initiating or expanding clinical trials, interruption of clinical trial activity, and diversion of healthcare resources to focus on COVID-19 activities. In addition, with respect to the impact of the pandemic on the reproductive medicine market, the American Society for Reproductive Medicine (ASRM) and European Society of Human Reproduction and Embryology (ESHRE) both issued recommendations in March of 2020 to temporarily defer fertility treatments and related activities. While these actions will negatively impact our revenue in the markets we serve temporarily, we cannot determine the longer-term impact at this point. A number of public announcements by government and clients indicate a regional or partially lifting of COVID-19 related restrictions and we therefore currently expect revenue to start ramping back up gradually over time. Further, virus containment efforts as a result of governmental actions or policies or other initiatives could lead to further disruption in the supply chain and as a result, we may have difficulties sourcing equipment or incur additional direct costs to provide our solutions.

While longer-term client demand for our services overall remains strong, the effects of the COVID-19 pandemic, including the measures above taken by some of our clients adversely impacted our revenue growth. See Risk Factors, "The recent global pandemic caused by COVID-19 has and could adversely affect our business operations, financial performance and results of operations, the extent of which is uncertain and difficult to predict."

Results of Operations

Three months ended March 31, 2020 compared to three months ended March 31, 2019:

The following table summarizes certain information derived from our condensed consolidated statements of operations:

	Three Months Ended March 31,			
	2020	2019	$ Change	% Change
	($ in 000's)			
Revenues	$ 9,774	$ 6,653	$ 3,121	46.9%
Cost of revenues	(4,516)	(3,199)	(1,317)	41.2%
Gross margin	5,258	3,454	1,804	52.2%
General and administrative	(4,030)	(2,697)	(1,333)	49.4%
Sales and marketing	(3,082)	(2,408)	(674)	28.0%
Engineering and development	(1,733)	(489)	(1,244)	253.9%
Interest expense	(2)	(339)	337	(99.3)%
Other income (expense), net	(321)	91	(412)	(451.1)%
Provision for income taxes	(33)	1	(34)	(3,769)%
Net loss	$ (3,943)	$ (2,387)	$ (1,556)	65.2%

The following table shows total revenue by reportable segment for the three months ended March 31, 2020 and 2019:

	Three Months Ended March 31,			
	2020	2019	$ Change	% Change
	($ in 000's)			
Global Logistics Solutions:				
Biopharmaceutical	$ 7,517	$ 5,640	$ 1,877	33.3%
Reproductive medicine	763	784	(21)	(2.8)%
Animal health	225	229	(4)	(1.5)%
Total Global Logistics Solutions	8,505	6,653	1,852	27.8%
Global Bioservices	1,269	—	1,269	100%
Total revenues	$ 9,774	$ 6,653	$ 3,121	46.9%

Revenues. Revenues increased $3.1 million or 46.9% to $9.8 million for the three months ended March 31, 2020, as compared to $6.7 million for the three months ended March 31, 2019. This increase was primarily driven by the ramp in commercial revenue from the therapies launched by Novartis and Kite/Gilead in late 2017, the continuing increase in the number of biopharmaceutical customers utilizing our services and the increase in clinical trials supported for these customers, offset by the impact of the COVID-19 pandemic that led to the suspension of a meaningful number of clinical trials late during the first quarter. Biopharmaceutical revenue increased $1.9 million or 33.3%, to $7.5 million for the three months ended March 31, 2020 as compared to $5.6 million for the three months ended March 31, 2019. Commercial revenue increased to $2.9 million for the three months ended March 31, 2020 as compared to $1.4 million for the three months ended March 31, 2019. During the three months ended March 31, 2020, we added approximately 17 new biopharma clients and added 29 clinical trials, net of completed or terminated trials, of which 23 trials were in the Americas, 4 in EMEA and 2 in APAC. We now support 465 clinical trials (384 in the Americas, 65 in EMEA and 16 in APAC) compared to 383 clinical trials supported as of March 31, 2019 (338 in the Americas and 45 in EMEA). The number of Phase III clinical trials supported increased to 62 trials as of March 31, 2020 (45 in the Americas, 16 in EMEA and 1 in APAC). This compares to 49 Phase III trials (39 in the Americas and 10 in EMEA) supported as of March 31, 2019. This increased activity in the clinical trial space is expected to drive future revenue growth as these clinical trials advance and resulting therapies are commercialized. Revenues in the reproductive medicine market decreased by 2.8% for the three months ended March 31, 2020, as compared to the same period in 2019, as a result of the COVID-19 pandemic and its effects on this market. Our revenue from animal health remained flat for the three months ended March 31, 2020, as compared to the same period in 2019. Global Bioservices revenue was $1.3 million for the first quarter of 2020 as a result of the acquisition of the Cryogene business in May 2019.

Gross margin and cost of revenues. Gross margin for the three months ended March 31, 2020 was 53.8% of revenues, as compared to 51.9% of revenues for the three months ended March 31, 2019**.** The increase in gross margin by almost two percentage points was primarily due to the increased business volume and pricing adjustments combined with a reduction in freight as a percentage of revenues and a decrease of fixed manufacturing costs. Our cost of revenues are primarily comprised of freight charges, payroll and associated expenses related to our global logistics centers, third-party charges for our European and Asian staging centers in the Netherlands and Singapore, depreciation expenses of our Cryoport Express® Shippers and supplies and consumables used for our solutions. Cost of revenues increased $1.3 million, or 41.2%, to $4.5 million for the three months ended March 31, 2020, as compared to $3.2 million in the same period in 2019. The increase in cost of revenues was primarily due to freight charges from the increased volume of shipments and an increase in operating costs for our global logistics centers.

***General and administrative expenses*.** General and administrative expenses increased $1.3 million the three months ended March 31, 2020 or 49.4% as compared to the same period in 2019. This increase is primarily due to an increase in wages and associated employee costs of $616,200 of which $252,800 is as a result of the Cryogene acquisition in May 2019 and includes $125,500 in relocation costs, an increase in facility and other overhead allocations of $486,500, an increase in stock-based compensation of $103,300, an increase in insurance premiums of $94,800 and an increase in patent legal fees of $33,800. These increases were partially offset by an overall decrease of $43,800 for public company related expenses (including legal, audit and internal control audit fees).

Sales and marketing. Sales and marketing expenses, which includes logistics operations, increased $673,400 or 28.0% and is primarily due to an increase in wages and associated employee costs of $490,500 which includes recruiting and relocation fees of $132,000 for the expansion of our domestic logistics force, an increase of $113,700 in marketing and advertising promotions and an increase in facility and other overhead allocations of $63,300.

***Engineering and development expenses*.** Engineering and development expenses increased $1.2 million or 253.9% for the three months ended March 31, 2020, as compared to the same period in 2019. The increase is primarily due to an increase of $975,200 in consulting expenses directed and further enhancing our logistics solutions, an increase of $185,600 in wages and associated employee costs to add to add software development and engineering resources, an increase in stock-based compensation of $27,900, an increase in facility and other overhead allocations of $27,300 and an increase in development costs, prototype and testing expenses of $11,000. We continually strive to improve and expand the features of our Cryoport Express® Solutions. Our primary developments are directed towards facilitating the safe, reliable and efficient shipment of life science commodities through innovative and technology-based solutions. We supplement our internal engineering and development resources with subject matter experts and consultants.

***Interest expense*.** Interest expense decreased $336,300 for the three months ended March 31, 2020, as compared to the three months ended March 31, 2019 due to conversion of the convertible in December 2019.

Other income, net. The other income, net for the three months ended March 31, 2020 as compared to the same period in 2019, decreased by $412,700 due to a $793,200 realized loss on equity securities partially offset by unrealized equity securities gains and investment interest and dividend income on our cash and cash equivalents and short-term investments.

Liquidity and Capital Resources

As of March 31, 2020, the Company had cash and cash equivalents of $50.6 million, $46.8 million in short-term investments and had working capital of $98.0 million. Historically, we have financed our operations primarily through sales of equity securities and debt instruments.

For the three months ended March 31, 2020, we provided $1.1 million of cash for operations primarily as a result of the net loss of $3.9 million offset by non-cash expenses of $3.2 million comprised of $1.6 million of stock-based compensation, $793,200 of realized losses on our equity securities as well as $824,400 of depreciation and amortization which was partially offset by a $144,400 of unrealized gain on equity securities. Also contributing to the cash impact of our net operating loss, excluding non-cash items, was a decrease in accounts receivable of $954,700 and an increase in accrued compensation of $767,800.

Net cash used in investing activities of $1.5 million during the three months ended March 31, 2020 was primarily due to the, $16.2 million purchase of short-term investments, and $596,200 for the capitalization of software development costs for our Cryoportal® Logistics Management Platform, and additional purchases of Cryoport Express® Shippers, Smart Pak II™ Condition Monitoring Systems, freezers and computer equipment, partially offset by the maturity of short-term investments of $16.3 million.

Net cash provided by financing activities totaled $2.9 million during the three months ended March 31, 2020, primarily as a result of proceeds from the exercise of stock options and warrants.

The Company's management believes that, based on its current plans and assumptions, the current cash and cash equivalents on hand, short-term investments, together with projected cash flows, will satisfy our operational and capital requirements for at least the next twelve months. The Company's management recognizes that the Company may need to obtain additional capital to fund its operations and potential acquisitions until sustained profitable operations are achieved. Additional funding plans may include obtaining additional capital through equity and/or debt funding sources. No assurance can be given that additional capital, if needed, will be available when required or upon terms acceptable to the Company.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable .

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures.

We maintain disclosure controls and procedures (as defined in Rule 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that are designed to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, to allow timely decisions regarding required disclosure.

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we have conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of March 31, 2020. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2020.

In designing and evaluating the disclosure controls and procedures, management recognized that any controls and procedures, no matter how well designed and operated, can only provide reasonable assurance of achieving the desired control objectives, and in reaching a reasonable level of assurance, management necessarily was required to apply its judgment in evaluating the cost-benefit relationship of possible controls and procedures.

As permitted by SEC guidance for newly acquired businesses, management's assessment of our disclosure controls and procedures did not include an assessment of the controls and procedures of Cryogene, which was acquired on May 14, 2019. Cryogene accounted for approximately 18% of our total assets as of March 31, 2020 and 13% of our total revenues for the quarter ended March 31, 2020.

Changes in internal control over financial reporting.

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) and 15d-15(f) under the Exchange Act) during the fiscal quarter ended March 31, 2020 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

None

ITEM 1A. RISK FACTORS

The risks described in *Part I*, *Item 1A*, *Risk Factors*, in our Annual report on Form 10-K for the year ended December 31, 2019 and the following risk factors, could materially and adversely affect our business, financial condition and results of operations. These risk factors do not identify all of the risks that we face. Our business, financial condition and results of operations could also be affected by factors that are not presently known to us or that we currently consider to be immaterial.

Risks Related to Our Business

The recent global pandemic caused by COVID-19 has and could adversely affect our business operations, financial performance and results of operations, the extent of which is uncertain and difficult to predict.

In late 2019, a novel strain of coronavirus that causes COVID-19 was reported to have surfaced in Wuhan, China, which has since spread globally. In March 2020, the World Health Organization declared COVID-19 a global pandemic. Further, the COVID-19 outbreak has resulted in government authorities around the world implementing numerous measures to try to reduce the impact of COVID-19, such as travel bans and restrictions, quarantines, shelter in place or total lock-down orders. Many countries around the world have also implemented the temporary closure of non-essential businesses and other material limitations on the conduct of business. As a result of the COVID-19 outbreak and the related responses from government authorities, our business operations, financial performance and results of operations have been adversely affected as a result of reduced demand for our services in all markets and may be adversely impacted in a number of ways, including, but not limited to, the following:

- disruptions to our operations, including a shutdown of one or more of our global logistics centers or our biostorage facility that may be caused if our employees become infected with COVID-19; restrictions on our operations and sales, marketing and distribution efforts; and interruptions to our research and development activities, engineering, design and manufacturing processes and other important business activities;

- reduced demand for our products and services due to disruptions to the businesses and operations of our customers, which may, in particular, result from lower volumes of clinical studies and trials or reduced activity in the reproductive medicine markets due to social distancing restrictions; and reduction in our animal health market due to reduced demand.

- interruptions, availability or delays in global shipping to transport our products;

- a slowdown or stoppage in the supply chain for our products;

- limitations on employee resources and availability, including due to sickness, government restrictions, the desire of employees to avoid contact with large groups of people or mass transit disruptions;

- a fluctuation in foreign currency exchange rates or interest rates could result from market uncertainties;

- an increase in the cost or the difficulty to obtain debt or equity financing could affect our financial condition or our ability to fund operations or future investment opportunities; and

- an increase in regulatory restrictions or continued market volatility could hinder our ability to execute strategic business activities, including acquisitions, as well as negatively impact our stock price.

The spread of COVID-19 has caused us to modify our business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and we may take further actions as may be required by government authorities or that we determine are in the best interests of our employees, customers, partners, and suppliers. There is no certainty that such measures will be sufficient to mitigate the risks posed by the virus, and our ability to perform critical functions could be harmed.

Additionally, COVID-19 could negatively affect our internal controls over financial reporting as a portion of our workforce is required to work from home and therefore new processes, procedures, and controls could be required to respond to changes in our business environment. Further, should any key employees become ill from COVID-19 and unable to work, the attention of the management team could be diverted.

The potential effects of COVID-19 may also impact many of our other risk factors discussed in in *Part I*, *Item 1A*, *Risk Factors*, in our Annual report on Form 10-K for the year ended December 31, 2019. The degree to which COVID-19 impacts our business operations, financial performance and results of operations will depend on future developments, which are highly uncertain, continuously evolving and cannot be predicted, including, but not limited to, the duration and spread of the COVID-19 outbreak, its severity, the actions to contain the virus or treat its impact and how quickly and to what extent normal economic and operating conditions can resume.

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

None

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None

ITEM 4. MINE SAFETY DISCLOSURES

Not Applicable

ITEM 5. OTHER INFORMATION

None

ITEM 6. EXHIBITS

Exhibit Index	
31.1+	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2+	Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1+	Certification pursuant to 18 U.S.C. Section 1350 as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS+	XBRL Instance Document.
101.SCH+	XBRL Taxonomy Extension Schema Document.
101.CAL+	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF+	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB+	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE+	XBRL Taxonomy Extension Presentation Linkbase Document.

+ Filed or furnished herewith.

SIGNATURES

In accordance with the requirements of the Exchange Act, the Registrant caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated: May 8, 2020

Cryoport, Inc.

By: */s/ Jerrell W. Shelton*

Jerrell W. Shelton
Chief Executive Officer

Dated: May 8, 2020

By: */s/ Robert S. Stefanovich*

Robert S. Stefanovich
Chief Financial Officer

EXHIBIT 31.1

CERTIFICATION
CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Jerrell W. Shelton, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryoport, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 8, 2020

/s/ Jerrell W. Shelton

JERRELL W. SHELTON
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION
CHIEF FINANCIAL OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert S. Stefanovich, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Cryoport, Inc.

2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects, the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;

4. The Registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under my supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;

    b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under my supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this quarterly report my conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report based on such evaluation; and

    d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The Registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the Registrant's internal control over financial reporting.

Date: May 8, 2020

/s/ Robert S. Stefanovich

ROBERT S. STEFANOVICH
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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

In connection with the Quarterly Report of Cryoport, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jerrell W. Shelton, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge that:

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

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

/s/ Jerrell W. Shelton

JERRELL W. SHELTON
President and Chief Executive Officer

May 8, 2020

In connection with the Quarterly Report of Cryoport, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2020 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Robert S. Stefanovich, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. §1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge that:

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

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

/s/ Robert S. Stefanovich

ROBERT S. STEFANOVICH
Chief Financial Officer

May 8, 2020

A signed original of this written statement required by Section 906 has been provided to Cryoport, Inc. and will be retained by Cryoport, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.

This Certification is being furnished pursuant to Rule 15(d) and shall not be deemed "filed" for purposes of Section 18 of the Exchange Act (15 U.S.C. 78r), or otherwise subject to the liability of that section. This Certification shall not be deemed incorporated by reference into any filing under the Securities Act or the Exchange Act, except to the extent that the Company specifically incorporates it by reference.