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

FORM 10-K

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

For the fiscal year ended May 31, 2022

OR

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

For the transition period from _____ to _____

Commission file number 0-50761

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

Delaware	**11-3146460**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**

14 Plaza Drive, Latham, New York 12110
(Address of principal executive offices and zip code)

(518) 795-1400
Registrant's telephone number, including area code

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

Title of each class	Trading Symbol	Name of each exchange on which registered
Common Stock, par value $.01 per share	ANGO	NASDAQ Global Select Market

Securities registered pursuant to Section 12(g) of the Act:
None
(Title of Class)

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☐ No ☒

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Act. Yes ☐ No ☒

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

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

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 definitions of "large accelerated filer", "accelerated filer", "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report. Yes ☒ No ☐

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

As of November 30, 2021, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates was approximately $894,149,103 computed by reference to the last sale price of the common stock on that date as reported by The NASDAQ Global Select Market.

As of July 21, 2022 there were 38,970,094 shares of the registrant's common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The information required for Part III of this Annual Report on Form 10-K is incorporated by reference to the registrant's Proxy Statement for its 2022 Annual Meeting of Stockholders to be filed within 120 days of the registrant's fiscal year ended May 31, 2022.

AngioDynamics, Inc. and Subsidiaries

INDEX

Part I

Unless otherwise indicated in this report, "AngioDynamics," the "Company," "we," "our" or "us" refers to AngioDynamics, Inc and our consolidated subsidiaries.

Disclosure Regarding Forward-Looking Statements

This annual report on Form 10-K, including the sections entitled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements regarding AngioDynamics' expected future financial position, results of operations, cash flows, business strategy, budgets, projected costs, capital expenditures, products, competitive positions, growth opportunities, plans and objectives of management for future operations, as well as statements that include the words such as "expects," "reaffirms," "intends," "anticipates," "plans," "believes," "seeks," "estimates," “projects”, "optimistic," or variations of such words and similar expressions, are forward-looking statements. These forward-looking statements are not guarantees of future performance and are subject to risks and uncertainties. Investors are cautioned that actual events or results may differ materially from AngioDynamics' expectations, expressed or implied. Factors that may affect the actual results achieved by AngioDynamics include, without limitation, the scale and scope of the COVID-19 global pandemic, the ability of AngioDynamics to develop its existing and new products, technological advances and patents attained by competitors, infringement of AngioDynamics' technology or assertions that AngioDynamics' technology infringes the technology of third parties, the ability of AngioDynamics to effectively compete against competitors that have substantially greater resources, future actions by the FDA or other regulatory agencies, domestic and foreign health care reforms and government regulations, results of pending or future clinical trials, overall economic conditions (including inflation, labor shortages and supply chain challenges including the cost and availability of raw materials), the results of on-going litigation, challenges with respect to third-party distributors or joint venture partners or collaborators, the results of sales efforts, the effects of product recalls and product liability claims, changes in key personnel, the ability of AngioDynamics to execute on strategic initiatives, the effects of economic, credit and capital market conditions, general market conditions, market acceptance, foreign currency exchange rate fluctuations, the effects on pricing from group purchasing organizations and competition, the ability of AngioDynamics to obtain regulatory clearances or approval of its products, or to integrate acquired businesses. Other risks and uncertainties include, but are not limited to, the factors described from time to time in our reports filed with the Securities and Exchange Commission (the "SEC").

Although we believe that the assumptions underlying the forward-looking statements contained herein are reasonable, any of the assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this quarterly report on Form 10-K will prove to be accurate. In light of the significant uncertainties inherent in the forward-looking statements included herein, the inclusion of such information should not be regarded as a representation by us or any other person that our objectives and plans will be achieved. Any forward-looking statements are made pursuant to the Private Securities Litigation Reform Act of 1995 and, as such, investors are cautioned not to place undue reliance on these forward-looking statements which speak only as of the date stated, or if no date is stated, as of the date of this report. AngioDynamics disclaims any obligation to update the forward-looking statements.

Disclosure Regarding Trademarks

This report includes trademarks, tradenames and service marks that are our property or the property of other third parties. Solely for convenience, such trademarks and tradenames sometimes appear without any “™” or “®” symbol. However, failure to include such symbols is not intended to suggest, in any way, that we will not assert our rights or the rights of any applicable licensor, to these trademarks and tradenames. For a complete listing of all our trademarks, tradenames and service marks please visit www.angiodynamics.com/IP.

Item 1. *Business.*

OVERVIEW

AngioDynamics is a leading and transformative medical technology company focused on restoring healthy blood flow in the body's vascular system, expanding cancer treatment options and improving quality of life for patients.

HISTORY

AngioDynamics was founded in Queensbury, N.Y., U.S., in 1988 and began manufacturing and shipping product in the early 1990s. The Company is headquartered in Latham, N.Y., with manufacturing primarily out of the Queensbury facility. Initially dedicated to the research and development of products used in interventional radiology, the Company soon became well established as a producer of diagnostic catheters for non-coronary angiography and thrombolytic delivery systems.

The Company grew over the following years as a result of acquisitions of companies including RITA Medical Systems in January 2007, Oncobionic in May 2008, Vortex Medical, Inc. in October 2012, Clinical Devices in August 2013, the assets of Diomed in June 2008 and the assets of Microsulis Medical Limited in January 2013. These acquisitions added product lines

including ablation and NanoKnife systems, vascular access products, angiographic products and accessories, dialysis products, drainage products, thrombolytic products, embolization products and venous products. In May 2012, the Company acquired Navilyst Medical's Fluid Management business, which the Company sold in May 2019 to Medline Industries, Inc. pursuant to an asset purchase agreement.

In August 2018, the Company acquired the BioSentry product line from Surgical Specialties, LLC. In September 2018, the Company acquired RadiaDyne, which included endorectal and vaginal balloons. On October 2, 2019, the Company acquired Eximo Medical, Ltd., a pre-commercial stage medical device company and its proprietary 355nm laser atherectomy technology (now called Auryon), which treats Peripheral Artery Disease. On December 17, 2019, the Company acquired the C3 Wave tip location asset from Medical Components Inc. On July 27, 2021, AngioDynamics acquired the Camaro Support Catheter asset from QX Medical, LLC.

AngioDynamics is publicly traded on the NASDAQ stock exchange under the symbol ANGO.

PRODUCTS

Our product offerings fall within three Global Business Units (GBUs): Endovascular Therapies ("VIT"), Oncology/Surgery ("OS") and Vascular Access ("VA). As the Company has previously announced, the Company is focused on its ongoing transformation from a company with a broad portfolio of largely undifferentiated products to a more focused medical technology company that delivers unique and innovative health care solutions. As such, we believe the growth in the near to mid-term will be driven by our high technology products including Auryon, the Thrombectomy platform (which includes AngioVac, AlphaVac and thrombolytics) and NanoKnife. We will refer to these high technology product lines as our Med Tech business and we will refer to the remainder of the portfolio as our Med Device business. All products discussed below have been cleared for sale in the United States by the Food and Drug Administration. International regulatory clearances vary by product and jurisdiction.

Auryon

The Auryon Atherectomy System is one of our latest advancements in peripheral arterial disease. The Auryon system is designed to deliver an optimized wavelength, pulse width, and amplitude to remove lesions while preserving vessel wall endothelium. Additionally, the Auryon system includes aspiration which enhances the safety of the procedure. Regardless of lesion type, the Auryon system provides safety and efficacy. The Auryon system is indicated for use in the treatment, including atherectomy, of infrainguinal stenoses and occlusions, including in-stent restenosis (ISR).

Thrombectomy

Our Thrombus Management portfolio includes the AlphaVac Mechanical Thrombectomy System, AngioVac venous drainage cannula and circuit, as well as catheter directed thrombolytic devices, including the Uni-Fuse system, the Uni-Fuse+ system, the Pulse Spray system and SpeedLyser infusion catheters. AngioDynamics offers a range of options when treating thrombus and removing fresh, soft thrombi or emboli.

AngioVac

Our AngioVac venous drainage system includes a Venous Drainage Cannula and Extracorporeal Circuit. The cannula is indicated for use as a venous drainage cannula and for removal of fresh, soft thrombi or emboli during extracorporeal bypass. The AngioVac circuit is indicated for use in procedures requiring extracorporeal circulatory support for periods of up to six hours. AngioVac devices are for use with other manufacturers' off-the-shelf pump, filter and reinfusion cannula, to facilitate venous drainage as part of an extracorporeal bypass procedure.

The AngioVac venous drainage cannula is a 22 French flat coil-reinforced cannula designed with a proprietary self-expanding nitinol reinforced funnel shaped distal tip. The funnel shaped tip enhances venous drainage flow when the distal tip is exposed by retracting the sheath, helps prevent clogging of the cannula with commonly encountered undesirable intravascular material, and facilitates embolic removal of such extraneous material.

AlphaVac

The AlphaVac System is an emergent mechanical aspiration device that eliminates the need for perfusionist support. AlphaVac is offered in both a 22 French flat coil-reinforced cannula and an 18 French braided reinforced cannula each designed with a proprietary self-expanding nitinol reinforced funnel shaped distal tip. AlphaVac is indicated for the non-surgical removal of thrombi or emboli from vasculature as well as aspiration of contrast media and other fluids from the vasculature. The cannula is intended for use in the venous system. The handle is indicated as a vacuum source for the AlphaVac MMA system.

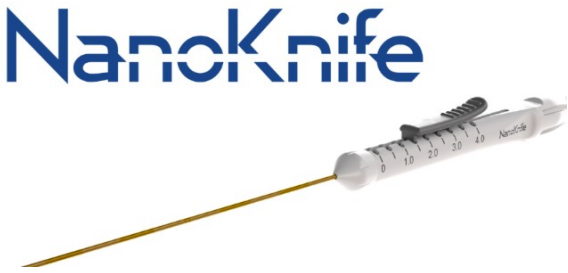
Thrombolytic Catheters

Thrombolytic catheters are used to deliver thrombolytic agents, which are drugs that dissolve blood clots in hemodialysis access grafts, arteries, veins and surgical bypass grafts. AngioDynamics' Uni-Fuse infusion catheter features pressure response outlets, a proprietary slit technology that provides a consistent, even distribution of fluid volume along the entire length of the infusion pattern, designed to provide an advantage over standard side-hole catheters.

We also offer the Pulse-Spray infusion system for high pressure, pulsed delivery of lytic agents designed to shorten treatment time, and the SpeedLyser infusion system built for dialysis grafts and fistulas.

NanoKnife

The NanoKnife IRE Ablation System is an alternative to traditional thermal ablation that received 510(k) clearance from the Food and Drug Administration for the surgical ablation of soft tissue. The system utilizes low energy direct current electrical pulses to permanently open pores in target cell membranes. These permanent pores or nano-scale defects in the cell membranes result in cell death. The treated tissue is then removed by the body's natural processes in a matter of weeks, mimicking natural cell death. Unlike other ablation technologies, the NanoKnife System does not achieve tissue ablation using thermal energy.



The NanoKnife System consists of two major components: a Low Energy Direct Current, or LEDC Generator and needle-like electrode probes. Up to six (6) electrode probes can be placed into or around the targeted soft tissue. Once the probes are in place, the user enters the appropriate parameters for voltage, number of pulses, interval between pulses, and the pulse length into the generator user interface. The generator then delivers a series of short electric pulses between each electrode probe. The energy delivery is hyperechoic and can be monitored under real-time ultrasound.

Peripheral Products (Core)

We offer a comprehensive portfolio for minimally invasive peripheral products. Product categories include an extensive line of angiographic catheters and diagnostic and interventional guidewires, percutaneous drainage catheters and coaxial micro-introducer kits.

Angiographic Products and Accessories

Angiographic products and accessories are used during peripheral diagnostic and interventional procedures. These products permit physicians to reach targeted locations to deliver contrast media for visualization purposes and therapeutic agents and devices, such as percutaneous transluminal angioplasty (PTA) balloons. Angiographic products consist of angiographic catheters and guidewires.

Our angiographic catheter line includes the following brands, all with radiopaque tips to assure excellent visibility under fluoroscopy:

- Soft-Vu flush catheters are available in flush and selective varieties. Flush catheters are used in procedures where a high flow of contrast is required for "big picture" diagnostics. Anomalies discovered through a flush angiogram may require further investigation into a vessel of interest. Soft-Vu selective catheters are used to gain access to smaller or more distal vessels and advance the catheter or wire into the diseased section.
- Accu-Vu sizing catheters feature radiopaque marker bands at the distal portion of the catheter to provide a highly accurate measurement of the patient's anatomy. This enables precise measurement for interventional devices such as stents.
- Mariner catheters have a hydrophilic coating that, when combined with water, reduces friction. This makes insertion potentially easier and more comfortable for the patient, and can also be used for advancing through tortuous anatomy.

AngioDynamics guidewires include Nit-Vu (featuring a kink-resistant NiTi alloy core facilitating smooth navigation through tortuous vasculature and accurate wire control) and Polytetrafluoroethylene (PTFE) Coated diagnostic guidewires (fixed core and movable core).

AngioDynamics catheters and guidewires are available in more than 500 tip configurations and lengths.

Drainage Products

Drainage products percutaneously drain abscesses and other fluid pockets. An abscess is a tender inflamed mass that typically must be drained by a physician. AngioDynamics offers two brands of drainage catheters for multi-purpose/general, nephrostomy and biliary drainage: Total Abscession and Exodus. Each offer features and benefits depending on case presentation and physician preferences.

Micro Access Kits

Our Micro Access kits provide interventional physicians a smaller introducer system for minimally-invasive procedures. Our Micro Access product line provides physicians with the means to choose from the wide selection of configurations, including guidewire, needle and introducer options. Two lines are available in stiff/standard, 10cm or 15cm and echogenic for visibility under ultrasound guidance: Micro Introducer Kit and Ministick Max.

BioFlo

AngioDynamics offers the BioFlo catheter, the only catheter on the market with Endexo Technology, a material more resistant to thrombus accumulation, in vitro (based on platelet count). Endexo Technology is a permanent and non-eluting polymer that is "blended" into the polyurethane from which the catheter is made. It is present throughout the catheter, including the extraluminal, intraluminal and cut catheter surface of the tip. Endexo Technology remains present for the life of the catheter. The BioFlo catheter's long-term durability and efficacy is intended to provide clinicians a high degree of safety and confidence in providing better patient care and improved patient outcomes. BioFlo catheters are available across the Vascular Access family of products, including PICCs, midlines, ports and dialysis catheters.

Midlines

Midline catheters are inserted via the same veins used for PICC placement in the middle third of the upper arm; however, the midline catheter is advanced and placed so that the catheter tip is level or near the level of the axilla and distal to the shoulder. Our Midline product is a BioFlo Midline Catheter which incorporates Endexo Technology and is an effective solution to preserving a patient's peripheral access. It provides a cost-effective alternative to multiple IV site rotations for patients who need short-term venous access.

PICCs

A peripherally inserted central catheter, or PICC, is a long thin catheter that is inserted into a peripheral vein, typically in the upper arm, and advanced until the catheter tip terminates in a large vein in the chest near the heart to obtain intravenous access. PICCs can typically be used for prolonged periods of time and provide an alternative to central venous catheters. Our PICC product offerings include:

- *BioFlo PICC*: Our BioFlo PICC line is the only power injectable PICC available that incorporates Endexo Technology into the manufacturing and design of the catheter. Advanced features such as large lumen diameters allow the BioFlo PICC to deliver the power injection flow rates required for contrast-enhanced Computed Tomography (CT) scans compatible with up to 325 psi CT injections.
- *Xcela PICC*: The Xcela PICC line is designed to provide a high degree of safety, ease and confidence in patient care. Advanced features such as large lumen diameters allow the Xcela PICC to deliver the power injection flow rates required for contrast-enhanced CTs compatible with up to 325 psi CT injections.
- *PASV Valve Technology:* The PASV Valve Technology is available in both BioFlo and Xcela lines and is designed to automatically resist backflow and reduce blood reflux that could lead to catheter-related complications.

C3 Wave PICC tip location system

The C3 Wave system is our innovative, wireless, app-based ECG system which eliminates the need for a confirmatory chest x-ray of PICC tip placement, allowing greater patient access to the Company's proprietary BioFlo PICCs.

Ports

Ports are implantable devices utilized for the central venous administration of a variety of medical therapies and for blood sampling and diagnostic purposes. Central venous access facilitates a more systemic delivery of treatment agents, while mitigating certain harsh side effects of certain treatment protocols and eliminating the need for repeated access to peripheral veins. Depending upon needle gauge size and the port size, a port can be utilized for up to approximately 2,000 accesses once implanted in the body. Our ports are used primarily in systemic or regional short- and long-term cancer treatment protocols that require frequent infusions of highly concentrated or toxic medications (such as chemotherapy agents, antibiotics or analgesics) and frequent blood samplings. Our port products and accessories include:

- *BioFlo Port*: Our BioFlo Port was the first port available featuring a catheter with Endexo Technology. Advanced features of the BioFlo Port include multiple profile and catheter options, a large septum area for ease of access and the ability to administer contrast through a CT injection for purposes of imaging.
- *SmartPort, SmartPort+, SmartPort Plastic*: The SmartPort power-injectable port with Vortex technology offers the ability for a clinician to access a vein for both the delivery of medications or fluids and for administering power-injected contrast to perform a CT scan. The ability to access a port for power-injected contrast studies eliminates the need for additional needle sticks in the patient's arm and wrist veins. Once implanted, repeated access to the bloodstream can be accomplished with greater ease and less discomfort. Our SmartPort port line is available in standard, mini and low-profiles to accommodate more patient anatomies. The SmartPort+ port line combines Vortex technology with BioFlo catheters. In addition to the three titanium port body sizes, there is a plastic port body.
- *Vortex:* Our Vortex port technology line of ports features a clear-flow port technology that, we believe, revolutionized port design. With its rounded chamber, the Vortex port is designed to have no sludge-harboring corners or dead spaces. This product line consists of titanium, plastic and dual-lumen offerings.
- *PASV Valve Technology:* The PASV Valve Technology is designed to automatically resist backflow and reduce blood reflux that could lead to catheter-related complications.
- *LifeGuard:* The LifeGuard Safety Infusion Set and The LifeGuard Vision are used to infuse our ports and complement our port and vascular access catheters. The needles' low profile design is intended to allow clinicians to easily dress the site.

Dialysis Products

We market an extensive line of dialysis products that provide short and long-term vascular access for dialysis patients. Dialysis, or cleaning of the blood, is necessary in conditions such as acute renal failure, chronic renal failure and end-stage renal disease (ESRD). We currently offer a variety of dialysis catheters, including:

- *BioFlo DuraMax*: Our BioFlo DuraMax dialysis catheter is the only dialysis catheter with Endexo Technology. Advanced features of the BioFlo DuraMax dialysis catheter include large inner diameter lumens designed for long term patency, a proprietary guidewire lumen to facilitate catheter exchanges and Curved Tip Technology that allows the catheter to self-center in the Superior Vena Cava (SVC).
- *DuraMax:* The DuraMax catheter is a stepped-tip catheter designed to improve ease of use, dialysis efficiency and overall patient outcomes.

In addition, AngioDynamics also offers other renal therapies, including our DuraFlow Chronic Hemodialysis Catheter, Acute Dialysis Catheter, EVENMORE Chronic Hemodialysis Catheter, EMBOSAFE Valved Splitable Sheath Dilator and Perchik Button Suture Retention Device.

Venous Insufficiency

VenaCure EVLT laser system

Our VenaCure EVLT system products are used in endovascular laser procedures to treat superficial venous disease (varicose veins). Superficial venous disease is a malfunction of one or more valves in the leg veins whereby blood refluxes or does not return to the heart, thereby pooling in the legs and leading to symptoms such as pain, swelling and ulcerations. The VenaCure EVLT system uses laser energy to stop the reflux by ablating (collapsing and destroying) the affected vein. Blood is then re-routed to other healthy veins.

The procedure is minimally invasive and generally takes less than an hour, typically allowing the patient to quickly return to normal activities.

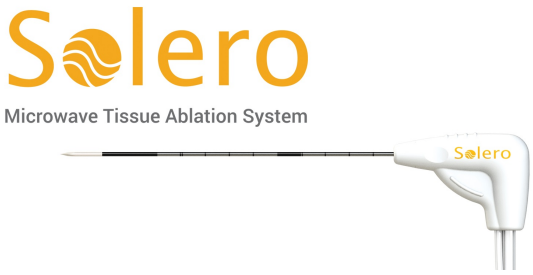
The VenaCure EVLT system is sold as a system that includes diode laser hardware and procedure kits which include disposable laser fiber components, an access sheath, access wires and needles. Our VenaCure EVLT 1470 nanometer wavelength laser allows physicians to more efficiently heat the vein wall using lower power settings thereby reducing the risk of collateral damage. The NeverTouch tip fiber eliminates laser tip contact with the vein wall, which in turn minimizes perforations of the vein wall that typically result in less pain and bruising as compared to traditional bare-tip fibers. The NeverTouch tip also maximizes ultrasonic visibility, making it easier for physicians to use. Procedure kits are available in a variety of lengths and configurations to accommodate varied patient anatomies.

The VenaCure EVLT system comes with a comprehensive physician training program and extensive marketing support.

Microwave Ablation

Solero Microwave Tissue Ablation (MTA) System

The Solero MTA System features the Solero Microwave (MW) Generator and the specially designed Solero MW Applicators. The solid state Solero MW Generator with a 2.45 GHz operating frequency can power up to 140W for optimized power delivery and fast ablations. The Solero MW Applicator's optimized ceramic tip diffuses MW energy nearly spherically, and its patented cooling channel with thermocouple provides real-time monitoring to help protect non-targeted tissue during the ablation. In addition, the Solero MTA System offers physicians scalability with a single applicator designed for multiple, predictable ablation volumes by varying time and wattage. Solero is a single applicator system able to complete up to a 5 cm ablation in six (6) minutes at maximum power.



The Solero MTA System and Accessories are indicated for the ablation of soft tissue during open procedures. The Solero MTA System is not intended for cardiac use.

Radiofrequency Ablation

StarBurst Radiofrequency Ablation Devices

Radiofrequency Ablation (RFA) products use radiofrequency energy to provide a minimally invasive approach to ablating solid cancerous or benign tumors. Our StarBurst Radiofrequency Ablation devices deliver radiofrequency energy to raise the temperature of cells above 45-50°C, causing cellular death. The physician inserts the disposable needle electrode device into the targeted body tissue, typically under ultrasound, CT or Magnetic Resonance Imaging (MRI) guidance.

During the procedure, our system automatically adjusts the amount of energy delivered in order to maintain the temperature necessary to ablate the targeted tissue. For a typical 5 cm ablation using our StarBurst Xli-enhanced disposable device, the ablation process takes approximately ten (10) minutes. The RFA system consists of a radiofrequency generator and a family of disposable devices.

In addition to thermal ablation systems and the NanoKnife Ablation System, AngioDynamics also offers Habib 4X Surgical Resection devices that are used in minimally invasive laparoscopic surgery procedures in surgical specialties such as Hepato-Biliary, GI, Surgical Oncology, Transplant Surgery and Urology (Partial Nephrectomy Resections). It is clinically indicated to assist in coagulation of tissue during intraoperative and laparoscopic procedures.

BioSentry Tract Sealant System

The BioSentry Tract Sealant System deploys a self-expanding hydrogel plug into the pleural space following a percutaneous lung biopsy, creating an airtight seal that closes the pleural puncture. Depth markings provide accurate and consistent placement based on CT-guided measurements, while the depth adjustment wheel and locking mechanisms ensure proper plug deployment. The hydrogel plug is made from a synthetic tissue-friendly polymer that fully reabsorbs into the body and the coaxial adapter mates with a coaxial needle to ensure a proper fit and delivery of the plug. The BioSentry Tract Sealant System is indicated for sealing pleural punctures to significantly reduce the risk of pneumothoraxes (air leaks) associated with percutaneous, transthoracic needle lung biopsies and to provide accuracy in marking a biopsy location for visualization during surgical resection.

IsoLoc Endorectal Balloon

The IsoLoc Endorectal Balloon's unique, customer-driven design is the result of collaborations with Radiation Oncologists, Therapists and Physicists with one goal in mind, to create a new standard for endorectal balloons (ERB) in the oncology space.

The design of the IsoLoc device not only addresses patient comfort, but also simplifies three challenging clinical scenarios that many physicians face when using radiation therapy for and/or in relation to the prostate. First, its' gas-release tip removes rectal gas and reduces prostate motion for gaseous patients. Secondly, the structure of the ERB aids in defining the anatomy for difficult planning scenarios with post-radical patients. Lastly, the IsoLoc device repositions and lifts the bowel in patients that have a low-lying bowel.

Alatus Vaginal Balloon Packing System

The Alatus device was developed with the patient's comfort in mind and to assist the physician to move healthy tissue away from the radiation treatment field. Prior to the Alatus device, the clinician would push gauze into the vagina to move the bladder and bowel away from the radiation treatment field. Inserting gauze into the vagina can be uncomfortable before treatment and unpleasant at the end of treatment as it tends to dry out before removing.

RESEARCH & DEVELOPMENT

Our growth depends in large part on the continuous introduction of new and innovative products, together with ongoing enhancements to our existing products. This happens through internal product development, technology licensing, strategic alliances and acquisitions. Our research and development (R&D) teams work closely with our marketing teams, sales force and regulatory and compliance teams to incorporate customer feedback into our development and design process. We believe that we have a reputation among interventional physicians as a strong partner for developing high quality products because of our tradition of close physician collaboration, dedicated market focus, responsiveness and execution capabilities for product development and commercialization. We recognize the importance of, and intend to continue to make investments in, R&D.

COMPETITION

We encounter significant competition across our product lines and in each market in which our products are sold. These markets are characterized by rapid change resulting from technological advances, scientific discoveries and changing customer needs and expectations. We face competitors, ranging from large manufacturers with multiple business lines, to small manufacturers that offer a limited selection of products.

Our primary device competitors include: Boston Scientific Corporation; Cook Medical; Medical Components, Inc. (MedComp); TeleFlex Medical; Becton Dickinson; Medtronic; Merit Medical; Terumo Medical Corporation; Johnson and Johnson; Philips Healthcare; Inari Medical; Varian Medical Systems and Total Vein Systems.

We believe our products compete primarily based on their quality, clinical outcomes, ease of use, reliability, physician familiarity and cost-effectiveness. In the current environment of managed care, which is characterized by economically motivated buyers, consolidation among health care providers, increased competition and declining reimbursement rates, we have been increasingly required to compete on the basis of price. We believe that our continued competitive success will depend upon our ability to develop or acquire scientifically advanced technology, apply our technology cost-effectively across product lines and markets, attract and retain skilled personnel, obtain patent or other protection for our products, obtain required regulatory and reimbursement approvals, manufacture and successfully market our products either directly or through third parties, and maintain sufficient inventory to meet customer demand.

SALES AND MARKETING

We sell our broad line of quality devices in the United States primarily through a direct sales force and internationally through a combination of direct sales and distributor relationships. We support our customers and sales organization with a marketing staff that includes product managers, customer service representatives and other marketing specialists. We focus our sales and marketing efforts on interventional radiologists, interventional cardiologists, vascular surgeons, urologists, interventional and surgical oncologists and critical care nurses.

MANUFACTURING

We manufacture certain proprietary components and products and then assemble, inspect, test and package our finished products. By designing and manufacturing many of our products from raw materials, and assembling and testing our subassemblies and products, we believe that we are able to maintain better quality control, ensure compliance with applicable regulatory standards and our internal specifications, and limit outside access to our proprietary technology. We have custom-designed proprietary manufacturing and processing equipment and have developed proprietary enhancements for existing production machinery.

We manufacture many of our products from two owned manufacturing properties, one in Queensbury, NY and one small facility in Glens Falls, NY, providing capabilities which include manufacturing, service, offices, engineering and research and we lease distribution warehouses. The manufacturing facilities are registered with the FDA and have been certified to ISO 13485 standards. ISO 13485 is a quality system standard that satisfies European Union regulatory requirements, thus allowing us to market and sell our products in European Union countries. AngioDynamics is certified under the Medical Device Single Audit Program ("MDSAP") which allows a recognized auditing organization to conduct a single regulatory audit of a medical device manufacturer to satisfy the relevant requirements of the regulatory authorities participating in the program. International partners that are participating in the MDSAP include:

- Therapeutic Goods Administration of Australia
- Brazil’s Agência Nacional de Vigilância Sanitária
- Health Canada
- Japan’s Ministry of Health, Labour and Welfare, and the Japanese Pharmaceuticals and Medical Devices Agency
- U.S. Food and Drug Administration

Our manufacturing facilities are subject to periodic inspections by regulatory authorities to ensure compliance with domestic and non-U.S. regulatory requirements. See “Government Regulation” section of this Item 1 for additional information. See Part I, Item 2 "Properties" in this Annual Report on Form 10-K for details on each manufacturing location.

During the fourth quarter of fiscal year 2022, AngioDynamics entered into a supply agreement with Precision Concepts, Costa Rica S.A., a Costa Rica corporation, with its principal place of business in Alajuela, Costa Rica. Precision Concepts is manufacturing, storing, and handling certain products for the Company and is registered with the FDA and certified to the ISO 13485 standard.

BACKLOG

We have historically kept sufficient inventory on hand to ship product within 24-48 hours of order receipt to meet customer demand. In fiscal year 2022, COVID-19 related issues including the Company's ability to manufacture products, the reliability of our supply chain, labor shortages, backlog and inflation (including the cost and availability of raw materials, direct labor and shipping) have impacted our business and resulted in a backlog of $8.4 million at the end of the fourth quarter. We continue to focus on meeting the demand for our product and working towards standard inventory and backlog levels in fiscal year 2023. See Part I, Item 1A "Risk Factors" in this Annual Report on Form 10-K.

INTELLECTUAL PROPERTY

Patents, trademarks and other proprietary rights are very important to our business. We also rely upon trade secrets, manufacturing know-how, technological innovations and licensing opportunities to maintain and improve our competitive position. We regularly monitor and review third-party proprietary rights, including patents and patent applications, as available, to aid in the development of our intellectual property strategy, avoid infringement of third-party proprietary rights, and identify licensing opportunities. The Company owns an extensive portfolio of patents and patent applications in the United States and in certain foreign countries. The portfolio also includes exclusive licenses to third party patents and applications. Most of our products are sold under the AngioDynamics trade name or trademark. Additionally, products are sold under product trademarks and/or registered product trademarks owned by AngioDynamics, Inc., or an affiliate or subsidiary. Some products contain trademarks of companies other than AngioDynamics.

See Part I, Item 3 "Legal Proceedings" and Note 16 to the consolidated financial statements in this Annual Report on Form 10-K for additional details on litigation regarding proprietary technology.

LITIGATION

We operate in an industry characterized by extensive patent litigation. Patent litigation can result in significant damage awards and injunctions that could prevent the manufacture and sale of affected products, or result in significant royalty payments in order to continue selling those products. The medical device industry is also susceptible to significant product liability claims. These claims may be brought by individuals seeking relief on their own behalf or purporting to represent a class. In addition, product liability claims may be asserted against us in the future based on events we are not aware of at the present time. At any given time, we are involved in a number of product liability actions. For additional information, see both Part I, Item 3 "Legal Proceedings" and Note 16 to the consolidated financial statements in this Annual Report on Form 10-K.

GOVERNMENT REGULATION

The products we manufacture and market are subject to regulation by the United States Food and Drug Administration (FDA) under the Federal Food, Drug, and Cosmetic Act, or FDCA, and international regulations in our specific target markets.

United States FDA Regulation

Before a new medical device can be introduced into the market, a manufacturer generally must obtain marketing clearance or approval from the FDA through either a 510(k) submission (a premarket notification) or a premarket approval application (PMA).

The 510(k) clearance procedure is available only if a manufacturer can establish that its device is “substantially equivalent” in intended use and in safety and effectiveness to a “predicate device,” which is (i) a device that has been cleared through the 510(k) clearance process; (ii) a device that was legally marketed prior to May 28, 1976 (preamendments device); (iii) a device that was originally on the U.S. market as a Class III device (Premarket approval) and later downclassified to Class II or I; (iv) or a 510(k) exempt device. After a device receives 510(k) clearance, any modification that could significantly affect its safety or effectiveness, or that would constitute a major change in its intended use, requires a new 510(k) clearance. The 510(k) clearance procedure including questions and responses may take up to 12 months. In some cases, supporting clinical data may be required. The FDA may determine that a new or modified device is not substantially equivalent to a predicate device or may require that additional information, including clinical data, be submitted before a determination is made, either of which could significantly delay the introduction of a new or modified device. If a device cannot demonstrate substantial equivalence, it may be subject to either a De Novo 510(K) submission or a PMA.

The PMA application procedure is more comprehensive than the 510(k) procedure and typically takes more time to complete. The PMA application must be supported by scientific evidence providing pre-clinical and clinical data relating to the safety and efficacy of the device and must include other information about the device and its components, design, manufacturing, and labeling. The FDA will approve a PMA application only if reasonable assurance that the device is safe and effective for its intended use can be provided. As part of the PMA application review, the FDA will inspect the manufacturer’s facilities for compliance with its Quality System Regulation, or QSR. As part of the PMA approval the FDA may place

restrictions on the device, such as requiring additional patient follow-up for an indefinite period of time. If the FDA's evaluation of the PMA application or the manufacturing facility is not favorable, the FDA may deny approval of the PMA application or issue a "not approvable" letter. The FDA may also require additional clinical trials, which can delay the PMA approval process by several years. After the PMA is approved, if significant changes are made to a device, its manufacturing or labeling, a PMA supplement containing additional information must be filed for prior FDA approval.

Historically, our products have been introduced into the market using the 510(k) procedure.

FDA submissions require extensive validations and testing which requires a significant amount of time and financial resources. Recent changes in both regulations and FDA perspectives have increased both time and testing requirements, which have caused and are expected to continue to cause significant delays and increased costs for clearances and approvals. The increased focus by the FDA on such issues as chemical identification of all colorants, non-acceptance of certain colorants (certain forms of carbon black) and other concerns, continue to cause challenges and delays. In addition, changes to existing products call into question previously approved devices and result in additional costs for testing and material analysis.

The devices manufactured by us are also subject to the QSR, which imposes elaborate testing, control, documentation and other quality assurance procedures on our manufacturing facilities. Every phase of production, including raw materials, components and subassembly, manufacturing, testing, quality control, labeling, tracing of customers after distribution and follow-up and reporting of complaint information is governed by the FDA's QSR. Device manufacturers are required to register their facilities and list their products with the FDA and certain state agencies. The FDA periodically inspects manufacturing facilities and, if there are alleged violations, the operator of a facility must correct them or satisfactorily demonstrate the absence of the violations or face regulatory action. Failure to maintain compliance with the QSR may result in the issuance of one or more Forms 483 or warning letters and could potentially result in a consent decree. Failure to maintain the QSR appropriately could result in the issuance of further warning letters. In addition, non-compliance with applicable FDA requirements can result in, among other things, fines, injunctions, civil penalties, recall or seizure of products, total or partial suspension of production, failure of the FDA to grant marketing approvals, inability to obtain clearances or approvals for products, withdrawal of marketing approvals, a recommendation by the FDA to disallow us to enter into government contracts, and/or criminal prosecutions. The FDA also has the authority to request repair, replacement or refund of the cost of any device manufactured or distributed by us.

Other U.S. Regulatory Bodies

We and our products are subject to a variety of federal, state and local laws in those jurisdictions where our products are, or will be, marketed. We and our products are also subject to a variety of federal, state and local laws relating to matters such as safe working conditions, manufacturing practices, environmental protection, fire hazard control and disposal of hazardous or potentially hazardous substances. In addition, we are subject to various federal and state laws governing our relationships with the physicians and others who purchase or make referrals for our products. For instance, federal law prohibits payments of any form that are intended to induce a referral for any item payable under Medicare, Medicaid or any other federal healthcare program. Many states have similar laws. There can be no assurance that we will not be required to incur significant costs to comply with such laws and regulations now or in the future, or that such laws or regulations will not have a material adverse effect upon our ability to do business.

International Regulation

Internationally, all of our current products are considered medical devices under applicable regulatory regimes, and we anticipate that this will be true for all of our future products. Sales of medical devices are subject to regulatory requirements in many countries. The regulatory review process may vary greatly from country to country.

In order to distribute and sell products into the European Union as well as a number of other countries including many Central European Free Trade Agreement participants, Scandinavian, and Middle Eastern countries, a CE Mark is required. New products must be compliant with the Medical Device Regulation ("MDR") as of May 2021 and previously CE Marked products must become compliant when their certification expires, with a transition period ending May 2025. Products with an expiring certification must be in distribution before certification expiration dates to continue to be sold. Clinical evaluations of products under MDR requires more information than previously required. All devices must have current clinical literature that specifically addresses data-driven safety and performance criteria, and legacy devices often require additional biocompatibility, bench testing and redesign to address changes in standards over time. Additionally, there can be extended time frames under MDR for product certifications that can be 12-18 months or longer.

Similar regulations are in place for Canada, Japan, China and most other countries. In some cases, we rely on our international distributors to obtain regulatory approvals, complete product registrations, comply with clinical trial requirements and complete those steps that are customarily taken in the applicable jurisdictions.

International sales of medical devices manufactured in the United States that are not approved or cleared by the FDA for use in the United States, or are banned or deviate from lawful performance standards, are subject to FDA export requirements. Before exporting such products to a foreign country, we must first comply with the FDA's regulatory procedures for exporting unapproved devices.

The process of obtaining approval to distribute medical products is costly and time-consuming in virtually all the major markets where we sell medical devices. We cannot assure that any new medical devices we develop will be cleared, approved or certified in a timely or cost-effective manner or cleared, approved or certified at all. There can be no assurance that new laws or regulations regarding the release or sale of medical devices will not delay or prevent sale of our current or future products.

THIRD-PARTY REIMBURSEMENT AND ANTI-FRAUD AND CORRUPT PRACTICES REGULATION

United States

The delivery of our devices is subject to regulation by the Department of Health and Human Services (HHS) and comparable state and non-U.S. agencies responsible for reimbursement and regulation of health care items and services. U.S. laws and regulations are imposed primarily in conjunction with the Medicare and Medicaid programs, as well as the government's interest in regulating the quality and cost of health care. Foreign governments also impose regulations in conjunction with their health care reimbursement programs and the delivery of health care items and services.

U.S. federal health care laws apply when we or customers submit claims for items or services that are reimbursed under Medicare, Medicaid, or other federally-funded health care programs. The principal U.S. federal laws include: (1) the Anti-kickback Statute which prohibits offers to pay or receive remuneration of any kind for the purpose of inducing or rewarding referrals of items or services reimbursable by a federal health care program, subject to certain safe harbor exceptions; (2) the False Claims Act which prohibits the submission of false or otherwise improper claims for payment to a federally-funded health care program, including claims resulting from a violation of the Anti-kickback Statute; (3) the Stark law which prohibits physicians from referring Medicare or Medicaid patients to a provider that bills these programs for the provision of certain designated health services if the physician (or a member of the physician's immediate family) has a financial relationship with that provider; and (4) health care fraud statutes that prohibit false statements and improper claims to any third-party payer. There are often similar state false claims, anti-kickback, and anti-self-referral and insurance laws that apply to state-funded Medicaid and other health care programs and private third-party payers. In addition, the U.S. Foreign Corrupt Practices Act (FCPA) can be used to prosecute companies in the U.S. for arrangements with physicians or other parties outside the U.S. if the physician or party is a government official of another country and the arrangement violates the law of that country.

International

The delivery of our devices in any market is subject to evolving regulation by the EU Medical Device Regulations, notified bodies and comparable nation-specific bodies responsible for reimbursement and regulation of health care items and services. Our success in international markets will depend largely upon the availability of reimbursement from the national public health payers as well as private, third party payors, through which healthcare providers are paid in those markets. Reimbursement and healthcare payment systems vary significantly by country. The main types of healthcare payment systems are government sponsored healthcare and private insurance. Reimbursement approval must be obtained individually in each country in which our products are marketed. Outside the U.S., we maintain a healthcare economics team that works directly with providers, our distributors and health systems to obtain reimbursement approval in the countries in which they will use or sell our products. There can be no assurance that reimbursement approvals will be received. See Part I. Item 1A "Risk Factors" in this Annual Report on Form 10-K.

INSURANCE

Our product liability insurance coverage is limited to a maximum of $10 million per product liability claim and an annual aggregate policy limit of $10 million, subject to a self-insured retention of $500,000 per occurrence and $2 million in the aggregate. The policy covers, subject to policy conditions and exclusions, claims of bodily injury and property damage from any product sold or manufactured by us.

There is no assurance that this level of coverage is adequate. We may not be able to sustain or maintain this level of coverage and cannot assure you that adequate insurance coverage will continue to be available on commercially reasonable terms, or at all. A successful product liability claim or other claim, with respect to uninsured or underinsured liabilities, could have a material adverse effect on our business. See Part I. Item 1A "Risk Factors" in this Annual Report on Form 10-K.

ENVIRONMENTAL, HEALTH AND SAFETY

We are subject to federal, state and local laws, rules, regulations and policies governing the use, generation, manufacture, storage, air emission, effluent discharge, handling and disposal of certain hazardous and potentially hazardous substances used

in connection with our operations. Our operations are also subject to laws and regulations related to occupational health and safety. We maintain safety, training and maintenance programs as part of our ongoing efforts to ensure compliance with applicable laws and regulations. Although we believe that we have complied with environmental, health and safety laws and regulations in all material respects and, to date, have not been required to take any action to correct any noncompliance, there can be no assurance that we will not be required to incur significant costs to comply with environmental regulations in the future.

EMPLOYEES

As of May 31, 2022, we had approximately 760 full time employees. None of our employees are represented by a labor union and we have never experienced a work stoppage. In the highly competitive medical technology industry, we consider attracting, developing, engaging and retaining high performing talent in positions critical to our long-term growth strategy including but not limited to technical, operational, marketing, sales, research and development, and management. Our ability to recruit and retain such talent depends on several factors, including culture, compensation and benefits, talent development, career opportunities, recognition and work environment. Our goal is to create a diverse and inclusive culture that encourages an environment where employees feel welcomed, respected and valued. We are an equal opportunity/affirmative action employer committed to making employment decisions without regard to race, religion, ethnicity or national origin, gender, sexual orientation, gender identity or expression, age, disability, protected veteran status or any other characteristics protected by law.

The engagement of our workforce is crucial to delivering on our competitive strategy, and we place high importance on informed and engaged employees. We communicate frequently and transparently with our employees through a variety of communication methods, including video and written communications, town hall meetings and our company intranet. As a result of the COVID-19 pandemic, we also further strengthened our communication platforms. Our employee communications during the pandemic have kept our employees informed on critical priorities, important actions being taken by management in response to the pandemic and continued efforts to protect employee health, safety and well-being.

Executive Officers of the Company

The following table sets forth certain information with respect to our executive officers.

Name	Age	Position
James C. Clemmer	58	President and Chief Executive Officer
Stephen A. Trowbridge	47	Executive Vice President and Chief Financial Officer
Chad T. Campbell	51	Senior Vice President and General Manager, Vascular Access and Oncology
Scott Centea	44	Senior Vice President and General Manager, Endovascular Therapies
David D. Helsel	58	Senior Vice President, Global Operations and Research and Development
Laura Piccinini	52	Senior Vice President and General Manager, International
Richard C. Rosenzweig	55	Senior Vice President, General Counsel and Secretary

James C. Clemmer became our President and Chief Executive Officer (CEO) in April 2016. Prior to joining AngioDynamics, Mr. Clemmer served as President of the $1.8 billion medical supplies segment at Covidien plc. where he directed the strategic and day-to-day operations for global business divisions that collectively manufactured 23 different product categories. In addition, he managed global manufacturing, research and development, operational excellence, business development and all other functions associated with the medical supplies business. Prior to his role at Covidien, Mr. Clemmer served as Group President at Kendall Healthcare (which was acquired by Tyco International in 1994), where he managed the U.S. business across five divisions and built the strategic plan for the medical supplies segment before Covidien was spun off from Tyco. Mr. Clemmer began his career at Sage Products, Inc. Mr. Clemmer currently serves on the Board of Directors for AngioDynamics and previously served on the Board of Directors for Lantheus Medical Imaging. Mr. Clemmer is a graduate of the Massachusetts College of Liberal Arts, where he served as interim president from August 2015 until March 2016.

Stephen A. Trowbridge was appointed Executive Vice President and Chief Financial Officer (CFO) in February 2020, having served as Interim Chief Financial Officer since October 2019. Prior to his appointment as CFO, he served as the Company's Senior Vice President and General Counsel. He joined AngioDynamics in June 2008 as Corporate Counsel. In addition to serving as the Company's CFO and managing the finance functions, Mr. Trowbridge also managed the Legal function on an interim basis until January 30, 2021. Prior to AngioDynamics, Mr. Trowbridge served as Corporate Counsel at Philips Healthcare and Intermagnetics General Corporation. Mr. Trowbridge began his career with Cadwalader, Wickersham & Taft LLP in the firm's Mergers and Acquisitions and Securities Group. Mr. Trowbridge received a Bachelor of Science in Science and Technology Studies from Rensselaer Polytechnic Institute, a Juris Doctor from the University of Pennsylvania Law School, and a Master of Business Administration from Duke University's Fuqua School of Business.

Chad T. Campbell joined AngioDynamics in May 2016 as the Senior Vice President and General Manager for Vascular Access. As of October 2021, Mr. Campbell assumed responsibility of the Oncology Global Business Unit in addition to his role of General Manager for Vascular Access. In his role, Mr. Campbell oversees research and development and global commercialization of the Global Business Unit's portfolio. Mr. Campbell joined AngioDynamics from Medtronic where he served as the Vice President of Marketing for the Patient Care and Safety business after serving as the Vice President of Marketing for the SharpSafety business at Covidien (Medtronic). During his tenure at Covidien, Mr. Campbell also held roles including Director of Marketing, Area Vice President of Sales, Region Manager, Product Manager and Account Manager. Mr. Campbell received a Bachelor of Arts from the University of Kentucky.

Scott Centea joined AngioDynamics in 2005 as a sales representative serving the Carolinas. During his tenure, he has served in a variety of positions with increased responsibility including Vice President of Corporate Accounts where he was in charge of leading a team of individuals to execute Health System Purchasing Contracts. From there Mr. Centea assumed the role of Vice President of Marketing for Endovascular Therapies, before being promoted into his most recent and current role as Senior Vice President/General Manager of Endovascular Therapies and Peripheral Artery Disease. Mr. Centea currently holds board positions with the American Venous Forum (AVF) and the Capital District American Heart Association. Mr. Centea holds a Bachelor of Arts in Communications from Newberry College.

David D. Helsel currently serves as Senior Vice President of Global Operations and Research and Development and has been with AngioDynamics since December 2017. Prior to joining AngioDynamics he was Senior Vice President, Global Supply Chain, at Hill-Rom Holdings for almost three years. Before that, Mr. Helsel worked at Haemonetics for three years where he served as Executive Vice President for Global Manufacturing and also spent almost nineteen years in various positions with increasing responsibility at Covidien, including Vice President of Operations for the Surgical Solutions Division and Medical Supplies Division. An expert in Lean and Six Sigma, Mr. Helsel also served as Global Director of Operational Excellence, supporting sixty-three manufacturing facilities. Mr. Helsel holds a Bachelor of Science in Mechanical Engineering from LeTourneau University.

Laura Piccinini joined AngioDynamics as Senior Vice President and General Manager for International in June 2021. Ms. Piccinini brings more than 25 years of experience in leadership roles in the medical device industry, with an extensive background in the field of respiratory and surgical care. From June 2020 to June 2021, she served as CEO and a member of the Board of Directors for Respiratory Motion, Inc. Prior to that, from 2017 to 2020, she served as Global Head of Commercial Operations for the Implants business unit at Nobel Biocare Systems, then a Danaher subsidiary now part of Envista Holdings. From 2015 to 2017, Ms. Piccinini served as President of EMEA at Covidien and prior to that at Stryker. Ms. Piccinini is a graduate of the Parma University of Medicine, where she received a nursing degree with specializations in ICU, Anesthesia, and First Aid as a Helicopter Flight Coordinator.

*Richard C. Rosenzwei*g joined AngioDynamics as Senior Vice President, General Counsel and Secretary in February 2021. Mr. Rosenzweig brings to his role more than 20 years of experience in executive leadership providing legal guidance, governance and compliance oversight, and strategic business direction to global medical device and health care companies, including C. R. Bard for more than ten years where he most recently served as Vice President, Law, and Assistant Secretary, Phibro Animal Health Corporation and Impath, Inc. as Senior Vice President, General Counsel and Secretary, and Johnson & Johnson as Director, Licensing and Acquisitions. Prior to AngioDynamics, Mr. Rosenzweig advised companies in the medical device industry as an independent consultant on corporate development initiatives. Mr. Rosenzweig received his Bachelor of Arts in Psychology from Brandeis University and his Juris Doctor from Boston University School of Law. He serves as Vice Chair and Chair-Elect of the Director's Leadership Council of the Rutgers Cancer Institute of New Jersey, and is a member of the Director's Leadership Council for Rutgers Biomedical and Health Sciences, an academic medical center.

AVAILABLE INFORMATION

Our corporate headquarters is located at 14 Plaza Drive, Latham, New York 12110. Our phone number is (518) 795-1400. Our website is *www.angiodynamics.com*.

We make available, free-of-charge through our website, our Annual Reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) of the Securities Exchange Act of 1934, as amended, as soon as reasonably practicable after we electronically file or furnish such materials to the SEC. In addition, our website includes, among other things, charters of the various committees of our Board of Directors and our code of conduct and ethics applicable to all employees, officers and directors. Within the time period required by the SEC, we will post on our website any amendment to the code of conduct and ethics and any waiver applicable to any executive officer, director or senior financial officer. We use our website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Accordingly, investors should monitor our website, in addition to following our press releases, SEC filings and public conference calls and webcasts. We use these channels as well as social media and blogs to communicate with the public about our company, our services and other issues. It is possible that the information we post on social media and blogs could be deemed to be material information. Therefore, we encourage

investors, the media, and others interested in our Company to review the information we post on the social media channels and blogs listed on our website. Any stockholder also may obtain copies of these documents, free of charge, by sending a request in writing to our Corporate headquarters, Attention: Saleem Cheeks. Information on our website or connected to our website is not incorporated by reference into this Annual Report on Form 10-K.

Item 1A. ***Risk Factors.***

In addition to the other information contained in this Annual Report on Form 10-K and in our other filings with the Securities and Exchange Commission, the following risk factors should be considered carefully by investors in evaluating our business. Our financial and operating results are subject to a number of risks and uncertainties, including those set forth below, many of which are not within our control. Our business, financial condition, results of operations and/or liquidity could be materially and adversely affected by any of these risks or by additional risks not presently known to us or that we currently deem immaterial.

RISKS RELATED TO OUR BUSINESS AND INDUSTRY

We face intense competition in the medical device industry which continues to experience consolidation. We may be unable to compete effectively with respect to technological innovation and price which may have a material adverse effect on our revenues, financial condition, results of operations and/or liquidity.

The markets for our products are highly competitive and we expect competition to continue to intensify. The medical device industry is characterized by rapid technological change, frequent product introductions and evolving customer requirements. Our customers consider many factors when choosing products, including technology, features and benefits, quality, reliability, ease of use, clinical or economic outcomes, availability, price and customer service. We face competition globally from a wide range of companies, many of whom have substantially greater financial, marketing and other resources than us. We may not be able to compete effectively, and we may lose market share to our competitors. Our primary device competitors include: Boston Scientific Corporation; Cook Medical; Medical Components, Inc. (MedComp); TeleFlex Medical; Becton Dickinson; Medtronic; Merit Medical; Terumo Medical Corporation; Johnson and Johnson; Philips Healthcare; Inari Medical; Varian Medical Systems and Total Vein Systems.

Our competitors may succeed in adapting faster than us to changing customer needs or requirements, in developing and introducing technologies and products earlier, in obtaining patent protection (which could create barriers to market entry for us) or regulatory clearance earlier, or in commercializing new products or technologies more rapidly than us. Our competitors may also develop products and technologies that are superior to ours or that otherwise could render our products obsolete or noncompetitive. The trend of increased consolidation in the medical technology industry has resulted in companies with greater scale and market power, intensifying competition and increasing pricing pressure. We may also face competition from providers of other medical therapies, such as pharmaceutical companies, that may offer non-surgical therapies for conditions that are currently, or in the future may be, treated using our products. If we are not able to compete effectively, our market share and revenue may decline.

In addition, the increasing purchasing power of health systems, group purchasing organizations (“GPOs”) and integrated health delivery networks (“IDNs”), together with increased competition and declining reimbursement rates, has resulted increasingly with the Company competing on the basis of price. Due to the highly competitive nature of the GPO and IDN contracting processes, we may not be able to obtain market prices for our products or obtain or maintain contract positions with major GPOs and IDNs, which could adversely impact our profitability. Also, sales through a GPO or IDN can be significant to our business and our inability to retain contracts with our customers, or acquire additional contracts, could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

Our inability to continue to effectively develop, acquire and/or market new products and technologies could have a material adverse effect on our business, financial condition and/or results of operations.

The market for our devices is characterized by rapid technological change, new product introductions, technological improvements, changes in physician requirements and evolving industry standards. Product life cycles are relatively short because medical device manufacturers continually develop more effective and less expensive versions of existing devices in response to physician demand. We engage in product development and improvement programs to maintain and improve our competitive position. Our products are technologically complex and these programs involve significant planning, market studies, investment in research and development, clinical trials and regulatory clearances or approvals and may require more time and expense than anticipated to bring such products to market. We may not, however, be successful in enhancing existing products, or developing new products or technologies that will achieve regulatory approval, be developed or manufactured in a cost-effective manner, obtain appropriate intellectual property protection or receive market acceptance. We also may be unable to recover all or a meaningful part of our investment in these products or technologies. Additionally, there can be no assurance that the size of the markets in which we compete will increase above existing levels or not decline, that we will be able to maintain, gain or regain market share or that we can compete effectively on the basis of price or that the number of procedures in which our products are used will increase above existing levels or not decline.

In particular, the future prospects of many of our high growth products, such as the NanoKnife system, the AngioVac system and the Auryon system, rely on continued market development and continued generation of clinical data pursuant to clinical trials conducted by us, our competitors or other third parties. If the results of these trials are not what we expect or fail to generate meaningful clinical data, it may adversely impact our ability to obtain product approvals. If any of these products fail to achieve clinical acceptance or are perceived unfavorably by the market, it could severely limit our ability to drive revenue growth, which could have a material adverse effect on our business, financial condition, results of operations and/or liquidity. See Risk Factor titled *"Our business and prospects rely heavily upon our ability to successfully complete clinical trials, including, but not limited to, our NanoKnife DIRECT clinical study, our NanoKnife PRESERVE clinical study, AlphaVac APEX-AV clinical study and clinical studies for AngioVac. We may choose to, or may be required to, suspend, repeat or terminate our clinical trials if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed."*

As part of our business strategy, we expect to continue to engage in business development activities which includes selectively evaluating and pursuing the acquisition of complementary businesses, technologies and products. These activities may result in substantial investment of our time and financial resources and competition for targets may be significant. We may not be able to identify appropriate acquisition candidates, consummate transactions, obtain agreements with favorable terms or obtain any necessary financing or regulatory approvals. Further, once a business is acquired, any inability to successfully integrate the business or achieve anticipated cost savings or operating synergies, decreases in customer loyalty or product orders, failure to retain and develop its workforce, failure to establish and maintain appropriate controls, higher or unanticipated expenses, or unknown or contingent liabilities could adversely affect our ability to realize the anticipated benefits of any acquisition. The evaluation and integration of an acquired business, whether or not successful, requires significant efforts which may result in additional expenses and divert the attention of our management and technical personnel from other projects.

If we proceed with one or more significant acquisitions in which the consideration consists of cash, a substantial portion of our available cash could be used to consummate the acquisitions. If we consummate one or more acquisitions in which the consideration consists of capital stock, our stockholders could suffer significant dilution of their interest in us. In addition, we could incur or assume significant amounts of indebtedness in connection with acquisitions. These transactions are inherently risky and may not enhance our financial position or results of operations or create value for our shareholders as they are based on projections and assumptions which are uncertain and subject to change and there can be no assurance that any past or future transaction will be successful.

If we fail to develop and successfully manufacture and launch new products, generate satisfactory clinical results, provide sufficient economic value, enhance existing products, or identify, acquire and integrate complementary businesses, technologies and products or if we experience a decrease in market size or market share or declines in average selling price or procedural volumes, or otherwise fail to compete effectively, we may not achieve our growth goals, which could have a material adverse effect on our business, financial condition and/or results of operations.

If we do not maintain our reputation with interventional physicians, interventional and surgical oncologists, and critical care nurses, our growth will be limited and our business could be harmed.

Physicians typically influence the medical device purchasing decisions of the hospitals and other healthcare institutions in which they practice. Consequently, our reputation with interventional physicians, interventional and surgical oncologists, and critical care nurses is crucial to our continued growth. We believe that we have built a positive reputation based on the quality of our products, our physician-driven product development efforts, our marketing and training efforts and our presence at medical society meetings. Any actual or perceived diminution in the quality of our products, or our failure or inability to maintain these other efforts, could damage our reputation with interventional physicians and cause our growth to be limited and our business to be harmed, which could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

Our business and prospects depend heavily on the NanoKnife system, which is currently approved for the surgical ablation of soft tissue. If we are unable to secure expanded specific regulatory approvals for the NanoKnife system, our business and prospects may be materially harmed.

Our NanoKnife System is indicated for the surgical ablation of soft tissue. The long-term prospects for our NanoKnife business may rely on securing expanded indications for specific disease states and treatments. Based on our current indication, our ability to promote the NanoKnife system and provide training with respect to the use of the NanoKnife system is limited to the surgical ablation of soft tissue. In the fourth quarter of our 2019, we received approval from the FDA to initiate our DIRECT clinical trial to study the use of the NanoKnife system for the treatment of Stage III pancreatic cancer.

In the second quarter of our 2022, we received approval from the FDA to initiate our PRESERVE clinical trial to study the use of the NanoKnife system for the treatment of prostate cancer. If we are not able to successfully complete these trials and secure clearances or approvals for expanded indications for our NanoKnife system, including for the treatment of Stage III pancreatic cancer or the treatment of prostate cancer, or if expanded indications are significantly delayed or limited, our business and prospects may be materially harmed and we may need to delay our initiatives or even significantly curtail operations, which could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

Our business and prospects rely heavily upon our ability to successfully complete clinical trials, including, but not limited to, our NanoKnife DIRECT clinical study, our NanoKnife PRESERVE clinical study, AlphaVac APEX-AV clinical study and clinical studies for AngioVac. We may choose to, or may be required to, suspend, repeat or terminate our clinical trials if they are not conducted in accordance with regulatory requirements, the results are negative or inconclusive or the trials are not well designed.

Clinical trials must be conducted in accordance with the applicable laws and regulations in the jurisdictions in which the clinical trials are conducted, including FDA's current Good Clinical Practices. The clinical trials are subject to oversight by the FDA, regulatory agencies in other jurisdictions, ethics committees and institutional review boards at the medical institutions where the clinical trials are conducted. Clinical trial protocols may require a large number of patients to be enrolled in the trials. Patient enrollment is a function of many factors, including the size of the patient population for the target indication, the proximity of patients to clinical sites, the eligibility criteria for the trial, the existence of competing clinical trials and the availability of alternative or new treatments. Clinical trials may be suspended by the FDA or by a regulatory agency in another jurisdiction at any time if the FDA or the regulatory agency finds deficiencies in the conduct of these trials or it is believed that these trials expose patients to unacceptable health risks.

We, the FDA or regulatory agencies in other jurisdictions might delay or terminate our clinical trials for various reasons, including insufficient patient enrollment, fatalities, unforeseen adverse side effects by enrolled patients or the development of new therapies that require us to revise or amend our clinical trial protocols. Patients may be discouraged from enrolling in our clinical trials if the trial protocol requires them to undergo extensive follow-up to assess safety and effectiveness, if they determine that the treatments received under the trial protocols are not attractive or involve unacceptable risks or discomforts or if they participate in contemporaneous clinical trials of competing products.

In addition, we rely on contract research organizations, or CROs, with respect to conducting our clinical trials. We may experience significant cost overruns associated with, and we may encounter difficulties managing, these CROs. Termination of our clinical trials or significant delays in completing our clinical trials could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

If we are unable to convince customers that our products can improve the cost structure of their business, our revenue growth and profitability may be materially and adversely impacted.

Worldwide initiatives to contain healthcare costs have led governments and the private sector to enact cost containment efforts as a means of managing the growth of health care utilization. Common techniques include policies on price regulation, competitive pricing, bidding and tender mechanics, coverage and payment, comparative effectiveness of therapies, technology assessments, and managed-care arrangements. These changes are causing the marketplace to put increased emphasis on the delivery of more cost-effective medical devices and therapies. Government programs, including Medicare and Medicaid, private health care insurance, and managed-care plans have attempted to control costs by limiting the amount of reimbursement they will pay for particular procedures or treatments, tying reimbursement to outcomes, shifting to population health management, and other mechanisms designed to constrain utilization and contain costs. Simultaneously, hospitals are redefining their role in health care delivery as many assume much more risk and control of the total cost of patient care. To successfully make this transformation, health systems are consolidating, purchasing or partnering with physicians and post-acute care providers, while also narrowing networks thus allowing greater control over outcomes. This has created an increasing level of price sensitivity among customers for our products and could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

We are dependent on single and limited source suppliers which subjects our business and results of operations to risks of supplier business interruptions.

We currently purchase significant amounts of several key products, raw materials and product components from single and limited source suppliers and anticipate that we will do so for future products as well. Any delays in delivery of or shortages in those or other products and components (like we experienced during our 2022 fiscal year) could interrupt and delay manufacturing of our products, lead to backlogs and result in the cancellation of orders for our products. Any or all of these suppliers could discontinue the manufacture or supply of these products, raw materials and/or components at any time.

Due to FDA and other business considerations, we may not be able to identify and integrate alternative sources of supply in a timely fashion or at all. Any transition to alternate suppliers may result in production delays and increased costs and may limit our ability to deliver products to our customers. Furthermore, if we are unable to identify alternative sources of supply, we would have to modify our products to use substitute components, which may cause delays in shipments, backlogs, increased prices for our products or increased design and manufacturing costs.

In addition, we purchase certain products as a distributor for the manufacturer of those products. Any constraint or interruption in the supply of raw materials, other product components or finished products that we distribute could materially impact our ability to sell products, and have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

We are heavily dependent on third-party distributors to generate a substantial portion of our international revenues and are at the risk of these distributors also selling for our competitors, failing to be financially viable and failing to effectively distribute our products in compliance with applicable laws.

Outside of North America we rely heavily on third party distributors, either on a country-by-country basis or on a multi-country, regional basis, to market, sell and distribute our products where we do not have a direct sales and marketing presence (including, among others, China, Japan, Brazil, the Middle East and many European countries). As such, our revenue, if any, depends on the terms of such arrangements and the distributors' efforts. These efforts may turn out not to be sufficient and our third-party distributors may not effectively sell our products. International distributors accounted for approximately 61% of international revenues for the fiscal year ended May 31, 2022. If we are unable to maintain our relationships or establish direct sales capabilities on acceptable terms or at all, we may lose significant revenue or be unable to achieve our growth aspirations. In certain circumstances, distributors may also sell competing products, or products for competing diagnostic modalities, and may have incentives to shift sales towards those competing products. As a result, we cannot assure you that our international distributors will increase or maintain our current levels of unit sales or increase or maintain our current unit pricing, which, in turn, could have a material adverse effect on our business, financial condition, results of operations and/or liquidity. In addition, there is a risk that our distributors will not be financially viable due to current economic and/or regulatory events in their respective countries or remit payments to us in a timely manner. If our distributors fail to comply with applicable laws or fail to effectively market and sell our products, our financial condition and results of operations could be materially and adversely impacted.

Failure to secure adequate reimbursement for our products could materially impair our ability to grow revenue and drive profitability.

Our products are used in medical procedures and purchased principally by hospitals or physicians which typically bill various third-party payors, such as governmental programs (e.g., Medicare, Medicaid and comparable foreign programs), private insurance plans and managed care plans, for the healthcare services provided to their patients. The ability of our customers to obtain appropriate reimbursement for products and services from third-party payors is critical to the success of medical device companies because it affects which products customers purchase and the prices they are willing to pay. In general, a third-party payor only covers a medical product or procedure when the plan administrator is satisfied that the product or procedure improves health outcomes, including quality of life or functional ability, in a safe and cost-effective manner. Even if a device has received clearance or approval for marketing by the FDA, there is no assurance that third-party payors, including Medicare and managed care companies, will cover the cost of the device and related procedures. Even if coverage is available, third-party payors may place restrictions on the circumstances where they provide coverage or may offer reimbursement that is not sufficient to cover the cost of our products.

Third-party payors who cover the cost of medical products or equipment, in addition to allowing a general charge for the procedure, often maintain lists of exclusive suppliers or approved lists of products deemed to be cost-effective. If our products are not on approved lists of third-party payors, healthcare providers must determine if the additional cost and effort required in obtaining prior authorization, and the uncertainty of actually obtaining coverage, is justified by any perceived clinical benefits from using our products.

Finally, the advent of contracted fixed rates per procedure has made it difficult to receive reimbursement for disposable products, even if the use of these products improves clinical outcomes. In addition, many third-party payors are moving to managed care systems in which providers contract to provide comprehensive healthcare for a fixed cost per person. Managed care providers often attempt to control the cost of healthcare by authorizing fewer elective surgical procedures. Under current prospective payment systems, such as the diagnosis related group system and the hospital out-patient prospective payment system, both of which are used by Medicare and in many managed care systems used by private third-party payors, the cost of our products will be incorporated into the overall cost of a procedure and not be separately reimbursed.

If hospitals and physicians cannot obtain adequate reimbursement for our products or the procedures in which they are used, this could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

Reimbursement varies by country and can significantly impact the acceptance of new technology. Implementation of healthcare reforms in the United States and in other countries may limit, reduce or eliminate reimbursement for our products and adversely affect both our pricing flexibility and the demand for our products. Even when we develop a promising new product, we may find limited demand for the product unless reimbursement approval is obtained from private and governmental third-party payors. Changes in healthcare systems in the United States or elsewhere in a manner that significantly reduces reimbursement for procedures using our medical devices or denies coverage for these procedures, or adverse decisions relating to our products by administrators of these systems in coverage or reimbursement issues, would have an adverse impact on the acceptance of our products and the prices which our customers are willing to pay for them.

If a product liability claim is brought against us or our product liability insurance coverage is inadequate, our business could be harmed.

The design, manufacture and marketing of the types of medical devices we sell entail an inherent risk of product liability. Our products are used by physicians to treat seriously ill patients. We are periodically subject to product liability claims, and patients or customers may in the future bring claims against us in a number of circumstances and for a number of reasons, including if our products were misused, if a component of our product fails, if our manufacture or design was flawed, if the product produced unsatisfactory results or if the instructions for use and operating manuals and disclosure of product related risks for our products were found to be inadequate. In addition, individuals or groups seeking to represent a class may file suit against us. The outcome of litigation, particularly class action lawsuits, is difficult to assess or quantify. Plaintiffs in these types of lawsuits often seek recovery of very large or indeterminate amounts, including not only actual damages, but also punitive damages. The magnitude of the potential losses relating to these lawsuits may remain unknown for substantial periods of time.

We carry a product liability policy with a limit of $10.0 million per product liability claim and an aggregate policy limit of $10.0 million, subject to a self-insured retention of $0.5 million per occurrence and $2.0 million in the aggregate. We believe, based on claims made against us in the past, our existing product liability insurance coverage is reasonably adequate to protect us from any liabilities we might incur. However, there is no assurance that this coverage will be sufficient to satisfy any claim made against us. In addition, we may not be able to continue to maintain adequate coverage at a reasonable cost and on reasonable terms, if at all. Any product liability claim brought against us, with or without merit, could increase our product liability insurance rates or prevent us from securing any coverage in the future. Additionally, if one or more product liability claims is brought against us for uninsured liabilities or is in excess of our insurance coverage, our financial condition, results of operations and/or liquidity could be negatively impacted. Further, such claims may require us to recall some of our products, which could result in significant costs to us.

International and national economic and industry conditions constantly change, and could materially and adversely affect our business, financial condition and results of operations.

Our business, financial condition and results of operation are affected by many changing economic, industry and other conditions beyond our control. Actual or potential changes in international, national, regional and local economic, business and financial conditions, including recession, high inflation and trade protection measures, creditworthiness of our customers, may negatively affect consumer preferences, perceptions, spending patterns or demographic trends, any of which could adversely affect our business, financial condition, results of operations and/or liquidity.

We are subject to macro-economic fluctuations in the U.S. and worldwide economy. Concerns about consumer and investor confidence, volatile corporate profits and reduced capital spending, international conflicts, terrorist and military activity, civil unrest and pandemic illness could reduce customer orders or cause customer order cancellations. In addition, political and social turmoil may put further pressure on economic conditions in the United States and abroad. The global economy has been periodically impacted by the effects of global economic downturns (such as recently related to COVID-19). There can be no assurance that there will not be further such events or deterioration in the global economy. These economic conditions make it more difficult for us to accurately forecast and plan our future business activities.

Volatility in the cost of raw materials, components, freight and energy increases the costs of producing and distributing our products. New laws or regulations adopted in response to climate change could also increase energy and transportation costs, as well as the costs of certain raw materials and components. Increases in oil prices may increase our packaging and transportation costs. Recently, the costs of labor, raw materials, transportation, construction, services, and energy necessary for the production and distribution of our products have increased significantly. While we have implemented cost containment measures, selective price increases and taken other actions to offset these inflationary pressures in our supply chain, we may not be able to completely offset all the increases in our operational costs, any of which could adversely affect our business, financial condition, results of operations and/or liquidity.

Sales outside the U.S. accounted for approximately 16% of our net sales during our fiscal year ended May 31, 2022. We anticipate that sales from international operations will continue to represent a significant portion of our total sales, and we intend to continue our expansion into emerging and/or faster-growing markets outside the U.S. Our sales and profitability from our international operations are subject to risks and uncertainties that could have a material adverse effect on our business, financial condition and/or results of operations, many of which we cannot predict, including:

- fluctuations in currency exchange rates which may, in some instances affect spending behavior and reduce cash flows and revenue outside the U.S.;
- healthcare reform legislation;
- multiple non-U.S. regulatory requirements that are subject to change and could restrict our ability to manufacture and sell our products;
- local product preferences and product requirements;
- longer-term receivables than are typical in the U.S. and/or the ability to obtain payment;
- trade protection measures and import or export licensing requirements;
- less intellectual property protection in some countries outside the U.S. than exists in the U.S.;
- different labor regulations and workforce instability;
- the potential payment of U.S. income taxes on earnings of certain foreign subsidiaries subject to U.S. taxation upon repatriation;
- the expiration and non-renewal of foreign tax rulings;
- potential negative consequences from changes in or interpretation of tax laws, including changes in our effective tax rate or the applicable tax rate in one or more jurisdictions; and
- economic instability and inflation, recession or interest rate fluctuations.

In addition, the United Kingdom's ("UK") departure from the European Union ("EU") (commonly known as "Brexit") has created uncertainties affecting business operations in the UK, the EU and a number of other countries, including with respect to compliance with the regulatory regimes regarding the labeling and registration of the products we sell in these markets. While we have taken proactive steps to mitigate possible disruption to our operations, we could face increased costs, volatility in exchange rates, market instability and other risks, depending on the effects of existing and future agreements between the UK and EU regarding Brexit and the future EU/UK trading relationship.

Russia's invasion and military attacks on Ukraine have triggered significant sanctions from U.S. and European leaders. These events may escalate and have created increasingly volatile global economic conditions. Resulting changes in U.S. trade policy could trigger retaliatory actions by Russia, its allies and other affected countries, including China, resulting in a "trade war." A trade war could result in increased costs for raw materials we use in our manufacturing and could result in Russia and other foreign governments imposing tariffs on products that we export outside the U.S. or otherwise limiting our ability to sell our products abroad. These increased costs could have a material adverse effect on our business, financial condition and results of operations. Furthermore, if the conflict between Russia and Ukraine continues for a long period of time, or if other countries, including the U.S., become further involved in the conflict, we could face material adverse effects on our business, financial condition, results of operations and/or liquidity.

Our business could be harmed if we cannot hire or retain qualified personnel.

Our business depends upon our ability to attract and retain highly qualified personnel, including managerial, sales and technical personnel. We compete for key personnel with other companies, healthcare institutions, academic institutions, government entities and other organizations. We do not have written employment agreements with our executive officers, other than the CEO. Our ability to maintain and expand our business may be impaired if we are unable to retain our current key personnel or hire or retain other qualified personnel in the future, including personnel for our manufacturing facilities. If we are not able to hire and retain personnel in our manufacturing facilities, we may not meet our production demand. We experienced labor shortages in fiscal year 2022 that significantly contributed to the backlog. In addition, our sales force is highly talented and we face intense competition in our industry for sales personnel which could have an adverse effect on our business if there is significant turnover.

If we are unable to manage our growth profitably, our business, financial results and stock price could suffer.

Our future financial results will depend in part on our ability to profitably manage our growth. Management will need to maintain existing customers and attract new customers, recruit, retain and effectively manage employees, as well as expand operations and integrate customer support and financial control systems. If integration-related expenses and capital expenditure requirements are greater than anticipated or if we are unable to manage our growth profitably, our financial results and the market price of our common stock may decline.

In recent years we have begun to implement operational excellence initiatives which include a number of restructuring, realignment and cost reduction initiatives. We may not realize the benefits of these initiatives to the extent or on the timing we anticipated and the ongoing difficulties in implementing these measures may be greater than anticipated and/or offset by inflationary pressures, which could cause us to incur additional costs or result in business disruptions like the backlogs we experienced in fiscal year 2022. In addition, if these measures are not successful or sustainable, we may undertake additional realignment and cost reduction efforts, which could result in significant additional expenses and adversely impact our ability to achieve our other strategic goals and business plans.

We may fail to attract additional capital necessary to expand our business or may incur additional indebtedness which, together with our current indebtedness levels, could impose operating and financial restrictions on us as a result of debt service obligations which could significantly limit our ability to execute our business strategy or curtail our growth.

We may require additional capital to expand our business. If cash generated internally is insufficient to fund capital requirements, we may require additional debt or equity financing. In addition, we may require financing to fund any significant acquisitions we may seek to make. Disruptions in the capital markets and increases in the cost of capital have previously resulted, and could again result, in volatility, decreased liquidity, and widening of credit spreads, which could make needed financing either unavailable or available on terms unsatisfactory to us which could result in significant stockholder dilution.

We may incur additional indebtedness or draw additional amounts on our existing credit facilities in the future subject to limitations contained in the agreements governing our debt. The interest rate on potential borrowings could be a floating rate which could expose us to the risk of increased interest expense in the future. The terms of indebtedness could require us to comply with certain financial maintenance covenants. In addition, the terms of our existing indebtedness include, and any future indebtedness could include, covenants restricting or limiting our ability to take certain actions. These covenants could adversely affect our ability to obtain additional financing, to finance future operations, to pursue certain business opportunities or take certain corporate actions. The covenants could also restrict our flexibility in planning for changes in our business and the industry and could make us more vulnerable to economic downturns and adverse developments, could limit our flexibility in planning for, or reacting to, changes and opportunities in the markets in which we compete, could place us at a competitive disadvantage compared to our competitors that have less debt or could require us to dedicate a substantial portion of our cash flow to service our debt.

Our ability to meet our cash requirements, including our debt service obligations, could be dependent upon our operating performance, which would be subject to general economic and competitive conditions and to financial, business and other factors affecting our operations, many of which could be beyond our control. We cannot provide assurance that our business operations would generate sufficient cash flows from operations to fund potential cash requirements and debt service obligations. If our operating results, cash flow or capital resources prove inadequate, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt and other obligations. If we incurred indebtedness and were unable to service our debt, we could be forced to reduce or delay planned expansions and capital expenditures, sell assets, restructure or refinance our debt or seek additional equity capital, and we could be unable to take any of these actions on satisfactory terms or in a timely manner. Further, any of these actions may not be sufficient to allow us to service our potential debt obligations or could have an adverse impact on our business. Our potential debt agreements could limit our ability to take certain of these actions. Our failure to generate sufficient operating cash flow to pay our potential debts or to successfully undertake any of these actions could have a material adverse effect on us.

Uncertainty relating to the LIBOR calculation method and potential phasing out of LIBOR after 2021 may adversely affect the interest rates under our Credit Agreement.

Certain of the interest rates applicable to our Credit Agreement, are LIBOR-based. On July 27, 2017, the U.K. Financial Conduct Authority (the "FCA") announced that it will no longer persuade or compel banks to submit rates for the calculation of LIBOR rates after 2021. Actions by the FCA, other regulators or law enforcement agencies may result in changes to the method by which LIBOR is calculated. At this time, it is not possible to predict the effect of any such changes or any other reforms to LIBOR that may be enacted in the UK or elsewhere. Uncertainty as to the nature of such potential changes may adversely affect the trading market for LIBOR-based securities, including the floating rates applicable to our Credit Agreement. It is possible that the changes in how LIBOR is calculated, changes in the trading market for LIBOR-based securities or actions of the FCA and other government entities may cause unexpected increases in LIBOR rates or a breakdown in the LIBOR systems. If these issues arise, we could experience increased interest rates or uncertainty with respect to the calculation of interest on our Credit Agreement, which could adversely affect our business, financial condition, results of operations and/or liquidity.

Our goodwill, intangible assets and fixed assets are subject to potential impairment; we have recorded significant goodwill impairment charges and may be required to record additional charges to future earnings if our goodwill or intangible assets become impaired.

A significant portion of our assets consists of goodwill, intangible assets and fixed assets, the carrying value of which may be reduced if we determine that those assets are impaired, including intangible assets from recent acquisitions. During the fourth quarter of fiscal year 2021, the Company made the decision to abandon the OARtrac product technology and trademark. This resulted in an impairment charge of $14.0 million. The impairment charge is recorded in "Acquisition, restructuring and other items, net", on the Consolidated Statements of Operations (see Note 18).

Most of our intangible and fixed assets have finite useful lives and are amortized or depreciated over their useful lives on either a straight-line basis or over the expected period of benefit or as revenues are earned from the sales of the related products. The underlying assumptions regarding the estimated useful lives of these intangible assets are reviewed quarterly and more often if an event or circumstance occurs making it likely that the carrying value of the assets may not be recoverable and are adjusted through accelerated amortization if necessary. Whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable, we test intangible assets for impairment based on estimates of future cash flows. Factors that may be considered a change in circumstances indicating that the carrying value of our intangible assets and/or goodwill may not be recoverable include a decline in stock price and market capitalization, slower growth rates in our industry or our own operations and/or other materially adverse events that have implications on the profitability of our business. When testing for impairment of definite-lived intangible assets held for use, the Company groups assets at the lowest level for which cash flows are separately identifiable. The Company operates as a single asset group. If an intangible asset is considered to be impaired, the amount of the impairment will equal the excess of the carrying value over the fair value of the asset.

Goodwill is required to be tested for impairment at least annually. We historically reviewed our single reporting unit for potential goodwill impairment in the third fiscal quarter of each year as part of our annual goodwill impairment testing, and more often if an event or circumstance occurred making it likely that impairment exists. In the fourth quarter of fiscal year 2022, the Company changed its annual impairment assessment date from December 31 to April 30 to more closely align the impairment assessment date with the Company's long term planning and forecasting process. The annual goodwill impairment review performed in December 2021 and April 2022 indicated no goodwill impairments. In fiscal year 2020, we recorded a goodwill impairment loss of $158.6 million. If actual results differ from the assumptions and estimates used in the goodwill and intangible asset calculations, we could incur future impairment or amortization charges, which could negatively impact our financial condition and results of operations.

We may be limited in our ability to utilize, or may not be able to utilize, net operating loss carryforwards to reduce our future tax liability.

IRC Section 382 and related provisions contain rules that limit for U.S. federal income tax purposes the ability of a Company that undergoes an “ownership change” to utilize its net operating loss carryforwards and certain other tax attributes existing as of the date of such ownership change. Our Federal net operating loss carryforwards as of May 31, 2022 after considering IRC Section 382 limitations are $174.2 million. The expiration of the Federal net operating loss carryforwards is as follows: $8.6 million between 2022 and 2023, $79.4 million between 2028 and 2037 and $86.1 million indefinitely. Our state net operating loss carryforwards as of May 31, 2022 after considering remaining IRC Section 382 limitations are $30.1 million which expire in various years from 2029 to 2042. Future ownership changes within the meaning of IRC Section 382 may also subject our tax loss carryforwards to annual limitations which would restrict our ability to use them to offset our taxable income in periods following the ownership changes. See Note 9 to our consolidated financial statements included in our Annual Report on Form 10-K for the fiscal year ended May 31, 2022 for a further discussion of our tax loss carryovers.

A cyber-attack or other breach of our or our supply chain partners' information technology systems could have a material adverse effect on our business, financial condition and/or results of operations.

We rely on information technology systems to process, transmit, and store electronic information in our day-to-day operations. Similar to other large multi-national companies, the size and complexity of our information technology systems makes them vulnerable to cyber-attacks, malicious intrusions, breakdowns, destruction, losses of data privacy, or other significant disruptions. Our supply chain partners face similar risks. Our information systems require an ongoing commitment of resources to maintain, protect, and enhance existing systems and develop new systems to keep pace with continuing changes in information processing technology, evolving systems and regulatory standards, the increasing need to protect patient and customer information, and changing customer patterns. In addition, third parties may attempt to gain access into our systems or products or those of our supply chain partners to obtain data relating to patients or our proprietary information.

Any failure by us or our supply chain partners to maintain or protect information technology systems and data integrity, including from cyber-attacks, ransomware, intrusions or other breaches, could result in the unauthorized access to supply chain partners or vendors and personally identifiable information, theft of intellectual property, misappropriation of assets, or otherwise compromise confidential or proprietary information and disrupt operations of our Company or our supply chain partners. Any of these events, in turn, may cause us to lose existing customers, have difficulty preventing, detecting, and controlling fraud, have disputes with customers, our supply chain partners, physicians, and other health care professionals, be subject to legal claims and liability, have regulatory sanctions or penalties imposed, have increases in operating expenses, incur expenses or lose revenues as a result of a data privacy breach or theft of intellectual property, or suffer other adverse consequences, any of which could have a material adverse effect on our business, financial condition and/or results of operations.

Any disaster at our manufacturing facilities or those of our suppliers could disrupt our ability to manufacture our products for a substantial amount of time.

We conduct manufacturing and assembly at facilities in Queensbury, New York, Glens Falls, New York, and other third parties in Costa Rica, Latvia, and other locations. It would be difficult, expensive and time-consuming to transfer resources from one facility to the other and/or replace or repair these facilities or manufacturing equipment if they were significantly affected by a disaster. Additionally, we might be forced to rely on third-party manufacturers or delay production of our products. Insurance for damage to our properties and the disruption of our business from disasters may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all. If one of our principal suppliers were to experience a similar disaster, uninsured loss or under-insured loss, we might not be able to obtain adequate alternative sources of supplies or products. Any significant uninsured loss, prolonged or repeated disruption, or inability to operate experienced by us or any of our principal suppliers could cause significant harm to our business, financial condition, results of operations and/or liquidity.

Anti-takeover provisions in our organizational documents and Delaware law may discourage or prevent a change of control, even if an acquisition would be beneficial to our stockholders, which could cause our stock price to decline and prevent attempts by our stockholders to replace or remove our current management.

Our amended and restated certificate of incorporation and our amended and restated bylaws contain provisions that may enable our management to resist a change in control. For example, our Board of Directors is classified so that not all members of our Board of Directors are elected at one time and our Board of Directors is authorized, without prior stockholder approval, to create and issue "blank check" preferred stock with rights senior to those of our common stock and stockholder action by written consent is prohibited. We are also subject to the provisions of Section 203 of the Delaware General Corporation Law, which may prohibit certain business combinations with stockholders owning 15% or more of our outstanding voting stock. These provisions may discourage, delay or prevent a change in the ownership of our Company or a change in our management. In addition, these provisions could limit the price that investors would be willing to pay in the future for shares of our common stock. Any delay or prevention of a change of control transaction or changes in our Board of Directors could cause the market price of our common stock to decline.

The COVID-19 pandemic has negatively impacted our business and operations around the world and may continue to materially and adversely impact our business, operations and financial results.

The COVID-19 pandemic has created significant disruption and uncertainty in the global economy and has negatively impacted our business and results of operations and financial condition, most recently with the escalation of the Omicron and subsequent variants, and we anticipate that it may continue to negatively impact our business, results of operations and financial condition for the foreseeable future.

Numerous national, international, state and local jurisdictions have imposed, and others in the future may impose, a variety of government orders and restrictions for their residents to control the spread of COVID-19. Such orders or restrictions may cause significant alteration of our operations, work stoppages, slowdowns and delays, travel restrictions and event cancellations, among other effects, thereby significantly and negatively impacting our operations. Other disruptions or potential disruptions include: (i) restrictions on our personnel and personnel of business partners to travel and access customers for training and case support; (ii) reductions in spending by our customers; (iii) delays in clearance, approvals or certifications by regulatory bodies; (iv) diversion of or limitations on employee resources that would otherwise be focused on the operations of our business, including because of sickness of employees or their families or the desire of employees to avoid contact with large groups of people; (v) reductions in our sales team, including through layoffs, furloughs or other losses of sales representatives; (vi) additional government requirements or other incremental mitigation efforts that may further impact our or our suppliers' capacity to manufacture our products; (vii) disruption of our research and development activities; and (viii) delays in ongoing studies and pre-clinical trials.

In addition, elective procedures that use our products significantly decreased in number during fiscal year 2021, as health care organizations around the world prioritized the treatment of patients with COVID-19 and reduced spending in other areas. We experienced a similar impact to procedure volumes with the resurgence of COVID-19 in fiscal year 2022. For example in fiscal year 2021, U.S. governmental authorities had recommended, and in certain cases required, that elective, deferrable, specialty and other procedures and appointments, be suspended or canceled to avoid non-essential patient exposure to medical environments and potential infection with COVID-19 so that limited resources and personnel could be focused on the treatment of infected patients. Many of these procedures that use our products were suspended or postponed at times during fiscal years 2021 and 2022. Similarly, our clinical trials were impacted by COVID-19 as hospitals prioritized treating these patients. It is unclear when or if other resurgences of COVID-19, or increased spread of its variants, may again cause a rise in infections and result in authorities and/or customers imposing restrictions that could adversely affect our business, financial condition, results of operations and/or liquidity.

In addition, most of the hospitals and clinics that purchase our products have instituted strict procedures at their facilities in an effort to prevent the spread of COVID-19, including restrictions on sales representatives entering these facilities. This has been, and currently remains, a major impediment to our sales efforts, as supporting existing customers and acquiring new customers is much more difficult in this environment. These restrictions have had an effect on our sales and, until they are lifted, our business, operations and financial results will continue to be adversely impacted.

These challenges and restrictions will likely continue for the duration of the pandemic, which is uncertain, and may even continue beyond the pandemic. Many areas have relaxed restrictions from time-to-time and have resumed business operations, but a resurgence in infections or mutations of the coronavirus that causes COVID-19 could cause authorities and/or our customers to reinstate such restrictions or impose additional restrictions. All of these factors also may cause or contribute to disruptions and delays in our logistics and supply chain. The extent to which the COVID-19 pandemic impacts our business, operations and financial results will depend on future developments that are uncertain and cannot be predicted, including new information that may emerge concerning the severity and spread of the virus and the actions by government entities, our customers and other parties to contain the virus or treat its impact, among others. To the extent the COVID-19 pandemic adversely affects our business, operations and financial results, it may also have the effect of heightening other risks described herein, such as those relating to general economic conditions, demand for our products, relationships with suppliers and sales efforts.

We could be negatively impacted by Environmental, Social and Governance (ESG), climate change and other sustainability-related matters.

Governments, investors, customers, employees and other stakeholders are increasingly focusing on corporate ESG practices and disclosures, including risks associated with climate change and expectations in this area are rapidly evolving. Shifts in weather patterns caused by climate change are expected to increase the frequency and severity of adverse weather conditions such as hurricanes, tornadoes, earthquakes, wildfires, droughts, extreme temperatures or flooding, which could cause or contribute to reduced workforce availability, increased production and distribution costs and disruptions and delays in our logistics and supply chain/operations as well as the operations of our customers. The increasing attention to corporate ESG initiatives and ESG risks could result in reduced demand for products, reduced profits and increased investigations and litigation. If we are unable to satisfy any new criteria by which our ESG practices may be assessed, investors may conclude that our policies and/or actions with respect to ESG matters and risks are inadequate. If we fail or are perceived to have failed to accurately disclose our progress on such initiatives or goals, our reputation, business, financial condition and results of operations could be adversely impacted.

RISKS RELATED TO THE REGULATORY ENVIRONMENT

We are subject to a comprehensive system of federal, state and international laws and regulations, and we could be the subject of investigations, enforcement actions or face lawsuits and monetary or equitable judgments.

We operate in many parts of the world, and our operations are affected by complex state, federal and international laws relating to healthcare, environmental protection, antitrust, anti-corruption, anti-bribery, fraud and abuse, export control, tax, employment and laws regarding privacy, personally identifiable information and protected health information, including, for example, the Food, Drug and Cosmetic Act (“FDCA”), various FDA and international regulations relating to, among other things, the development, quality assurance, manufacturing, importation, distribution, marketing and sale of, and billing for, our products, the federal Anti-Kickback Statute and Federal False Claims Act (Note 16), the U.S. Foreign Corrupt Practices Act (“FCPA”) and similar anti-bribery laws in international jurisdictions, including the UK Anti-Bribery Act, the federal Health Insurance Portability and Accountability Act of 1996 (“HIPAA”), General Data Protection Regulation (“GDPR”), domestic and foreign data protection, data security and privacy laws, laws related to the collection, storage, use and disclosure of personal data and laws and regulations relating to sanctions and money laundering.

The failure to comply with these laws and regulatory standards, allegations of such non-compliance or the discovery of previously unknown problems with a product or manufacturer: (i) could result in FDA Form-483 notices and/or warning letters or the foreign equivalent, fines, delays or suspensions of regulatory clearances, investigations, detainment, seizures or recalls of products (with the attendant expenses), the banning of a particular device, an order to replace or refund the cost of any device previously manufactured or distributed, operating restrictions and/or civil or criminal prosecution, and/or penalties, as well as decreased sales as a result of negative publicity and product liability claims; (ii) could expose us to breach of contract claims, fines and penalties, costs for remediation and harm to our reputation; (iii) could result in criminal or civil sanctions, including substantial fines, imprisonment and exclusion from participation in healthcare programs such as Medicare and Medicaid and health programs outside the United States; and (iv) could otherwise disrupt our business and could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

The healthcare industry is under continued scrutiny from state, federal and international governments, including with respect to industry practices in the area of sales and marketing. Certain states, including Massachusetts, have recently passed or are considering legislation restricting our interactions with health care providers and requiring disclosure of many payments to them. The federal government has recently introduced similar legislation, which may or may not preempt state laws. If our marketing, sales or other activities fail to comply with the FDA's or other comparable foreign regulatory agencies' regulations or guidelines, or other applicable laws, we may be subject to warnings from the FDA or investigations or enforcement actions from the FDA, Medicare, the Office of Inspector General of the U.S. Department of Health and Human Services or other government agencies or enforcement bodies. We anticipate that the government will continue to scrutinize our industry closely, and that additional regulation by governmental authorities may increase compliance costs, increase exposure to litigation and may have other adverse effects to our operations. The Company's failure to comply with any marketing or sales regulations or any other applicable regulatory requirements could adversely affect our business, results of operations, financial condition and/or liquidity.

In addition, lawsuits by or otherwise involving employees, customers, licensors, licensees, suppliers, vendors, business partners, distributors, shareholders or competitors with respect to how we conduct our business could be very costly and could substantially disrupt our business. The occurrence of an adverse monetary or equitable judgment or a large expenditure in connection with a settlement of any of these matters could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

If we or some of our suppliers fail to comply with the FDA's Quality System Regulation, or QSR, and other applicable post-market requirements, our manufacturing operations could be disrupted, our product sales and profitability could suffer, and we may be subject to a wide variety of FDA enforcement actions.

Our manufacturing processes and those of some of our suppliers must comply with the FDA's Quality System Regulation, or QSR, which governs the methods used in, and the facilities and controls used for, the design, testing, manufacture, control, quality assurance, installation, servicing, labeling, packaging, storage and shipping of medical devices, and with current medical device adverse event reporting regulations, and similar foreign rules and regulations. The FDA enforces the QSR through unannounced inspections. Despite our training and compliance programs, our internal control policies and procedures may not always protect us from negligent, reckless or criminal acts committed by our employees or agents. If we, or one of our suppliers, fail a QSR inspection, or if a corrective action plan adopted by us or one of our suppliers is not sufficient, the FDA may bring an enforcement action, and our operations could be disrupted and our manufacturing delayed. We are also subject to the FDA's general prohibition against promoting our products for unapproved or "off-label" uses, the FDA's adverse event reporting requirements and the FDA's reporting requirements for field correction or product removals. The FDA has recently placed increased emphasis on its scrutiny of compliance with the QSR and these other post-market requirements. In addition, most other countries require us and our suppliers to comply with manufacturing and quality assurance standards for medical devices that are similar to those in force in the United States before marketing and selling our products in those countries. If we, or our suppliers, should fail to do so, we would lose our ability to market and sell our products in those countries.

If we cannot obtain and maintain marketing clearance or approval from governmental agencies, we will not be able to sell our products.

Our products are medical devices that are subject to extensive regulation in the United States and in the foreign countries in which they are sold. Unless an exemption applies, each medical device that we wish to market in the United States must receive either 510(k) clearance or Pre-Market Approval ("PMA") from the FDA before the product can be sold. Either process can be lengthy and expensive. The FDA's 510(k) clearance procedure, also known as "premarket notification," is the process we have used for our current products. This process usually takes from four to twelve months from the date the premarket notification is submitted to the FDA, but may take significantly longer. Even after a device receives regulatory approval it remains subject to significant regulatory and quality requirements, such as manufacturing, recordkeeping, renewal, recertification or reporting and other post market approval requirements, which may include clinical, laboratory or other studies.

Product approvals by the FDA and other foreign regulators can be withdrawn due to failure to comply with regulatory standards or the occurrence of unforeseen problems following initial approval or may be re-classified to a higher regulatory classification, such as requiring a PMA for a previously cleared 510(k) device. The PMA process is much more costly, lengthy and uncertain. It generally takes from one to three years from the date the application is submitted to, and filed with the FDA, and may take even longer. In addition, any modification to an FDA-cleared medical device that could significantly affect its safety or effectiveness, or that would constitute a major change or modification in its intended use, requires a new FDA 510(k) clearance or, possibly, a PMA.

Regulatory regimes in other countries similarly require approval or clearance prior to our marketing or selling products in those countries. We rely on our distributors to obtain regulatory clearances or approvals of our products outside of the United States. If we are unable to obtain additional clearances or approvals needed to market existing or new products in the United States or elsewhere or obtain these clearances or approvals in a timely fashion or at all, or if our existing clearances are revoked, our revenues and profitability may decline.

In general, we intend to obtain Medical Device Regulation ("MDR") approvals for our principal products sold in the European Union ("EU") ahead of expiration dates; however for multiple reasons, including but not limited to changing business strategies, labor shortages and contract resources, administrative delays, increased costs of obtaining MDR certification, availability of necessary data and notified body capacity, certain products may not be fully compliant at the time of CE mark expiration. The additional time and resources required to obtain MDR certification has been a significant factor in, and will likely continue to influence, our decisions whether to discontinue sales and distribution of certain products in the EU.

Complying with and obtaining regulatory approval in foreign countries, including our efforts to comply with the requirements of the MDR, have and will likely continue to lead to additional uncertainty, risk, expense and delay in commercializing products in certain foreign jurisdictions, which could have a material adverse effect on our business, financial condition and/or results of operations.

Our products may be subject to product recalls, which may harm our reputation and divert managerial and financial resources.

The FDA and similar governmental authorities in other countries have the authority to order mandatory recall of our products or order their removal from the market if there are material deficiencies or defects in design, manufacture, installation, servicing or labeling of the product, or if the governmental entity finds that our products would cause serious adverse health consequences. A government mandated recall, voluntary recall or field action by us could occur as a result of component failures, manufacturing errors or design defects, including labeling defects. Any recall of our products may harm our reputation with customers and divert managerial, engineering and financial resources. There is no assurance that we will not incur warranty or repair costs, be subject to liability claims for damages related to product defects, or experience manufacturing, shipping or other delays or interruptions as a result of these defects in the future. Our insurance policies may not provide sufficient protection should a claim be asserted. A recall of any of our products could harm our reputation, divert managerial and financial resources and have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

We may be subject to fines, penalties, injunctions or costly investigations if we are determined to be promoting the use of our products for unapproved or "off-label" uses.

If we are incorrect in our belief that our promotional materials and training methods regarding physicians are conducted in compliance with regulations of the FDA and other applicable regulations, and the FDA determines that our promotional materials or training constitutes promotion of an unapproved use, the FDA could request that we modify our training or promotional materials or subject us to regulatory enforcement actions, including the issuance of a warning letter, injunction, seizure, civil fine and criminal penalties. It is also possible that other federal, state or foreign enforcement authorities might take action if they consider promotional or training materials to constitute promotion of an unapproved use, which could result in significant fines or penalties under other statutory authorities, such as laws prohibiting false claims for reimbursement. Any of these results could have a material adverse effect on our business, financial condition, results of operations and/or liquidity.

Laws and regulations governing the export of our products could adversely impact our business. If the U.S. government imposes strict sanctions on Iran, our revenue could be impacted.

The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC), and the Bureau of Industry and Security at the U.S. Department of Commerce (BIS), administer certain laws and regulations that restrict U.S. persons and, in some instances, non-U.S. persons, in conducting activities, transacting business with or making investments in certain countries, governments, entities and individuals subject to U.S. economic sanctions.

Due to our international operations, we are subject to such laws and regulations, which are complex, restrict our business dealings with certain countries and individuals, and are constantly changing. Further restrictions may be enacted, amended, enforced or interpreted in a manner that materially impacts our operations.

In fiscal year 2022 we generated $1.2 million of revenue for sales to distributors doing business in Iran. We continuously review our ability to sell products to distributors that conduct business in Iran in accordance with all applicable U.S. laws. If laws, rules or regulations of the United States, with respect to doing business in or with parties that do business in Iran, change to restrict our ability to generate revenue in Iran, our revenue could decline, impacting our results of operations.

From time to time, we have limited business dealings in countries subject to comprehensive sanctions. These business dealings may expose us to a heightened risk of violating applicable sanctions regulations. Violations of these regulations are punishable by civil penalties, including fines, denial of export privileges, injunctions, asset seizures, debarment from government contracts, revocations or restrictions of licenses, and/or criminal fines and imprisonment. We have established policies and procedures designed to assist with our compliance with such laws and regulations. However, there can be no assurance that our policies and procedures will effectively prevent us from violating these regulations in every transaction in which we may engage, and such a violation could adversely affect our reputation, business, financial condition, results of operations and cash flows.

RISKS RELATED TO INTELLECTUAL PROPERTY

If we fail to adequately protect our intellectual property rights, we may not be able to generate revenues from new or existing products and our business may suffer.

Our success depends in part on obtaining, maintaining and enforcing our patents, trademarks and other proprietary rights, and our ability to avoid infringing the proprietary rights of others. We rely upon patent, trade secret, copyright, know-how and trademark laws, as well as license agreements and contractual provisions, to establish our intellectual property rights and protect our products. However, no assurances can be made that any pending or future patent applications will result in the issuance of patents, that any current or future patents issued to, or licensed by us, will not be challenged or circumvented by our competitors, or that our patents will not be found invalid.

Patent positions of medical device companies, including our Company, are uncertain and involve complex and evolving legal and factual questions. The coverage sought in a patent application can be denied or significantly reduced either before or after the patent is issued. Consequently, there can be no assurance that any of our pending patent applications will result in an issued patent. There is also no assurance that any existing or future patent will provide significant protection or commercial advantage, or whether any existing or future patent will be circumvented by a more basic patent, thus requiring us to obtain a license to produce and sell the product.

Additionally, we rely on trade secret protection for certain unpatented aspects of our proprietary technology. There can be no assurance that others will not independently develop or otherwise acquire substantially equivalent proprietary information or techniques, that others will not gain access to our proprietary technology or disclose such technology, or that we can meaningfully protect our trade secrets. We have a policy of requiring key employees and consultants to execute confidentiality agreements upon the commencement of an employment or consulting relationship with us. Our confidentiality agreements also require our employees to assign to us all rights to any inventions made or conceived during their employment with us. We also generally require our consultants to assign to us any inventions made during the course of their engagement by us. There can be no assurance, however, that these agreements will provide meaningful protection or adequate remedies for us in the event of unauthorized use, transfer or disclosure of confidential information or inventions. If we are not able to adequately protect our intellectual property, our market share, financial condition and results of operations may suffer.

If third parties claim that our products infringe their intellectual property rights, we may be forced to expend significant financial resources and management time defending against such actions and our financial condition and our results of operations could suffer.

Third parties may claim that our products infringe their patents and other intellectual property rights. Identifying third-party patent rights can be particularly difficult because, in general, patent applications can be maintained in secrecy for at least 18 months after their earliest priority date, and publication of discoveries in the scientific or patent literature often lag behind actual discoveries. Some companies in the medical device industry have used intellectual property infringement litigation to gain a competitive advantage. If a competitor were to challenge our patents, licenses or other intellectual property rights, or assert that our products infringe its patent or other intellectual property rights, we could incur substantial litigation costs, be forced to make expensive changes to our product design, pay royalties or other fees to license rights in order to continue manufacturing and selling our products, or pay substantial damages. Third-party infringement claims, regardless of their outcome, would not only consume our financial resources but also divert our management’s time and effort.

Such claims could also cause our customers or potential customers to purchase competitors' products or defer or limit their purchase or use of our affected products until resolution of the claim. See Part I, Item 3 "Legal Proceedings" of this report for additional details on litigation regarding proprietary technology.

RISKS RELATED TO OUR STOCK PRICE

Our future operating results are difficult to predict and may vary significantly from quarter to quarter, which may adversely affect the price of our common stock.

The ongoing introduction of new products and services that affect our overall product mix make the prediction of future operating results difficult. You should not rely on our past results as any indication of future operating results. The price of our common stock will likely fall in the event that our operating results do not meet the expectations of analysts and investors. Comparisons of our quarterly operating results are an unreliable indication of our future performance because they are likely to vary significantly based on many factors, including:

- the level of sales of our products and services in our markets;
- our ability to introduce new products or services and enhancements in a timely manner;
- the demand for and acceptance of our products and services;
- the success of our competition and the introduction of alternative products or services;
- our ability to command favorable pricing for our products and services;
- the growth of the market for our devices and services;
- the expansion and rate of success of our direct sales force in the United States and internationally and our independent distributors internationally;
- actions relating to ongoing FDA compliance;
- our ability to integrate acquired assets or companies;
- the effect of intellectual property disputes;
- the size and timing of orders from independent distributors or customers;
- the attraction and retention of key personnel, particularly in sales and marketing, regulatory, manufacturing and research and development;
- unanticipated delays or an inability to control costs;
- general economic conditions, including inflationary pressure, as well as those specific to our customers and markets; and
- seasonal fluctuations in revenue due to the elective nature of some procedures.

Our stock price may be volatile, which may cause the value of our stock to decline or subject us to a securities class action litigation.

The trading price of our common stock price may be volatile and could be subject to wide fluctuations in price in response to various factors, many of which are beyond our control, attributable to outside factors and/or unrelated to operating performance. Such factors may include comments by securities analysts or other third parties, including blogs, articles, message boards and social and other media coverage which may not be attributable to us and may not be reliable or accurate.

The NASDAQ Stock Market and medical devices companies in particular have experienced substantial price and volume volatility that is often seemingly unrelated to the operating performance of the companies. These broad market fluctuations may cause the trading price of our common stock to decline. In the past, securities class action litigation has often been brought against a company after a period of volatility in the market price of its common stock.

Item 1B. ***Unresolved Staff Comments.***

None.

Item 2. ***Properties.***

During the year ended May 31, 2022, we operated in the following locations:

Location	Purpose	Approx. Sq. Ft.	Property Type
Latham, NY	Corporate headquarters	39,000	Lease
Glens Falls, NY	Manufacturing	41,000	Owne
Queensbury, NY	Manufacturing and distribution	194,000	Owne
Marlborough, MA	Research and development	31,000	Lease
Amsterdam, NL	Selling, marketing and administrative	8,100	Lease
Rehovot, IL	Research and development	4,300	Lease

In addition, we lease sales offices in various other jurisdictions.

Item 3. ***Legal Proceedings.***

Information regarding legal proceedings is included in Note 16 to our consolidated financial statements in this Annual Report on Form 10-K.

Item 4. ***Mine Safety Disclosures.***

Not applicable.

Part II

Item 5. ***Market for Registrant's Common Equity, Related Stockholder Matters, and Issuer Purchases of Equity Securities.***

Our common stock is traded on the Global Select Market tier of the NASDAQ Stock Market LLC, under the symbol "ANGO."

The following table sets forth, for the fiscal quarters indicated, the high and low sale prices for our common stock as reported by the NASDAQ Stock Market.

	Sale Price	
	High	Low
Year ended May 31, 2022		
Fourth Quarter	$ 24.50	$ 17.98
Third Quarter	$ 29.16	$ 20.46
Second Quarter	$ 30.97	$ 23.36
First Quarter	$ 28.49	$ 22.99

	Sale Price	
	High	Low
Year ended May 31, 2021		
Fourth Quarter	$ 25.12	$ 20.61
Third Quarter	$ 21.58	$ 13.77
Second Quarter	$ 14.38	$ 9.10
First Quarter	$ 12.01	$ 8.26

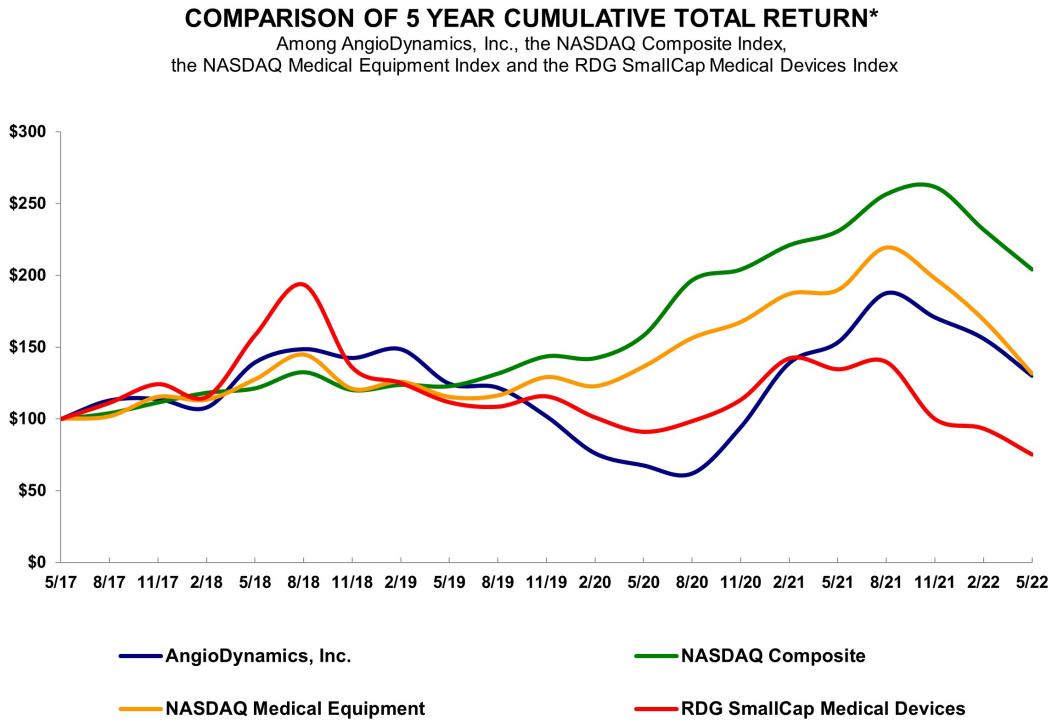
As of July 21, 2022, there were 170 holders of record of our common stock.

Dividends

We did not declare any cash dividends on our common stock during our last three fiscal years. We do not anticipate paying any cash dividends on our common stock for the foreseeable future.

Performance Graph

The graph below matches AngioDynamics, Inc.'s cumulative 5-year total shareholder return on common stock with the cumulative total returns of the NASDAQ Composite index, the RDG SmallCap Medical Devices index, and the NASDAQ Medical Equipment index. The graph tracks the performance of a $100 investment in our common stock and in each index (with the reinvestment of all dividends) from May 31, 2017 to May 31, 2022. The stock price performance included in this graph is not necessarily indicative of future stock price performance.



*$100 invested on 5/31/17 in stock or index, including reinvestment of dividends.
Fiscal year ending May 31.

Item 6. ***Selected Financial Data.***

Information required by this Item 6 is not included as we are electing to exclude this information pursuant to Regulation S-K Item 301, as amended.

For financial data and discussion of our results of operations and financial position, refer to Part II, Item 7 “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and Part II, Item 8 “Financial Statements and Supplementary Data” contained in this Annual Report on Form 10-K.

Item 7. ***Management's Discussion and Analysis of Financial Conditions and Results of Operations.***

The following information should be read together with the audited consolidated financial statements and the notes thereto and other information included elsewhere in this annual report on Form 10-K. This discussion may contain forward-looking statements related to future events and our future financial performance that are based on current expectation and are subject to risks and uncertainties. Our actual results may differ materially from those anticipated in any forward-looking statements as a result of many factors, including those set forth in Part I, Item 1A, "Risk Factors" and "Disclosure Regarding Forward-Looking Statements" included in this Annual Report on Form 10-K.

Company and Market

We design, manufacture and sell a wide range of medical, surgical and diagnostic devices used by professional healthcare providers for vascular access, for the treatment of peripheral vascular disease and for use in oncology and surgical settings. Our devices are generally used in minimally invasive, image-guided procedures. Many of our products are intended to be used once and then discarded, or they may be temporarily implanted for short- or longer-term use.

Our business operations cross a variety of markets. Our financial performance is impacted by changing market dynamics, which have included an emergence of value-based purchasing by healthcare providers, consolidation of healthcare providers, the increased role of the consumer in health care decision-making and an aging population, among others. In addition, our growth is impacted by changes within our sector, such as the merging of competitors to gain scale and influence; changes in the regulatory environment for medical device; and fluctuations in the global economy.

Our sales and profitability growth also depends, in part, on the introduction of new and innovative products, together with ongoing enhancements to our existing products. Expansions of our product offerings are created through internal and external product development, technology licensing and strategic alliances. We recognize the importance of, and intend to continue to make investments in research and development activities and selective business development opportunities to provide growth opportunities.

We sell our products in the United States primarily through a direct sales force, and outside the U.S. through a combination of direct sales and distributor relationships. Our end users include interventional radiologists, interventional cardiologists, vascular surgeons, urologists, interventional and surgical oncologists and critical care nurses. We expect our businesses to grow in both sales and profitability by expanding geographically, penetrating new markets, introducing new products and increasing our presence internationally.

The COVID-19 global pandemic has impacted our business and may continue to pose future risks with the emergence of new variants. Even with the public health actions that have been taken to reduce the spread of the virus, the market continues to experience disruptions with respect to consumer demand, hospital operating procedures and workflow, trends that may continue. The Company's ability to manufacture products, the reliability of our supply chain, labor shortages, backlog and inflation (including the cost and availability of raw materials, direct labor and shipping) have impacted our business, trends that may continue. Accordingly, management continues to evaluate the Company's liquidity position, communicate with and monitor the actions of our customers and suppliers, and review our near-term financial performance.

In the third quarter of fiscal year 2022, a benefit of $4.2 million was recorded as a result of the employee retention credit that the Company filed for under the provisions of the Taxpayer Certainty and Disaster Tax Relief Act of 2020, enacted December 27, 2020 which amended and extended the employee retention credit under section 2301 of the CARES Act.

In evaluating the operating performance of our business, management focuses on revenue, gross margin, operating income, earnings per share and cash flow from operations. A summary of these key financial metrics for the year ended May 31, 2022 compared to the year ended May 31, 2021 follows:

Year ended May 31, 2022:

- Revenue increased by 8.7% to $316.2 million
- Med Tech growth of 41.2% and Med Device growth of 0.9%
- Gross profit decreased by 150 bps to 52.4%
- Net loss decreased by $5.0 million to $26.5 million
- Loss per share decreased by $0.14 to a loss of $0.68
- Cash flow from operations decreased by $31.3 million resulting in cash used in operations of $7.2 million

Our Med Tech business, comprised of Auryon, the Thrombectomy platform and NanoKnife grew 41.2% in fiscal year 2022. This growth was partially offset by reductions in AngioVac procedure volumes due to challenges resulting from the

COVID-19 pandemic. Our Med Device business grew 0.9% in fiscal year 2022. It was also adversely impacted by the backlog in Vascular Access products and continued pressure from reductions in Oncology procedure volumes, also due to challenges resulting from the COVID-19 pandemic, a trend that may continue.

Strategic Initiatives to Drive Growth

As the Company has previously announced, the Company is focused on its ongoing transformation from a company with a broad portfolio of largely undifferentiated products to a more focused medical technology company that delivers unique and innovative health care solutions. The Company believes that this transformation will enable the Company to shift the portfolio from the mature, lower-growth markets where we have competed in the past by investing in technology and products that provide access to larger and faster growing markets. As such, we believe the growth in the near to mid-term will be driven by our high technology products including Auryon, Mechanical Thrombectomy (which includes AngioVac and AlphaVac) and NanoKnife. The Company regularly evaluates its reportable segments and will continue to do so along with this transformation.

Throughout the year, we introduced strategic moves designed to streamline our business, improve our overall business operations and position ourselves for growth. Those initiatives included:

- *Product development process.* The Company continued its disciplined product development process which is intended to improve the Company's ability to bring new products to market. This included:
  - The full market launch of the AlphaVac Mechanical Thrombectomy device in December 2021;
  - FDA clearance of the AlphaVac F18 thrombectomy system;
  - FDA approval of an IDE study for the use of AlphaVac F18 to treat pulmonary embolism; and
  - Enrollment of the first patients in the PRESERVE study for the use of NanoKnife in the prostate.
- *Value Creation.* To create value and drive future growth, the Company plans to practice dispassionate portfolio optimization and continue to focus on areas of compelling unmet needs including those that are patient-centric and evidenced-based. In addition, the Company is pursuing targeted global expansion opportunities.

Critical Accounting Policies and Use of Estimates

Our significant accounting policies are summarized in Note 1 "Basis of Presentation, Business Description and Summary of Significant Accounting Policies" in the consolidated financial statements included in this Form 10-K. While all of these significant accounting policies affect the reporting of our financial condition and results of operations, we view certain of these policies as critical. Policies determined to be critical are those policies that have the most significant impact on our financial statements and require us to use a greater degree of judgment and/or estimates. Actual results may differ from those estimates.

Revenue Recognition

Under ASC 606, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company contracts with its customers based on customer purchase orders, which in many cases are governed by master purchasing agreements. The Company's contracts with customers are generally for product only, and do not include other performance obligations such as services or other material rights. As part of its assessment of each contract, the Company evaluates certain factors including the customer's ability to pay (or credit risk). For each contract, the Company considers the promise to transfer products, each of which is distinct, to be the identified performance obligations.

Transaction prices of products are typically based on contracted rates. Product revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products to a customer, net of any variable consideration described below.

If a contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price based on the estimated relative standalone selling prices of the promised products underlying each performance obligation. The Company has standard pricing for its products and determines standalone selling prices based on the price at which the performance obligation is sold separately.

Revenue is recognized when control of the product is transferred to the customer (i.e., when the Company's performance obligation is satisfied), which occurs at a point in time, and may be upon shipment from the Company's manufacturing site or delivery to the customer's named location, based on the contractual shipping terms of a contract. In determining whether control has transferred, the Company considers if there is a present right to payment from the customer and when physical possession, legal title and risks and rewards of ownership have transferred to the customer.

The Company typically invoices customers upon satisfaction of identified performance obligations. As the Company's standard payment terms are 30 to 90 days from invoicing, the Company does not provide any significant financing to its customers.

The Company enters into agreements to place placement and evaluation units ("units") at customer sites, but the Company retains title to the units. For the duration of these agreements the customer has the right to use the unit at no upfront charge in connection with the customer's ongoing purchase of disposables. These types of agreements include an embedded operating lease for the right to use the units. In these arrangements, revenue recognized for the sale of the disposables is not allocated between the disposal revenue and lease revenue due to the insignificant value of the units in relation to the total agreement value.

Sales, value add, and other taxes collected on behalf of third parties are excluded from revenue.

Revenues from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration for which reserves are established for discounts, returns, rebates and allowances that are offered within contracts between the Company and its customers. These reserves are based on the amounts earned or to be claimed on the related sales and are classified as a contra asset.

The Company provides certain customers with rebates and allowances that are explicitly stated in the Company's contracts and are recorded as a reduction of revenue in the period the related product revenue is recognized. The Company establishes reserves for such amounts, which is included in accrued expenses in the accompanying Consolidated Balance Sheets. These rebates and allowances result from performance-based offers that are primarily based on attaining contractually specified sales volumes. The Company is also required to pay administrative fees to group purchasing organizations.

The Company generally offers customers a limited right of return. Product returns after 30 days must be pre-approved by the Company and customers may be subject to a 20% restocking charge. To be accepted, a returned product must be unadulterated, undamaged and have at least twelve months remaining prior to its expiration date. The Company estimates the amount of its product sales that may be returned by its customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized. The Company currently estimates product return liabilities using its historical product return information and considers other factors that it believes could significantly impact its expected returns, including product recalls. During the year ended May 31, 2022, such product returns were not material.

A receivable is generally recognized in the period the Company ships the product. Payment terms on invoiced amounts are based on contractual terms with each customer and generally coincide with revenue recognition. Accordingly, the Company does not have any contract assets associated with the future right to invoice its customers. In some cases, if control of the product has not yet transferred to the customer or the timing of the payments made by the customer precedes the Company's fulfillment of the performance obligation, the Company recognizes a contract liability that is included in deferred revenue in the accompanying Consolidated Balance Sheets.

Inventory

Inventories are stated at the lower of cost or net realizable value based on the first-in, first-out cost method and consist of raw materials, work in process and finished goods. Appropriate consideration is given to deterioration, obsolescence, expiring and other factors in evaluating net realizable value. When we evaluate inventory for excess quantities and obsolescence, we utilize historical product usage experience and expected demand for establishing our reserve estimates. Our actual product usage may vary from the historical experience and estimating demand is inherently difficult which may result in us recording excess and obsolete inventory amounts that do not match the required amounts. An increase to inventory reserves results in a corresponding increase in cost of revenue. Inventories are written off against the reserve when they are physically disposed.

Acquisitions and Contingent Consideration

The Company allocates the purchase price of acquired companies to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The estimates used to value the net assets acquired are based in part on historical experience and information obtained from the management of the acquired company. The Company generally values the identifiable intangible assets acquired using a discounted cash flow model. The significant estimates used in valuing certain of the intangible assets include, but are not limited to: future expected cash flows of the asset, discount rates to determine the

present value of the future cash flows, attrition rates of customers, royalty rates and expected technology life cycles. The Company also estimates the useful lives of the intangible assets based on the expected period over which the Company anticipates generating economic benefit from the asset.

The Company's estimates of fair value are based on assumptions believed to be reasonable at that time. If management made different estimates or judgments, material differences in the fair values of the net assets acquired may result.

Certain of the Company's business combinations involve potential payment of future consideration that is contingent upon the achievement of certain product development milestones and/or contingent on the acquired business reaching certain performance milestones. The Company records contingent consideration at fair value at the date of acquisition based on the consideration expected to be transferred, estimated as the probability weighted future cash flows, discounted back to present value. The fair value of contingent consideration is measured using projected payment dates, discount rates, probabilities of payment, and projected revenues (for revenue-based considerations). Projected revenues are based on the Company's most recent internal operational budgets and long-range strategic plans. The discount rate used is determined at the time of measurement in accordance with accepted valuation methodologies. Changes in projected revenues, probabilities of payment, discount rates, and projected payment dates may result in adjustments to the fair value measurements. Contingent consideration is remeasured each reporting period using Level 3 inputs, and the change in fair value, including accretion for the passage of time, is recognized as income or expense within operating expenses in the Consolidated Statements of Operations. Contingent consideration payments made soon after the acquisition date are classified as investing activities in the Consolidated Statements of Cash Flows. Contingent consideration payments not made soon after the acquisition date that are related to the acquisition date fair value are reported as financing activities in the Consolidated Statements of Cash Flows, and amounts paid in excess of the original acquisition date fair value are reported as operating activities in the Consolidated Statements of Cash Flows.

Goodwill and Intangible Assets

Intangible assets other than goodwill, indefinite lived intangible assets and in process research and development ("IP R&D") are amortized over their estimated useful lives, which range between two to eighteen years, on either a straight-line basis over the expected period of benefit or as revenue is earned from the sales of the related product. The Company periodically reviews the estimated useful lives of intangible assets and reviews such assets for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Such conditions could include significant adverse changes in the business climate, current-period operating or cash flow losses, significant declines in forecasted operations, or a current expectation that an asset group will be disposed of before the end of its useful life. When testing for impairment of definite-lived intangible assets held for use, the Company groups assets at the lowest level for which cash flows are separately identifiable. The Company operates as a single asset group. If a triggering event is deemed to exist, the Company performs an undiscounted operating cash flow analysis to determine if an impairment exists. If an intangible asset is considered to be impaired, the amount of the impairment will equal the excess of the carrying value over the fair value of the asset.

Goodwill and other intangible assets that have indefinite useful lives are not amortized, but rather, are tested for impairment annually or more frequently if impairment indicators arise. The Company has historically performed its annual goodwill assessment during the third quarter of each year (as of December 31). During the fourth quarter of fiscal year 2022, the Company decided to change the date of its annual impairment assessment from December 31st to April 30th. The change was made to more closely align the impairment assessment date with the Company's long term planning and forecasting process. See Note 8,"Goodwill and Intangible Assets" accompanying the consolidated financial statements. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Goodwill and intangible assets have been recorded at either incurred or allocated cost. Allocated costs were based on respective fair market values at the date of acquisition.

For goodwill, the impairment test requires a comparison of the estimated fair value of the reporting unit to which the goodwill is assigned to the carrying value of the assets and liabilities of that reporting unit. The determination of reporting units also requires management judgment. The Company considers whether a reporting unit exists within a reportable segment based on the availability of discrete financial information. The Company operates as a single operating segment with one reporting unit and consequently evaluates goodwill for impairment based on an evaluation of the fair value of the Company as a whole. If the carrying value of the reporting unit exceeds the fair value of the reporting unit, the carrying value is reduced to its fair value through an adjustment to the goodwill balance, resulting in an impairment charge.

Determining the fair value of a reporting unit is judgmental and requires the use of significant estimates and assumptions, including revenue growth rates, operating margins, discount rates and future market conditions, among others. Changes in assumptions or estimates could materially affect the estimated fair value, and therefore could affect the likelihood and amount of a potential impairment.

There were no adjustments to goodwill for the year ended May 31, 2022 other than foreign currency translation adjustments.

Results of Operations for the years ended May 31, 2022 and 2021

For the fiscal year ended May 31, 2022, the Company reported a net loss of $26.5 million, or a loss of $0.68 per diluted share, on net sales of $316.2 million compared to a net loss of $31.5 million, or a loss of $0.82 per diluted share, on net sales of $291.0 million in fiscal year 2021.

Net Sales

Net sales - Net sales are derived from the sale of our products and related freight charges, less discounts, rebates and returns.

Net sales for the year ended May 31, 2022 and 2021 were:

	Year ended May 31,		
(in thousands)	2022	2021	% Change
Net Sales			
Med Tech	$ 78,717	$ 55,731	41.2 %
Med Device	237,502	235,279	0.9 %
Total	$ 316,219	$ 291,010	8.7 %
Net Sales by Product Category			
Endovascular Therapies	$ 160,925	$ 135,079	19.1 %
Vascular Access	100,193	101,310	(1.1)%
Oncology/Surgery	55,101	54,621	0.9 %
Total	$ 316,219	$ 291,010	8.7 %
Net Sales by Geography			
United States	$ 265,963	$ 237,043	12.2 %
International	50,256	53,967	(6.9)%
Total	$ 316,219	$ 291,010	8.7 %

For the year ended May 31, 2022, net sales increased $25.2 million to $316.2 million compared to the year ended May 31, 2021. At May 31, 2022, the Company had a backlog of $8.4 million.

The Med Tech business net sales increased $23.0 million for the year ended May 31, 2022 compared to the prior year. The change in sales from the prior year was primarily driven by:

- Increased Auryon sales of $18.0 million;
- Growth in the thrombectomy platform of $3.7 million, which was driven by growth in the mechanical thrombectomy platform and was partially offset by decreased sales of thrombolytics. Increased sales in the mechanical thrombectomy platform of $4.0 million was driven by AngioVac and the launch of the AlphaVac product in the second quarter of fiscal year 2022; and
- Increased NanoKnife sales of $1.3 million, which was driven by NanoKnife disposable sales in the U.S. which increased $2.3 million due to increased case volume. This increase was partially offset by decreased NanoKnife capital sales in the U.S. and NanoKnife disposable sales internationally.

The Med Device business net sales increased $2.2 million for the year ended May 31, 2022 compared to the prior year. Excluding the large UK order of $5.2 million in the first quarter of the prior year, net sales increased $7.4 million for the year ended May 31, 2022. The change in sales from the prior year was primarily driven by:

- The backlog of $8.4 million at May 31, 2022, which primarily impacted sales of Core, Venous and Vascular Access products; and
- Increased case volume, which resulted in increased sales of Core and Venous (despite the impact of the backlog) and BioSentry products of $3.7 million, $0.5 million and $0.4 million, respectively. Port sales also increased $2.7 million, driven primarily by sales in the U.S. These increases were partially offset by decreased Midline, PICCs, Dialysis,

Radio Frequency Ablation and other Oncology product sales of $2.6 million, $0.9 million, $0.2 million, $0.9 million and $0.6 million respectively. Excluding the prior year order in the UK, Midlines, PICCs and Ports increased $4.4 million.

Gross Profit, Operating Expenses, and Other Income (expense)

(in thousands)	Year ended May 31, 2022	2021	% Change
Gross profit (exclusive of intangible amortization)	$ 165,732	$ 156,788	5.7 %
Gross profit % of sales	52.4 %	53.9 %	
Research and development	$ 30,739	$ 36,390	-15.5 %
% of sales	9.7 %	12.5 %	
Selling and marketing	$ 95,301	$ 81,306	17.2 %
% of sales	30.1 %	27.9 %	
General and administrative	$ 38,451	$ 35,918	7.1 %
% of sales	12.2 %	12.3 %	

Gross profit - Gross profit consists of net sales less the cost of goods sold, which includes the costs of materials, products purchased from third parties and sold by us, manufacturing personnel, royalties, freight, business insurance, depreciation of property and equipment and other manufacturing overhead, exclusive of intangible amortization.

Gross profit increased by $8.9 million compared to the prior year. The change from the prior year was primarily driven by:

- Sales volume, which positively impacted gross profit by $14.6 million;
- Price and mix, which positively impacted gross profit by $1.6 million as a result of increased sales of higher margin Auryon and AngioVac products. This positive impact was partially offset by sales of lower margin Vascular Access products;
- Rebate expense, which negatively impacted gross profit by $0.9 million;
- Start-up costs related to Auryon and AlphaVac of $3.1 million, including depreciation on Auryon placement units of $1.3 million, which negatively impacted gross profit;
- Labor shortages, freight and inflationary costs on raw materials, which negatively impacted gross profit by $3.4 million year over year; and
- A benefit of $0.8 million that was recorded as a result of the employee retention credit that the Company filed for under the provisions of the CARES Act in the third quarter of the current year compared to a benefit of $0.7 million in the prior year period.

Research and development expense - Research and development (“R&D”) expense includes internal and external costs to develop new products, enhance existing products, validate new and enhanced products, manage clinical, regulatory and medical affairs.

R&D expense decreased $5.7 million compared to the prior year. The change from the prior year was primarily driven by:

- The timing of certain projects, which reduced R&D project expense by $4.2 million;
- Open R&D positions, which resulted in decreased compensation and benefits expense of $1.6 million; and
- A benefit of $0.5 million that was recorded as a result of the employee retention credit that the Company filed for under the provisions of the CARES Act in the third quarter of the current year compared to $0.3 million in the prior year period.

Sales and marketing expense - Sales and marketing (“S&M”) expense consists primarily of salaries, commissions, travel and related business expenses, attendance at medical society meetings, product promotions and marketing activities.

S&M expense increased by $14.0 million compared to the prior year. The change from the prior year was primarily driven by:

- Additional headcount from the build-out of the Auryon sales and marketing teams, which increased compensation and benefits expense by $11.7 million;
- Travel, meeting, tradeshow and other expenses, which increased $4.2 million as some COVID-19 restrictions were lifted; and

- A benefit of $2.8 million that was recorded as a result of the employee retention credit that the Company filed for under the provisions of the CARES Act in the third quarter of the current year compared to $0.9 million in the prior year period.

General and administrative expense - General and administrative ("G&A") expense includes executive management, finance, information technology, human resources, business development, legal, and the administrative and professional costs associated with those activities.

G&A expense increased by $2.5 million compared to the prior year. The change from the prior year was primarily driven by:

- Compensation and benefits expense, which increased $1.3 million; and
- Other outside consultant spend, which increased $2.0 million, partially offset by decreased legal expense of $0.9 million.

	Year ended May 31,		
(in thousands)	2022	2021	$ Change
Amortization of intangibles	$ 19,458	$ 18,136	$ 1,322
Change in fair value of contingent consideration	$ 1,212	$ 89	$ 1,123
Acquisition, restructuring and other items, net	$ 9,042	$ 20,232	$ (11,190)
Other expense	$ (1,478)	$ (769)	$ (709)

Amortization of intangibles - Represents the amount of amortization expense that was taken on intangible assets held by the Company.

- Amortization expense increased $1.3 million compared to the prior year. The increase is due to amortization relating to the Camaro intangible asset addition of $3.9 million in the first quarter of fiscal year 2022, partially offset by assets that became fully amortized in fiscal year 2021 and 2022.

Change in fair value of contingent consideration - Represents changes in contingent consideration driven by changes to estimated future payments on earn-out liabilities created through acquisitions and amortization of present value discounts on long-term contingent consideration.

- The change in the fair value for the year ended May 31, 2022 is related to the Eximo contingent consideration.

Acquisition, restructuring and other items, net - Acquisition, restructuring and other items, net represents costs associated with mergers and acquisitions, restructuring expenses, legal costs that are related to litigation that is not in the ordinary course of business, legal settlements and other one-time items.

Acquisition, restructuring and other items, net decreased by $11.2 million compared to the prior year. The change from the prior year was primarily driven by:

- Legal expense, related to litigation that is outside of the normal course of business, which increased $1.5 million;
- Manufacturing relocation expense related to the move of certain manufacturing lines to Costa Rica, which increased $0.6 million;
- Manufacturing facilities relocation expense related to the sale of the Fluid Management business which decreased $0.4 million;
- Transition Services Agreement fees from Medline Industries of $1.0 million that were received in fiscal year 2021. These activities were completed during fiscal year 2021; and
- A $14.0 million impairment charge that was recorded in fiscal year 2021 as a result of the decision to abandon the OARtrac product technology and trademark.

Other expense - Other expense includes interest expense, foreign currency impacts, bank fees, and amortization of deferred financing costs.

- The change in other expense of $0.7 million compared to the prior year is primarily due to unrealized foreign currency losses of $0.8 partially offset by decreased interest expense of $0.2 million.

Income Tax Benefit

(in thousands)	Year ended May 31, 2022	2021
Income tax benefit	$ (3,402)	$ (4,504)
Effective tax rate	11 %	12 %

Our effective tax rate was a benefit of 11% for fiscal year 2022 compared with an effective tax rate benefit of 12% for the prior year. The current year and prior year effective tax rates differ from the U.S. statutory rate primarily due to the impact of the valuation allowance, foreign taxes, and other non-deductible permanent items (such as non-deductible meals and entertainment, Section 162(m) excess compensation) and the impact of stock-based compensation.

The Company regularly assesses its ability to realize its deferred tax assets. Assessing the realization of deferred tax assets requires significant management judgment. In determining whether its deferred tax assets are more likely than not realizable, the Company evaluated all available positive and negative evidence, and weighted the evidence based on its objectivity. Evidence the Company considered included its history of net operating losses, which resulted in the Company recording a full valuation allowance for its deferred tax assets in fiscal year 2016, except the naked credit deferred tax liability.

Based on the review of all available evidence, the Company determined that it has not yet attained a sustained level of profitability and the objectively verifiable negative evidence outweighed the positive evidence. Therefore, the Company has provided a valuation allowance on its federal and state net operating loss carryforwards, federal and state R&D credit carryforwards and other net deferred tax assets that have a limited life and are not supportable by the naked credit deferred tax liability sourced income as of May 31, 2022. The Company will continue to assess the level of the valuation allowance required. If sufficient positive evidence exists in future periods to support a release of some or all of the valuation allowance, such a release would likely have a material impact on the Company's results of operations.

Liquidity and Capital Resources

We regularly review our liquidity and anticipated capital requirements in light of the significant uncertainty created by the COVID-19 global pandemic. We believe that our current cash on hand and availability under our Revolving Facility provide sufficient liquidity to meet our anticipated needs for capital for at least the next 12 months. We are closely monitoring receivables and payables.

Our cash and cash equivalents totaled $28.8 million as of May 31, 2022, compared with $48.2 million as of May 31, 2021. As of May 31, 2022, total debt outstanding related to the Revolving Facility was $25.0 million. The fair value of the contingent consideration liability as of May 31, 2022 was $16.9 million.

The table below summarizes our cash flows for the years ended May 31, 2022 and 2021:

(in thousands)	Year ended May 31, 2022	2021
Cash (used in) provided by:		
Operating activities	$ (7,194)	$ 24,093
Investing activities	(19,307)	(13,711)
Financing activities	7,683	(16,986)
Effect of exchange rate changes on cash and cash equivalents	(518)	330
Net change in cash and cash equivalents	$ (19,336)	$ (6,274)

During the years ended May 31, 2022 and 2021, cash flows consisted of the following:

Cash (used in) provided by operating activities:

Years ended May 31, 2022 and 2021:

- Net loss of $26.5 million and $31.5 million, respectively, plus the non-cash items, primarily driven by depreciation and amortization and stock-based compensation, along with the changes in working capital below, contributed to cash used in operations of $7.2 million for the year ended May 31, 2022 and cash provided by operations of $24.1 million for the year ended May 31, 2021.

- For the year ended May 31, 2022, working capital was unfavorably impacted by increased accounts receivable and inventory on hand of $17.2 million and $2.8 million, respectively. This was partially offset by increased accounts payable and accrued liabilities of $3.9 million.
- For the year ended May 31, 2021, working capital was favorably impacted by decreased inventory on hand of $11.5 million and increased accounts payable and accrued liabilities of $4.9 million. This was partially offset by increased accounts receivable of $4.2 million.

Cash used in investing activities:

Years ended May 31, 2022 and 2021:

- $4.3 million and $5.2 million, respectively, of cash was used for fixed asset additions;
- $11.4 million and $8.5 million, respectively, of cash was used for Auryon placement and evaluation unit additions; and
- $3.6 million of cash was used for the QX Medical asset acquisition in the first quarter of fiscal year 2022.

Cash provided by (used in) financing activities:

Years ended May 31, 2022 and 2021:

- $5.0 million draw on the Revolving Facility in the first quarter of fiscal year 2022 for the QX Medical asset acquisition;
- $20.0 million payment on the Revolving Facility in the third quarter of fiscal year 2021; and
- $2.7 million and $3.0 million, respectively, of proceeds from stock option and ESPP activity.

Our 2019 Credit Agreement provides for a $125.0 million secured Revolving Facility, which includes an uncommitted expansion feature that allows the Company to increase the total revolving commitments and/or add new tranches of term loans in an aggregate amount not to exceed $75.0 million. The Credit Agreement includes customary representations, warranties and covenants, and acceleration, indemnity and events of default provisions, including, among other things, two financial covenants. One financial covenant requires us to maintain a fixed charge coverage ratio of not less than 1.25 to 1.00. The other financial covenant requires us to maintain a total leverage ratio of not greater than 3.00 to 1.00. The total leverage ratio is based upon our trailing twelve months total consolidated EBITDA (as defined in the Credit Agreement). The amount that we can borrow under our Credit Agreement is directly based on our leverage ratio. The interest rate on the Revolving Facility at May 31, 2022 was 2.31%. The company was in compliance with the Credit Agreement covenants as of May 31, 2022.

In the first quarter of fiscal year 2022, the Company made a $5.0 million draw on the Revolving Facility in conjunction with the QX Medical asset acquisition. In December 2020 and March 2021, payments of $10.0 million each were made on the Revolving Facility. We believe that our current cash balance, together with cash generated from operations and access to our Revolving Facility, will provide sufficient liquidity to meet our anticipated needs for capital for at least the next 12 months. If we seek to make acquisitions of other businesses or technologies in the future for cash, we may require external financing.

Our contractual obligations as of May 31, 2022 are set forth in the table below (in thousands). We have no variable interest entities or other off-balance sheet obligations.

	Cash payments due by period as of May 31, 2022				
(in thousands)	Total	Less than One Year	1-3 Years	3-5 Years	After 5 Years
Contractual Obligations:					
Long term debt and interest	$ 25,778	$ 778	$ 25,000	$ —	$ —
Operating leases [1]	7,980	3,006	3,671	1,303	—
Purchase obligations [2]	6,170	6,170	—	—	—
Acquisition-related future obligations [3]	20,000	10,000	10,000	—	—
Royalties	44,480	3,840	7,680	7,680	25,280
	$ 104,408	$ 23,794	$ 46,351	$ 8,983	$ 25,280

(1) Operating leases include short-term leases that are not recorded on our Consolidated Balance Sheets under ASU No. 2016-02.

(2) The inventory purchase obligations are not reflected on our Consolidated Balance Sheets under accounting principles generally accepted in the United States of America.

(3) Acquisition-related future obligations include scheduled minimum payments and contingent payments based upon achievement of performance measures or milestones such as sales or profitability targets, the achievement of research and development objectives or the receipt of regulatory approvals. The amount represents the undiscounted value of contingent liabilities recorded on the balance sheet. Timing of payments are as contractually scheduled, or where contingent, the Company's best estimate of payment timing.

Results of Operations for the years ended May 31, 2021 and 2020

For management discussion and analysis of our 2021 financial results and liquidity compared with 2020, see Part II, Item 7 "Management's Discussion and Analysis of Financial Condition and Results of Operations" in our Annual Report on Form 10-K for the year ended May 31, 2021 filed on July 27, 2021.

Recent Accounting Pronouncements

Refer to Note 1 of the Notes to the consolidated financial statements for Recently Issued Accounting Pronouncements.

Item 7A. ***Quantitative and Qualitative Disclosures about Market Risk.***

FOREIGN CURRENCY EXCHANGE RATE RISK

We are exposed to market risk from changes in currency exchange rates, as well as interest rate fluctuations on our credit facility and investments that could impact our results of operations and financial position.

We transact sales in currencies other than the U.S. Dollar, particularly the Euro, British pound and Canadian dollar. Approximately 6.2% of our sales in fiscal year 2022 were denominated in foreign currencies. We do not have expenses denominated in foreign currencies at the level of our sales and as a result, our profitability is exposed to currency fluctuations. When the U.S. Dollar strengthens, our sales and gross profit will be negatively impacted. In addition, we have assets and liabilities denominated in non-functional currencies which are remeasured at each reporting period, with the offset to changes presented as a component of Other (Expense) Income. Significant non-functional balances include accounts receivable due from some of our international customers.

INTEREST RATE RISK

We have a Credit Agreement which provides for a $125.0 million Revolving Facility. Interest on the facility will be based, at the Company's option, on either a base rate of LIBOR or alternate base rate, plus an applicable margin tied to the Company's total leverage ratio and having ranges between 0.25% and 0.75% for base rate loans and between 1.25% and 1.75% for LIBOR loans. In the event of default, the interest rate may be increased by 2.0%. As of May 31, 2022, there was $25.0 million outstanding on the Revolving Facility. The interest rate on the Revolving Facility at May 31, 2022 was 2.31%.

CONCENTRATION OF CREDIT RISK

Financial instruments, which potentially subject the Company to significant concentrations of credit risk, consist primarily of cash and cash equivalents, our Revolving Facility and trade accounts receivable.

The Company maintains cash and cash equivalents at various institutions and performs periodic evaluations of the relative credit standings of these financial institutions to ensure their credit worthiness. In addition, the Credit Agreement is structured across five investment grade banks. The Company has the ability to draw equally amongst the five banks which limits the concentration of credit risk of one institution.

Concentration of credit risk with respect to trade accounts receivable is limited due to the large number of customers that purchase products from the Company. No single customer represents more than 10% of total sales. The Company monitors the creditworthiness of its customers. As the Company's standard payment terms are 30 to 90 days from invoicing, the Company does not provide any significant financing to its customers. Although the Company does not currently foresee a significant credit risk associated with the outstanding accounts receivable, repayment is dependent upon the financial stability of our customers.

Item 8. ***Financial Statements and Supplementary Data.***

Financial statements and supplementary data required by Part II, Item 8 are included in Part IV of this report and indexed under Item 15 (a) (1) and (2) of this report, and are incorporated by reference into this Item 8.

Item 9. ***Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.***

None.

Item 9A. ***Controls and Procedures.***

Evaluation of disclosure controls and procedures

As of the end of the period covered by this report, our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, evaluated the effectiveness of the design and operation of our disclosure controls and procedures pursuant to Rule 13a-15(b) of the Securities Exchange Act of 1934, as amended. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that our disclosure controls and procedures as of the end of the period covered by this report were effective to provide reasonable assurance that the information required to be disclosed by us in reports filed under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the SEC rules and forms and is accumulated and communicated to management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

Management's Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting for our Company. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) promulgated under the Securities Exchange Act of 1934, as amended, as a process designed by, or under the supervision of, our principal executive and principal financial officers and effected by our Board of Directors, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with accounting principles generally accepted in the United States and includes those policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets;
- Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States, and that our receipts and expenditures are being made only in accordance with authorizations of our management and members of our Board of Directors; and
- Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on our financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our management has assessed the effectiveness of our internal control over financial reporting as of May 31, 2022. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control-Integrated Framework* (2013). Based on this evaluation, management concluded that our internal control over financial reporting was effective as of May 31, 2022.

The effectiveness of our internal control over financial reporting as of May 31, 2022 has been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their report which appears herein.

Changes in Internal Control over Financial Reporting

There was no change in our internal control over financial reporting for the fiscal year ended May 31, 2022 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
AngioDynamics, Inc.
Latham, New York

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of AngioDynamics, Inc. and subsidiaries (the "Company") as of May 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of May 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated financial statements as of and for the year ended May 31, 2022, of the Company and our report dated July 22, 2022, expressed an unqualified opinion on those financial statements.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed 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. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
July 22, 2022

Item 9B. ***Other Information.***

None.

Item 9C. ***Foreign Jurisdictions that Prevent Inspections.***

Not applicable.

Part III

Certain information required by Part III is omitted from this Annual Report on Form 10-K because we will file a definitive proxy statement within 120 days after the end of our fiscal year end pursuant to Regulation 14A (the "Proxy Statement") for our Annual Meeting of Stockholders, currently scheduled for October 2022. The information included in the Proxy Statement under the respective headings noted below is incorporated herein by reference.

Item 10. ***Directors, Executive Officers and Corporate Governance.***

Information required in this Annual Report on Form 10-K with respect to Executive Officers is contained in the discussion titled "Executive Officers of the Company" in Part I of this Annual Report on Form 10-K. The balance of the information required by Item 10 is incorporated herein by reference to our Proxy Statement under the heading "Election of Directors".

Item 11. ***Executive Compensation.***

The information required by this caption is incorporated herein by reference to our Proxy Statement under the heading "Executive Compensation".

Item 12. ***Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.***

The information required by this caption is incorporated herein by reference to our Proxy Statement under the heading "Ownership of Securities".

Item 13. ***Certain Relationships and Related Transactions, and Director Independence.***

The information required by this caption is incorporated herein by reference to our Proxy Statement under the heading "Certain Relationships and Related Transactions".

Item 14. ***Principal Accounting Fees and Services.***

The information required by this caption is incorporated herein by reference to our Proxy Statement under the headings "Audit Matters—Principal Accounting Fees and Services and—Policy on Audit Committee Pre-approval of Audit and Permissible Non-Audit Services of Independent Registered Public Accounting Firm".

Part IV

Item 15. ***Exhibits, Financial Statement Schedules.***

(a)(1) ***Financial Statements***

The following consolidated financial statements and supplementary data of Registrant and its subsidiaries required by Part II, Item 8, are included in Part IV of this report:

(2) ***Financial Statement Schedules***

The following consolidated financial statement schedule is included in Part IV of this report:

All other schedules are omitted because they are not applicable, not required, or because the required information is included in the consolidated financial statements or notes thereto.

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Shareholders and the Board of Directors of
AngioDynamics, Inc.
Latham, New York

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of AngioDynamics, Inc. and subsidiaries (the "Company") as of May 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity, and cash flows, for each of the three years in the period ended May 31, 2022, and the related notes and the schedule listed in the Index at Item 15 (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of May 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended May 31, 2022, in conformity with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of May 31, 2022, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated July 22, 2022, expressed an unqualified opinion on the Company's internal control over financial reporting.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current-period audit of the financial statements that was communicated or required to be communicated to the audit committee and that (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Inventories – Excess Quantities and Obsolescence — Refer to Notes 1 & 5

Critical Audit Matter Description

The Company evaluates inventory each reporting period for excess quantities and obsolescence, establishing reserves when necessary based upon historical experience, assessment of economic conditions, and expected demand. Once recorded, these reserves are considered permanent adjustments to the carrying value of inventory. As of May 31, 2022, the Company has inventories of $51.4 million, net of excess quantities and obsolescence reserves.

We identified the reserve for excess quantities and obsolete inventory as a critical audit matter because of the significant estimates and assumptions management makes to quantify and to record the reserve, including the determination of expected demand. This required a high degree of auditor judgment and an increased extent of effort when performing audit procedures to evaluate the methodology and the reasonableness of assumptions including expected demand.

How the Critical Audit Matter Was Addressed in the Audit

Our audit procedures related to the reserve for excess quantities and obsolete inventory including management's estimate of expected demand, included the following, among others:

- We tested the design and effectiveness of controls over inventory, including those over the estimation of reserves for excess quantities and obsolescence.
- We evaluated the reasonableness of the Company's excess and obsolete inventory policy, considering historical experience and the underlying assumptions.
- We tested the calculation of the excess and obsolete reserve pursuant to the Company's policy, on a sample basis, including the completeness and accuracy of the data used in the calculation.
- We performed a retrospective review by comparing management's prior year projections of future demand by product, with actual product sales in the current year to identify potential bias in the inventory reserve.

- We held discussions with senior financial and operating management to determine whether any strategic, regulatory, or operational changes in the business were consistent with the projections of future demand that were utilized as the basis for the reserves recorded.
- We considered the existence of contradictory evidence based on consideration of internal communication to management and the board of directors, Company press releases, and analysts' reports, as well as any changes within the business.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
July 22, 2022

We have served as the Company’s auditor since 2016.

AngioDynamics, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year ended May 31,		
	2022	2021	2020
Net sales	$ 316,219	$ 291,010	$ 264,157
Cost of sales (exclusive of intangible amortization)	150,487	134,222	113,885
Gross profit	165,732	156,788	150,272
Operating expenses			
Research and development	30,739	36,390	29,682
Sales and marketing	95,301	81,306	78,634
General and administrative	38,451	35,918	37,872
Amortization of intangibles	19,458	18,136	18,121
Goodwill impairment	—	—	158,578
Change in fair value of contingent consideration	1,212	89	(11,531)
Acquisition, restructuring and other items, net	9,042	20,232	6,014
Total operating expenses	194,203	192,071	317,370
Operating loss	(28,471)	(35,283)	(167,098)
Other expenses			
Interest expense, net	(688)	(861)	(907)
Other income (expense), net	(790)	92	(130)
Total other expenses, net	(1,478)	(769)	(1,037)
Loss before income tax benefit	(29,949)	(36,052)	(168,135)
Income tax benefit	(3,402)	(4,504)	(1,348)
Net loss	$ (26,547)	$ (31,548)	$ (166,787)
Loss per share			
Basic	$ (0.68)	$ (0.82)	$ (4.39)
Diluted	$ (0.68)	$ (0.82)	$ (4.39)
Weighted average shares outstanding			
Basic	39,009	38,342	37,961
Diluted	39,009	38,342	37,961

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year ended May 31,		
	2022	2021	2020
Net loss	$ (26,547)	$ (31,548)	$ (166,787)
Other comprehensive income (loss), before tax:			
Foreign currency translation gain (loss)	(1,796)	4,494	11
Other comprehensive income (loss), before tax	(1,796)	4,494	11
Income tax benefit (expense) related to items of other comprehensive income (loss)	—	—	—
Other comprehensive income (loss), net of tax	(1,796)	4,494	11
Total comprehensive loss, net of tax	$ (28,343)	$ (27,054)	$ (166,776)

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiaries
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	May 31, 2022	May 31, 2021
Assets		
Current Assets		
Cash and cash equivalents	$ 28,825	$ 48,161
Accounts receivable, net of allowances of $1,939 and $1,919, respectively	52,304	35,405
Inventories	51,392	48,614
Prepaid expenses and other	10,824	8,699
Total current assets	143,345	140,879
Property, plant and equipment, net	45,005	37,073
Intangible assets, net	152,380	168,977
Goodwill	201,058	201,316
Other assets	10,963	13,193
Total Assets	$ 552,751	$ 561,438
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	$ 28,047	$ 19,630
Accrued liabilities	34,842	35,459
Current portion of contingent consideration	8,783	—
Other current liabilities	2,652	2,495
Total current liabilities	74,324	57,584
Long-term debt	25,000	20,000
Deferred income taxes	16,037	19,955
Contingent consideration, net of current portion	8,165	15,741
Other long-term liabilities	4,736	8,701
Total Liabilities	128,262	121,981
Commitments and Contingencies (Note 16)		
Stockholders' Equity		
Preferred stock, par value $0.01 per share, 5,000,000 shares authorized; no shares issued and outstanding	—	—
Common stock, par value $0.01 per share, 75,000,000 shares authorized; 39,541,173 and 38,920,951 shares issued and 39,171,173 and 38,550,951 shares outstanding at May 31, 2022 and 2021, respectively	380	377
Additional paid-in capital	586,879	573,507
Accumulated deficit	(158,413)	(131,866)
Treasury stock, 370,000 shares, at cost at May 31, 2022 and 2021, respectively	(5,714)	(5,714)
Accumulated other comprehensive loss	1,357	3,153
Total Stockholders' Equity	424,489	439,457
Total Liabilities and Stockholders' Equity	$ 552,751	$ 561,438

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands, except share data)

	Common Stock		Additional paid in capital	Retained earnings (accumulated deficit)	Accumulated other comprehensive income (loss)	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance at May 31, 2019	37,984,382	$ 372	$ 555,040	$ 66,469	$ (1,352)	(370,000)	$ (5,714)	$ 614,815
Net loss				(166,787)				(166,787)
Exercise of stock options	50,636	1	560					561
Issuance/cancellation of restricted stock units	312,951		(2,537)					(2,537)
Purchase of common stock under Employee Stock Purchase Plan	100,567	1	1,216					1,217
Stock-based compensation			7,592					7,592
Other comprehensive income, net of tax					11			11
Balance at May 31, 2020	38,448,536	$ 374	$ 561,871	$ (100,318)	$ (1,341)	(370,000)	$ (5,714)	$ 454,872
Net loss				(31,548)				(31,548)
Exercise of stock options	123,536	1	1,929					1,930
Issuance/cancellation of restricted stock units	184,685		(223)					(223)
Purchase of common stock under Employee Stock Purchase Plan	164,194	2	1,305					1,307
Stock-based compensation			8,625					8,625
Other comprehensive income, net of tax					4,494			4,494
Balance at May 31, 2021	38,920,951	$ 377	$ 573,507	$ (131,866)	$ 3,153	(370,000)	$ (5,714)	$ 439,457
Net loss				(26,547)				(26,547)
Exercise of stock options	162,721	1	2,706					2,707
Issuance/cancellation of restricted stock units	299,544		(1,900)					(1,900)
Issuance/cancellation of performance share units	59,371							—
Purchase of common stock under Employee Stock Purchase Plan	98,586	2	1,874					1,876
Stock-based compensation			10,692					10,692
Other comprehensive loss, net of tax					(1,796)			(1,796)
Balance at May 31, 2022	39,541,173	$ 380	$ 586,879	$ (158,413)	$ 1,357	(370,000)	$ (5,714)	$ 424,489

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands)

	Year ended May 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net loss	$ (26,547)	$ (31,548)	$ (166,787)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:			
Depreciation and amortization	29,349	25,916	23,805
Non-cash lease expense	2,439	2,456	2,070
Goodwill impairment	—	—	158,578
Stock based compensation	10,692	8,625	7,592
Change in fair value of contingent consideration	1,212	89	(11,531)
Deferred income tax provision	(3,708)	(4,805)	(1,568)
Changes in accounts receivable allowances	118	207	429
Asset impairments and disposals	391	14,228	1,321
Other	(93)	(147)	86
Changes in operating assets and liabilities:			
Accounts receivable	(17,151)	(4,162)	11,918
Inventories	(2,796)	11,539	(18,845)
Prepaid expenses and other	(5,012)	(3,181)	(6,155)
Accounts payable, accrued and other liabilities	3,912	4,876	(15,467)
Net cash (used in) provided by operating activities	(7,194)	24,093	(14,554)
Cash flows from investing activities:			
Additions to property, plant and equipment	(4,297)	(5,187)	(7,235)
Additions to placement and evaluation units	(11,410)	(8,524)	—
Cash paid for acquisitions	(3,600)	—	(55,760)
Acquisition of intangibles	—	—	(350)
Net cash used in investing activities	(19,307)	(13,711)	(63,345)
Cash flows from financing activities:			
Repayment of long-term debt	—	(20,000)	(132,500)
Proceeds from borrowings on long-term debt	5,000	—	40,000
Deferred financing costs on long-term debt	—	—	(775)
Payment of acquisition related contingent consideration	—	—	(1,208)
Proceeds (outlays) from exercise of stock options and employee stock purchase plan	2,683	3,014	(759)
Net cash provided by (used in) financing activities	7,683	(16,986)	(95,242)
Effect of exchange rate changes on cash and cash equivalents	(518)	330	(65)
Decrease in cash and cash equivalents	(19,336)	(6,274)	(173,206)
Cash and cash equivalents at beginning of year	48,161	54,435	227,641
Cash and cash equivalents at end of year	$ 28,825	$ 48,161	$ 54,435

The accompanying notes are an integral part of these consolidated financial statements.

AngioDynamics, Inc. and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)
(in thousands)

	Year ended May 31,		
	2022	2021	2020
Supplemental disclosure of non-cash investing and financing activities:			
Increase (decrease) in accounts payable for purchases of fixed assets	$ 14	$ (139)	$ 224
Fair value of contingent consideration for acquisitions	—	—	14,900
Cash paid during the year for:			
Interest	$ 562	$ 731	$ 413
Income taxes	329	313	682

The accompanying notes are an integral part of these consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION, BUSINESS DESCRIPTION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation and Description of Business

The consolidated financial statements include the accounts of AngioDynamics, Inc. and its wholly owned subsidiaries, (collectively, the "Company", "we", "our", or "us").

The Company is a leading and transformative medical technology company focused on restoring healthy blood flow in the body's vascular system, expanding cancer treatment options and improving the quality of life for patients.

Accounting Principles

The consolidated financial statements and accompanying notes have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP").

Principles of Consolidation

The consolidated financial statements include the accounts of AngioDynamics and its subsidiaries (all of which are wholly owned). All intercompany balances and transactions have been eliminated.

Use of Estimates

The preparation of consolidated financial statements, in conformity with accounting principles generally accepted in the United States of America, 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. Estimates also affect reported amounts of sales and expenses during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

The Company considers all unrestricted highly liquid investments with an initial maturity of less than three months at the date of purchase to be cash equivalents. The Company maintains cash and cash equivalent balances with financial institutions in the United States in excess of amounts insured by the Federal Deposit Insurance Corporation.

Fair Value Instruments

The carrying amount of the Company's cash and cash equivalents, accounts receivable, accounts payable and long-term debt approximates fair value due to the short-term nature or market interest rates of these items. The Company bases the fair value of short-term investments on quoted market prices or other relevant information generated by market transactions involving identical or comparable assets. The Company measures and records derivative financial instruments at fair value. See Note 4 for further discussion of financial instruments that are carried at fair value on a recurring and nonrecurring basis.

Accounts Receivable

Accounts receivable, principally trade receivables, are generally due within 30 to 90 days and are stated at amounts due from customers, net of an allowance for estimated sales returns and doubtful accounts. The Company performs ongoing credit evaluations of customers and adjusts credit limits based upon payment history and the customer’s current creditworthiness, as determined by a review of their current credit information. The Company continuously monitors aging reports, collections and payments from customers, and a provision for estimated credit losses is maintained based upon historical experience and any specific customer collection issues that have been identified. While such credit losses have historically been within expectations and the provisions established, the Company cannot guarantee that the same credit loss rates will be experienced in the future. The Company writes off accounts receivable when they are determined to be uncollectible.

Inventories

Inventories are stated at the lower of cost or net realizable value based on the first-in, first-out cost method and consist of raw materials, work in process and finished goods. The standard cost of finished goods and work-in-process inventory is composed of material, labor and manufacturing overhead, which approximates actual cost. In addition to stating inventory at the lower of cost or net realizable value, we also evaluate inventory each reporting period for excess quantities and obsolescence, establishing reserves when necessary based upon historical experience, assessment of economic conditions and expected

demand. Once recorded, these reserves are considered permanent adjustments to the carrying value of inventory. An increase to inventory reserves results in a corresponding increase in cost of revenue. Inventories are written off against the reserve when they are physically disposed.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, less accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Placement and evaluation units represent capital equipment placed at customer locations under placement or evaluation agreements for which depreciation expense is included in cost of sales on the Consolidated Statements of Operations. Refer below for useful lives by category:

	Estimated useful lives
Building and building improvements	4 to 39 years
Computer software and equipment	2 to 5 years
Machinery and equipment	5 to 8 years
Placement and evaluation units	5 years

The Company evaluates property, plant and equipment for impairment periodically to determine if changes in circumstances or the occurrence of events suggest the carrying value of the asset or asset group may not be recoverable. Expenditures for repairs and maintenance are charged to expense as incurred. Renewals and betterments are capitalized.

Goodwill and Intangible Assets

Intangible assets other than goodwill, indefinite lived intangible assets and in process research and development ("IP R&D") are amortized over their estimated useful lives, which range between two to eighteen years, on a straight-line basis over the expected period of benefit. The Company periodically reviews the estimated useful lives of intangible assets and reviews such assets or asset groups for impairment whenever events or changes in circumstances indicate that the carrying value of the assets may not be recoverable. Such conditions could include significant adverse changes in the business climate, current-period operating or cash flow losses, significant declines in forecasted operations, or a current expectation that an asset group will be disposed of before the end of its useful life. When testing for impairment of definite-lived intangible assets held for use, the Company groups assets at the lowest level for which cash flows are separately identifiable. The Company operates as a single asset group. If a triggering event is deemed to exist, the Company performs an undiscounted operating cash flow analysis to determine if an impairment exists. If an intangible asset is considered to be impaired, the amount of the impairment will equal the excess of the carrying value over the fair value of the asset.

Goodwill and other intangible assets that have indefinite useful lives are not amortized, but rather, are tested for impairment annually or more frequently if impairment indicators arise. The Company has historically performed its annual goodwill assessment during the third quarter of each year (as of December 31). During the fourth quarter of fiscal year 2022, the Company decided to change the date of its annual impairment assessment from December 31 to April 30. The change was made to more closely align the impairment assessment date with the Company's long term planning and forecasting process. See Note 8, "Goodwill and Intangible Assets" accompanying the consolidated financial statements. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination. Goodwill and intangible assets have been recorded at either incurred or allocated cost. Allocated costs were based on respective fair market values at the date of acquisition.

For goodwill, the impairment test requires a comparison of the estimated fair value of the reporting unit to which the goodwill is assigned to the carrying value of the assets and liabilities of that reporting unit. The determination of reporting units also requires management judgment. The Company considers whether a reporting unit exists within a reportable segment based on the availability of discrete financial information. The Company operates as a single operating segment with one reporting unit and consequently evaluates goodwill for impairment based on an evaluation of the fair value of the Company as a whole. If the carrying value of the reporting unit exceeds the fair value of the reporting unit, the carrying value is reduced to its fair value through an adjustment to the goodwill balance, resulting in an impairment charge.

Contingent Consideration

The fair value of the liability for contingent consideration recorded on the acquisition date for a business combination is based on probability weighted estimated cash flow streams, discounted back to present value using a discount rate determined in accordance with accepted valuation methods and reflective of the risk associated with the estimated cash flow streams. The liability for contingent consideration is remeasured to fair value at each reporting period with changes recorded in earnings until the contingency is resolved.

Revenue Recognition

The Company recognizes revenue when it transfers control of promised goods or services to its customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods and services. See Note 3, “Revenue from Contracts with Customers” for further discussion on revenue.

Research and Development

Research and development costs, including salaries, consulting fees, building costs, utilities and administrative expenses that are related to developing new products, enhancing existing products, validating new and enhanced products, managing clinical, regulatory and medical affairs are expensed as incurred.

Income Taxes

The Company calculates income tax expense for each jurisdiction in which it operates. This involves estimating actual current taxes due plus assessing temporary differences arising from differing treatment for tax and accounting purposes that are recorded as deferred tax assets and liabilities. The Company periodically evaluates deferred tax assets, capital loss carryforwards and tax credit carryforwards to determine their recoverability based primarily on the Company's ability to generate future taxable income and capital gains. Where it is more-likely-than-not these will not be recovered, the Company estimates a valuation allowance and records a corresponding additional tax expense in the Consolidated Statements of Operations.

The Company recognizes and measures uncertain tax positions taken or expected to be taken in a tax return utilizing a two-step approach. The Company first determines if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. The second step is that the Company measures the tax benefit as the largest amount that is more likely than not to be realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions in the provision for income taxes on the Consolidated Statements of Operations.

Stock-Based Compensation

Stock-based compensation expense reflects the fair value of stock-based awards measured at the grant date and recognized over the relevant service period. The expense recognized includes the impact of forfeitures as they occur. The Company estimates the fair value of each stock-based award on the measurement date using either the current market price of the stock, the Black-Scholes option valuation model, or the Monte Carlo Simulation valuation model. The Black-Scholes and Monte Carlo Simulation valuation models incorporate assumptions as to stock price volatility, the expected life of options or restricted stock units, a risk-free interest rate and dividend yield. The Company recognizes stock-based compensation expense related to options, restricted stock units and market based performance stock units on a straight-line basis over the service period of the award, which is generally 4 years for options and restricted stock units and 3 years for market based performance stock units.

Foreign Currency Translation

The functional currency of the Company's foreign subsidiaries is the local currency in which the subsidiary operates. For foreign operations where the local currency is considered to be the functional currency, the Company translates assets and liabilities into U.S. dollars at the exchange rate on the balance sheet date. The Company translates income and expense items at average rates of exchange prevailing during each period. The Company accumulates translation adjustments in accumulated other comprehensive loss, a component of stockholders’ equity.

Transaction gains or losses that arise from exchange rate fluctuations on transactions denominated in a currency other than the functional currency are included in Other income (expense), net in the Consolidated Statements of Operations as incurred.

Derivative Financial Instruments

The Company is exposed to market risks, including changes in foreign currency and interest rates. The Company periodically enters into certain derivative financial instruments to hedge the underlying economic exposure.

Derivative instruments are presented in the consolidated financial statements at their fair value. Changes in the fair value of derivative financial instruments are either recognized periodically in income or in stockholders’ equity as a component of accumulated other comprehensive income (loss) depending on whether the derivative financial instrument qualifies for hedge accounting and, if so, whether it qualifies as a fair value or cash flow hedge. Generally, the changes in the fair value of derivatives accounted for as fair value hedges are recorded in income along with the portions of the changes in the fair value of hedged items that relate to the hedged risks. Changes in the fair value of derivatives accounted for as cash flow hedges, to the

extent they are effective as hedges, are recorded in accumulated other comprehensive income (loss). There were no derivative instruments held by the Company as of May 31, 2022 and 2021.

Contingencies

The Company is subject to various legal proceedings that arise in the ordinary course of business, including patent infringement and product liability matters. The Company records accruals for contingencies when it is probable the liability has been incurred and the amount can be reasonably estimated. Legal fees are expensed as incurred. Insurance recoveries related to potential claims are recognized up to the amount of the recorded liability when coverage is confirmed and the estimated recoveries are probable of payment. These recoveries are not netted against the related liabilities for financial statement presentation.

Recently Issued Accounting Pronouncements

Recently Issued Accounting Pronouncements - Adopted

There are no recently issued accounting pronouncements that have been adopted.

Recently Issued Accounting Pronouncements - Not Yet Applicable or Adopted

Standard	Description	Effective Date	Effect on the Consolidated Financial Statements
ASU 2021-10, Government Assistance (Topic 832): Disclosures by Business Entities about Government Assistance	This ASU increases the transparency of government assistance to include the disclosure of (1) the types of assistance, (2) an entity's accounting for the assistance, and (3) the effect of the assistance on an entity's financial statements.	June 1, 2022	The Company plans to adopt the new standard in the first quarter of fiscal year 2023 and does not expect there to be a material impact to the consolidated financial statements.
ASU 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*	This ASU improves the accounting for acquired revenue contracts with customers in a business combination by addressing diversity in practice and inconsistency related to recognition of an acquired contract liability and payment terms and their effect on subsequent revenue recognized by the acquirer.	June 1, 2023	The Company plans to adopt the new standard in the first quarter of fiscal year 2024 and does not expect there to be a material impact to the consolidated financial statements.

2. ACQUISITIONS

Camaro Support Catheter Asset Acquisition

On July 27, 2021, the Company acquired the Camaro support catheter (rebranded as Syntrax) from QX Medical, LLC for an aggregate purchase price of $4.0 million, which included an upfront payment of $3.6 million and $0.4 million in purchase price holdbacks, along with $1.0 million of potential future contingent consideration related to revenue milestones. This acquisition supports the Auryon product family and the Company's strategic plan. The Company accounted for this acquisition as an asset purchase. The Company recorded the amount paid at closing as inventory and fixed assets of $0.1 million and an intangible asset product technology of $3.9 million. The intangible asset will be amortized over 15 years. The contingent consideration is comprised of revenue milestones and will be accounted for when the contingency is resolved or becomes probable and reasonably estimable.

C3 Wave Tip Location Acquisition

On December 17, 2019, the Company acquired the C3 Wave tip location asset from Medical Components Inc.("MedComp") for an aggregate purchase price of $10.0 million with $5.0 million of potential future contingent consideration related to technical milestones. This acquisition filled a gap in the Vascular Access portfolio and supports the Company's strategic plan. The Company accounted for this acquisition as an asset purchase. The Company recorded the amount paid at closing as inventory of $0.6 million and intangible assets of a trademark of $0.9 million and product technology of $8.5 million. The intangible assets will be amortized over 15 years. The contingent consideration is comprised of technical milestones and will be accounted for when the contingency is resolved or becomes probable and reasonably estimable.

Eximo Acquisition

On October 2, 2019, the Company entered into a share purchase agreement to acquire Eximo Medical, Ltd. ("Eximo"), a pre-commercial stage medical device company with a proprietary 355nm laser atherectomy technology. The aggregate purchase price of $60.7 million included an upfront payment of $45.8 million and contingent consideration with an estimated fair value of $14.9 million. This acquisition expanded and complemented the Company’s Endovascular Therapies product portfolio by adding the 355nm laser atherectomy technology (Auryon) which treats Peripheral Artery Disease.

The Company accounted for the Eximo acquisition under the acquisition method of accounting for business combinations. Accordingly, the cost to acquire the assets was allocated to the underlying net assets in proportion to estimates of their respective fair values. The excess of the purchase price over the estimated fair value of the net assets acquired was recorded as goodwill. Goodwill is non-deductible for income tax purposes.

The Company has not disclosed the amount of revenue and earnings for sales of Eximo products since acquisition, nor proforma information, because these amounts are not significant to the Company's financial statements. Acquisition-related costs associated with the Eximo acquisition, which are included in "acquisition, restructuring and other items, net" in the accompanying Consolidated Statements of Operations, were approximately $0.6 million in fiscal year 2020. The following table summarizes the final aggregate purchase price allocated to the net assets acquired:

(in thousands)	Final allocation
Accounts receivable	$ 50
Inventory	150
Prepaid and other current assets	54
Long-term deposits	51
Property, plant and equipment	397
Intangible assets:	
Product technology	60,300
Goodwill	11,427
Total assets acquired	$ 72,429
Liabilities assumed	
Accounts payable	$ 84
Other current liabilities	615
Deferred tax liabilities	11,070
Total liabilities assumed	$ 11,769
Net assets acquired	$ 60,660

The Company finalized the allocation of the purchase price to the assets acquired and liabilities assumed in the fourth quarter of fiscal year 2020.

The value assigned to the product technology was derived using the multi-period excess earnings method under the income approach. This approach estimates the excess earnings generated over the lives of the customers that existed as of the acquisition date and discounts such earnings to present value. The product technology is deemed to have a useful life of fifteen years and will be amortized on a straight-line basis over the useful life.

The goodwill arising from the acquisition consists largely of synergies and economies of scale the Company hopes to achieve from combining the acquired assets with the Company's current operations.

3. REVENUE FROM CONTRACTS WITH CUSTOMERS

Revenue Recognition

Under ASC 606, *Revenue from Contracts with Customers*, revenue is recognized when a customer obtains control of promised goods or services, in an amount that reflects the consideration which the entity expects to receive in exchange for those goods or services. To determine revenue recognition for arrangements that an entity determines are within the scope of ASC 606, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation.

The Company has one primary revenue stream which is the sales of its products.

Disaggregation of Revenue

The following tables summarize net product revenue by Global Business Unit and geography:

	Year ended May 31, 2022			Year ended May 31, 2021		
(in thousands)	United States	International	Total	United States	International	Total
Net sales						
Endovascular Therapies	$ 146,881	$ 14,044	$ 160,925	$ 121,427	$ 13,652	$ 135,079
Vascular Access	82,536	17,657	100,193	81,088	20,222	101,310
Oncology	36,546	18,555	55,101	34,528	20,093	54,621
Total	$ 265,963	$ 50,256	$ 316,219	$ 237,043	$ 53,967	$ 291,010

(in thousands)	Year ended May 31, 2020		
	United States	International	Total
Net sales			
Endovascular Therapies	$ 98,965	$ 13,741	$ 112,706
Vascular Access	76,768	17,531	94,299
Oncology	32,247	24,905	57,152
Total	$ 207,980	$ 56,177	$ 264,157

As the Company has previously announced, the Company is focused on its ongoing transformation from a company with a broad portfolio of largely undifferentiated products to a more focused medical technology company that delivers unique and innovative health care solutions. The Company believes that this transformation will enable the Company to shift the portfolio from the mature, lower-growth markets where we have competed in the past by investing in technology and products that provide access to larger and faster growing markets. As such, we believe the growth in the near to mid-term will be driven by our high technology products including Auryon, Thrombectomy (which includes AngioVac, AlphaVac and thrombolytics) and NanoKnife. We will refer to these high technology products as our Med Tech business and we will refer to the remainder of the portfolio as our Med Device business.

The following table summarizes net sales by Med Tech and Med Device:

(in thousands)	Year ended May 31,		
	2022	2021	2020
Net Sales			
Med Tech	$ 78,717	$ 55,731	$ 41,019
Med Device	237,502	235,279	223,138
Total	$ 316,219	$ 291,010	$ 264,157

Net Product Revenue

The Company's products consist of a wide range of medical, surgical and diagnostic devices used by professional healthcare providers for vascular access, for the treatment of peripheral vascular disease and for use in oncology and surgical settings. The Company's devices are generally used in minimally invasive, image-guided procedures. Most of the Company's products are intended to be used once and then discarded, or they may be implanted for short- or longer-term use. The Company sells its products to its distributors and to end users, such as interventional radiologists, interventional cardiologists, vascular surgeons, urologists, interventional and surgical oncologists and critical care nurses.

Contracts and Performance Obligations

The Company contracts with its customers based on customer purchase orders, which in many cases are governed by master purchasing agreements. The Company’s contracts with customers are generally for product only, and do not include other performance obligations such as services or other material rights. As part of its assessment of each contract, the Company evaluates certain factors including the customer’s ability to pay (or credit risk). For each contract, the Company considers the promise to transfer products, each of which is distinct, to be the identified performance obligations.

Transaction Price and Allocation to Performance Obligations

Transaction prices of products are typically based on contracted rates. Product revenue is measured as the amount of consideration the Company expects to receive in exchange for transferring products to a customer, net of any variable consideration as described below.

If a contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price based on the estimated relative standalone selling prices of the promised products underlying each performance obligation. The Company has standard pricing for its products and determines standalone selling prices based on the price at which the performance obligation is sold separately.

Revenue Recognition

Revenue is recognized when control of the product is transferred to the customer (i.e., when the Company's performance obligation is satisfied), which occurs at a point in time, and may be upon shipment from the Company's manufacturing site or delivery to the customer's named location, based on the contractual shipping terms of a contract.

In determining whether control has transferred, the Company considers if there is a present right to payment from the customer and when physical possession, legal title and risks and rewards of ownership have transferred to the customer.

The Company typically invoices customers upon satisfaction of identified performance obligations. As the Company's standard payment terms are 30 to 90 days from invoicing, the Company does not provide any significant financing to its customers.

The Company enters into agreements to place placement and evaluation units ("units") at customer sites, but the Company retains title to the units. The duration of these agreements are typically a year and the customer has the right to use the unit at no upfront charge in connection with the customer's ongoing purchase of disposables. These types of agreements include an embedded operating lease for the right to use the units. In these arrangements, revenue recognized for the sale of the disposables is not allocated between the disposal revenue and lease revenue due to the insignificant value of the units in relation to the total agreement value.

Sales, value added, and other taxes collected on behalf of third parties are excluded from revenue.

Variable Consideration

Reserves: Revenue from product sales are recorded at the net sales price (transaction price), which includes estimates of variable consideration for which reserves are established for discounts, returns, rebates and allowances that are offered within contracts between the Company and its customers. These reserves are based on the amounts earned or to be claimed on the related sales and are classified as a contra asset.

Rebates and Allowances: The Company provides certain customers with rebates and allowances that are explicitly stated in the Company's contracts and are recorded as a reduction of revenue in the period the related product revenue is recognized. The Company establishes reserves for such amounts, which is included in accrued expenses in the accompanying Consolidated Balance Sheets. These rebates and allowances result from performance-based offers that are primarily based on attaining contractually specified sales volumes and administrative fees the Company is required to pay to group purchasing organizations.

Product Returns: The Company generally offers customers a limited right of return. Product returns after 30 days must be pre-approved by the Company and customers may be subject to a 20% restocking charge. To be accepted, a returned product must be unadulterated, undamaged and have at least twelve months remaining prior to its expiration date. The Company estimates the amount of its product sales that may be returned by its customers and records this estimate as a reduction of revenue in the period the related product revenue is recognized. The Company currently estimates product return liabilities using its historical product return information and considers other factors that it believes could significantly impact its expected returns, including product recalls. During the year ended May 31, 2022, such product returns were not material.

Contract Balances with Customers

A receivable is generally recognized in the period the Company ships the product. Payment terms on invoiced amounts are based on contractual terms with each customer and generally coincide with revenue recognition. Accordingly, the Company does not have any contract assets associated with the future right to invoice its customers. In some cases, if control of the product has not yet transferred to the customer or the timing of the payments made by the customer precedes the Company's fulfillment of the performance obligation, the Company recognizes a contract liability that is included in deferred revenue in the accompanying Consolidated Balance Sheets.

The following table presents changes in the Company's receivables, contract assets and contract liabilities with customers:

(in thousands)	May 31, 2022	May 31, 2021
Receivables	$ 52,304	$ 35,405
Contract assets	$ —	$ —
Contract liabilities	$ 526	$ 426

During the years ended May 31, 2022 and 2021, the Company had additions to contract liabilities of $2.2 million and $1.0 million, respectively. This was offset by $2.1 million and $1.2 million in revenue that was recognized during the years ended May 31, 2022 and 2021, respectively.

Costs to Obtain or Fulfill a Customer Contract

Under ASC 606, the Company recognizes an asset for incremental costs of obtaining a contract with a customer if it expects to recover those costs. The Company's sales incentive compensation plans qualify for capitalization since these plans are directly related to sales achieved during a period of time. However, the Company has elected the practical expedient under ASC 340-40-25-4 to expense the costs as they are incurred within selling and marketing expenses since the amortization period is less than one year.

The Company accounts for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products. Shipping and handling costs, associated with the distribution of finished products to customers, are recorded in costs of goods sold and are recognized when the related finished product is shipped to the customer. Amounts charged to customers for shipping are recorded in net sales.

4. FAIR VALUE OF FINANCIAL INSTRUMENTS

On a recurring basis, the Company measures certain financial assets and financial liabilities at fair value based upon quoted market prices, where available. Where quoted market prices or other observable inputs are not available, the Company applies valuation techniques to estimate fair value. FASB ASC Topic 820, *Fair Value Measurements and Disclosures,* establishes a three-level valuation hierarchy for disclosure of fair value measurements. The categorization of financial assets and financial liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy are defined as follows:

- Level 1 - Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.
- Level 2 - Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 - Inputs to the valuation methodology are unobservable inputs based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

The Company's financial instruments include cash and cash equivalents, marketable securities, accounts receivable, accounts payable and contingent consideration. The carrying amount of cash and cash equivalents, accounts receivable, and accounts payable approximates fair value due to their immediate or short-term maturities. The recurring fair value measurements using significant unobservable inputs (Level 3) relate to contingent consideration liabilities.

The following tables provide information by level for assets and liabilities that are measured at fair value on a recurring basis:

	Fair Value Measurements using inputs considered as:			
(in thousands)	Level 1	Level 2	Level 3	Fair Value at May 31, 2022
Financial Liabilities				
Contingent consideration for acquisition earn outs	$ —	$ —	$ 16,948	$ 16,948
Total Financial Liabilities	$ —	$ —	$ 16,948	$ 16,948

(in thousands)	Fair Value Measurements using inputs considered as: Level 1	Level 2	Level 3	Fair Value at May 31, 2021
Financial Liabilities				
Contingent consideration for acquisition earn outs	$ —	$ —	$ 15,741	$ 15,741
Total Financial Liabilities	$ —	$ —	$ 15,741	$ 15,741

There were no transfers in and out of Level 1, 2 and 3 measurements for the years ended May 31, 2022 and 2021.

The following tables present the changes in fair value components of Level 3 instruments:

(in thousands)	Financial Liabilities: Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Balance at May 31, 2021	$ 15,741
Change in present value of contingent consideration (1)	1,212
Currency gain from remeasurement	(5)
Balance at May 31, 2022	$ 16,948

(1) Change in the fair value of contingent consideration is included in earnings and comprised of changes in estimated earn out payments based on projections of Company performance and amortization of the present value discount.

(in thousands)	Financial Liabilities: Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Balance at May 31, 2020	$ 15,647
Change in fair value of contingent consideration (1)	89
Currency loss from remeasurement	5
Balance at May 31, 2021	$ 15,741

(1) Change in the fair value of contingent consideration is included in earnings and comprised of changes in estimated earn out payments based on projections of Company performance and amortization of the present value discount.

Contingent Liability for Acquisition Earn Outs

Some of the Company's business combinations involve the potential for the payment of future contingent consideration upon the achievement of certain product development milestones or various other performance conditions. Payment of the additional consideration is generally contingent on the acquired company reaching certain performance milestones, including attaining specified revenue levels or product development targets. Contingent consideration is recorded at the estimated fair value of the contingent payments on the acquisition date. The fair value of the contingent consideration is remeasured at the estimated fair value at each reporting period with the change in fair value recognized as income or expense within change in fair value of contingent consideration in the Consolidated Statements of Income.

The Company measures the initial liability and remeasures the liability on a recurring basis using Level 3 inputs as defined under authoritative guidance for fair value measurements which is determined using a discounted cash flow model applied to projected net sales, using probabilities of achieving projected net sales and projected payment dates. Projected net sales are based on internal projections and extensive analysis of the target market and the sales potential. Increases or decreases in any valuation inputs in isolation may result in a significantly lower or higher fair value measurement in the future.

The recurring Level 3 fair value measurements of the contingent consideration liabilities include the following significant unobservable inputs as of May 31, 2022:

(in thousands)	Fair Value	Valuation Technique	Unobservable Input	Range
Revenue based payments	$ 16,948	Discounted cash flow	Discount rate	5%
			Probability of payment	66% - 100%
			Projected fiscal year of payment	2023 - 2025

At May 31, 2022, the amount of undiscounted future contingent consideration that the Company expects to pay as a result of all completed acquisitions is approximately $20.0 million. The milestones, including revenue projections and technical milestones, associated with the contingent consideration must be reached in future periods ranging from fiscal years 2023 to 2029 in order for the associated consideration to be paid.

Items Measured at Fair Value on a Nonrecurring Basis

During the fourth quarter of fiscal year 2021, the Company made the decision to abandon the OARtrac product technology and trademark. This resulted in an impairment charge of $14.0 million.

There were no other items measured at fair value on a nonrecurring basis during the year ended May 31, 2022 or May 31, 2021.

5. INVENTORIES

Inventories are stated at lower of cost and net realizable value (using the first-in, first-out method). Inventories consisted of the following:

(in thousands)	May 31, 2022	May 31, 2021
Raw materials	$ 28,251	$ 22,925
Work in process	7,186	8,022
Finished goods	15,955	17,667
Total	$ 51,392	$ 48,614

The Company periodically reviews inventory for both obsolescence and loss of value. The Company makes assumptions about the future demand for and market value of the inventory. Based on these assumptions, the Company estimates the amount of obsolete, expiring and slow moving inventory. The total inventory reserve at May 31, 2022 and 2021 was $3.7 million and $3.8 million, respectively.

6. PREPAID EXPENSES AND OTHER

Prepaid expenses and other consisted of the following:

(in thousands)	May 31, 2022	May 31, 2021
Deposits	$ 2,106	$ 2,795
Employee Retention Tax Credit	4,194	1,911
Software licenses	1,255	1,286
License fees	172	166
Trade shows	328	132
Rent	240	268
Other prepaid taxes	328	379
Other	2,201	1,762
Total	$ 10,824	$ 8,699

7. PROPERTY, PLANT AND EQUIPMENT, NET

Property, plant and equipment are summarized as follows:

(in thousands)	May 31, 2022	May 31, 2021
Building and building improvements	$ 29,425	$ 28,979
Computer software and equipment	27,292	26,302
Machinery and equipment	15,453	14,208
Placement and evaluation units	21,009	9,530
Construction in progress	2,402	3,217
	95,581	82,236
Less accumulated depreciation	(51,069)	(45,635)
	44,512	36,601
Land and land improvements	493	472
	$ 45,005	$ 37,073

Depreciation expense for fiscal years 2022, 2021 and 2020 was $7.6 million, $5.7 million and $3.3 million, respectively.

8. GOODWILL AND INTANGIBLE ASSETS

Goodwill

Goodwill is not amortized, but rather, is tested for impairment annually or more frequently if impairment indicators arise. Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in each business combination.

The Company has historically performed its annual goodwill assessment during the third quarter of each year. During the fourth quarter of fiscal year 2022, the company changed its annual impairment assessment date from December 31 to April 30 to more closely align the impairment assessment date with the Company's long term planning and forecasting process.

The Company's annual testing for impairment of goodwill was completed as of December 31, 2021 and April 30, 2022. The Company operates as a single operating segment with one reporting unit and consequently evaluates goodwill for impairment based on an evaluation of the fair value of the Company as a whole. The Company determines the fair value of the reporting unit based on the market valuation approach and concluded that it was not more-likely-than-not that the fair value of the Company's reporting unit was less than its carrying value.

Even though the Company determined that there was no goodwill impairment as of December 31, 2021 and April 30, 2022, the future occurrence of a potential indicator of impairment, such as a significant adverse change in legal, regulatory, business or economic conditions or a more-likely-than-not expectation that the reporting unit or a significant portion of the reporting unit will be sold or disposed of, would require an interim assessment for the reporting unit prior to the next required annual assessment as of April 30, 2023.

There were no adjustments to goodwill for the years ended May 31, 2022 and May 31, 2021 other than foreign currency translation adjustments.

Definite Lived Intangible Assets

Definite lived intangible assets consist primarily of product technologies and customer relationships and are amortized over their estimated useful lives, which range between two to eighteen years on a straight-line basis over the expected period of benefit. Amortization expense was $19.5 million, $18.1 million and $18.1 million for fiscal years 2022, 2021 and 2020, respectively. There were no impairment charges on definite lived intangible assets for the years ended May 31, 2022 and 2020. During the fourth quarter of fiscal year 2021, the Company made the decision to abandon the OARtrac product technology and trademark. This resulted in an impairment charge of $14.0 million. The impairment charge is recorded in "Acquisition, restructuring and other items, net", on the Consolidated Statements of Operations (see Note 18).

Intangible assets consisted of the following:

(in thousands)	May 31, 2022 Gross carrying value	Accumulated amortization	Net carrying value
Product technologies	$ 239,467	$ (112,141)	$ 127,326
Customer relationships	60,115	(38,003)	22,112
Trademarks	9,950	(7,185)	2,765
Licenses	4,837	(4,660)	177
	$ 314,369	$ (161,989)	$ 152,380

(in thousands)	May 31, 2021 Gross carrying value	Accumulated amortization	Net carrying value
Product technologies	$ 236,907	$ (97,343)	$ 139,564
Customer relationships	60,291	(34,164)	26,127
Trademarks	9,950	(6,905)	3,045
Licenses	6,087	(5,846)	241
	$ 313,235	$ (144,258)	$ 168,977

Expected future amortization expense related to the intangible assets for each of the following fiscal years is as follows:

(in thousands)	
2023	$ 18,882
2024	16,674
2025	16,655
2026	16,474
2027	16,332
2028 and thereafter	67,363
	$ 152,380

9. INCOME TAXES

The components of loss before income tax benefit are as follows:

(in thousands)	Year ended May 31, 2022	2021	2020
Loss before tax expense:			
U.S.	$ (28,495)	$ (31,595)	$ (166,984)
Non-U.S.	(1,454)	(4,457)	(1,151)
	$ (29,949)	$ (36,052)	$ (168,135)

Income tax benefit is comprised of the following:

(in thousands)	Year ended May 31, 2022	2021	2020
Current			
U.S.	120	100	96
Non U.S.	186	201	124
	306	301	220
Deferred			
U.S.	(3,415)	(3,375)	(1,122)
Non U.S.	(293)	(1,430)	(446)
	(3,708)	(4,805)	(1,568)
Income tax benefit	$ (3,402)	$ (4,504)	$ (1,348)

Temporary differences that give rise to deferred tax assets and liabilities are summarized as follows:

(in thousands)	May 31, 2022	May 31, 2021
Deferred tax assets		
Net operating loss carryforward	$ 40,759	$ 31,564
Stock-based compensation	4,617	3,556
Federal and state R&D tax credit carryforward	6,320	6,715
Inventories	853	884
Expenses incurred not currently deductible	1,914	3,091
Accrued liabilities	72	73
Gross deferred tax asset	54,535	45,883
Deferred tax liabilities		
Depreciation and amortization	50,320	48,744
	50,320	48,744
Valuation allowance	(20,203)	(17,035)
Net deferred tax liability	$ (15,988)	$ (19,896)

The net deferred tax liability in the U.S. as of May 31, 2022 and 2021 principally relates to tax amortization of intangibles that have an indefinite reversal period for book purposes, also known as a “naked credit deferred tax liability”, that cannot be considered as a source of income to recover the deferred tax asset. In addition, included in the net deferred tax liability as of May 31, 2022 and 2021 is a net deferred tax liability of $8.8 million and $9.3 million, respectively that was related to the stock acquisition of Eximo Medical Ltd. primarily related to book intangibles partially offset by tax net operating losses and capitalized R&D expenditures.

The Company's U.S. Federal net operating loss carryforwards as of May 31, 2022 after considering IRC Section 382 limitations are $174.2 million. The expiration of the Federal net operating loss carryforwards are as follows: $8.6 million between 2022 and 2023, $79.4 million between 2028 and 2037 and $86.1 million indefinitely.

The Company's state net operating loss carryforwards as of May 31, 2022 after considering remaining IRC Section 382 limitations are $30.1 million which expire in various years from 2029 to 2042. The Company has Israel tax net operating losses of $12.2 million that can be carried forward indefinitely.

Beginning in 2018, except for the Global Intangible Low-Taxed Income, the Company will no longer record United States federal income tax on its share of the income of its foreign subsidiaries, nor will it record a benefit for foreign tax credits related to that income. Upon distribution of these earnings in the form of dividends or otherwise, the Company would be subject to

withholding taxes payable, where applicable, to foreign countries, but would have no further federal income tax liability. The Company intends to indefinitely reinvest the unremitted foreign earnings of all other subsidiaries as of May 31, 2022, as well as all subsequent earnings generated by all of our foreign subsidiaries. Determining the amount of unrecognized deferred tax liability related to any additional outside basis difference in these entities is not practical.

The Company regularly assesses its ability to realize its deferred tax assets. Assessing the realization of deferred tax assets requires significant management judgment. In determining whether its deferred tax assets are more likely than not realizable, the Company evaluated all available positive and negative evidence, and weighted the evidence based on its objectivity. Evidence the Company considered included its history of net operating losses, which resulted in the Company recording a full valuation allowance for its deferred tax assets in fiscal year 2016, except the naked credit deferred tax liability.

Based on the review of all available evidence, the Company determined that it has not yet attained a sustained level of profitability and the objectively verifiable negative evidence outweighed the positive evidence. Therefore, the Company has provided a valuation allowance on its federal and state net operating loss carryforwards, federal and state R&D credit carryforwards and other net deferred tax assets that have a limited life and are not supportable by the naked credit deferred tax liability sourced income as of May 31, 2022. The Company will continue to assess the level of the valuation allowance required. If sufficient positive evidence exists in future periods to support a release of some or all of the valuation allowance, such a release would likely have a material impact on the Company's results of operations.

The Company's consolidated income tax expense has differed from the amount that would be provided by applying the U.S. Federal statutory income tax rate to the Company's income before income taxes for the following reasons:

	Year ended May 31,		
(in thousands)	2022	2021	2020
Income tax benefit at federal statutory tax rate of 21.0%, 21.0% and 21.0%, respectively	$ (6,289)	$ (7,571)	$ (35,308)
State income taxes, net of Federal tax benefit	(536)	(462)	(40)
Impact of Non-U.S. operations	199	(293)	(100)
Research and development tax credit	395	(1,303)	(1,152)
Meals and entertainment	179	116	171
Goodwill impairment	—	—	33,301
Non-deductible executive compensation	686	107	189
Change in valuation allowance	3,168	3,921	1,426
Stock based compensation	(1,616)	526	162
Other	412	455	3
Income tax benefit	$ (3,402)	$ (4,504)	$ (1,348)

During fiscal year 2020, the Company recorded a goodwill impairment of $158.6 million. The Company has made the tax accounting policy election to first allocate the impairment to the Company's nondeductible goodwill based on the Company's pre-impairment nondeductible goodwill balance.

The following table provides a reconciliation of the beginning and ending amount of unrecognized tax benefits:

	Year ended May 31,		
(in thousands)	2022	2021	2020
Unrecognized tax benefits balance at June 1	$ 464	$ 464	$ 464
Decrease in gross amounts of tax positions related to prior years due to U.S. tax reform	—	—	—
Decrease due to lapse in statute of limitations	—	—	—
Unrecognized tax benefits balance at May 31	$ 464	$ 464	$ 464

The table above includes unrecognized tax benefits associated with the calculation of limitations placed on the utilization of tax attributes related to an acquired company. If recognized, $0.5 million would result in adjustments to other tax accounts.

The Company recognizes interest and penalties related to unrecognized tax benefits as a component of income tax expense. There are no accrued interest and penalties recognized in the Consolidated Balance Sheets as of May 31, 2022 and May 31, 2021.

The Company files income tax returns in the U.S. federal jurisdiction and various state and foreign jurisdictions. In the normal course of business the Company is subject to examination by taxing authorities throughout the world. Fiscal years 2019 through 2021 remain open to examination by the various tax authorities.

The Company does not anticipate that the amount of unrecognized tax benefits will significantly change in the next twelve months.

10. ACCRUED LIABILITIES

Accrued liabilities consist of the following:

(in thousands)	May 31, 2022	May 31, 2021
Payroll and related expenses	$ 20,232	$ 20,408
Outside services	3,731	4,256
Royalties	2,986	2,663
Research and development	1,279	1,223
Accrued severance	59	548
Sales and franchise taxes	750	631
Litigation matters	—	975
Rebates	511	544
Other	5,294	4,211
Total	$ 34,842	$ 35,459

11. LONG-TERM DEBT

On June 3, 2019, the Company repaid all amounts outstanding under its then existing credit agreement and entered into a new Credit Agreement with the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, and Bank of America, N.A. and KeyBank National Association, as co-syndication agents.

The Credit Agreement provides for a $125.0 million secured revolving credit facility (the “Revolving Facility”), which includes an uncommitted expansion feature that allows the Company to increase the total revolving commitments and/or add new tranches of term loans in an aggregate amount not to exceed $75.0 million. The proceeds may be used to refinance certain existing indebtedness of the Company and its subsidiaries, to finance the working capital needs, and for general corporate purposes (including permitted acquisitions), of the Company and its subsidiaries.

The Credit Agreement has a five year maturity. Interest on the Revolving Facility is based, at the Company’s option, on either a base rate of LIBOR or alternate base rate, plus an applicable margin tied to the Company’s total leverage ratio and having ranges between 0.25% and 0.75% for base rate loans and between 1.25% and 1.75% for LIBOR loans. After default, the interest rate may be increased by 2.0%. The Revolving Facility also carries a commitment fee of 0.20% to 0.25% per annum on the unused portion.

The Company's obligations under the Revolving Facility are unconditionally guaranteed, jointly and severally, by the Company's material direct and indirect domestic subsidiaries (the “Guarantors”). All obligations of the Company and the Guarantors under the Revolving Facility are secured by first priority security interests in substantially all of the assets of the Company and the Guarantors.

The Credit Agreement includes customary representations, warranties and covenants, and acceleration, indemnity and events of default provisions, including, among other things, two quarterly financial covenants as follows:

- Maximum leverage ratio of consolidated total indebtedness* to consolidated EBITDA* of not greater than 3.00 to 1.00 (during certain periods following material acquisitions the ratio shall be increased to 3.50 to 1.00).
- Fixed charge coverage ratio of consolidated EBITDA minus consolidated capital expenditures* to consolidated interest expense* paid or payable in cash plus scheduled principal payments in respect of indebtedness under the Credit Agreement of not less than 1.25 to 1.00.

* The definitions of consolidated total indebtedness, consolidated EBITDA, consolidated capital expenditures and consolidated interest expense are specifically defined in the credit agreement included as an exhibit to Form 8-K filed on June 6, 2019.

As of May 31, 2022 there was $25.0 million outstanding on the Revolving Facility. As of May 31, 2022 and May 31, 2021, the carrying value of long-term debt approximated its fair market value.

The interest rate on the Revolving Facility at May 31, 2022 was 2.31%.

The Company was in compliance with the Credit Agreement covenants as of May 31, 2022.

12. RETIREMENT PLANS

The Company has a 401(k) plan under which eligible employees can defer a portion of their compensation, part of which is matched by the Company. Matching contributions were $4.3 million, $3.8 million and $3.2 million in 2022, 2021 and 2020, respectively. There are also various immaterial foreign retirement plans.

13. STOCKHOLDERS' EQUITY

Capitalization

On October 29, 2014, the Board of Directors approved the Amended and Restated Certificate of Incorporation (the "Amended Certificate"). Under the Amended Certificate, the authorized capital stock is 80,000,000 shares, consisting of 75,000,000 shares of common stock, par value $.01 per share and 5,000,000 shares of preferred stock, par value $.01 per share.

The holders of common stock are entitled to one vote for each share held. Subject to preferences applicable to any outstanding shares of preferred stock, the holders of common stock are entitled to receive ratably dividends, if any, as may be declared by the Board of Directors out of funds legally available for dividend payments. If the Company liquidates, dissolves, or winds up, the holders of common stock are entitled to share ratably in all assets remaining after payment of liabilities and liquidation preferences of any outstanding shares of preferred stock. Holders of common stock have no pre-emptive rights or rights to convert their common stock into any other securities. There are no redemption or sinking fund provisions applicable to the common stock. The rights, preferences and privileges of the holders of common stock are subject to, and may be adversely affected by, the rights of the holders of shares of any series of preferred stock that the Company may designate in the future.

The Board of Directors has the authority to (i) issue the undesignated preferred stock in one or more series, (ii) determine the powers, preferences and rights and the qualifications, limitations or restrictions granted to or imposed upon any wholly un-issued series of undesignated preferred stock and (iii) fix the number of shares constituting any series and the designation of the series, without any further vote or action by the Company's stockholders.

Stock Options

On October 13, 2020, the Company's shareholders approved the 2020 Stock and Incentive Award Plan (the "2020 Plan"). The 2020 Plan provides for the grant of incentive stock options, non-statutory stock options, restricted stock, restricted stock units, stock appreciation rights, performance share units, performance shares and other incentive awards to the Company's employees, directors and other service providers. A total of 2.4 million shares of common stock have been reserved for issuance under the 2020 Plan.

Prior to the adoption of the 2020 Plan, equity awards were issued under the 2004 Stock and Incentive Award Plan (the "2004 Plan"). The adoption of the 2020 Plan did not impact the administration of equity awards issued under the 2004 Plan but following the adoption of the 2020 Plan, equity award grants are no longer made under the 2004 Plan.

As of May 31, 2022, there remained approximately 1.5 million shares available for granting under the 2020 Plan.

The following table summarizes information about stock option activity for the fiscal year ended May 31, 2022:

	Shares	Weighted average exercise price	Weighted average remaining contractual life	Aggregate intrinsic value (in thousands)
Outstanding at beginning of year - June 1, 2021	2,146,960	$ 15.59		
Granted	379,218	$ 25.76		
Exercised	(169,063)	$ 17.01		
Forfeited	(5,141)	$ 15.91		
Expired	(5,726)	$ 14.64		
Outstanding at end of year - May 31, 2022	2,346,248	$ 17.13	6.06	$ 8,851
Options exercisable at year-end	1,291,591	$ 16.04	4.25	$ 5,022
Options expected to vest in future periods	1,054,657	$ 18.46	8.28	$ 3,828

Stock options are granted at exercise prices equal to the quoted market price of common stock at the date of the grant. Options vest 25% per year over four years for employees. Stock options granted prior to May 1, 2007 and after June 1, 2017 expire on the tenth anniversary of the grant date. Stock options granted between May 1, 2007 through May 31, 2017 expire on the seventh anniversary of the grant date.

The Company measures the fair value of each stock option grant at the date of grant using a Black-Scholes option pricing model. The weighted average grant-date fair value of options granted during the years ended May 31, 2022, 2021 and 2020 was $9.57, $3.97, and $5.46, respectively. The following assumptions were used in arriving at the fair value of options granted during 2022, 2021 and 2020, respectively: risk-free interest rates of 0.92%, 0.34% and 1.63%; expected volatility of 41%, 39%, and 31%; and expected lives of 5.05 years, 4.96 years, and 4.91 years. The Company does not declare dividends therefore a dividend yield of zero was used for the years ended May 31, 2022, 2021 and 2020. Risk-free interest rates reflect the yield on zero-coupon U.S. Treasury bonds whose maturity period equals the expected term of the option. Expected volatilities are based on the historical volatility of the Company's stock. The expected option lives are based on historical experience of employee exercise behavior.

The total intrinsic value of options exercised during the years ended May 31, 2022, 2021 and 2020 was $1.6 million, $0.8 million, and $0.5 million, respectively. As of May 31, 2022, there was $5.0 million of total unrecognized compensation cost related to non-vested options, which is expected to be recognized over a weighted average period of 2 years.

Cash received from option exercises during 2022, 2021 and 2020 was $2.7 million, $1.9 million and $0.6 million, respectively. Due to the valuation allowance there was no tax benefit realized from stock option exercises during the years ended May 31, 2022, 2021 and 2020.

Restricted Stock Unit and Performance Share Awards

The Company grants restricted stock units to certain employees under the 2020 Plan, and historically under the 2004 Plan, which give the recipients the right to receive shares of Company stock upon vesting. The restricted stock unit awards vest in four equal annual installments beginning on the first anniversary of the grant date. Restricted stock unit awards granted to directors vest over one year. Unvested restricted stock unit awards will be forfeited if the recipient ceases to be employed by the Company.

The following table summarizes information about restricted stock unit activity for the year ended May 31, 2022:

	Restricted Stock Units	Weighted Average Grant-Date Fair Value
Non-vested at beginning of year, June 1, 2021	762,103	$ 13.28
Granted	264,257	$ 26.24
Vested	(329,862)	$ 25.92
Canceled	(26,481)	$ 15.91
Non-vested at end of year, May 31, 2022	670,017	

The fair value of each restricted stock unit is the market price of Company stock on the date of grant. The weighted average grant date fair value of restricted stock units granted during the years ended May 31, 2022, 2021 and 2020 was $26.24,

$10.40 and $20.35, respectively. The total intrinsic value of restricted stock units (meaning the fair value of the units on the date of vest) vesting during the years ended May 31, 2022, 2021 and 2020 was $8.5 million, $2.1 million, and $3.9 million, respectively. As of May 31, 2022, there was $7.8 million of total unrecognized compensation cost related to non-vested restricted stock awards, which is expected to be recognized over a weighted average period of 2 years.

The Company grants performance share awards to certain employees under the 2020 Plan, and historically under the 2004 Plan, which gives the recipients the right to receive shares of Company stock if certain criteria is met.

The following table summarizes information about performance unit award activity for the year ended May 31, 2022:

	Performance Unit Awards	Weighted Average Grant-Date Fair Value
Non-vested at beginning of year, June 1, 2021	376,291	$ 14.72
Granted	173,901	$ 28.73
Vested	(100,719)	$ 27.29
Canceled	—	$ —
Non-vested at end of year, May 31, 2022	449,473	$ 17.02

During fiscal years 2022, 2021 and 2020, the Company granted performance unit awards. Performance unit awards subject to vesting are based on the Company's level of attainment of the performance targets which are set for each of the three performance years along with continued employment of the grantee. At the end of the three year period, the vested shares are subject to modification based on the Company's TSR targets relative to the percentage appreciation of a specified index of companies for the respective three-year period.

In order to estimate the fair value of such awards, a Monte Carlo Simulation valuation model on the date of the grant was used. For the years ended May 31, 2022, 2021 and 2020, the weighted average grant date fair market value for new grants was $28.93, $9.72 and $14.06, respectively. Compensation cost is recognized over the performance period which is typically three years. As of May 31, 2022, there was $4.5 million of unrecognized compensation cost which is expected to be recognized over a weighted average period of 1 year.

Compensation Expense

The following tables represents the break out of stock-based compensation included in the Company's Consolidated Statement of Operations:

	Year ended May 31,		
(in thousands)	2022	2021	2020
Cost of sales	$ 827	$ 768	$ 655
Research and development	1,298	1,152	971
Sales and marketing	2,568	1,641	1,665
General and administrative	5,999	5,064	4,301
	$ 10,692	$ 8,625	$ 7,592

The income tax benefit on the compensation expense recognized for all stock-based compensation arrangements was $2.5 million, $2.0 million and $1.7 million for the years ended May 31, 2022, 2021 and 2020, respectively. The income tax benefit for 2022, 2021 and 2020 are negated by the full valuation allowance recorded against the deferred tax assets.

Employee Stock Purchase Plan

The Employee Stock Purchase Plan (the "Stock Purchase Plan") provides a means by which employees (the "participants") are given an opportunity to purchase the Company's common stock through payroll deductions. A total of 4,000,000 shares of common stock have been reserved for issuance under the Stock Purchase Plan. Shares are offered through two purchase periods, each with duration of approximately 6 months, commencing on the first business day of the first and third fiscal quarters. An employee is eligible to participate in an offering period if, on the first day of an offering period, he or she has been employed in a full-time capacity for at least six months, with a customary working schedule of 20 or more hours per week and more than five months in a calendar year. Employees who own stock possessing 5% or more of the total combined voting power or value of all classes of stock are not eligible to participate in the Stock Purchase Plan. The purchase price of the shares of common stock acquired on each purchase date will be the lower of (i) 85% of the fair market value of a share of common

stock on the first day of the offering period or (ii) 85% of the fair market value of a share of common stock on the last day of the purchase period, subject to adjustments made by the Board of Directors. The Stock Purchase Plan is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423 of the Internal Revenue Code. During the years ended May 31, 2017, 2019 and 2021, an additional 500,000, 1,000,000 and 500,000 shares of the Company's common stock, respectively, were reserved for issuance under the Stock Purchase Plan.

The Company uses the Black-Scholes option-pricing model to calculate the purchase date fair value of the shares issued under the Stock Purchase Plan and recognize expense related to shares purchased ratably over the offering period. During the years ended May 31, 2022, 2021 and 2020, 98,586, 164,194 and 100,567 shares, respectively, were issued at an average price of $19.02, $7.95 and $12.11, respectively, under the Stock Purchase Plan. As of May 31, 2022, 2.3 million shares remained available for future purchases under the Stock Purchase Plan.

14. EARNINGS PER SHARE

Basic earnings per share are based on the weighted average number of common shares outstanding. In addition, diluted earnings per share include the dilutive effect of potential common stock consisting of stock options, restricted stock units and performance stock units, provided that the inclusion of such securities is not anti-dilutive. In periods with a net loss, stock options and restricted stock units are not included in the computation of basic loss per share as the impact would be anti-dilutive.

The following table reconciles basic to diluted weighted average shares outstanding:

	Year ended May 31,		
	2022	2021	2020
Basic	39,009,419	38,342,476	37,961,224
Effect of dilutive securities	—	—	—
Diluted	39,009,419	38,342,476	37,961,224
Securities excluded as their inclusion would be anti-dilutive	3,465,738	3,285,354	2,581,006

15. LEASES

The Company determines if an arrangement is a lease at inception of the contract. The Company has operating leases for buildings, primarily for office space, R&D, manufacturing and warehousing.

Operating lease right-of-use ("ROU") assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. Many of the lease agreements contain renewal or termination clauses that are factored into the determination of the lease term if it is reasonably certain that these options would be exercised. The Company recognizes lease expense for these leases on a straight-line basis over the lease term.

The Company elected the three practical expedients that permit an entity to (a) not reassess whether expired or existing contracts contain leases, (b) not reassess lease classification for existing or expired leases, and (c) not consider whether previously capitalized initial direct costs would be appropriate under the new standard. Further, the Company has elected to not recognize leases with terms of 12 months or less on the balance sheet, and elected to account for lease and non-lease components as a single component for certain classes of assets.

The following table presents supplemental balance sheet information related to leases:

(in thousands)	Balance Sheet Location	May 31, 2022	May 31, 2021
Assets			
Operating lease ROU asset	Other assets	$ 6,974	$ 9,382
Liabilities			
Current operating lease liabilities	Other current liabilities	2,560	2,415
Non-current operating lease liabilities	Other long-term liabilities	4,703	7,319
Total lease liabilities		$ 7,263	$ 9,734

The interest rate implicit in lease agreements is typically not readily determinable, and as such the Company used the incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. The incremental borrowing rate is defined as the interest the Company would pay to borrow on a collateralized basis, considering factors such as length of lease term. The following table presents the weighted average remaining lease term and discount rate:

	May 31, 2022	May 31, 2021
Weighted average remaining term (in years)	3.25	4.12
Weighted average discount rate	3.8 %	3.8 %

The maturities of the lease liabilities for each of the following fiscal years is:

(in thousands)	May 31, 2022
2023	$ 2,782
2024	2,195
2025	1,430
2026	1,132
2027 and thereafter	171
Total lease payments	$ 7,710
Less: Imputed Interest	447
Total lease obligations	$ 7,263
Less: Current portion of lease obligations	2,560
Long-term lease obligations	$ 4,703

During the years ended May 31, 2022 and May 31, 2021, the Company recognized operating lease expense, which includes immaterial short-term leases, of $2.8 million and $3.2 million, respectively. The expenses on the Consolidated Statement of Operations were classified as follows:

(in thousands)	May 31, 2022	May 31, 2021
Cost of sales	$ 890	$ 820
Research and development	257	857
Sales and marketing	160	407
General and administrative	1,495	1,123
	$ 2,802	$ 3,207

The following table presents supplemental cash flow and other information related to leases for the year ended May 31, 2022 and 2021:

(in thousands)	May 31, 2022	May 31, 2021
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from operating leases	$ 2,723	$ 2,698
ROU assets obtained in exchange for lease liabilities		
Operating leases	36	1,585

16. COMMITMENTS AND CONTINGENCIES

Other Commitments and Contingencies

The following table summarizes the Company's other future commitments and contingencies as of May 31, 2022:

(in thousands)	Total	2023	2024	2025	2026	2027 and thereafter
Purchase obligations [1]	$ 6,170	$ 6,170	$ —	$ —	$ —	$ —
Royalties [2]	44,480	3,840	3,840	3,840	3,840	29,120
	$ 50,650	$ 10,010	$ 3,840	$ 3,840	$ 3,840	$ 29,120

(1) The non-cancelable inventory purchase obligations are not reflected on the Consolidated Balance Sheets under accounting principles generally accepted in the United States of America.
(2) These are future minimum royalty payments.

Legal Proceedings

The Company is involved in various legal proceedings, including commercial, intellectual property, product liability, and regulatory matters of a nature considered normal for its business. The Company accrues for amounts related to these matters if it is probable that a liability has been incurred, and an amount can be reasonably estimated. The Company discloses such matters when there is at least a reasonable possibility that a material loss may have been incurred. However, the Company cannot predict the outcome of any litigation or the potential for future litigation.

C.R. Bard, Inc. v. AngioDynamics, Inc.

On January 11, 2012, C.R. Bard, Inc. (“Bard”) filed a suit in the United States District Court of Utah claiming certain of the Company's implantable port products infringe on three U.S. patents held by Bard (US Patent Nos. 7,785,302 ("302"), 7,959,615 (“615”) and 7,947,022 ("022")). The case was stayed pending reexamination in the US Patent and Trademark Office ("USPTO"). Following the reexamination proceedings, and the parties’ related appeals to the Federal Circuit which resulted in further proceedings at the USPTO, certain claims of the 615 patent were held invalid, while the remaining claims of the 615 patent and the other two patents were upheld over the prior art references considered in the reexamination proceedings. Thereafter, the case was transferred from the District of Utah to the United States District Court for the District of Delaware (“District of Delaware”). A scheduling order was entered on March 23, 2021. On July 22, 2021, in another case against a different defendant, the District of Utah invalidated multiple claims of the ‘302, ‘022, and ‘615 Patents under 35 USC §101, including claims asserted against the Company. Following the Utah court’s decision, the Company filed a Motion for Judgment on the Pleadings based on collateral estoppel on August 9, 2021. Bard filed its opposition brief on September 2, 2021 and the Company filed a reply on September 9, 2021. Following a hearing on the Motion for Judgment on the Pleadings on December 21, 2021, the District of Delaware stayed the case pending the Federal Circuit's resolution of Bard's appeal from the Utah Decision. Previously, the Company had filed a Motion for Leave to Amend its Answer and Counterclaims on April 14, 2021. This motion sought to add counterclaims for infringement of U.S. Patent Nos. 9,168,365; 9,895,523; and 10,632,295, as well as a counterclaim of inequitable conduct. On November 5, 2021, the Company notified the District of Delaware that the Utah decision was certified for appeal to the Court of Appeals for the Federal Circuit. Contemporaneously, the Company withdrew its Motion for Leave to Amend its Answer and Counterclaims without prejudice to refile. Bard filed its Opening Appellate Brief in its appeal at the Federal Circuit on December 8, 2021, and the appeal remains pending. The Company believes these claims are without merit and intends to defend them vigorously. The Company has not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

On March 10, 2015, Bard and Bard Peripheral Vascular filed suit in the District of Delaware claiming certain of the Company's implantable port products infringe on three U.S. patents held by Bard (US Patent Nos. 8,475,417, 8,545,460, 8,805,478). The case proceeded through trial which began on March 4, 2019. At the close of Bard’s case, the Court granted the Company's oral motion for judgment as a matter of law as well as its motions for summary judgment on the grounds that the asserted patents are invalid, ineligible, not infringed and not willfully infringed. On May 10, 2019, the Company filed a motion for attorney fees and non-taxable expenses under 35 USC Sec. 285. Bard appealed the judgment to the Federal Circuit and on November 10, 2020, the Federal Circuit reversed the judgment in part with respect to Section 101 (subject matter eligibility), and vacated and remanded the trial court’s invalidity and non-infringement judgments. The Company filed a combined Petition for rehearing and rehearing en banc on December 10, 2020, which was denied on January 15, 2021. The Federal Circuit issued its mandate on January 22, 2021. On March 15, 2021, the District of Delaware entered an order requiring the parties to submit status reports and denied as moot the Company’s motion for attorney’s fees and expenses. The parties agreed to schedule trial the week of May 9, 2022, which was subsequently rescheduled for the week of November 14, 2022. The Company maintains its belief that Bard’s claims are without merit. The Company has not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

On March 8, 2021, Bard filed suit in the District of Delaware asserting certain of the Company's port products (including certain related infusion sets) infringe U.S. Patent Nos. 8,025,639, 9,603,992 ("992") and 9,603,993 ("993"). On May 20, 2021, the Company filed a Motion to Dismiss Bard's claims with respect to the '992 and '993 patents. On July 22, 2021, the Company submitted the Utah court's decision invalidating claims of the related '302, '022, and '615 Patents as supplemental authority in support of its Motion to Dismiss. The parties agreed to submit supplemental briefing to address the Utah court's decision. Bard submitted its brief on August 12, 2021, and the Company submitted its reply on September 2, 2021. On December 21, 2021, the District of Delaware stayed the case pending the Federal Circuit's resolution of Bard's appeal of the Utah decision invalidating multiple claims of the '302, '022, and '615 patents under 35 USC §101. The Company maintains its belief that Bard's claims are without merit. The Company has not recorded an expense related to the outcome of this litigation because it is not yet possible to determine if a potential loss is probable nor reasonably estimable.

AngioDynamics, Inc. v. C.R. Bard, Inc.

On May 30, 2017, the Company commenced an action in the United States District Court for the Northern District of New York entitled AngioDynamics, Inc. v. C.R. Bard, Inc. and Bard Access Systems, Inc. ("Bard"). In this action, the Company alleges that Bard has illegally tied the sales of its tip location systems to the sales of its PICCs. The Company alleges that this practice violates the federal antitrust laws and has had, and continues to have, an anti-competitive effect in the market for PICCs. The Company seeks both monetary damages and injunctive relief. Bard moved to dismiss on September 8, 2017. On August 6, 2018 the court denied Bard's motion in its entirety. Bard made a motion for summary judgment which was denied in its entirety in a decision issued by the Court on May 5, 2021. Bard also raised a series of challenges targeted at one of AngioDynamics' expert witnesses, which the Court denied in part and granted in part in decisions on May 5, 2021 and June 11, 2021. More recently, Bard raised another challenge to AngioDynamic's damages expert, which the Court denied in full on July 8, 2022 at which time the Court also issued rulings on all other pre-trial motions filed to date. Discovery is complete and the next court hearing is scheduled for August 25, 2022. As a result of an extension requested by Bard, the trial is now scheduled to commence on September 19, 2022. We have not undertaken an assessment of the potential loss exposure, if any, but note that there are no claims pending against the Company in connection with this litigation.

Merz North America Settlement

On May 16, 2019, Merz North America, Inc. ("Merz") commenced an action in the United States District Court for the Southern District of New York entitled Merz North America, Inc. v. AngioDynamics, Inc. In this action, Merz alleged breach of contract against AngioDynamics based on a March 1, 2016 Distribution Agreement. On June 28, 2019, AngioDynamics reached a settlement with Merz. AngioDynamics made a lump-sum payment of $2.5 million to Merz in return for dismissal of the case with prejudice during the first quarter of fiscal year 2020. The case was subsequently dismissed.

17. SEGMENTS AND GEOGRAPHIC INFORMATION

Segment information

The Company considers the business to be a single operating segment engaged in the development, manufacture and sale of medical devices for vascular access, peripheral vascular disease and oncology on a global basis. The Company's chief operating decision maker, the President and Chief Executive Officer (CEO), evaluates the various global product portfolios on a net sales basis to among, other items, allocate resources and assess performance utilizing numerous metrics and breakouts of the data including Global Business Unit, Med Tech, Med Device and geography. Executives reporting to the CEO include those responsible for commercial operations, manufacturing operations, regulatory and quality and certain corporate functions. The CEO evaluates profitability, investment and cash flow metrics on a consolidated global basis due to shared infrastructure and resources.

The table below summarizes net sales by Global Business Unit:

(in thousands)	Year ended May 31, 2022	2021	2020
Net sales by Product Category			
Endovascular Therapies	$ 160,925	$ 135,079	$ 112,706
Vascular Access	100,193	101,310	94,299
Oncology/Surgery	55,101	54,621	57,152
Total	$ 316,219	$ 291,010	$ 264,157

The table below summarizes net sales by Med Tech and Med Device:

(in thousands)	Year ended May 31, 2022	2021	2020
Net Sales			
Med Tech	$ 78,717	$ 55,731	$ 41,019
Med Device	237,502	235,279	223,138
Total	$ 316,219	$ 291,010	$ 264,157

Geographic information

The table below summarizes net sales by geographic area based on external customer location:

(in thousands)	Year ended May 31, 2022	2021	2020
Net sales by Geography			
United States	$ 265,963	$ 237,043	$ 207,980
International	50,256	53,967	56,177
Total	$ 316,219	$ 291,010	$ 264,157

For fiscal years 2022, 2021 and 2020, international sales as a percentage of total net sales were 16%, 19% and 21%, respectively. Sales to any one country outside the U.S., as determined by shipment destination, did not comprise a material portion of net sales in any of the last three fiscal years. In addition, no one customer represents more than 10% of consolidated net sales. 96% of long-lived assets are located within the United States.

18. ACQUISITION, RESTRUCTURING AND OTHER ITEMS, NET

Acquisition, restructuring and other items, net consisted of:

(in thousands)	Year ended May 31, 2022	2021	2020
Legal [1]	$ 7,625	$ 6,161	$ 2,666
Mergers and acquisitions [2]	59	1	782
Transition service agreement [3]	—	(1,032)	(1,799)
Divestiture [4]	—	393	2,809
Intangible and other asset impairment [5]	—	13,953	—
Manufacturing Relocation [6]	644	—	—
Other	714	756	1,556
Total	$ 9,042	$ 20,232	$ 6,014

(1) Legal expenses related to litigation that is outside the normal course of business.
(2) Mergers and acquisitions expenses related to investment banking, legal and due diligence.
(3) Transition services agreement that was entered into as a result of the sale of the Fluid Management business.
(4) Divestiture expenses incurred to transition manufacturing from Glens Falls, NY to Queensbury, NY.

(5) During the fourth quarter of fiscal year 2021, the Company made the decision to abandon the OARtrac product technology and trademark. This resulted in an impairment charge of $14.0 million.
(6) Expenses to relocate certain manufacturing lines from Queensbury, NY to Alajuela, Costa Rica.

Included in legal for fiscal year 2021 is a $1.0 million settlement expense. Included in legal for fiscal year 2020 is a settlement received for the Biolitec litigation of $0.5 million. The settlement received partially offset legal expenses paid related to the settlement proceedings.

19. ACCUMULATED OTHER COMPREHENSIVE INCOME (LOSS)

Changes in each component of accumulated other comprehensive income (loss), net of tax, are as follows:

(in thousands)	Foreign currency translation gain (loss)
Balance at May 31, 2020	$ (1,341)
Other comprehensive income, net of tax	4,494
Net other comprehensive income	$ 4,494
Balance at May 31, 2021	$ 3,153
Other comprehensive income, net of tax	(1,796)
Net other comprehensive loss	$ (1,796)
Balance at May 31, 2022	$ 1,357

AngioDynamics, Inc. and Subsidiaries

(in thousands)

SCHEDULE II -VALUATION AND QUALIFYING ACCOUNTS

Description	Balance at Beginning of Year	Additions - Charged to costs and expenses	Deductions	Balance at End of Period
Year Ended May 31, 2020				
Allowance for deferred tax asset	$ 11,688	$ 1,426	$ —	$ 13,114
Allowance for sales returns and doubtful accounts	$ 1,906	$ 1,218	$ (974)	$ 2,150
Year Ended May 31, 2021				
Allowance for deferred tax asset	$ 13,114	$ 3,921	$ —	$ 17,035
Allowance for sales returns and doubtful accounts	$ 2,150	$ 1,833	$ (2,064)	$ 1,919
Year Ended May 31, 2022				
Allowance for deferred tax asset	$ 17,035	$ 3,168	$ —	$ 20,203
Allowance for sales returns and doubtful accounts	$ 1,919	$ 343	$ (323)	$ 1,939

EXHIBITS

Exhibit Number	Description of Exhibits	Incorporated by Reference		
		Form	Exhibit	Filing Date
2.2	Stock Purchase Agreement, dated as of October 8, 2012, by and among AngioDynamics, Inc., Vortex Medical, Inc. ("Vortex"), the stockholders of Vortex set forth on the signature pages thereto, the option holders of Vortex set forth on the signature pages thereto and CHTP Management Services, Inc., as sellers' representative.	8-K	2.1	October 12, 2012
2.3	Asset Purchase Agreement dated as of April 17, 2019 by and between AngioDynamics, Inc. and Medline Industries Inc.	8-K	2.1	April 18, 2019
3.1.1	Amended and Restated Certificate of Incorporation.	10-Q	3.1	October 7, 2005
3.1.2	Certificate of Amendment to the Amended and Restated Certificate of Incorporation of AngioDynamics, Inc.	10-K	3.1.2	August 10, 2015
3.2	Second Amended and Restated By-Laws, effective October 16, 2015.	8-K	10.1	October 21, 2015
10.1	Credit Agreement, dated as of June 3, 2019, by and among AngioDynamics, Inc., the lenders party thereto, JPMorgan Chase Bank, N.A., as administrative agent, Bank of America, N.A. and Keybank National Association as co-syndication agents.	8-K	10.1	June 6, 2019
10.1.3	AngioDynamics, Inc. 2004 Stock and Incentive Award Plan (as amended).	DEF 14A		August 30, 2018
10.1.6	AngioDynamics 2017 Total Shareholder Return Performance Unit Agreement Program.	10-Q	10.1	September 29, 2017
10.1.7	AngioDynamics 2018 Total Shareholder Return Performance Unit Agreement Program.	10-K	10.1.7	July 23, 2018
10.1.8	AngioDynamics 2019 Total Shareholder Return Performance Unit Agreement Program.	10-Q	10.1.8	January 8, 2020
10.1.9	AngioDynamics, Inc. 2020 Stock and Incentive Award Plan	DEF 14A		September 3, 2020
10.2	AngioDynamics, Inc. Employee Stock Purchase Plan (as amended).	DEF 14A		September 3, 2020
10.3	Form of Non-Statutory Stock Option Agreement pursuant to the AngioDynamics, Inc. Stock and Incentive Award Plan.	10-Q	10.1	October 12, 2004
10.3.1	Form of Non-Statutory Stock Option Agreement pursuant to the AngioDynamics, Inc. Stock and Incentive Award Plan.	10-K	10.3.1	July 23, 2018
10.4.3	Form of 2016 Performance Share Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan.	10-Q	10.2	October 5, 2016
10.4.4	Form of 2017 Performance Share Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan.	10-Q	10.2	September 29, 2017
10.4.5	Form of 2018 Performance Share Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan.	10-K	10.4.5	July 23, 2018
10.4.6	Form of 2020 Performance Share Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan	10-Q	10.4.6	January 8, 2021
10.4.7	Form of Performance Share Award Agreement pursuant to the 2020 Stock and Incentive Award Plan	10-Q	10.4.7	September 30, 2021
10.5	Form of Restricted Stock Award Agreement pursuant to the AngioDynamics, Inc. 2004 Stock and Incentive Award Plan.	8-K	10.3	May 12, 2005
10.6	Rita Medical Systems, Inc. 1994 Incentive Stock Plan.	S-1	10.2	May 3, 2000

Exhibit Number	Description of Exhibits	Incorporated by Reference		
		Form	Exhibit	Filing Date
10.7	Horizon Medical Products, Inc. 1998 Stock Incentive Plan.	S-1	10.11	February 13, 1998
10.8	Rita Medical Systems, Inc. 2000 Stock Plan.	S-1/A	10.3	June 14, 2000
10.9	Rita Medical Systems, Inc. 2000 Directors' Stock Plan, as amended on June 8, 2005.	S-8	99.2	July 8, 2005
10.10	Rita Medical Systems, Inc. 2005 Stock and Incentive Plan.	S-8	99.1	July 8, 2005
10.11	Form of Indemnification Agreement of AngioDynamics, Inc.	8-K	10.1	May 12, 2006
10.11.1	Employment Agreement, dated April 1, 2016, between AngioDynamics, Inc. and James C. Clemmer.	8-K	10.1	April 6, 2016
10.12	Change in Control Agreement, dated April 1, 2016, between AngioDynamics, Inc. and James C. Clemmer.	8-K	10.2	April 6, 2016
10.12.2	Form of Severance Agreement of AngioDynamics, Inc.	10-K	10.12.2	August 10, 2020
10.13	Form of Change in Control Agreement.	10-K/A	10.13	January 12, 2015
10.14	Performance Share Award Agreement, with a grant date of April 4, 2016, between AngioDynamics, Inc. and James C. Clemmer.	8-K	10.3	April 6, 2016
10.15	AngioDynamics, Inc. Total Shareholder Return Performance Share Award Program - Performance Period Ending July 2019.	8-K	10.4	April 6, 2016
10.16	Stock Option Award Agreement, with a grant date of April 4, 2016, between AngioDynamics, Inc. and James C. Clemmer.	8-K	10.5	April 6, 2016
10.17	Restricted Stock Unit Award Agreement, with a grant date of April 4, 2016, between AngioDynamics, Inc. and James C. Clemmer.	8-K	10.6	April 6, 2016
10.18	Separation Agreement and General Release, dated April 22, 2016, between AngioDynamics, Inc. and Joseph M. DeVivo.	8-K	10.1	April 27, 2016
10.19	Amended and Restated Change in Control Agreement, by and between AngioDynamics, Inc. and James C. Clemmer.	8-K	10.1	February 3, 2021
10.2	Form of Amended and Restated Change in Control Agreement with AngioDynamics, Inc.	8-K	10.2	February 3, 2021
14	Code of Ethics.	8-K	14	May 21, 2006
21	Subsidiaries			
23	Consent of Deloitte & Touche LLP, an independent registered public accounting firm.			
31.1	Certification by the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
31.2	Certification by the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.			
32.1	Certification by the Chief Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
32.2	Certification by the Chief Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.			
101.INS	XBRL Instance Document			
101.SCH	XBRL Schema Document			
101.CAL	XBRL Calculation Linkbase Documents			
101.DEF	XBRL Taxonomy Extension Definition Linkbase Document			
101.LAB	XBRL Labels Linkbase Documents			
101.PRE	XBRL Presentation Linkbase Documents			

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

ANGIODYNAMICS, INC.

Date: July 22, 2022

By: /s/ HOWARD W. DONNELLY

Howard W. Donnelly,
Chairman of the Board, Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: July 22, 2022

/s/ HOWARD W. DONNELLY

Howard W. Donnelly,
Chairman of the Board, Director

Date: July 22, 2022

/s/ JAMES C. CLEMMER

James C. Clemmer,
President, Chief Executive Officer
(Principal Executive Officer)

Date: July 22, 2022

/s/ STEPHEN A. TROWBRIDGE

Stephen A. Trowbridge,
Executive Vice President, Chief Financial Officer,
(Principal Financial and Accounting Officer)

Date: July 22, 2022

/s/ WESLEY E. JOHNSON, JR.

Wesley E. Johnson, Jr.,
Director

Date: July 22, 2022

/s/ DENNIS S. METENY

Dennis S. Meteny,
Director

Date: July 22, 2022

/s/ JAN S. REED

Jan S. Reed,
Director

Date: July 22, 2022

/s/ EILEEN O. AUEN

Eileen O. Auen,
Director

Date: July 22, 2022

/s/ KAREN A. LICITRA

Karen A. Licitra,
Director

Date: July 22, 2022

/s/ MICHAEL E. TARNOFF

Michael E. Tarnoff,
Director

Exhibit 21

Subsidiaries of AngioDynamics, Inc.

Subsidiary	State of Incorporation or Organization
Vortex Medical, Inc.	Delaware
NM Holding Company, Inc.	Delaware
Navilyst Medical Holdings, Inc.	Delaware
Navilyst Medical, Inc.	Delaware
AngioDynamics UK Limited	United Kingdom
AngioDynamics Netherlands B. V.	Netherlands
RITA Medical Systems, LLC	Delaware
AngioDynamics France, SARL	France
AngioDynamics Canada Inc.	Canada
AngioDynamics Medical Brasil Servicos de Marketing Ltda.	Brazil
RadiaDyne LLC	Texas
Eximo Medical, Ltd.	Israel
AngioDynamics VA LLC	Delaware

Exhibit 23

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We consent to the incorporation by reference in Registration Statement Nos. 333-120057, 333-138456, 333-140627, 333-161355, 333-162844, 333-170619, 333-190640, 333-203441, 333-229814 and 333-252209 on Form S-8 of our reports dated July 22, 2022, relating to the financial statements of AngioDynamics Inc. and the effectiveness of AngioDynamics Inc.'s internal control over financial reporting appearing in this Annual Report on Form 10-K for the year ended May 31, 2022.

/s/ Deloitte & Touche LLP

Boston, Massachusetts
July 22, 2022

Exhibit 31.1

CERTIFICATION

I, James C. Clemmer, certify that:

1. I have reviewed this annual report on Form 10-K of AngioDynamics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: July 22, 2022

/ S / JAMES C. CLEMMER

James C. Clemmer, President,
Chief Executive Officer

Exhibit 31.2

CERTIFICATION

I, Stephen A. Trowbridge, certify that:

1. I have reviewed this annual report on Form 10-K of AngioDynamics, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: July 22, 2022

/ S / STEPHEN A. TROWBRIDGE

Stephen A. Trowbridge, Executive Vice President,
Chief Financial Officer

Exhibit 32.1

CERTIFICATION OF CHIEF EXECUTIVE OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, James C. Clemmer, President, Chief Executive Officer and Director of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the annual report on Form 10-K of the Company for the fiscal year ended May 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Date: July 22, 2022

/S/ JAMES C. CLEMMER

James C. Clemmer, President,
Chief Executive Officer

Exhibit 32.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER PURSUANT TO TITLE 18,
UNITED STATES CODE, SECTION 1350, AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen A. Trowbridge, Chief Financial Officer of ANGIODYNAMICS, Inc. (the "Company"), certify, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

1. the annual report on Form 10-K of the Company for the fiscal year ended May 31, 2022 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 (15 U.S.C. 78m or 78o(d)); and

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

Date: July 22, 2022

/S/ STEPHEN A. TROWBRIDGE

Stephen A. Trowbridge, Executive Vice President,
Chief Financial Officer