UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-Q

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

For the quarterly period ended September 30, 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: 001-39352

Mirion Technologies, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**83-0974996**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**

1218 Menlo Drive
Atlanta, Georgia 30318
(Address of Principal Executive Office)

(770) 432-2744
(Registrant's telephone number, including area code)

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

Title of each class	**Trading symbol(s)**	**Name of each exchange on which registered**
Class A Common Stock, $0.0001 par value per share	MIR	New York Stock Exchange
Redeemable warrants, each exercisable for one share of Class A common stock at an exercise price of $11.50	MIR WS	New York Stock Exchange

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 every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large Accelerated Filer	☒	Accelerated Filer	☐
Non-accelerated Filer	☐	Smaller Reporting Company	☐
		Emerging Growth Company	☐

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

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

As of October 28, 2022, there were 200,113,340 shares of Class A common stock, $0.0001 par value per share, and 8,040,540 shares of Class B common stock, $0.0001 par value per share, issued and outstanding.

INTRODUCTORY NOTE

On October 20, 2021 (the "Closing" or the “Closing Date”), Mirion Technologies, Inc. (formerly known as GS Acquisition Holdings Corp II or "GSAH") consummated its business combination with GSAH (the "Business Combination") pursuant to the Business Combination Agreement dated June 17, 2021 (as amended, the “Business Combination Agreement”). On the Closing Date, GSAH was renamed Mirion Technologies, Inc.

Unless the context otherwise requires, all references in this Quarterly Report on Form 10-Q to “Mirion,” the “Company,” “we,” “us” or “our” refer to Mirion Technologies, Inc. following the Business Combination, other than certain historical information which refers to the business of Mirion Technologies (TopCo), Ltd. (“Mirion TopCo”) prior to the consummation of the Business Combination.

As a result of the Business Combination, Mirion’s financial statement presentation distinguishes Mirion TopCo as the “Predecessor” for periods prior to the closing of the Business Combination and Mirion Technologies, Inc. as the “Successor” for periods after the closing of the Business Combination. As a result of the application of the acquisition method of accounting in the Successor Period, the financial statements for the Successor Period are presented on a full step-up basis as a result of the Business Combination, and are therefore not comparable to the financial statements of the Predecessor Period that are not presented on the same full step-up basis due to the Business Combination.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

Our public communications and SEC filings may contain forward-looking statements within the meaning of the "safe-harbor" provisions of the Private Securities Litigation Reform Act of 1995 that reflect future plans, estimates, beliefs, and expected performance. All statements contained in this Quarterly Report on Form 10-Q other than statements of historical fact, including statements regarding our future operating results and financial position, our business strategy and plans, our objectives for future operations, the Russian invasion of Ukraine, macroeconomic trends, and our competitive positioning are forward-looking statements. This includes, without limitation, statements under “Part I, Item 2. Management’s Discussion and Analysis of Financial Condition and Results of Operations” regarding our financial position and operating performance, capital structure, indebtedness, business strategy and the plans and objectives of management for future operations, market share and products sales, future market opportunities, future manufacturing capabilities and facilities, future sales channels and strategies, goodwill impairment, backlog, market trends and macroeconomic conditions, including supply chain challenges, the Russia-Ukraine conflict and relations between the United States and China, our competitive positioning, foreign exchange, interest rate and inflation expectations, any future mergers and acquisitions, including integration of previously completed mergers and acquisitions, and our future share capitalization. These statements constitute projections, forecasts and forward-looking statements, and are not guarantees of performance. When used in this Quarterly Report on Form 10-Q, words such as “anticipate,” “believe,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “might,” “plan,” “possible,” “potential,” “predict,” “project,” “should,” “strive,” “seeks,” “plans,” “scheduled,” “would” and similar expressions may identify forward-looking statements, but the absence of these words does not mean that a statement is not forward-looking. When we discuss our strategies or plans we are making projections, forecasts or forward-looking statements. Such statements are based on the beliefs of, as well as assumptions made by and information currently available to, our management.

The forward-looking statements contained in this Quarterly Report on Form 10-Q are based on our current expectations and beliefs concerning future developments and their potential effects on us. There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, but are not limited to, the following risks, uncertainties and other factors:

- changes in domestic and foreign business, market, economic, financial, political and legal conditions, including the Russia-Ukraine conflict and the relationship between the United States and China;
- risks related to the public's perception of nuclear radiation and nuclear technologies;
- risks related to the continued growth of our end markets;
- our ability to win new customers and retain existing customers;
- our ability to realize sales expected from our backlog of orders and contracts;
- risks related to governmental contracts;
- our ability to mitigate risks associated with long-term fixed price contracts, including risks related to inflation;
- risks related to information technology disruption or security;
- risks related to the implementation and enhancement of information systems;

- our ability to manage our supply chain or difficulties with third-party manufacturers;
- risks related to competition;
- our ability to manage disruptions of, or changes in, our independent sales representatives, distributors and original equipment manufacturers;
- our ability to realize the expected benefit from any synergies from acquisitions or internal restructuring and improvement efforts;
- our ability to issue debt, equity or equity-linked securities in the future;
- risks related to changes in tax law and ongoing tax audits;
- risks related to future legislation and regulation both in the United States and abroad;
- risks related to the costs or liabilities associated with product liability claims;
- our ability to attract, train and retain key members of our leadership team and other qualified personnel;
- risks related to the adequacy of our insurance coverage;
- risks related to the global scope of our operations, including operations in international and emerging markets;
- risks related to our exposure to fluctuations in foreign currency exchange rates, interest rates and inflation, including the impact on our debt service costs;
- our ability to comply with various laws and regulations and the costs associated with legal compliance;
- risks related to the outcome of any litigation, government and regulatory proceedings, investigations and inquiries;
- risks related to our ability to protect or enforce our proprietary rights on which our business depends or third-party intellectual property infringement claims;
- liabilities associated with environmental, health and safety matters;
- our ability to predict our future operational results;
- risks associated with our limited history of operating as an independent company;
- the impact of the global COVID-19 pandemic, including the availability, acceptance and efficacy of vaccinations and laws and regulations with respect to vaccinations, on our projected results of operations, financial performance or other financial metrics, or on any of the foregoing risks; and
- other risks and uncertainties described in our Annual Report on Form 10-K for the year ended December 31, 2021 and this Quarterly Report on Form 10-Q, including those under the heading “Risk Factors,” and other documents filed or to be filed with the SEC by us.

There can be no assurance that future developments affecting us will be those that we have anticipated. These forward-looking statements involve a number of risks, uncertainties (some of which are beyond our control) or other assumptions that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. Should one or more of these risks or uncertainties materialize, or should any of our assumptions prove incorrect, actual results may vary in material respects from those projected in these forward-looking statements.

Forward-looking statements included in this Quarterly Report on Form 10-Q speak only as of the date of this Quarterly Report on Form 10-Q or any earlier date specified for such statements. We undertake no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required under applicable securities laws.

We intend to announce material information to the public through the Mirion Investor Relations website, available at ir.mirion.com, SEC filings, press releases, public conference calls and public webcasts. We use these channels, as well as social media, to communicate with our investors, customers and the public about our company, our offerings and other issues. It is possible that the information we post on our website or social media could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above, including the social media channels listed on our investor relations website, and to review the information disclosed through such channels. Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations website.

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Mirion Technologies, Inc.
Condensed Consolidated Balance Sheets
(Unaudited)
(In millions, except share data)

	Successor	
	September 30, 2022	December 31, 2021
ASSETS		
Current assets:		
Cash and cash equivalents	$ 58.4	$ 84.0
Restricted cash	0.5	0.6
Accounts receivable, net of allowance for doubtful accounts	133.2	157.4
Costs in excess of billings on uncompleted contracts	67.8	56.3
Inventories	143.1	123.6
Prepaid expenses and other current assets	35.0	31.5
Total current assets	438.0	453.4
Property, plant, and equipment, net	120.5	124.0
Operating lease right-of-use assets	41.8	45.7
Goodwill	1,551.0	1,662.6
Intangible assets, net	668.5	806.9
Restricted cash	0.9	0.7
Other assets	14.6	24.7
Total assets	$ 2,835.3	$ 3,118.0
LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	$ 60.9	$ 59.4
Deferred contract revenue	72.5	73.0
Notes payable to third-parties, current	5.2	3.9
Operating lease liability, current	8.6	9.3
Accrued expenses and other current liabilities	74.1	75.4
Total current liabilities	221.3	221.0
Notes payable to third-parties, non-current	802.8	806.8
Warrant liabilities	40.6	68.1
Operating lease liability, non-current	36.4	40.6
Deferred income taxes, non-current	120.7	161.0
Other liabilities	38.5	36.5
Total liabilities	1,260.3	1,334.0
Commitments and contingencies (Note 10)		
Stockholders' equity (deficit):		
Class A common stock; $0.0001 par value, 500,000,000 shares authorized; 200,102,086 shares issued and outstanding at September 30, 2022; 199,523,292 shares issued and outstanding at December 31, 2021	—	—
Class B common stock; $0.0001 par value, 100,000,000 shares authorized; 8,040,540 issued and outstanding at September 30, 2022 and 8,560,540 issued and outstanding at December 31, 2021	—	—
Additional paid-in capital	1,875.4	1,845.5
Accumulated deficit	(255.0)	(131.6)
Accumulated other comprehensive loss	(119.0)	(20.7)
Mirion Technologies, Inc. (Successor) stockholders' equity	1,501.4	1,693.2
Noncontrolling interests	73.6	90.8
Total stockholders' equity	1,575.0	1,784.0
Total liabilities and stockholders' equity	$ 2,835.3	$ 3,118.0

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

Mirion Technologies, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(In millions, except per share data)

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues:				
Product	$ 117.1	$ 107.3	$ 364.4	$ 374.9
Service	43.8	37.0	135.5	115.6
Total revenues	160.9	144.3	499.9	490.5
Cost of revenues:				
Product	67.1	64.5	215.6	231.0
Service	24.0	17.9	71.2	55.5
Total cost of revenues	91.1	82.4	286.8	286.5
Gross profit	69.8	61.9	213.1	204.0
Operating expenses:				
Selling, general and administrative	89.4	62.3	271.3	189.4
Research and development	8.0	8.5	22.5	27.7
Goodwill impairment	—	—	55.2	—
Total operating expenses	97.4	70.8	349.0	217.1
Loss from operations	(27.6)	(8.9)	(135.9)	(13.1)
Other expense (income):				
Third party interest expense	13.1	10.8	29.4	32.7
Related party interest expense (Note 8)	—	33.0	—	97.8
Foreign currency loss (gain), net	3.1	(1.4)	7.9	(4.3)
Increase (decrease) in fair value of warrant liabilities	12.0	—	(27.5)	—
Other expense (income), net	(0.4)	0.1	(0.5)	(0.6)
Loss before income taxes	(55.4)	(51.4)	(145.2)	(138.7)
(Benefit from) provision for income taxes	(5.0)	(4.7)	(16.5)	2.6
Net loss	(50.4)	(46.7)	(128.7)	(141.3)
Loss attributable to noncontrolling interests	(3.3)	—	(5.3)	—
Net loss attributable to Mirion Technologies, Inc. (Successor) / Mirion Technologies (TopCo), Ltd. (Predecessor) stockholders	$ (47.1)	$ (46.7)	$ (123.4)	$ (141.3)
Net loss per common share attributable to Mirion Technologies, Inc. (Successor) / Mirion Technologies (TopCo), Ltd. (Predecessor) stockholders — basic and diluted	$ (0.26)	$ (7.01)	$ (0.68)	$ (21.33)
Weighted average common shares outstanding — basic and diluted	181.333	6.665	181.058	6.623

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

Mirion Technologies, Inc.
Condensed Consolidated Statements of Comprehensive Loss
(Unaudited)
(In millions)

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net loss	$ (50.4)	$ (46.7)	$ (128.7)	$ (141.3)
Other comprehensive (loss) income, net of tax:				
Foreign currency translation, net of tax	(41.9)	(11.1)	(103.3)	(23.1)
Unrecognized actuarial gain and prior service benefit, net of tax	—	0.7	0.1	1.4
Other comprehensive loss, net of tax	(41.9)	(10.4)	(103.2)	(21.7)
Comprehensive loss	(92.3)	(57.1)	(231.9)	(163.0)
Less: Comprehensive loss attributable to noncontrolling interest	(4.9)	—	(10.2)	—
Comprehensive loss attributable to Mirion Technologies, Inc. (Successor) / Mirion Technologies (TopCo), Ltd. (Predecessor) stockholders	$ (87.4)	$ (57.1)	$ (221.7)	$ (163.0)

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

Mirion Technologies, Inc.
Condensed Consolidated Statements of Stockholders' Equity (Deficit)
(Unaudited)
(In millions, except share amounts)

Predecessor	A Ordinary Shares	A Ordinary Amount	B Ordinary Shares	B Ordinary Amount	Additional Paid-In Capital	Receivable from Employees for purchase of Common Stock	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Deficit
Balance December 31, 2020	**1,483,795**	**$ —**	**5,353,970**	**$ 0.1**	**$ 9.6**	**$ (2.4)**	**$ (793.4)**	**$ 50.5**	**$ 2.2**	**$ (733.4)**
Share-based compensation expense	—	—	—	—	(0.1)	—	—	—	—	(0.1)
Receivable from employees	—	—	—	—	—	(0.1)	—	—	—	(0.1)
Net loss	—	—	—	—	—	—	(40.7)	—	—	(40.7)
Other comprehensive loss	—	—	—	—	—	—	—	(17.9)	—	(17.9)
Balance March 31, 2021	**1,483,795**	**$ —**	**5,353,970**	**$ 0.1**	**$ 9.5**	**$ (2.5)**	**$ (834.1)**	**$ 32.6**	**$ 2.2**	**$ (792.2)**
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—
Receivable from employees	—	—	—	—	—	0.1	—	—	—	0.1
Net loss	—	—	—	—	—	—	(53.9)	—	(0.1)	(54.0)
Other comprehensive loss	—	—	—	—	—	—	—	6.6	—	6.6
Balance June 30, 2021	**1,483,795**	**$ —**	**5,353,970**	**$ 0.1**	**$ 9.5**	**$ (2.4)**	**$ (888.0)**	**$ 39.2**	**$ 2.1**	**$ (839.5)**
Share-based compensation expense	—	—	—	—	—	—	—	—	—	—
Impairment loss on lease adoption	—	—	—	—	—	—	(2.9)	—	—	(2.9)
Receivable from employees	—	—	—	—	—	0.5	—	—	—	0.5
Net loss	—	—	—	—	—	—	(46.7)	—	—	(46.7)
Other comprehensive loss	—	—	—	—	—	—	—	(10.4)	—	(10.4)
Balance September 30, 2021	**1,483,795**	**$ —**	**5,353,970**	**$ 0.1**	**$ 9.5**	**$ (1.9)**	**$ (937.6)**	**$ 28.8**	**$ 2.1**	**$ (899.0)**

Successor	Class A Common Stock	Class A Common Stock Amount	Class B Common Stock	Class B Common Stock Amount	Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interests	Total Stockholders' Equity
Balance December 31, 2021	**199,523,292**	**$ —**	**8,560,540**	**$ —**	**$ 1,845.5**	**$ (131.6)**	**$ (20.7)**	**$ 90.8**	**$ 1,784.0**
Stock-based compensation expense	—	—	—	—	7.8	—	—	—	7.8
Warrant exercises	100	—	—	—	—	—	—	—	—
Stock compensation to directors in lieu of cash compensation	—	—	—	—	0.1	—	—	—	0.1
Net loss	—	—	—	—	—	(17.7)	—	(1.3)	(19.0)
Other comprehensive loss	—	—	—	—	—	—	(14.2)	(1.5)	(15.7)
Balance March 31, 2022	**199,523,392**	**$ —**	**8,560,540**	**$ —**	**$ 1,853.4**	**$ (149.3)**	**$ (34.9)**	**$ 88.0**	**$ 1,757.2**
Stock-based compensation expense	—	—		—	8.4	—	—	—	8.4
Stock issued for vested restricted stock units	21,414	—	—	—	—	—	—	—	—
Stock compensation to directors in lieu of cash compensation	9,840	—	—	—	0.1	—	—	—	0.1
Conversion of shares of class B shares of common stock to class A	500,000	—	(500,000)	—	4.9	—	—	(4.9)	—
Purchase accounting adjustments to fair value of noncontrolling interests	—	—	—	—	—	—	—	(1.9)	(1.9)
Net loss	—	—	—	—	—	(58.6)	—	(0.7)	(59.3)
Other comprehensive loss	—	—	—	—	—	—	(43.8)	(1.8)	(45.6)
Balance June 30, 2022	**200,054,646**	**$ —**	**8,060,540**	**$ —**	**$ 1,866.8**	**$ (207.9)**	**$ (78.7)**	**$ 78.7**	**$ 1,658.9**
Stock-based compensation expense	—	—		—	8.3	—	—	—	8.3
Stock issued for vested restricted stock units	13,488	—	—	—	—	—	—	—	—
Stock compensation to directors in lieu of cash compensation	13,952	—	—	—	0.1	—	—	—	0.1
Conversion of shares of class B common stock to class A common stock	20,000	—	(20,000)	—	0.2	—	—	(0.2)	—
Net loss	—	—	—	—	—	(47.1)	—	(3.3)	(50.4)
Other comprehensive loss	—	—	—	—	—	—	(40.3)	(1.6)	(41.9)
Balance September 30, 2022	**200,102,086**	**$ —**	**8,040,540**	**$ —**	**$ 1,875.4**	**$ (255.0)**	**$ (119.0)**	**$ 73.6**	**$ 1,575.0**

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

Mirion Technologies, Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)
(In millions)

	Successor	Predecessor
	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
OPERATING ACTIVITIES:		
Net loss	$ (128.7)	$ (141.3)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Accrual of in-kind interest on notes payable to related parties	—	96.8
Depreciation and amortization expense	132.4	70.1
Stock-based compensation expense	24.8	(0.1)
Amortization of debt issuance costs	2.7	2.7
Provision for doubtful accounts	(0.2)	1.7
Inventory obsolescence write down	0.8	0.5
Change in deferred income taxes	(32.3)	1.9
Loss on disposal of property, plant and equipment	0.3	—
Loss (gain) on foreign currency transactions	7.9	(4.3)
Decrease in fair values of warrant liabilities	(27.5)	—
Amortization of deferred revenue step-down	—	11.7
Amortization of inventory step-up	6.3	4.7
Goodwill impairment	55.2	—
Other	0.1	3.4
Changes in operating assets and liabilities:		
Accounts receivable	20.0	2.4
Costs in excess of billings on uncompleted contracts	(17.4)	(9.8)
Inventories	(35.9)	(2.3)
Prepaid expenses and other current assets	(6.2)	(5.2)
Accounts payable	(1.9)	7.2
Accrued expenses and other current liabilities	2.3	(6.3)
Deferred contract revenue	2.8	5.1
Other assets	8.2	(2.2)
Other liabilities	0.5	8.1
Net cash provided by operating activities	14.2	44.8
INVESTING ACTIVITIES:		
Acquisitions of businesses, net of cash and cash equivalents acquired	(6.6)	(15.9)
Purchases of property, plant, and equipment and badges	(22.7)	(22.7)
Sales of property, plant, and equipment	0.8	—
Net cash used in investing activities	(28.5)	(38.6)
FINANCING ACTIVITIES:		
Borrowings from notes payable to third-parties, net of discount and issuance costs	—	1.9
Principal repayments	(4.6)	(12.2)
Other financing	(0.4)	—
Net cash used in financing activities	(5.0)	(10.3)
Effect of exchange rate changes on cash, cash equivalents, and restricted cash	(6.2)	(2.7)
Net decrease in cash, cash equivalents, and restricted cash	(25.5)	(6.8)
Cash, cash equivalents, and restricted cash at beginning of period	85.3	108.7
Cash, cash equivalents, and restricted cash at end of period	$ 59.8	$ 101.9

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

Mirion Technologies, Inc.
Notes to Condensed Consolidated Financial Statements
(Unaudited)

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business

Mirion Technologies, Inc. (“Mirion,” the “Company,” "Successor," "we," "our," or "us" and formerly GS Acquisition Holdings Corp II ("GSAH")) is a global provider of radiation detection, measurement, analysis, and monitoring products and services to the medical, nuclear, and defense end markets. We provide products and services through our two operating and reportable segments; (i) Medical and (ii) Industrial. The Medical segment provides radiation oncology quality assurance, delivering patient safety solutions for diagnostic imaging and radiation therapy centers around the world, dosimetry solutions for monitoring the total amount of radiation medical staff members are exposed to over time, radiation therapy quality assurance solutions for calibrating and verifying imaging and treatment accuracy, and radionuclide therapy products for nuclear medicine applications such as shielding, product handling, medical imaging furniture, and rehabilitation products. The Industrial segment provides robust, field ready personal radiation detection and identification equipment for defense applications and radiation detection and analysis tools for power plants, labs, and research applications. Nuclear power plant product offerings are used for the full nuclear power plant lifecycle including core detectors and essential measurement devices for new build, maintenance, decontamination and decommission equipment for monitoring and control during fuel dismantling and remote environmental monitoring.

The Company is headquartered in Atlanta, Georgia and has operations in the United States, Canada, the United Kingdom, France, Germany, Finland, China, Belgium, the Netherlands, Estonia, and Japan.

On October 20, 2021 (the “Closing Date”), the Company, consummated its previously announced business combination (the “Business Combination”) pursuant to the certain business combination agreement (the "Business Combination Agreement"). As contemplated by the Business Combination Agreement, the Company became the corporate parent of Mirion Technologies TopCo., Ltd. ("Mirion TopCo"). In order to implement a structure similar to that of an “Up-C,” the Company established a Delaware corporation, Mirion IntermediateCo, Inc. (“IntermediateCo”), as a subsidiary of the Company.

Basis of Presentation and Principles of Consolidation

The accompanying unaudited Condensed Consolidated Financial Statements and Notes to Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for financial statements and pursuant to the accounting and disclosure rules and regulations of the U.S. Securities and Exchange Commission (the "SEC") for interim financial information. The interim Condensed Consolidated Financial Statements reflect all adjustments that are of a normal recurring nature and that are considered necessary for a fair representation of the results for the periods presented and should be read in conjunction with the audited Consolidated Financial Statements and notes thereto for the period ended December 31, 2021, which include a complete set of footnote disclosures, including our significant accounting policies included in our Annual Report on Form 10-K. The results for interim periods are not necessarily indicative of the results that may be expected for a full fiscal year or for any other future period. The Condensed Consolidated Financial Statements include the accounts of the Company and its wholly owned and majority-owned or controlled subsidiaries. For consolidated subsidiaries where our ownership is less than 100%, the portion of the net income or loss allocable to noncontrolling interests is reported as “Income (Loss) attributable to noncontrolling interests” in the Condensed Consolidated Statements of Operations. All intercompany accounts and transactions have been eliminated in consolidation.

The Company recognizes a noncontrolling interest for the portion of Class B common stock of IntermediateCo that is not attributable to the Company. See Note 19,*Noncontrolling Interests.*

On October 20, 2021, the Board of Directors determined to change Mirion TopCo's fiscal year end from June 30th of each year to December 31st of each year in order to align Mirion’s fiscal year end with GSAH’s fiscal year end.

Predecessor and Successor Reporting

The financial statements separate the Company’s presentation into two distinct periods. The period before the Closing Date of the Business Combination (the "Predecessor Period") depicts the financial statements of Mirion TopCo, and the period

after the Closing (the "Successor Period") depicts the financial statements of the Company, including the consolidation of GSAH with Mirion Technologies, Inc.

The Business Combination was accounted for under Accounting Standards Codification ("ASC") 805, Business Combinations. GSAH was determined to be the accounting acquirer. Mirion Technologies, Inc. constitutes a business in accordance with ASC 805 and the business combination constitutes a change in control. Accordingly, the Business Combination is being accounted for using the acquisition method. Under this method of accounting, Mirion TopCo is treated as the “acquired” company for financial reporting purposes and the acquired net assets were stated at fair value, with goodwill or other intangible assets recorded.

As a result of the application of the acquisition method of accounting in the Successor Period, the financial statements for the Successor Period are presented on a full step-up basis as a result of the Business Combination, and are therefore not comparable to the financial statements of the Predecessor Period.

Segments

The Company manages its operations throughtwo operating and reportable segments: Medical and Industrial. These segments align the Company’s products and service offerings with customer use in medical and industrial markets and are consistent with how the Company’s Chief Executive Officer, its Chief Operating Decision Maker (“CODM”), reviews and evaluates the Company’s operations. The CODM allocates resources and evaluates the financial performance of each operating segment. The Company’s segments are strategic businesses that are managed separately because each one develops, manufactures and markets distinct products and services. Refer to Note 15, *Segment Information*, for further detail.

Use of Estimates

Management estimates and judgments are an integral part of financial statements prepared in accordance with GAAP. We believe that the critical accounting policies listed below address the more significant estimates required of management when preparing our consolidated financial statements in accordance with GAAP. We consider an accounting estimate critical if changes in the estimate may have a material impact on our financial condition or results of operations. We believe that the accounting estimates employed are appropriate and resulting balances are reasonable; however, actual results could differ from the original estimates, requiring adjustment to these balances in future periods. The accounting policies that reflect our more significant estimates, judgments and assumptions and which we believe are the most critical to aid in fully understanding and evaluating our reported financial results include but are not limited to: business combinations, goodwill and intangible assets; estimated progress toward completion for certain revenue contracts; uncertain tax positions and tax valuation allowances and derivative warrant liabilities.

Significant Accounting Policies

There have been no material changes in our significant accounting policies during the nine months ended September 30, 2022, as compared to the significant accounting policies described in Note 1 to the audited Consolidated Financial Statements on Form 10-K for the period ended December 31, 2021.

Accounts Receivable and Allowance for Doubtful Accounts

The allowance for doubtful accounts is based on the Company’s assessment of the collectability of customer accounts. The allowance for doubtful accounts was $4.9 million and $5.4 million as of September 30, 2022 and December 31, 2021, respectively.

Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets are primarily comprised of various prepaid assets including prepaid insurance, short-term marketable securities, and income tax receivables.

The components of prepaid expenses and other current assets consist of the following (in millions):

	Successor	
	September 30, 2022	December 31, 2021
Prepaid insurance	$ 1.4	$ 5.3
Short-term marketable securities	4.1	4.9
Income tax receivable and prepaid income taxes	3.6	3.9
Other current assets	25.9	17.4
	$ 35.0	$ 31.5

Facility and Equipment Decommissioning Liabilities

The Company has asset retirement obligations ("ARO") consisting primarily of equipment and facility decommissioning costs. ARO liabilities totaled $2.9 million and $3.1 million at September 30, 2022 and December 31, 2021, respectively, and were included in deferred income taxes and other liabilities on the Condensed Consolidated Balance Sheets. Accretion expense related to these liabilities was not material for any periods presented.

Revenue Recognition

The Company recognizes revenue from arrangements that include performance obligations to design, engineer, manufacture, deliver, and install products. If a performance obligation does not qualify for over-time revenue recognition, revenue is then recognized at the point-in-time in which control of the distinct good or service is transferred to the customer, typically based upon the terms of delivery.

Revenue derived from passive dosimetry and analytical services is of a subscription nature and is provided to customers on an agreed-upon recurring monthly, quarterly or annual basis. Revenue is recognized ratably over the service period as the service is continuous, and no other discernible pattern of recognition is evident.

Contract Balances

The timing of the Company's revenue recognition, invoicing, and cash collections results in accounts receivable, costs and estimated earnings in excess of billings on uncompleted contracts, and deferred contract revenue. Refer to Note 3, *Contracts in Progress* for further details.

Remaining Performance Obligations

The remaining performance obligations for all open contracts as of September 30, 2022 include assembly, delivery, installation, and trainings. The aggregate amount of the transaction price allocated to the remaining performance obligations for all open customer contracts was approximately $726.4 million and $747.5 million as of September 30, 2022 and December 31, 2021, respectively. As of September 30, 2022, the Company expects to recognize approximately 26%, 39%, 17%, and 7% of the remaining performance obligations as revenue during the fiscal years 2022, 2023, 2024 and 2025, respectively, and the remainder thereafter.

Disaggregation of Revenues

A disaggregation of the Company's revenues by segment, geographic region, timing of revenue recognition and product category is provided in Note 15,*Segment Information.*

Warrant Liability

As of September 30, 2022, the Company had outstanding warrants to purchase up to27,249,879 shares of Class A common stock.The Company accounts for the warrants in accordance with the guidance contained in ASC 815, "Derivatives and Hedging", under which the warrants do not meet the criteria for equity treatment and must be recorded as derivative liabilities. Accordingly, the Company classifies the warrants as liabilities at their fair value and adjusts the warrants to fair value at each reporting period. This liability is subject to re-measurement at each balance sheet date until the warrants are exercised or expire, and any change in fair value is recognized in the Company's Condensed Consolidated Statements of Operations. The fair value of the warrants (the "Public Warrants") issued in connection with GSAH's initial public offering

has been measured based on the listed market price of such Public Warrants. As the transfer of certain warrants issued in a private placement (the "Private Placement Warrants") to GS Sponsor II LLC, the sponsor of GSAH (the "Sponsor"), to anyone who is not a permitted transferee would result in the Private Placement Warrants having substantially the same terms as the Public Warrants, we determined that the fair value of each Private Placement Warrant is equivalent to that of each Public Warrant. The determination of the fair value of the warrant liability may be subject to change as more current information becomes available and accordingly the actual results could differ significantly. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities. See Note 16, *Fair Value Measurements.*

Concentrations of Risk

Financial instruments that are potentially subject to concentration of credit risk consist primarily of cash and cash equivalents and accounts receivable. The Company maintains cash in bank deposit accounts that, at times, may exceed the insured limits of the local country. The Company has not experienced any losses in such accounts.

The Company sells its products and services mainly to large, private and governmental organizations in the Americas, Europe, the Middle East and Asia Pacific regions. The Company performs ongoing evaluations of its customers' financial condition and limits the amount of credit extended when deemed necessary. The Company generally does not require its customers to provide collateral or other security to support accounts receivable. As of September 30, 2022 and December 31, 2021, no customer accounted for more than 10% of the accounts receivable balance.

Recent Accounting Pronouncements

Accounting Guidance Issued But Not Yet Adopted

In March 2020, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2020-04 "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting*"*. ASU 2020-04 provides temporary optional expedients and exceptions for applying GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens of the expected market transition from the London Interbank Offered Rate ("LIBOR") and other interbank offered rates to alternative reference rates, such as the Secured Overnight Financing Rate. In their October 2022 meeting, the FASB voted for an optional 2-year extension of the adoption period through December 31, 2024. The Company intends to extend the adoption, is in the process of managing the transition, and is assessing any financial impact that will be accounted for under this ASU.

2. Business Combinations and Acquisitions

On October 20, 2021, Mirion Technologies, Inc. consummated its previously announced Business Combination pursuant to the Business Combination Agreement. On December 1, 2021, the Company acquired 100% of the equity interest of CIRS.
The Company continually evaluates potential acquisitions that strategically fit with the Company's existing portfolio. As a result, on August 1, 2022, the Company acquired the Critical Infrastructure ("CI") business of Collins Aerospace (renamed as Secure Integrated Solutions "SIS") via an Asset Purchase Agreement. The Company paid cash of $6.6 million, but due to net working capital (NWC) settlements to be settled in the future, the US GAAP consideration is $5.9 million. The SIS business joined our Industrial segment and specializes in delivering physical and cyber security systems to critical infrastructure based on a command-and-control platform that includes video surveillance, access control, intrusion detection, credential/training management, biometrics, and video analytics. The Company used carrying values as of the closing date of the CI Acquisition to value certain current and non-current assets and liabilities, as we determined that they represented the fair value of those items at such date.

All identifiable intangible assets acquired in the CI Acquisition were assigned to developed technology for accounting purposes.

Transaction costs related to the CI Acquisition were not material for the three and nine months ended September 30, 2022.

All acquisitions are accounted for under the acquisition method of accounting, and the related assets acquired and liabilities assumed are recorded at fair value. The Company makes an initial allocation of the purchase price at the date of acquisition based upon its understanding of the fair value of the acquired assets and assumed liabilities. The Company obtains the information used for the purchase price allocation during due diligence and through other sources. In the months after closing, as the Company obtains additional information about the acquired assets and liabilities, including through tangible and intangible asset appraisals, and learns more about the newly acquired business, it is able to refine the estimates of fair value and more accurately allocate the purchase price. The fair values of acquired intangibles are determined based on estimates and assumptions that are deemed reasonable by the Company. Significant assumptions include the discount rates and certain assumptions that form the basis of the forecasted results of the acquired business including revenue, earnings before interest, taxes, depreciation and amortization ("EBITDA"), and growth rates. These assumptions are forward looking and could be affected by future economic and market conditions. Only facts and circumstances that existed as of the acquisition date are considered for subsequent adjustment. The Company will make appropriate adjustments to the purchase price allocation prior to completion of the measurement period, as required.

The purchases of these acquired businesses resulted in the recognition of goodwill in the Company's Consolidated Financial Statements, which is calculated as the excess of the consideration transferred over the net assets recognized and represents the future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. The goodwill is not amortized but some portion may be deductible for income tax purposes. This goodwill recorded includes the following:

- The expected synergies and other benefits that we believe will result from combining the operations of the acquired business with the operations of Mirion;
- Any intangible assets that did not qualify for separate recognition, as well as future, yet unidentified projects and products;
- The value of the existing business as an assembled collection of net assets versus if the Company had acquired all of the net assets separately.

Measurement period adjustments to the previously disclosed preliminary fair value of net assets acquired in the Business Combination and in the CIRS acquisition were recorded in the first three quarters of 2022, resulting in a $2.7 million net increase in goodwill and corresponding $3.8 million net decrease in non-current deferred tax assets and taxes payable, $1.8 million decrease in noncontrolling interest, and $0.7 million decrease in other for the nine months ended September 30, 2022. The estimated fair values of all assets acquired and liabilities assumed in the acquisitions are provisional and may be revised as a result of additional information obtained during the measurement period of up to one year from the acquisition dates, including but not limited to valuation of tax accounts, property, plant and equipment and intangible assets.

3. Contracts in Progress

Costs and billings on uncompleted construction-type contracts consist of the following (in millions):

	Successor	
	September 30, 2022	**December 31, 2021**
Costs incurred on contracts (from inception to completion)	$ 231.3	$ 199.4
Estimated earnings	137.8	125.5
Contracts in progress	369.1	324.9
Less: billings to date	(319.4)	(281.8)
	$ 49.7	$ 43.1

The carrying amounts related to uncompleted construction-type contracts are included in the accompanying Condensed Consolidated Balance Sheets under the following captions (in millions):

	Successor	
	September 30, 2022	December 31, 2021
Costs and estimated earnings in excess of billings on uncompleted contracts – current	$ 67.8	$ 56.3
Costs and estimated earnings in excess of billings on uncompleted contracts – non-current (1)	5.2	6.5
Billings in excess of costs and estimated earnings on uncompleted contracts – current (2)	(17.6)	(17.6)
Billings in excess of costs and estimated earnings on uncompleted contracts – non-current (3)	(5.7)	(2.1)
	$ 49.7	$ 43.1

(1) Included in other assets within the Condensed Consolidated Balance Sheets.

(2) Included in deferred contract revenue – current within the Condensed Consolidated Balance Sheets.

(3) Included in other liabilities within the Condensed Consolidated Balance Sheets.

For the three and nine months ended September 30, 2022 the Company has recognized revenue of $2.6 million and $8.9 million, respectively, related to the contract liabilities balance as of December 31, 2021.

4. Inventories

The components of inventories consist of the following (in millions):

	Successor	
	September 30, 2022	December 31, 2021
Raw materials	$ 65.5	$ 56.8
Work in progress	32.9	26.6
Finished goods	44.7	40.2
	$ 143.1	$ 123.6

Inventories as of December 31, 2021 include $6.3 million of fair value step-up from purchase accounting which was recognized as cost of revenues as related inventory was sold during the nine months ended September 30, 2022.

5. Property, Plant and Equipment, Net

Property, plant and equipment, net consist of the following (in millions):

		Successor	
	Depreciable Lives	September 30, 2022	December 31, 2021
Land, buildings, and leasehold improvements	3-39 years	$ 44.8	$ 45.0
Machinery and equipment	5-15 years	30.1	26.7
Badges	3-5 years	31.4	27.9
Furniture, fixtures, computer equipment and other	3-10 years	23.5	16.7
Construction in progress	—	14.5	12.2
		144.3	128.5
Less: accumulated depreciation and amortization		(23.8)	(4.5)
		$ 120.5	$ 124.0

Total depreciation expense included in costs of revenues and operating expenses was as follows (in millions):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Depreciation expense in:				
Cost of revenues	$ 4.2	$ 3.3	$ 12.8	$ 11.0
Operating expenses	$ 3.0	$ 1.7	$ 7.6	$ 5.8

6. Accrued Expenses and Other Current Liabilities

Accrued expenses and other current liabilities consist of the following (in millions):

	Successor	
	September 30, 2022	December 31, 2021
Compensation and related benefit costs	$ 34.5	$ 34.0
Customer deposits	6.7	8.8
Accrued commissions	0.6	0.9
Accrued warranty costs	5.4	5.9
Non-income taxes payable	6.8	7.5
Pension and other post-retirement obligations	0.3	0.3
Income taxes payable	6.5	3.2
Restructuring	1.7	1.4
Deferred and contingent consideration	1.3	2.0
Other accrued expenses	10.3	11.4
Total	$ 74.1	$ 75.4

7. Goodwill and Intangible Assets

Goodwill

Goodwill is calculated as the excess of consideration transferred over the net assets recognized for acquired businesses and represents future economic benefits arising from the other assets acquired that could not be individually identified and separately recognized. Goodwill is assigned to reporting units at the date the goodwill is initially recorded and is reallocated as necessary based on the composition of reporting units over time.

The Company assesses goodwill for impairment at the reporting unit level annually on the first day of the fourth quarter and upon the occurrence of a triggering event or change in circumstance that would more likely than not reduce the fair value of a reporting unit below its carrying amount.

A quantitative test performed upon the occurrence of a triggering event compares the fair value of a reporting unit with its carrying amount. The Company determines fair values for each of the reporting units, as applicable, using the market approach, when available and appropriate, or the income approach, or a combination of both. The Company assesses the valuation methodology based upon the relevance and availability of the data at the time the Company performs the valuation. If multiple valuation methodologies are used, the results are weighted appropriately.

Valuations using the market approach are derived from metrics of publicly traded companies or historically completed transactions of comparable businesses. The selection of comparable businesses is based on the markets in which the reporting units operate giving consideration to risk profiles, size, geography, and diversity of products and services. A market approach is limited to reporting units for which there are publicly traded companies that have characteristics similar to the Company's businesses.

Under the income approach, fair value is determined based on the present value of estimated future cash flows, discounted at an appropriate risk-adjusted rate. The Company uses its internal forecasts to estimate future cash flows and include an estimate of long-term future growth rates based on our most recent views of the long-term outlook for each business. Actual results may differ from those assumed in the forecasts. The Company derives its discount rates using a capital asset pricing model and by analyzing published rates for industries relevant to its reporting units to estimate the cost of equity financing. The Company uses discount rates that are commensurate with the risks and uncertainty inherent in the respective businesses and in our internally developed forecasts.

During the nine months ended September 30, 2022, the Company concluded that a triggering event had occurred in the Radiation Monitoring Systems ("RMS") reporting unit of the Industrial segment as a result of the Russia-Ukraine conflict. Goodwill in the Industrial segment was recognized as a result of the Mirion Business Combination in October 2021, at which time approximately $257.2 million of goodwill was attributed to the RMS reporting unit. In May 2022,one of the customers in the RMS reporting unit terminated a contract with a Russian state-owned entity to build a nuclear power plant in Finland. The remaining performance obligation related to this contract within our backlog was approximately $67 million, of which approximately 80% was scheduled to be recognized as revenue over the nextfive years.

Therefore, due to the impact on our planned revenues, the Company conducted a quantitative test for the RMS reporting unit, determining the fair value by estimating the present value of expected future cash flows, discounted by the applicable discount rate of 10.5% (compared to 9% used in determining the initial goodwill from the Business Combination) and assumed a terminal future cash flows growth rate of 3.5%. The Company also compared fair value to peer company multiples which have decreased since the date of the Business Combination. As the carrying value exceeded the fair value, the Company recognized its best estimate of a non-cash impairment loss of $55.2 million during the nine months ended September 30, 2022. The impairment loss was recorded in the caption "Goodwill impairment" in our Condensed Consolidated Statements of Operations. After the impairment loss and the impact of translation, $165.1 million of goodwill remained associated with the RMS reporting unit as of September 30, 2022.

No goodwill impairment was recognized for the three months ended September 30, 2022 and the three and nine months ended September 30, 2021, respectively.

The following table shows changes in the carrying amount of goodwill by reportable segment as of September 30, 2022 and December 31, 2021 (in millions):

	Successor		
	Medical	Industrial	Consolidated
Balance—December 31, 2021	$ 712.5	$ 950.1	$ 1,662.6
CI acquisition		4.9	4.9
Goodwill impairment	—	(55.2)	(55.2)
Business Combination and other acquisitions - measurement period adjustments	(1.9)	4.6	2.7
Translation adjustment	—	(64.0)	(64.0)
Balance—September 30, 2022	$ 710.6	$ 840.4	$ 1,551.0

A portion of goodwill is deductible for income tax purposes.

No triggering events for interim goodwill impairment testing occurred in the third quarter of 2022. However, the Company will continue to monitor macroeconomic conditions, including impacts to interest and Euro foreign exchange rates, which continue to be volatile. While the Company believes the long-term outlooks of the Company's end markets remain strong, continued future declines in macroeconomic conditions could result in a goodwill impairment in one or more of our reporting units. Our required annual goodwill impairment assessment for all reporting units will be performed during the fourth quarter of 2022.

Intangible Assets

Intangible assets consist of our developed technology, customer relationships, backlog, trade names, and non-compete agreements at the time of acquisition through business combinations. The customer relationships definite lived intangible assets are amortized using the double declining balance method while all other definite lived intangible assets are amortized on a straight-line basis over their estimated useful lives.

Many of our intangible assets are not deductible for income tax purposes.A summary of intangible assets useful lives, gross carrying value and related accumulated amortization is below (in millions):

	Successor			
		September 30, 2022		
	Original Average Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	6 - 13	$ 330.9	$ (65.6)	$ 265.2
Distributor relationships	7 - 13	60.6	(6.9)	53.7
Developed technology	5 - 16	240.9	(27.9)	213
Trade names	3 - 10	95.6	(9.2)	86.4
Backlog and other	1 - 4	80.6	(30.5)	50.1
Total		$ 808.6	$ (140.1)	$ 668.5

		December 31, 2021		
	Original Average Life in Years	Gross Carrying Amount	Accumulated Amortization	Net Book Value
Customer relationships	6 - 13	$ 341.0	$ (15.3)	$ 325.7
Distributor relationships	7 - 13	61.0	(1.5)	59.5
Developed technology	5 - 16	251.2	(5.9)	245.3
Trade names	3 - 10	100.0	(2.1)	97.9
Backlog and other	1 - 4	85.7	(7.2)	78.4
Total		$ 838.9	$ (32.0)	$ 806.9

Aggregate amortization expense for intangible assets included in cost of revenues and operating expenses was as follows (in millions):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Amortization expense for intangible assets in:				
Cost of revenues	$ 6.6	$ 5.4	$ 19.9	$ 16.7
Operating expenses	$ 28.6	$ 10.7	$ 91.6	$ 36.6

8. Borrowings

On June 17, 2021, Mirion and certain selling shareholders (the "Sellers") entered into the Business Combination Agreement with GSAH, a special purpose acquisition company. On October 20, 2021, Mirion consummated the Business Combination pursuant to the Business Combination Agreement, combining with a subsidiary of GSAH at the Closing, for total consideration of approximately $2.6 billion. The Sellers received cash consideration of approximately $1.3 billion and 30,401,902 shares of Class A and 8,560,540 shares of Class B common stock valued at approximately $0.4 billion on the Closing Date (based upon a $10.45 average price per share of GSAH's Class A common stock on the Closing Date). The Shareholder Notes and Management Notes (each as defined below) were acquired by GSAH at the Closing for a price equal to the full outstanding principal amount together with all accrued but unpaid interest up to but excluding the Closing Date using a portion of the Business Combination Consideration. In connection with the Closing, GSAH contributed the Shareholder Notes and the Management Notes to Mirion TopCo, and then the Shareholder Notes and Management Notes

were extinguished in full. Borrowings under the 2019 Credit Facility (as defined below) as of the Closing Date were paid in full through the cash consideration and new financing obtained through the 2021 Credit Agreement described below.

Third-party notes payable consist of the following (in millions):

	Successor	
	September 30, 2022	December 31, 2021
2021 Credit Agreement	$ 823.8	$ 828.3
Canadian Financial Institution	1.0	1.2
Other	1.9	2.3
Draw on revolving line of credit	—	—
Total third-party borrowings	826.7	831.8
Less: notes payable to third-parties, current	(5.2)	(3.9)
Less: deferred financing costs	(18.7)	(21.1)
Notes payable to third-parties, non-current	$ 802.8	$ 806.8

As of September 30, 2022 and December 31, 2021, the fair market value of the Company's 2021 Credit Agreement was $784.7 million and $825.2 million, respectively. The fair market value for the 2021 Credit Agreement was estimated using primarily level 2 inputs, including borrowing rates available to the Company at the respective period ends. The fair market value for the Company's remaining third-party debt approximates the respective carrying amounts as of September 30, 2022 and December 31, 2021.

2021 Credit Agreement

In connection with the Business Combination, certain subsidiaries of the Company entered into the 2021 Credit Agreement among Mirion Technologies (HoldingSub2), Ltd., a limited liability company incorporated in England and Wales, as Holdings, Mirion Technologies (US Holdings), Inc., as the Parent Borrower, Mirion Technologies (US), Inc., as the Subsidiary Borrower, the lending institutions party thereto, Citibank, N.A., as the Administrative Agent and Collateral Agent and Goldman Sachs Lending Partners, Citigroup Global Markets Inc., Jefferies Finance LLC and JPMorgan Chase Bank, N.A., as the Joint Lead Arrangers and Bookrunners.

The 2021 Credit Agreement refinanced and replaced the credit agreement from March 2019, by and between, among others, Mirion Technologies (HoldingRep), Ltd. ("Mirion HoldingRep"), its subsidiaries and Morgan Stanley Senior Funding Inc., as administrative agent, certain other revolving lenders and a syndicate of institutional lenders (the "2019 Credit Facility") which is described in more detail below.

The 2021 Credit Agreement provides for an $830.0 million senior secured first lien term loan facility and a $90.0 million senior secured revolving facility (collectively, the "Credit Facilities"). Funds from the Credit Facilities are permitted to be used in connection with the Business Combination and related transactions to refinance the 2019 Credit Facility referred to below and for general corporate purposes. The term loan facility is scheduled to mature on October 20, 2028 and the revolving facility is scheduled to expire and mature on October 20, 2026. The agreement requires the payment of a commitment fee of 0.50% per annum for unused revolving commitments, subject to stepdowns to 0.375% per annum and 0.25% per annum upon the achievement of specified leverage ratios. Any outstanding letters of credit issued under the 2021 Credit Agreement reduce the availability under the revolving line of credit.

The 2021 Credit Agreement is secured by a first priority lien on the equity interests of the Parent Borrower owned by Holdings and substantially all of the assets (subject to customary exceptions) of the borrowers and the other guarantors thereunder. Interest with respect to the facilities is based on, at the option of the borrowers, (i) a customary base rate formula for borrowings in U.S. dollars or (ii) a floating rate formula based on LIBOR (with customary fallback provisions) for borrowings in U.S. dollars, a floating rate formula based on Euro Interbank Offered Rate ("EURIBOR") for borrowings in Euro or a floating rate formula based on SONIA for borrowings in Pounds Sterling, each as described in the 2021 Credit Agreement with respect to the applicable type of borrowing. The 2021 Credit Agreement includes fallback language that seeks to either facilitate an agreement with the Company's lenders on a replacement rate for LIBOR in the event of its discontinuance or that automatically replaces LIBOR with benchmark rates based upon the Secured Overnight Financing Rate ("SOFR") or other benchmark replacement rates upon certain triggering events.

The 2021 Credit Agreement contains customary representations and warranties as well as customary affirmative and negative covenants and events of default. The negative covenants include, among others and in each case subject to certain thresholds and exceptions, limitations on incurrence of liens, limitations on incurrence of indebtedness, limitations on making dividends and other distributions, limitations on engaging in asset sales, limitations on making investments, and a financial covenant that the "First Lien Net Leverage Ratio" (as defined in the 2021 Credit Agreement) as of the end of any fiscal quarter is not greater than 7.00 to 1.00 if on the last day of such fiscal quarter certain borrowings outstanding under the revolving credit facility exceed 40% of the total revolving credit commitments at such time. The covenants also contain limitations on the activities of Mirion Technologies (HoldingSub2), Ltd. as the "passive" holding company. If any of the events of default occur and are not cured or waived, any unpaid amounts under the 2021 Credit Agreement may be declared immediately due and payable, the revolving credit commitments may be terminated and remedies against the collateral may be exercised. Mirion Technologies (HoldingSub2), Ltd. and subsidiaries were in compliance with all debt covenants on September 30, 2022 and December 31, 2021.

Term Loan - The term loan has a seven-year term (expiring October 2028), bears interest at the greater of Adjusted London Interbank Offered Rate ("LIBOR") or 0.50%, plus 2.75% and has quarterly principal repayments of 0.25% of the original principal balance. The interest rate was 5.63% and 3.25% as of September 30, 2022 and December 31, 2021, respectively. The Company repaid $4.6 million and $1.7 million for the nine month period ended September 30, 2022 and for Successor Period ended December 31, 2021, respectively, yielding an outstanding balance of approximately $823.8 million and $828.3 million as of September 30, 2022 and December 31, 2021, respectively.

Revolving Line of Credit - The revolving line of credit arrangement has a five year term and bears interest at the greater of LIBOR or 0%, plus 2.75%. The agreement requires the payment of a commitment fee of 0.50% per annum for unused commitments. The revolving line of credit matures in October 2026, at which time all outstanding revolving facility loans and accrued and unpaid interest are due. Any outstanding letters of credit reduce the availability of the revolving line of credit. There was no outstanding balance under the arrangement as of September 30, 2022 and December 31, 2021. Additionally, the Company has standby letters of credit issued under its 2021 Credit Agreement that reduce the availability under the revolver of $8.3 million and $8.1 million as of September 30, 2022 and December 31, 2021, respectively. The amount available on the revolver as of September 30, 2022 and December 31, 2021 was approximately $81.7 million and $81.9 million, respectively.

Deferred Financing Costs

In connection with the issuance of the 2021 Credit Agreement term loan, we incurred debt issuance costs of $21.7 million on date of issuance. In accordance with accounting for debt issuance costs, we recognize and present deferred finance costs associated with non-revolving debt and financing obligations as a reduction from the face amount of related indebtedness in our Condensed Consolidated Balance Sheets.

In connection with the issuance of the 2021 Credit Agreement revolving line of credit, we incurred debt issuance costs of $1.8 million. We recognize and present debt issuance costs associated with revolving debt arrangements as an asset and include the deferred finance costs within other assets on our Condensed Consolidated Balance Sheets. We amortize all debt issuance costs over the life of the related indebtedness.

For the three and nine month period ended September 30, 2022, we incurred approximately $0.9 million and $2.7 million, respectively, of amortization expense of the deferred financing costs.

2019 Credit Facility

In conjunction with the Business Combination, the 2021 Credit Agreement refinanced and replaced the 2019 Credit Facility.

The 2019 Credit Facility provided for financing of a $450.0 million senior secured term loan facility and a €125.0 million term loan facility, as well as a $90.0 million revolving line of credit. The 2019 Credit Facility was amended to provide an additional $225.0 million, $34.0 million and $66.0 million in gross proceeds from the USD term loan in December 2020, July 2019, and December 2019, respectively.

USD term loan – The term loan had a seven-year term (expiring March 2026), bearing interest at the greater of Adjusted London Interbank Offered Rate ("LIBOR") or 0%, plus 4.00%, and had quarterly principal repayments of 0.25% of the original principal balance. The interest rate was 4.15% as of September 30, 2021. The Company repaid $3.9 million for the nine month period ended September 30, 2021.

Euro term loan - The Euro portion of the term loan had a seven-year term (expiring March 2026), bearing interest at the greater of European union interbank market ("Euribor") or 0%, plus 4.25% and has quarterly principal repayments of 0.25% of the original principal balance. As of September 30, 2021, the interest rate was 4.25%. The Company repaid $0.7 million for the nine months ended September 30, 2021.

Revolving Line of Credit - The revolving line of credit arrangement had a five-year term and bearing interest at the greater of LIBOR or 0%, plus 4.00%. The agreement requires the payment of a commitment fee of 0.50% per annum for unused commitments. The revolving line of credit matures in March 2024, at which time all outstanding revolving facility loans and accrued and unpaid interest are due. Any outstanding letters of credit reduce the availability of the revolving line of credit.

Deferred Financing Costs

As noted above, the 2021 Credit Agreement refinanced and replaced the 2019 Credit Facility. In conjunction with the Business Combination purchase accounting we wrote off the remaining unamortized original issue discounts (OID) and debt issuance costs of $15.4 million related to the term loan and $0.4 million related to the revolving line of credit and recorded as a loss on extinguishment of debt on the last day of the Predecessor Period.

For the three and nine month period ended September 30, 2021, we incurred approximately $0.9 million and $1.9 million, respectively of amortization expense of the deferred finance costs.

NRG Loan - In conjunction with the acquisition of NRG, the Company entered into a loan agreement for €7.2 million ($7.4 million) at the date of the acquisition. This agreement was scheduled to expire in December 2023. The loan bore interest which is Euribor of three months, plus 2.0%, and mandatory costs if any. The remaining balance for this loan was paid off in full during the nine months ended September 30, 2021.

Canadian Financial Institution - In May 2019, the Company entered into a credit agreement for C$1.7 million ($1.3 million) with a Canadian financial institution that matures in April 2039. The note bears annual interest at 4.69%. The credit agreement is secured by the facility acquired using the funds obtained.

Overdraft Facilities

The Company has overdraft facilities with certain German and French financial institutions. As of September 30, 2022 and December 31, 2021, there were no outstanding amounts under these arrangements.

Accounts Receivable Sales Agreement

We are party to an agreement to sell short-term receivables from certain qualified customer trade accounts to an unaffiliated French financial institution without recourse. Under this agreement, the Company can sell up to €8.5 million ($8.9 million) and €8.0 million ($9.1 million) as of September 30, 2022 and December 31, 2021, respectively, of eligible accounts receivables. The accounts receivable under this agreement are sold at face value and are excluded from the consolidated balance if revenue has been recognized on the related receivable. When the related revenue has not been recognized on the receivable the Company considers the accounts receivable to be collateral for short-term borrowings. As of September 30, 2022 and December 31, 2021, there was no amount and approximately $0.4 million, respectively, outstanding under these arrangements included as Other in the Borrowings table above.

Total costs associated with this arrangement were immaterial for the Successor Periods and for all Predecessor Periods presented and are included in selling, general and administrative expense in the Condensed Consolidated Statements of Operations.

Performance Bonds and Other Credit Facilities

The Company has entered into various line of credit arrangements with local banks in France and Germany. These arrangements provide for the issuance of documentary and standby letters of credit of up to €64.5 million ($63.1 million) and €70.3 million ($79.7 million), as of September 30, 2022 and December 31, 2021, respectively, subject to certain local restrictions. As of September 30, 2022 and December 31, 2021, there were €43.6 million ($42.7 million) and €37.7 million ($42.7 million), respectively, of the lines had been utilized to guarantee documentary and standby letters of credit, with interest rates ranging from 0.5% to 2.0%. In addition, the Company posts performance bonds with irrevocable letters of credit to support certain contractual obligations to customers for equipment delivery. These letters of credit are supported by restricted cash accounts, which totaled $1.4 million and $1.3 million as of September 30, 2022 and December 31, 2021, respectively.

At September 30, 2022, contractual principal payments of total third-party borrowings are as follows (in millions):

Remainder of 2022	$	2.1
Fiscal year ending December 31:		
2023		8.4
2024		8.3
2025		8.2
2026		9.6
Thereafter		790.1
Gross Payments		826.7
Unamortized debt issuance costs		(18.7)
Total third-party borrowings, net of debt issuance costs	$	808.0

Notes Payable to Related Parties

Concurrent with the Closing, a portion of the Business Combination Consideration was used to extinguish the Shareholder Notes and the Management Notes in full.

Shareholder and Management Notes – Mirion Technologies (HoldingSub1), Ltd., was authorized to issue $900.0 million (plus accrued paid in-kind (PIK) interest) of notes to shareholders (the "Shareholder Notes") and up to $5.0 million (plus paid in-kind (PIK) cash and interest) of notes to certain members of management (the "Management Notes"). The notes ranked pari passu between each other and other unsecured obligations of the Company. The notes could be prepaid without penalty at the Company's option and were subordinate in right of payment to any indebtedness of the Company to banks or to other financial institutions (either currently existing or to occur in the future). Certain of the Shareholder and Management Notes were admitted to trading and were on the official listing of The International Stock Exchange (TISE).

During nine month period ended September 30, 2021, an additional $181.5 million Shareholder Notes were admitted to trading and were on the official listing of TISE. There was no trading activity related to Shareholder and Management Notes during nine month period ended September 30, 2021.

The notes bore simple annual interest at 11.5%. For the Shareholder Notes, the interest was added to the principal outstanding on December 31 of each year until extinguished and were referred to as Shareholder Funding Bonds on TISE. For the Management Notes, half of the interest was added to the principal outstanding on December 31 of each year until extinguished and was referred to as Management Funding Bonds on TISE, while the remaining half was payable in cash annually. The listing on the TISE for Shareholder and Management Funding Bonds was an optional election and certain shareholders had elected to opt-out of listing their Shareholder Funding Bonds. All other shareholders and management had elected to list their funding bonds on TISE. The notes were due when the Company completes a public offering, a winding-up, a sale, or on March 30, 2026, whichever occurred first. The redemption price was equal to the outstanding principal plus all accrued and unpaid interest then outstanding.

9. Leased Assets

The Company primarily leases certain logistics, office, and manufacturing facilities, as well as vehicles, copiers and other equipment. These operating leases generally have remaining lease terms between 1 month and 30 years, and some include options to extend (generally 1 to 10 years). The exercise of lease renewal options is at the Company's discretion. The Company evaluates renewal options at lease inception and on an ongoing basis, and includes renewal options that it is reasonably certain to exercise in its expected lease terms when classifying leases and measuring lease liabilities. Lease agreements generally do not require material variable lease payments, residual value guarantees or restrictive covenants.

The table below presents the locations of the operating lease assets and liabilities on the Condensed Consolidated Balance Sheets as of September 30, 2022 and December 31, 2021, respectively (in millions):

		Successor	
	Balance Sheet Line Item	September 30, 2022	December 31, 2021
Operating lease assets	Operating lease right-of-use assets	$ 41.8	$ 45.7
Financing lease assets	Other assets	$ 0.6	$ 0.9
Operating lease liabilities:			
Current operating lease liabilities	Current operating lease liabilities	$ 8.6	$ 9.3
Non-current operating lease liabilities	Operating lease liability, non-current	36.4	40.6
Total operating lease liabilities:		$ 45.0	$ 49.9
Financing lease liabilities:			
Current financing lease liabilities	Accrued expenses and other current liabilities	$ 0.5	$ 0.6
Non-current financing lease liabilities	Deferred income taxes and other long-term liabilities	0.1	0.3
Total financing lease liabilities:		$ 0.6	$ 0.9

The depreciable lives are limited by the expected lease term for operating lease assets and by shorter of either the expected lease term or economic useful life for financing lease assets.

The Company's leases generally do not provide an implicit rate, and therefore the Company uses its incremental borrowing rate as the discount rate when measuring the lease liabilities. The incremental borrowing rate represents an estimate of the interest rate the Company would incur at lease commencement to borrow an amount equal to the lease payments on a collateralized basis over the term of the lease within a particular currency environment. The Company used incremental borrowing rates as of July 1, 2021 for leases that commenced prior to that date.

The Company's weighted average remaining lease term and weighted average discount rate for operating leases as of September 30, 2022 and December 31, 2021, respectively, are:

	Successor	
	September 30, 2022	December 31, 2021
Operating leases		
Weighted average remaining lease term (in years)	7.0	7.5
Weighted average discount rate	4.13 %	4.19 %

The table below reconciles the undiscounted future minimum lease payments (displayed by year and in the aggregate) under non-cancelable operating leases with terms of more than one year to the total lease liabilities recognized on the Condensed Consolidated Balance Sheets as of September 30, 2022 (in millions):

Fiscal year ending December 31:	
2022	$ 3.5
2023	9.7
2024	8.3
2025	6.8
2026	5.1
2027 and thereafter	18.7
Total undiscounted future minimum lease payments	52.1
Less: Imputed interest	(7.1)
Total operating lease liabilities	$ 45.0

For the three and nine months ended September 30, 2022, operating lease costs (as defined under ASU 2016-02) were $2.3 million and $7.6 million, respectively. Operating lease costs are included within costs of goods sold, selling, general and administrative, and research and development expenses on the consolidated statements of income and comprehensive income. Short-term lease costs, variable lease costs and sublease income were not material for the periods presented.

Rental expense for operating lease (as defined prior to the adoption of ASC 2016-02) was approximately $2.0 million and $7.6 million for the Predecessor period three and nine months ended September 30, 2021, respectively.

Cash paid for amounts included in the measurement of operating lease liabilities was $2.9 million and $8.8 million for the three and nine months ended September 30, 2022, respectively, and this amount is included in operating activities in the Condensed Consolidated Statements of Cash Flows. Operating lease assets obtained in exchange for new operating lease liabilities were $0.4 million and $3.3 million for the three and nine months ended September 30, 2022, respectively.

10. Commitments and Contingencies

Unconditional Purchase Obligations

The Company has entered into certain long-term unconditional purchase obligations with suppliers. These agreements are non-cancellable and specify terms, including fixed or minimum quantities to be purchased, fixed or variable price provisions, and the approximate timing of payment. As of September 30, 2022, unconditional purchase obligations were as follows (in millions):

Fiscal year ending December 31:	
2022	$ 15.4
2023	22.7
2024	3.7
2025	1.4
2026	1.4
2027 and thereafter	—
Total	$ 44.6

Litigation

The Company is subject to various legal proceedings, claims, litigation, investigations and contingencies arising out of the ordinary course of business. While the ultimate results of such suits or other proceedings against the Company cannot be predicted with certainty, we believe the resolution of these matters will not have a material effect on our results of operations, financial condition, or cash flows. If we believe the likelihood of an adverse legal outcome is probable and the amount is reasonably estimable, we accrue a liability in accordance with accounting guidance for contingencies. We consult with legal counsel on matters related to litigation and seek input both within and outside the Company.

11. Income Taxes

The effective income tax rate was9.0% and 11.4% for the three and nine months ended September 30, 2022 (Successor Period), respectively, and9.1% and (1.9)% for the three and nine months ended September 30, 2021 (Predecessor Period), respectively. The difference in effective tax rate between the periods was primarily attributable to mix of earnings and certain adjustments for the Successor Period as a result of the Business Combination.

The effective income tax rate for the Successor Period differs from the U.S. statutory rate of 21% due primarily to U.S. federal permanent differences. The effective income tax rate for the Predecessor Period differs from the U.K. statutory rate of 19% due primarily to valuation allowances on certain U.K. losses.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act that includes a new alternative minimum tax based upon financial statement income (book minimum tax), an excise tax on stock buybacks and tax incentives for energy and climate initiatives, among other provisions. The new book minimum tax is not expected to have a material impact on our consolidated financial statements. Separately, we are assessing the tax incentives in the legislation which could change our pre-tax or after-tax amounts and impact our tax rate.

12. Supplemental Disclosures to Condensed Consolidated Statements of Cash Flows

Supplemental cash flow information and schedules of non-cash investing and financing activities (in millions):

	Successor	Predecessor
	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Cash Paid For:		
Cash paid for interest	$ 25.8	$ 30.4
Cash paid for income taxes	$ 8.3	$ 11.8
Non-Cash Investing and Financing Activities:		
Property, plant, and equipment purchases in accounts payable	$ 0.1	$ 2.0

The following table provides a reconciliation of cash, cash equivalents and restricted cash reported within the Condensed Consolidated Balances Sheets that sum to the total of the same such amounts shown in the Condensed Consolidated Statements of Cash Flows (in millions).

	Successor	Predecessor
	September 30, 2022	December 31, 2021
Cash and cash equivalents	$ 58.4	$ 84.0
Restricted cash—current	0.5	0.6
Restricted cash—non-current	0.9	0.7
Total cash, cash equivalents, and restricted cash	$ 59.8	$ 85.3

Amounts included in restricted cash represent funds with various financial institutions to support performance bonds with irrevocable letters of credit for contractual obligations to certain customers.

13. Stock-Based Compensation

Stock-based compensation is awarded to employees and directors of the Company and accounted for in accordance with ASC 718, "Compensation—Stock Compensation". Stock-based compensation expense is recognized for equity awards over the vesting period based on their grant-date fair value. Stock-based compensation expense is included within the same financial statement caption where the recipient's other compensation is reported. The Company accounts for forfeitures as they occur. The Company uses various forms of long-term incentives including, but not limited to restricted stock units ("RSUs") and performance-based restricted units ("PSUs"), provided that the granting of such equity awards is in accordance with the Company's 2021 Omnibus Incentive Plan (the "2021 Plan") as filed on Form S-8 with the SEC on December 27, 2021.

2021 Omnibus Incentive Plan
We adopted and obtained stockholder approval at the special meeting of the stockholders on October 19, 2021 of the 2021 Plan. We initially reserved 19,952,329 shares of our Class A common stock for issuance pursuant to awards under the 2021 Plan. The total number of shares of our Class A common stock available for issuance under the 2021 Plan will be increased on the first day of each fiscal year following the date on which the 2021 Plan was adopted in an amount equal to the least of (i) three percent (3%) of the outstanding shares of Class A common stock on the last day of the immediately preceding fiscal year, (ii) 9,976,164 shares of Class A common stock and (iii) such number of shares of Class A common stock as determined by the Committee (as defined and designated under the 2021 Plan) in its discretion. Pursuant to these automatic increase provisions, the number of shares of our Class A common stock reserved for issuance pursuant to awards under the 2021 Plan increased to 24,699,345 shares at January 1, 2022. Any employee, director or consultant of the Company or any of its subsidiaries or affiliates is eligible to receive an award under the 2021 Plan, to the extent that an offer of such award is permitted by applicable law, stock market or exchange rules, and regulations or accounting or tax rules and regulations. The 2021 Plan provides for the grant of stock options (including incentive stock options and non-qualified stock options), stock appreciation rights, restricted stock, RSUs, PSUs, other share-based awards, or any combination thereof. Each award will be set forth in a separate grant notice or agreement and will indicate the type and terms and conditions of the award.

The purpose of the 2021 Plan is to motivate and reward employees and other individuals to perform at their highest level and contribute significantly to the success of the Company. During the three months ended September 30, 2022, the Company granted 19,086 RSUs and no PSUs to certain members of the Company's Board of Directors and employees. The RSUs granted to employees are subject to service vesting conditions with one-third of each award vesting on the anniversary of the grant date such that all awards are fully vested after three (3) years. The RSUs granted to a new non-employee director are subject to service vesting conditions with each award vesting in three equal quarterly installments on December 15, 2022, March 15, 2023, and June 15, 2023. The expense will be recognized on a straight-line basis over the related service period for each tranche of awards.

During the three and nine months ended September 30, 2022, $1.6 million and $4.3 million, respectively, of stock-based compensation expense was recorded, of which $0.1 million and $0.5 million, respectively was related to non-employee directors.

In addition, during the three and nine months ended September 30, 2022, certain members of the Company's Directors elected to receive their quarterly retainer fees in the form of shares of Class A common stock. As such, the Company recorded related stock-based compensation expense for $0.1 million and $0.3 million, respectively, in the same periods.

Profits Interests
In conjunction with entering into the Business Combination Agreement, on June 17, 2021 the Sponsor issued 4,200,000 Profits Interests to Lawrence Kingsley, the current Chairman of the Board of Directors of the Company, 3,200,000 Profits Interests to Thomas Logan, the Chief Executive Officer of Mirion, and 700,000 Profits Interests to Brian Schopfer, the Chief Financial Officer of Mirion. The Profits Interests are intended to be treated as profits interests for U.S. income tax purposes, pursuant to which Messrs. Logan, Schopfer and Kingsley will have an indirect interest in the founder shares held by the Sponsor.

The Profits Interests are subject to service vesting conditions and market vesting conditions. Fifty percent (50%) of the Profits Interests granted to each of Messrs. Logan and Schopfer service-vest on each of the second and third anniversaries of the Closing, and fifty percent (50%) of the Profits Interests granted to Mr. Kingsley service-vest on each of the first and second anniversaries of the Closing), subject in each case to the continuous service of the grantee on such date. The market vesting conditions require that the price per share of Mirion's Class A common stock must meet or exceed certain established thresholds for 20 out of 30 trading days before the fifth anniversary of the Closing Date). The expense will be recognized on a straight-line basis over the related service period for each tranche of awards.

Of the Profits Interests, 3.2 million have a market vesting threshold price of $12 per share of Mirion Class A common stock, 2.0 million have a threshold price of $14 per share of Mirion Class A common stock, and 3.0 million have a threshold price of $16 per share of Mirion Class A common stock.

During the three and nine months ended September 30, 2022, $6.8 million and $20.3 million, respectively, of stock-based compensation expense was recorded and no new Profit Interests were issued.

14. Related-Party Transactions

Founder Shares

As of the closing of the Business Combination, the Sponsor owned 18,750,000 shares of Class B common stock the ("Founder Shares") which automatically converted into 18,750,000 shares of Class A common stock at the closing of the Business Combination. The Founder Shares, are subject to certain vesting and forfeiture conditions and transfer restrictions, including performance vesting conditions under which the price per share of Mirion's Class A common stock must meet or exceed certain established thresholds of $12, $14, or $16 per share for 20 out of 30 trading days before the fifth anniversary of the Closing Date of the Business Combination). The Founder Shares will be forfeited to the Company for no consideration if they fail to vest before October 20, 2026.

Private Placement Warrants

The Sponsor purchased an aggregate of 8,500,000 private placement warrants (the "Private Placement Warrants") at a price of $2.00 per whole warrant ($17.0 million in the aggregate) in a private placement (the “Private Placement”) that closed concurrently with the closing of GSAH's initial public offering (the "IPO"). Each Private Placement Warrant is exercisable for one whole share of Class A common stock at a price of $11.50 per share, subject to adjustment in certain circumstances, including upon the occurrence of certain reorganization events. The Private Placement Warrants are non-redeemable and exercisable on a cashless basis so long as they are held by the Sponsor or its permitted transferees.

The Private Placement Warrants are accounted for as liabilities as they contain terms and features that do not qualify for equity classification under ASC 815. See Note 16*Fair Value Measurements*, for the fair value of the Private Placement Warrants at September 30, 2022.

Profits Interests

In connection with the Business Combination Agreement, the Sponsor issued8,100,000 Profits Interests to certain individuals affiliated with or expected to be affiliated with Mirion after the Business Combination. The holders of the Profits Interests will have an indirect interest in the Founder Shares held by the Sponsor. The Profits Interests are subject to service and performance vesting conditions, including the occurrence of the Closing, and do not fully vest until all of the applicable conditions are satisfied. In addition, the Profits Interests are subject to certain forfeiture conditions. See Note 13, *Stock-Based Compensation,* for further detail regarding the Profits Interests.

Registration Rights

The holders of the Founder Shares and Private Placement Warrants are entitled to registration rights to require the Company to register the resale of any the Founder Shares and the shares underlying the Private Placement Warrants upon exercise pursuant to the Amended and Restated Registration Rights Agreement dated October 20, 2021 (the "RRA"). These holders are also entitled to certain piggyback registration rights. The RRA also includes customary indemnification and confidentiality provisions. The Company will bear the expenses incurred in connection with the filing of any registration statements filed pursuant to the terms of the RRA, including those expenses incurred in connection with the shelf-registration statement on Form S-1 filed on October 27, 2021 and declared effective on November 2, 2021.

Charterhouse Capital Partners LLP

The Company had entered into agreements with its Predecessor Period primary investor, Charterhouse Capital Partners LLP ("CCP"), which obligated the Company to pay quarterly management fees of $0.1 million per year. In return, CCP provided various investment banking services relating to financing arrangements, mergers and acquisitions and other services. During the three and nine months ended September 30, 2021 (Predecessor), the Company paid CCP no amounts for professional fees and expense reimbursements. Upon the completion of the Business Combination, the agreement with CCP was terminated. Therefore, as of September 30, 2022, the Company had no additional payments for professional fees or expense reimbursements.

15. Segment Information

The following table summarizes select operating results for each reportable segment (in millions).

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues				
Medical	$ 68.7	$ 52.0	$ 195.6	$ 155.6
Industrial	92.2	92.3	304.3	334.9
Consolidated Revenues	$ 160.9	$ 144.3	$ 499.9	$ 490.5
Segment (Loss) Income from Operations				
Medical	$ 0.4	$ 2.6	$ (3.2)	$ (0.1)
Industrial	(2.5)	12.5	(49.1)	60.2
Total Segment (Loss) Income from Operations	(2.1)	15.1	(52.3)	60.1
Corporate and other	(25.5)	(24.0)	(83.6)	(73.2)
Consolidated Loss from Operations	$ (27.6)	$ (8.9)	$ (135.9)	$ (13.1)

The Company's assets by reportable segment were not included, as this information is not reviewed by, nor otherwise provided to, the chief operating decision maker to make operating decisions or allocate resources.

The following details revenues by geographic region. Revenues generated from external customers are attributed to geographic regions through sales from site locations (i.e., point of origin) (in millions).

	Revenues			
	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
North America				
Medical	$ 63.7	$ 47.3	$ 181.0	$ 141.2
Industrial	49.7	47.3	141.8	152.2
Total North America	113.4	94.6	322.8	293.4
Europe				
Medical	5.1	4.7	14.7	14.4
Industrial	40.9	43.5	152.0	170.2
Total Europe	46.0	48.2	166.7	184.6
Asia Pacific				
Medical	—	—	—	—
Industrial	1.5	1.5	10.4	12.5
Total Asia Pacific	1.5	1.5	10.4	12.5
Total revenues	$ 160.9	$ 144.3	$ 499.9	$ 490.5

The following details revenues by timing of recognition (in millions):

	Revenues			
	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Point in time	$ 88.8	$ 103.0	$ 323.0	$ 357.0
Over time	72.1	41.3	176.9	133.5
Total revenues	$ 160.9	$ 144.3	$ 499.9	$ 490.5

The following details revenues by product category (in millions):

	Revenues			
	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Medical segment:				
Medical	$ 68.7	$ 52.0	$ 195.6	$ 155.6
Industrial segment:				
Reactor Safety and Control Systems	23.7	29.4	89.2	109.0
Radiological Search, Measurement, and Analysis Systems	68.5	62.9	215.1	225.9
Total revenues	$ 160.9	$ 144.3	$ 499.9	$ 490.5

16. Fair Value Measurements

The Company applies fair value accounting to all financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis. The fair value of the Company's cash and cash equivalents, restricted cash, accounts receivable, and other current assets and liabilities approximates their carrying amounts due to the relatively short maturity of these items. The fair value of third-party notes payable approximates the carrying value because the interest rates are variable and reflect market rates.

Fair Value of Financial Instruments

The Company categorizes assets and liabilities recorded at fair value in the Condensed Consolidated Balance Sheets based upon the level of judgment associated with inputs used to measure their fair value. It is not practicable due to cost and effort for the Company to estimate the fair value of notes issued to related parties primarily due to the nature of their terms relative to the entity's capital structure.

Assets and liabilities carried at fair value are valued and disclosed in one of the following three levels of the valuation hierarchy:

Level 1 – Inputs are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs are quoted prices in active markets for similar assets or liabilities or inputs that can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Inputs are unobservable and require significant management judgment or estimation.

The following table summarizes the financial assets and liabilities of the Company that are measured at fair value on a recurring basis (in millions):

	Successor		
	Fair Value Measurements at September 30, 2022		
	Level 1	Level 2	Level 3
Assets			
Cash, cash equivalents, and restricted cash	$ 59.8	$ —	$ —
Discretionary retirement plan	$ 2.9	$ 0.9	$ —
Liabilities			
Discretionary retirement plan	$ 2.9	$ 0.9	$ —
Public warrants	$ 27.9	$ —	$ —
Private placement warrants	$ —	$ 12.7	$ —

	Fair Value Measurements at December 31, 2021		
	Level 1	Level 2	Level 3
Assets			
Cash, cash equivalents, and restricted cash	$ 85.3	$ —	$ —
Discretionary retirement plan	$ 3.7	$ 0.8	$ —
Liabilities			
Discretionary retirement plan	$ 3.7	$ 0.8	$ —
Public warrants	$ 46.9	$ —	$ —
Private placement warrants	$ —	$ 21.2	$ —

As of September 30, 2022 and December 31, 2021, the fair value of Public Warrants issued in connection with GSAH's IPO have been measured based on the listed market price of such Public Warrants, a Level 1 measurement.

As the transfer of Private Placement Warrants to anyone who is not a permitted transferee would result in the Private Placement Warrants having substantially the same terms as the Public Warrants, we determined that the fair value of each Private Placement Warrant is equivalent to that of each Public Warrant. The determination of the fair value of the warrant liability may be subject to change as more current information becomes available and accordingly the actual results could differ significantly. Derivative warrant liabilities are classified as non-current liabilities as their liquidation is not reasonably expected to require the use of current assets or require the creation of current liabilities.

For the nine months ended September 30, 2022, the Company recognized an unrealized gain resulting from a decrease in the fair value of the warrant liabilities of $7.5 million, which is presented in the Condensed Consolidated Statements of Operations as change in fair value of warrant liabilities.

17. Loss Per Share

A reconciliation of the numerator and denominator used in the calculation of basic and diluted loss per common share is as follows (in millions, except per share amounts):

	Successor	Predecessor	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net loss attributable to Mirion Technologies, Inc. (Successor) / Mirion Technologies (TopCo), Ltd. (Predecessor) shareholders	$ (47.1)	$ (46.7)	$ (123.4)	$ (141.3)
Weighted average common shares outstanding – basic and diluted	181.333	6.665	181.058	6.623
Net loss per common share attributable to Mirion Technologies, Inc. (Successor) / Mirion Technologies (TopCo), Ltd. (Predecessor) — basic and diluted	$ (0.26)	$ (7.01)	$ (0.68)	$ (21.33)
Anti-dilutive employee share-based awards, excluded	1.735	0.173	0.939	0.215

Net loss per share of common stock is computed using the two-class method required for multiple classes of common stock and participating securities based upon their respective rights to receive dividends as if all income for the period has been distributed. Basic loss per share is computed by dividing loss available to common stockholders by the weighted average number of common shares outstanding, adjusted for the outstanding non-vested shares. Diluted loss per share is computed by giving effect to all potentially dilutive securities outstanding for the period using the treasury stock method or the if-converted method based on the nature of such securities. For periods in which the Company reports net losses, diluted net loss per common share attributable to common stockholders is the same as basic net loss per common share attributable to common stockholders, because potentially dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. The Company incurred a net loss for the three and nine months ended September 30, 2022 and 2021, respectively; therefore, none of the potentially dilutive common shares were included in the diluted share calculations for those periods as they would have been anti-dilutive.

Successor Period
Upon the closing of the Business Combination, the following classes of common stock were considered in the loss per share calculation.

Class A Common Stock
Holders of shares of our Class A common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors. The holders of our Class A common stock do not have cumulative voting rights in the election of directors. Holders of shares of our Class A common stock are entitled to receive dividends when and if declared by the Company's Board of Directors out of funds legally available therefor, subject to any statutory or contractual restrictions on the payment of dividends and to any restrictions on the payment of dividends imposed by the terms of any outstanding preferred stock. Upon our liquidation, dissolution or winding up and after payment in full of all amounts required to be paid to creditors and to the holders of preferred stock having liquidation preferences, if any, the holders of shares of our Class A common stock will be entitled to receive pro rata our remaining assets available for distribution. Class A common stock issued and outstanding is included in the Company’s basic loss per share calculation, with the exception of Founder Shares discussed below.

Class B Common Stock
Holders of shares of our Class B common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors. If at any time the ratio at which shares of IntermediateCo Class B common stock are redeemable or exchangeable for shares of our Class A common stock changes from one-for-one as the number of votes to which our Class B common stockholders are entitled will be adjusted accordingly. The holders of our Class B common stock do not have cumulative voting rights in the election of directors. Except for transfers to us or to certain permitted transferees set forth in the IntermediateCo certificate of incorporation, paired interests may not be sold, transferred or otherwise disposed of.

Holders of shares of our Class B common stock are not entitled to economic interests in us or to receive dividends or to receive a distribution upon our liquidation or winding up. However, if IntermediateCo makes distributions to us other than solely with respect to our Class A common stock, the holders of paired interests will be entitled to receive distributions pro rata in accordance with the percentages of their respective shares of IntermediateCo Class B common stock.

Our Class B common stock has voting rights but no economic interest in the Company and therefore are excluded from the calculation of basic and diluted earnings per share.

Warrants
As described above, the Company has outstanding warrants to purchase up to27,249,879 shares of Class A common stock. One whole warrant entitles the holder thereof to purchase one share of Mirion Class A common stock at a price of $11.50 per share. The Company's warrants are not included in the Company's calculation of basic loss per share and are excluded from the calculation of diluted loss per share because their inclusion would be anti-dilutive.

Founder Shares
Founder shares are subject to certain vesting events and forfeit if a required vesting event does not occur within five years of the closing of the Business Combination. The founder shares are subject to vesting in three equal tranches, based on the volume-weighted average price of our Class A common stock being greater than or equal to $12.00, $14.00 and $16.00 per share for any 20 trading days in any 30 consecutive trading day period. Holders of the founder shares are entitled to vote such founder shares and receive dividends and other distributions with respect to such founder shares prior to vesting, but such dividends and other distributions with respect to unvested founder shares will be set aside by the Company and shall only be paid to the holders of the founder shares upon the vesting of such founder shares.

As the holders of the founder shares are not entitled to participate in earnings unless the vesting conditions are met, the8,750,000 founders shares have been excluded from the calculation of basic earnings per share. The founders shares are also excluded from the calculation of diluted earnings per share because their inclusion would be anti-dilutive.

Stock-Based Awards
Each stock-based award represents the right to receive a Class A common stock upon vesting of the awards. Per ASC 260, Earnings Per Share ("EPS"), shares issuable for little or no cash consideration upon the satisfaction of certain conditions (i.e. contingently issuable shares) should be included in the computation of basic EPS as of the date that all necessary conditions have been satisfied. As such, any stock-based awards such as RSUs that vest in the Successor Period will be included in the Company's basic loss per share calculations as of the date when all necessary conditions are met.

Predecessor Period

In the Predecessor Periods presented, the rights, including the liquidation, dividend rights, sharing of losses, and voting rights of Mirion TopCo's A Ordinary Shares B Ordinary Shares were identical. As the rights of both classes of shares were identical, the undistributed earnings are allocated on a proportionate basis and the resulting net loss per share attributed to common stockholders is therefore the same for A Ordinary Shares and B Ordinary Shares on an individual or combined basis.

The Company's participating securities included the Company's non-vested A Ordinary Shares, as the holders were entitled to non-forfeitable dividend rights in the event a dividend was paid on ordinary shares. The holders of non-vested A Ordinary Shares did not have a contractual obligation to share in losses.

18. Restructuring

The Company incurs costs associated with restructuring initiatives intended to improve operating performance, profitability, and working capital levels. Actions associated with these initiatives may include improving productivity, workforce reductions, and the consolidation of facilities.

As of September 30, 2022, the Company has identified restructuring actions which will result in additional charges of approximately $0.4 million, primarily in the next 12 months.

The Company's restructuring expenses are comprised of the following (in millions):

	Successor		
	Three Months Ended September 30, 2022		
	Cost of revenue	Selling, general and administrative	Total
Severance and employee costs	$ 0.1	$ —	$ 0.1
Other[1]	—	0.5	0.5
Total	$ 0.1	$ 0.5	$ 0.6

	Nine Months Ended September 30, 2022		
	Cost of revenue	Selling, general and administrative	Total
Severance and employee costs	$ 0.3	$ 1.3	$ 1.6
Other[1]	0.5	3.3	3.8
Total	$ 0.8	$ 4.6	$ 5.4

	Predecessor		
	Three Months Ended September 30, 2021		
	Cost of revenue	Selling, general and administrative	Total
Severance and employee costs	$ 0.9	$ —	$ 0.9
Other[1]	—	0.6	0.6
Total	$ 0.9	$ 0.6	$ 1.5

	Nine Months Ended September 30, 2021		
(in millions)	Cost of revenue	Selling, general and administrative	Total
Severance and employee costs	$ 3.1	$ 0.8	$ 3.9
Other[1]	0.6	0.7	1.3
Total	$ 3.7	$ 1.5	$ 5.2

(1) Includes facilities, inventory write-downs, outside services, legal matters, and IT costs.

The Company does not allocate restructuring charges to segment income; instead, these costs are included in Corporate & other.

The following table summarizes the changes in the Company's accrued restructuring balance, which are included in Accrued expenses and other current liabilities in the accompanying Condensed Consolidated Balance Sheets (in millions).

	Successor
Balance at December 31, 2021	$ 1.4
Restructuring charges	5.4
Payments	(5.1)
Adjustments	—
Balance at September 30, 2022	$ 1.7

19. Noncontrolling Interests

On October 20, 2021, Mirion Technologies, Inc. consummated its previously announced Business Combination pursuant to the Business Combination Agreement.

Before the Closing of the Business Combination, the Sellers had the option to elect to have their equity consideration issued as either shares of Class A common stock or Paired Interests. The Sellers receiving shares of Class B common stock also received one share of IntermediateCo Class B common stock per share of Class B common stock as a Paired Interest. Each of the shares of Class A common stock and each Paired Interest were valued at $10.00 per share for purposes of determining the aggregate number of shares issued to the Sellers. Holders of shares of our Class B common stock are entitled to one vote for each share held of record on all matters on which stockholders are entitled to vote generally, including the election or removal of directors. If at any time the ratio at which shares of IntermediateCo Class B common stock are redeemable or exchangeable for shares of the Company's our Class A common stock changes from one-for-one, as the number of votes to which our Class B common stockholders are entitled will be adjusted accordingly. The holders of our the Company's Class B common stock do not have cumulative voting rights in the election of directors. Except for transfers to us or to certain permitted transferees set forth in the IntermediateCo certificate of incorporation, paired interests may not be sold, transferred or otherwise disposed of.

The holders of IntermediateCo Class B common stock have the right to require IntermediateCo to redeem all or a portion of their IntermediateCo Class B common stock for, at the Company's election, (1) newly issued shares of the Company's Class A common stock on a one-for-one basis or (2) a cash payment equal to the product of the number of shares of IntermediateCo Class B common stock subject to redemption and the arithmetic average of the closing stock prices for a share of the Company's Class A common stock for each of three (3) consecutive full trading days ending on and including the last full trading day immediately prior to the date of redemption (subject to customary adjustments, including for stock splits, stock dividends and reclassifications). This redemption right became available upon the expiration of certain lockup restrictions on April 18, 2022.

At the Closing Date, the Company owned 100% of the voting shares (Class A) of IntermediateCo and approximately 96% of the non-voting Class B shares of IntermediateCo. The Company recognized noncontrolling interests for the 8,560,540 shares, representing approximately 4% of the non-voting Class B shares, of IntermediateCo that are not attributable to the Company. After the conversion in the current quarter, the Company recognized noncontrolling interests for the 8,040,540 shares, representing the 3.9% of the non-voting Class B shares of IntermediateCo, that are not attributable to the Company.

As of September 30, 2022, noncontrolling interests of $73.6 million were reflected in the Condensed Consolidated Statements of Stockholders' Equity (Deficit).

20. Subsequent Events

The Company entered into a cross-currency swap with an effective date of October 31, 2022 to hedge cash flows changes caused by currency exchange rates related to certain Euro denominated intercompany loans. The Company will swap a €115.7 million Euro loan with a fixed interest rate of 5.83% in exchange for a $115.6 million USD loan with a fixed rate of 7.66% USD. Interest settlements occur quarterly until the expiration of the swap on March 26, 2026.

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

You should read the following discussion and analysis of Mirion's financial condition and results of operations together with the unaudited condensed consolidated financial statements and related notes of Mirion Technologies, Inc. that are included elsewhere in this Quarterly Report on Form 10-Q as well as our audited statements and the notes related thereto for the year ended December 31, 2021 that are included in our Annual Report on Form 10-K. This discussion contains forward-looking statements based upon current expectations that involve risks and uncertainties. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of various factors, including those set forth under the section entitled "Risk Factors" included in this Quarterly Report on Form 10-Q as well as Annual Report on Form 10-K. Unless the context otherwise requires, references in this section to "we," "us," "our," "Mirion" and "the Company" refer to the business and operations of Mirion Technologies TopCo, Ltd. and its consolidated subsidiaries prior to the Business Combination and to Mirion and its consolidated subsidiaries, following the consummation of the Business Combination. Unless the context otherwise requires or unless otherwise specified, all dollar amounts in this section are in millions.

Overview

We are a global provider of products, services, and software that allow our customers to safely leverage the power of ionizing radiation for the greater good of humanity through critical applications in the medical, nuclear and defense markets, as well as laboratories, scientific research, analysis, and exploration.

We provide dosimetry solutions for monitoring the total amount of radiation medical staff members are exposed to over time, radiation therapy quality assurance solutions for calibrating and verifying imaging and treatment accuracy, and radionuclide therapy products for nuclear medicine applications such as shielding, product handling, medical imaging furniture, and rehabilitation products. We provide robust, field-ready personal radiation detection and identification equipment for defense applications and radiation detection and analysis tools for power plants, labs, and research applications. Nuclear power plant product offerings are used for the full nuclear power plant lifecycle including core detectors, essential measurement devices for new build, maintenance, decontamination and decommission, and equipment for monitoring and control during fuel dismantling and remote environmental monitoring.

We manage and report results of operations in two business segments: Medical and Industrial.

- Our revenues were $160.9 million for the three months ended September 30, 2022 and $144.3 million for the three months ended September 30, 2021, of which 42.7% and 36.0% were generated in the Medical segment for the three months ended September 30, 2022 and 2021, respectively, and 57.3% and 64.0% were generated in the Industrial segment for the three months ended September 30, 2022 and 2021, respectively.
- Our revenues were $499.9 million for the nine months ended September 30, 2022 and $490.5 million for the nine months ended September 30, 2021, of which 39.1% and 31.7% were generated in the Medical segment for the nine months ended September 30, 2022 and 2021, respectively, and 60.9% and 68.3% were generated in the Industrial segment for the nine months ended September 30, 2022 and 2021, respectively.
- Backlog (representing committed but undelivered contracts and purchase orders, including funded and unfunded government contracts) was $726.4 million and $747.5 million as of September 30, 2022, and December 31, 2021, respectively.

The Mirion Business Combination

The Business Combination closed on October 20, 2021 (the "Closing Date"), and GS Acquisition Holdings Corp II ("GSAH") was renamed Mirion Technologies, Inc. Our Class A common stock is listed on the New York Stock Exchange (the "NYSE") under the ticker symbol "MIR."

The Business Combination has been accounted for under ASC 805, Business Combinations. GSAH has been determined to be the accounting acquirer. Mirion constitutes a business in accordance with ASC 805 and the Business Combination constitutes a change in control. Accordingly, the Business Combination has been accounted for using the acquisition method. Under this method of accounting, Mirion is treated as the "acquired" company for financial reporting purposes and our net assets are stated at fair value, with goodwill or other intangible assets recorded.

As a result of the Business Combination, Mirion's financial statement presentation distinguishes Mirion TopCo as the "Predecessor" for periods prior to the closing of the Business Combination and Mirion Technologies, Inc. as the "Successor" for periods after the closing of the Business Combination. As a result of the application of the acquisition method of accounting in the Successor Period, the financial statements for the Successor Period are presented on a full

step-up basis as a result of the Business Combination, and are therefore not comparable to the financial statements of the Predecessor Period that are not presented on the same full step-up basis due to the Business Combination.

Key Factors Affecting Our Performance

We believe that our business and results of operations and financial condition may be impacted in the future by various trends and conditions, including the following:

- **The Russia-Ukraine conflict**—The Russia-Ukraine conflict has impacted and may continue to impact us, including through increased inflation, limited availability of certain commodities, supply chain disruption, disruptions to our global technology infrastructure, including cyberattacks, increased terrorist activities, volatility or disruption in the capital markets, and delays or cancellations of customer projects.
- **Foreign Currency—**In recent months, the U.S. dollar has been appreciating against most other major currencies, in particular in Europe, for both economic and geopolitical reasons. A strengthening U.S. dollar has had, and we expect will continue to have a, negative impact on our revenue. We are managing the currency risk related to earnings through, among other things, a cross-currency swap we entered into with an effective date of October 31, 2022. See Note 20, *Subsequent Events*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.
- **Inflation and Interest Rates—**The Russia-Ukraine conflict and other geopolitical conflicts, as well as the related international response, have contributed to inflationary pressures. We continue to actively monitor, evaluate and respond to developments relating to operational challenges in an inflationary environment. Global supply chain disruptions and the higher inflationary environment remain unpredictable and our past results may not be indicative of future performance. In addition, the increase in interest rates, which we expect to continue, has in turn led to increases in the interest rates applicable to our indebtedness and increased our debt service costs.
- **Tariffs or Sanctions—**The United States imposes tariffs on imports from China and other countries, which has resulted in retaliatory tariffs and restrictions implemented by China and other countries. There are, at any given time, a multitude of ongoing or threatened armed conflicts around the world. As one example, sanctions by the United States, the European Union, and other countries against Russian entities or individuals related to the Russia-Ukraine conflict, along with any Russian retaliatory measures could increase our costs, adversely affect our operations, or impact our ability to meet existing contractual obligations.
- **Medical end market trends**—Growth and operating results in our Medical segment are impacted by:
  - Changes to global regulatory standards, including new or expanded standards;
  - Increased focus on healthcare safety;
  - Changes to healthcare reimbursement;
  - Potential budget constraints in hospitals and other healthcare providers;
  - Medical/lab dosimetry growth supported by growing and aging demographics, increased number of healthcare professionals, and penetration of radiation therapy/diagnostics; and
  - Medical radiation therapy quality assurance ("RT QA") growth driven by growing and aging population demographics, low penetration of RT QA technology in emerging markets, and increased adoption of advanced software and hardware solutions for improved outcomes and administrative and labor efficiencies.
- **Business combinations**—A large driver of our historical growth has been the acquisition and integration of related businesses. Our ability to integrate, restructure, and leverage synergies of these businesses will impact our operating results over time.
- **Environmental objectives of governments**—Growth and operating results in our Industrial segment are impacted by environmental policy decisions made by governments in the countries where we operate. Our nuclear power customers may benefit from decarbonization efforts given the relatively low carbon footprint of nuclear power to other existing energy sources. In addition, decisions by governments to build new power plants or decommission existing plants can positively and negatively impact our customer base.
- **Government budgets**—While we believe that we are poised for growth from governmental customers in both of our segments, our revenues and cash flows from government customers are influenced, particularly in the short-term, by budgetary cycles. This impact can be either positive or negative.
- **Nuclear new build projects**—A portion of our backlog is driven by contracts associated with the construction of new nuclear power plants. These contracts can be long-term in nature and provide us with a strong pipeline for the recognition of future revenues in our Industrial segment. We perform our services and provide our products at a fixed price for certain contracts. Fixed-price contracts carry inherent risks, including risks of losses from

underestimating costs, operational difficulties and other changes that may occur over the contract period. If our cost estimates for a contract are inaccurate or if we do not execute the contract within our cost estimates, we may incur losses or the contract may not be as profitable as we expected. In addition, even though some of our longer-term contracts contain price escalation provisions, such provisions may not fully provide for cost increases, whether from inflation, the cost of goods and services to be delivered under such contracts or otherwise.

- **Research and development**—A portion of our operating expenses is associated with research and development activities associated with the design of new products. Given the specific design and application of certain of these products, there is some risk that these costs will not result in successful products in the market. Further, the timing of these products can move and be challenging to predict.
- **Financial risks**—Our business and financial statements can be adversely affected by foreign currency exchange rates, changes in our tax rates (including as a result of changes in tax laws) or income tax liabilities/assessments, changes in interest rates, recognition of impairment charges for our goodwill or other intangible assets and fluctuations in the cost and availability of commodities.

  No triggering events for interim goodwill impairment testing occurred in the third quarter of 2022. However, the Company will continue to monitor macroeconomic conditions, including impacts to interest and Euro foreign exchange rates, which continue to be volatile. While we believe the long-term outlooks of our end markets remain strong, continued future declines in macroeconomic conditions could result in a goodwill impairment in one or more of our reporting units. Our required annual goodwill impairment assessment for all reporting units will be performed during the fourth quarter of 2022.
- **Global risk—**Our business depends in part on operations and sales outside the United States. Risks related to those international operations and sales include new foreign investment laws, new export/import regulations, and additional trade restrictions (such as sanctions and embargoes). New laws that favor local competitors could prevent our ability to compete outside the United States. Additional potential issues are associated with the impact of these same risks on our suppliers and customers. If our customers or suppliers are impacted by these risk factors, we may see the reduction or cancellation of customer orders, or interruptions in raw materials and components.
- **COVID-19**—COVID-19 may affect revenue growth in certain of our businesses, primarily those serving our medical end markets, and it is uncertain how materially COVID-19 will affect our global operations generally if these impacts were to persist or worsen over an extended period of time. The extent and duration of the impacts are uncertain and dependent in part on customers returning to work and economic activity ramping up. The impact of COVID-19 on our customers has affected our sales operations in certain ways, including increased customer disputes regarding orders, delayed customer notices to proceed with production, delayed payment from customers and, on rare occasions, customers have refused to pay for their orders entirely. Further, access to customer sites for sales was limited in some cases.

Non-GAAP Financial Measures

We report our financial results in accordance with generally accepted accounting principles in the United States. (“GAAP”). However, management believes certain non-GAAP financial measures provide investors and other users with additional meaningful information that should be considered when assessing our ongoing performance. Management also uses these non-GAAP financial measures in making financial, operating, and planning decisions, and in evaluating our performance. Non-GAAP financial measures should be viewed in addition to, and not as an alternative for, our GAAP results. The non-GAAP financial measures we present may differ from similarly captioned measures presented by other companies. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measures, and not to rely on any single financial measure to evaluate our business.

We use the non-GAAP financial measures “Adjusted revenues,” “Adjusted net (loss) income,” "Adjusted EPS," “EBITDA,” “EBITA,” “Adjusted EBITDA, “Free Cash Flow,” and “Adjusted Free Cash Flow.” See the “Quarterly Results of Operations” and “Cash flows” sections below for definitions of our non-GAAP financial measures and reconciliation to their most directly comparable GAAP measures. Tax impacts for the non-GAAP financial measures are calculated based on the appropriate tax rate for each individual item presented.

See the "Basis of Presentation" section below regarding the Successor and Predecessor periods. The following tables present a reconciliation of certain non-GAAP financial measures for the three and nine months ended September 30, 2022 (Successor) and for the three and nine months ended September 30, 2021 (Predecessor).

	Successor		Predecessor	
	Three Months Ended September 30, 2022		Three Months Ended September 30, 2021	
(In millions, except per share amounts)	Revenues	Net Income (Loss)	Revenues	Net Income (Loss)
Total GAAP	**$ 160.9**	**$ (50.4)**	**$ 144.3**	**$ (46.7)**
Revenue reduction from purchase accounting	—	—	3.7	3.7
Foreign currency loss (gain), net		3.1		(1.4)
Amortization of acquired intangibles		35.2		16.1
Stock-based compensation expense		8.5		—
Increase (decrease) in fair value of warrant liabilities		12.0		—
Non-operating expenses		6.9		15.0
Tax impact of adjustments above		(9.7)		(6.8)
Adjusted	**$ 160.9**	**$ 5.6**	**$ 148.0**	**$ (20.1)**
Adjusted weighted average common shares		**181.333**		n.m.[1]
Dilutive Potential Common Shares - RSU's		0.019		
Adjusted weighted average common shares — diluted		**181.352**		n.m
Net loss per common share attributable to Mirion Technologies, Inc. (Successor)		**$ (0.26)**		n.m
Loss attributable to noncontrolling interests		(0.02)		
Foreign currency (gain) loss, net		0.02		
Amortization of acquired intangibles		0.19		
Stock-based compensation expense		0.05		
Change in fair value of warrant liabilities		0.06		
Goodwill impairment		—		
Non-operating expenses		0.04		
Tax impact of adjustments above		(0.05)		
Adjusted EPS		**$ 0.03**		n.m

(1) Note that n.m. stands for not meaningful.

(In millions, except per share amounts)	Successor Nine Months Ended September 30, 2022 Revenues	Successor Nine Months Ended September 30, 2022 Net Income (Loss)	Predecessor Nine Months Ended September 30, 2021 Revenues	Predecessor Nine Months Ended September 30, 2021 Net Income (Loss)
Total GAAP	**$ 499.9**	**$ (128.7)**	**$ 490.5**	**$ (141.3)**
Revenue reduction from purchase accounting	—	—	11.7	11.7
Cost of revenues impact from inventory valuation purchase accounting		6.3		4.7
Foreign currency loss (gain), net		7.9		(4.3)
Amortization of acquired intangibles		111.5		53.3
Stock-based compensation expense		24.8		(0.1)
Increase (decrease) in fair value of warrant liabilities		(27.5)		—
Goodwill impairment		55.2		—
Non-operating expenses		25.0		46.7
Tax impact of adjustments above		(27.0)		(24.2)
Adjusted	**$ 499.9**	**$ 47.5**	**$ 502.2**	**$ (53.5)**
Adjusted weighted average common shares		**181.058**		n.m.[1]
Dilutive Potential Common Shares - RSU's		0.032		
Adjusted weighted average common shares — diluted		**181.090**		n.m
Net loss per common share attributable to Mirion Technologies, Inc. (Successor)		**$ (0.68)**		n.m
Loss attributable to noncontrolling interests		(0.03)		
Revenue reduction from purchase accounting		—		
Cost of revenues impact from inventory valuation purchase accounting		0.03		
Foreign currency (gain) loss, net		0.04		
Amortization of acquired intangibles		0.62		
Stock-based compensation expense		0.14		
Change in fair value of warrant liabilities		(0.15)		
Debt extinguishment		—		
Goodwill impairment		0.30		
Non-operating expenses		0.14		
Tax impact of adjustments above		(0.15)		
Adjusted EPS		**$ 0.26**		n.m

(1) Note that n.m. stands for not meaningful.

(In millions)	Successor Three Months Ended September 30, 2022	Predecessor Three Months Ended September 30, 2021
Net loss	**$ (50.4)**	**$ (46.7)**
Interest expense, net	13.1	43.8
Income tax (benefit) provision	(5.0)	(4.7)
Amortization	35.2	16.1
EBITA	**$ (7.1)**	**$ 8.5**
Depreciation - Mirion Business Combination step-up	1.6	—
Depreciation - all other	5.8	5.1
EBITDA	**$ 0.3**	**$ 13.6**
Stock-based compensation expense	8.5	—
Increase (decrease) in fair value of warrant liabilities	12.0	—
Foreign currency (gain) loss, net	3.1	(1.4)
Revenue reduction from purchase accounting	—	3.7
Non-operating expenses[1][2]	6.9	15.0
Adjusted EBITDA	**$ 30.8**	**$ 30.9**

(1) Pre-tax non-operating expenses of $6.9 million for the three months ended September 30, 2022 include a $2.5 million impairment of an equity investment, $1.7 million related to the Business Combination and incremental one-time costs associated with becoming a public company, $1.4 million of mergers and acquisition expenses, $0.6 million of restructuring costs, $0.5 million of costs to achieve information technology system integration and efficiency, and $0.2 million in costs to achieve integration and operational synergies.

(2) Pre-tax non-operating expenses of $15.0 million for the three months ended September 30, 2021 include $8.7 million related to the Business Combination and incremental one-time costs associated with becoming a public company, $3.6 million in costs to achieve integration and operational synergies, $1.5 million of restructuring costs, and $1.2 million of costs to achieve information technology system integration and efficiency.

(In millions)	Successor Nine Months Ended September 30, 2022	Predecessor Nine Months Ended September 30, 2021
Net loss	**$ (128.7)**	**$ (141.3)**
Interest expense, net	29.4	130.5
Income tax (benefit) provision	(16.5)	2.6
Amortization	111.5	53.3
EBITA	**$ (4.3)**	**$ 45.1**
Depreciation - Mirion Business Combination step-up	4.9	—
Depreciation - all other	16.0	17.0
EBITDA	**$ 16.6**	**$ 62.1**
Stock-based compensation expense	24.8	(0.1)
Increase (decrease) in fair value of warrant liabilities	(27.5)	—
Goodwill impairment	55.2	—
Foreign currency (gain) loss, net	7.9	(4.3)
Revenue reduction from purchase accounting	—	11.7
Cost of revenues impact from inventory valuation purchase accounting	6.3	4.7
Non-operating expenses[1][2]	25.0	46.7
Adjusted EBITDA	**$ 108.3**	**$ 120.8**

(1) Pre-tax non-operating expenses of $25.0 million for the nine months ended September 30, 2022 include $6.7 million in costs to achieve integration and operational synergies, $5.9 million related to the Business Combination and incremental one-time costs associated with becoming a public company, $5.5 million of restructuring costs, $2.5 million of costs to achieve information technology system integration and efficiency, a $2.5 million impairment of an equity investment, and $1.9 million related to mergers and acquisition expenses.

(2) Pre-tax non-operating expenses of $46.7 million for the nine months ended September 30, 2021 include $22.9 million related to the Business Combination and incremental one-time costs associated with becoming a public company, $12.2 million in costs to achieve integration and operational synergies, $5.7 million of restructuring costs, $4.2 million of costs to achieve information technology system integration and efficiency, and $1.6 million of mergers and acquisition expenses.

The following tables present a reconciliation of non-GAAP Adjusted Revenue and Adjusted EBITDA by segment for the three months ended September 30, 2022 (Successor) and the three months ended September 30, 2021 (Predecessor):

	Three Months Ended September 30, 2022 (Successor)			
(In millions)	Medical	Industrial	Corporate & Other	Consolidated
Revenues	**$ 68.7**	**$ 92.2**	**$ —**	**$ 160.9**
Revenue reduction from purchase accounting	—	—	—	—
Adjusted Revenues	**$ 68.7**	**$ 92.2**	**$ —**	**$ 160.9**
Income from operations	**$ 0.4**	**$ (2.5)**	**$ (25.5)**	**$ (27.6)**
Amortization	15.3	19.9	—	35.2
Depreciation - core	3.5	2.1	0.2	5.8
Depreciation - Mirion Business Combination step-up	1.2	0.3	0.1	1.6
Stock-based compensation	0.1	0.3	8.1	8.5
Non-operating expenses	—	—	7.1	7.1
Other Income / Expense	(0.1)	0.1	0.2	0.2
Adjusted EBITDA	**$ 20.4**	**$ 20.2**	**$ (9.8)**	**$ 30.8**

	Three Months Ended September 30, 2021 (Predecessor)			
(In millions)	Medical	Industrial	Corporate & Other	Consolidated
Revenues	**$ 52.0**	**$ 92.3**	**$ —**	**$ 144.3**
Revenue reduction from purchase accounting	3.7	—	—	3.7
Adjusted Revenues	**$ 55.7**	**$ 92.3**	**$ —**	**$ 148.0**
Income from operations	**$ 2.6**	**$ 12.5**	**$ (24.0)**	**$ (8.9)**
Amortization	8.0	8.1	—	16.1
Depreciation - core	2.8	2.1	0.2	5.1
Revenue reduction from purchase accounting	3.7	—	—	3.7
Non-operating expenses	—	—	15.0	15.0
Other Income / Expense	—	—	(0.1)	(0.1)
Adjusted EBITDA	**$ 17.1**	**$ 22.7**	**$ (8.9)**	**$ 30.9**

The following tables present a reconciliation of non-GAAP Adjusted Revenue and Adjusted EBITDA by segment for the nine months ended September 30, 2022 (Successor) and the nine months ended September 30, 2021 (Predecessor):

	Nine Months Ended September 30, 2022 (Successor)			
(In millions)	Medical	Industrial	Corporate & Other	Consolidated
Revenues	**$ 195.6**	**$ 304.3**	**$ —**	**$ 499.9**
Revenue reduction from purchase accounting	—	—	—	—
Adjusted Revenues	**$ 195.6**	**$ 304.3**	**$ —**	**$ 499.9**
Income from operations	**$ (3.2)**	**$ (49.1)**	**$ (83.6)**	**$ (135.9)**
Amortization	49.6	61.9	—	111.5
Depreciation - core	9.6	5.9	0.5	16.0
Depreciation - Mirion Business Combination step-up	3.6	1.1	0.2	4.9
Cost of revenues impact from inventory valuation purchase accounting	0.9	5.4	—	6.3
Stock-based compensation	0.4	0.7	23.7	24.8
Goodwill impairment	—	55.2	—	55.2
Non-operating expenses	—	—	25.0	25.0
Other Income / Expense	0.4	0.1	—	0.5
Adjusted EBITDA	**$ 61.3**	**$ 81.2**	**$ (34.2)**	**$ 108.3**

(In millions)	Nine Months Ended September 30, 2021 (Predecessor)			
	Medical	Industrial	Corporate & Other	Consolidated
Revenues	**$ 155.6**	**$ 334.9**	**$ —**	**$ 490.5**
Revenue reduction from purchase accounting	11.7	—	—	11.7
Adjusted Revenues	**$ 167.3**	**$ 334.9**	**$ —**	**$ 502.2**
Income from operations	**$ (0.1)**	**$ 60.2**	**$ (73.2)**	**$ (13.1)**
Amortization	25.2	28.1	—	53.3
Depreciation - core	9.2	7.2	0.6	17.0
Revenue reduction from purchase accounting	11.7	—	—	11.7
Cost of revenues impact from inventory valuation purchase accounting	4.7	—	—	4.7
Share-based compensation	—	—	(0.1)	(0.1)
Non-operating expenses	—	—	47.2	47.2
Other Income / Expense	—	—	0.1	0.1
Adjusted EBITDA	**$ 50.7**	**$ 95.5**	**$ (25.4)**	**$ 120.8**

Our Business Segments

We manage and report our business in two business segments: Medical and Industrial.

Medical includes products and services for radiation therapy and personal dosimetry. This segment's principal offerings include solutions for calibrating and/or verifying imaging, treatment machine, patient treatment plan, and patient treatment accuracy; solutions for monitoring the total amount of radiation medical staff members are exposed to over time; and products for nuclear medicine in radiation measurement, shielding, product handling, medical imaging furniture and rehabilitation.

Industrial includes products and services for defense, nuclear energy, laboratories and research and other industrial markets. This segment's principal offerings are:

- ***Reactor Safety and Control Systems***, which includes radiation monitoring systems and reactor instrumentation and control systems that ensure the safe operation of nuclear reactors and other nuclear fuel cycle facilities; and
- ***Radiological Search, Measurement and Analysis Systems***, which includes solutions to locate, measure and perform in-depth scientific analysis of radioactive sources for radiation safety, security, and scientific applications

Recent Developments

Russia and Ukraine

The United States, the European Union, the United Kingdom and other governments have implemented major trade and financial sanctions against Russia and related parties in response to Russia's invasion of Ukraine. We do business with Russian customers both within and outside of Russia and with customers who have contracts with Russian counterparties. The conflict's impact on the Company is predominantly in our Industrial segment where the Company has certain projects involving Russian customers or other Russian counterparties. On May 2, 2022, one of our customers announced that it had terminated a contract with a Russian state-owned entity to build a nuclear power plant in Finland. The contract represented a remaining performance obligation in our backlog of approximately $67 million, of which approximately 80% was scheduled to be recognized as revenue over the next five years. Due to the impact on our planned revenues from the cancellation, an interim quantitative test of goodwill impairment for the RMS reporting unit was performed. The Company recorded a goodwill impairment charge of $55.2 million as a result of the quantitative test. As of September 30, 2022, while we had not received any significant cancellation notices for any other Russian based projects, we experienced delays in recognizing project revenue during the three and nine months ended September 30, 2022 due to the trade and financial sanctions made to date. The remaining performance obligations in our backlog for Russian related projects was $94.9 million at September 30, 2022. See further discussion in the "Results of Operations" section below. In addition, while none of these customers have asked for advanced payment refunds, they could seek to recover these payments depending on future developments. The Company will continue to monitor the social, political, regulatory and economic environment in Ukraine and Russia, and will consider actions as appropriate.

Supply Chain

The global supply chain continued to be stressed by increased demand, along with pandemic-related and other global events that caused increased disruptions to the Company during the three and nine months ended September 30, 2022. The most notable impacts to the Company were delays in sourcing key devices and components needed for our products, resulting in delays in revenue recognition, and increased costs in materials and freight. The Company mitigated a portion of these cost impacts with price increases on certain products. While we experienced some improvements in shipping delivery and associated labor availability during the three and nine months ended September 30, 2022, the supply chain disruption continues to be a challenge and a risk of negatively impacting our future operating margins.

Currency Exchange Rates

On a year-over-year basis, currency exchange rates negatively impacted reported sales by approximately 5.7% and 4.3% for the three and nine-month periods ended September 30, 2022, respectively, compared to the comparable periods of 2021, primarily due to the strengthening of the U.S. dollar against most major currencies in 2022. If the currency exchange rates in effect as of September 30, 2022 were to prevail throughout the remainder of 2022, currency exchange rates would decrease our estimated full year sales by approximately 5.0% on a year-over-year basis. From September 30, 2022 through the date of this Quarterly Report on Form 10-Q, the U.S. dollar continued to strengthen compared to other major currencies including the euro. Any further strengthening of the U.S. dollar against major currencies would adversely impact the Company's sales and results of operations for the remainder of the year, and any weakening of the U.S. dollar against major currencies (e.g., euro, pound sterling) would positively impact our sales and results of operations for the remainder of the year.

SIS Acquisition

The Company continually evaluates potential acquisitions that strategically fit with the Company's existing portfolio. As a result, on August 1, 2022, the Company acquired the Critical Infrastructure ("CI") business of Collins Aerospace (renamed Secure Integrated Solutions "SIS") via an Asset Purchase Agreement in an all-cash transaction valued at $5.9 million. The SIS business specializes in command-and-control software solutions for nuclear power plants and government facilities to protect systems against cybersecurity threats or compromises. The business is reported as part of the Industrial segment.

Basis of Presentation

Financial information presented was derived from our historical consolidated financial statements and accounting records, and they reflect the historical financial position, results of operations and cash flows of the business in conformity with U.S. GAAP for financial statements and pursuant to the accounting and disclosure rules and regulations of the SEC. The consolidated financial statements include the accounts of the Company and its wholly owned and majority-owned or controlled subsidiaries. For consolidated subsidiaries where our ownership is less than 100%, the portion of the net income or loss allocable to noncontrolling interests is reported as "Income (Loss) attributable to noncontrolling interests" in the Condensed Consolidated Statements of Operations. All intercompany accounts and transactions have been eliminated in consolidation.

As a result of the Business Combination, the Company's financial statement presentation distinguishes Mirion TopCo as the "Predecessor" through the Closing Date. The Company, which includes the combination of GSAH and Mirion subsequent to the Business Combination, is the "Successor" for periods after the Closing Date. As a result of the application of the acquisition method of accounting in the Successor Period, the financial statements for the Successor Period are presented on a full step-up basis as a result of the Business Combination, and are therefore not comparable to the financial statements of the Predecessor Periods that are not presented on the same full step-up basis due to the Business Combination.

Certain Factors Affecting Comparability to Prior Period Financial Results

Prior to the Business Combination, GSAH operated as a special purpose acquisition company formed for the purpose of effecting a merger, capital stock exchange, asset acquisition, stock purchase, reorganization or similar business combination with one or more businesses or assets. As a result, operations were minimal before the Business Combination and are not presented in the Predecessor Periods presented prior to the Business Combination. After the Business Combination our results of operations are not directly comparable to historical results of the operations for the periods presented, primarily because, in connection with the Business Combination, certain assets and liabilities had fair value adjustments applied to the Predecessor's consolidated financial statements on the Closing Date, most notably:

- Inventory;

- Property, plant, and equipment;
- Goodwill;
- Intangible assets; and
- Taxes.

As a result, historical results of operations and other financial data, as well as period-to-period comparisons of these results, may not be comparable or indicative of future operating results or future financial condition.

Results of Operations

For the Successor Period Three Months Ended September 30, 2022 and the Predecessor Period Three Months Ended September 30, 2021

The following table summarizes our results of operations for the periods presented below (in millions):

	Unaudited	
	Successor	Predecessor
	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Revenues	$ 160.9	$ 144.3
Cost of revenues	91.1	82.4
Gross profit	69.8	61.9
Selling, general and administrative expenses	89.4	62.3
Research and development	8.0	8.5
Goodwill impairment	—	—
Loss from operations	(27.6)	(8.9)
Interest expense, net	13.1	43.8
Foreign currency loss (gain), net	3.1	(1.4)
Increase (decrease) in fair value of warrant liabilities	12.0	—
Other expense (income), net	(0.4)	0.1
Loss before benefit from income taxes	(55.4)	(51.4)
(Benefit from) provision for income taxes	(5.0)	(4.7)
Net loss	(50.4)	(46.7)
Loss attributable to noncontrolling interests	(3.3)	—
Net loss attributable to stockholders	$ (47.1)	$ (46.7)

Overview

Revenues were $160.9 million for the three months ended September 30, 2022 and $144.3 million for the three months ended September 30, 2021. Our Medical segment contributed $68.7 million and $52.0 million of revenues for the three months ended September 30, 2022 and 2021, respectively. Our Industrial segment contributed $92.2 million and $92.3 million of revenues for the three months ended September 30, 2022 and 2021, respectively. Gross profit was $69.8 million and $61.9 million for the three months ended September 30, 2022 and 2021, respectively, resulting in a $7.9 million decrease from the three months ended September 30, 2021.

Net loss was $50.4 million and $46.7 million for the three months ended September 30, 2022 and 2021, respectively. Our Medical segment contributed $0.4 million and $2.6 million income from operations for the three months ended September 30, 2022 and 2021, respectively. Our Industrial segment was responsible for a $(2.5) million and $12.5 million loss from operations for the three months ended September 30, 2022 and 2021, respectively. The overall increase in net loss is primarily driven by increased amortization and depreciation expense from the impact of purchase accounting related to the fair values of intangible assets and property, plant, and equipment for the Business Combination, higher selling, general and administrative costs associated with stock-based compensation expense and costs associated with becoming a public company, and a $12.0 million loss from the change in fair value of warrant liabilities. Offsetting these increases in net loss were reduced interest expenses and increased segment gross profit.

Revenues

Revenues were $160.9 million for the three months ended September 30, 2022 and $144.3 million for the three months ended September 30, 2021. Revenues increased $16.6 million from the three months ended September 30, 2021.

Medical segment revenues increased for the three months ended September 30, 2022 compared with the three months ended September 30, 2021 primarily due to the results of acquisitions in the Medical segment (CIRS and other acquisitions), price increases, and organic growth. Also driving the increase was the impact of the deferred revenue fair value adjustment for the Sun Nuclear Corporation ("SNC") acquisition, which reduced revenues for the three months ended September 30, 2021. Offsetting the increase in Medical segment revenues period over period was the negative impact from foreign currency exchange.

Industrial segment revenues remained flat for the three months ended September 30, 2022 compared with the three months ended September 30, 2021 primarily due to impacts from contract execution timing, including impacts from the Russia-Ukraine conflict and supply chain disruptions, foreign exchange rate fluctuations, offset by volume increases, price increases and acquisitions made in 2022 (SIS).

Cost of revenues
Cost of revenues was $91.1 million for the three months ended September 30, 2022 and $82.4 million for the three months ended September 30, 2021. Cost of revenues increased $8.7 million for the three months ended September 30, 2022 as compared with the three months ended September 30, 2021.

Cost of revenues related to the Medical segment increased $8.6 million period over period due to an increase in manufacturing supplies, materials, and overhead costs in conjunction with the increase in revenues over the same period. Cost of revenues related to acquisitions made in 2021 (CIRS) resulted in an incremental cost of revenues for the three months ended September 30, 2022. In addition, cost of revenues for the three months ended September 30, 2022 includes increased amortization and depreciation expenses resulting from the Business Combination. Cost of revenues related to the Industrial segment increased $0.7 million period over period mainly due to inflation impacts and increased prices for manufacturing supplies and materials.

Selling, general and administrative expenses

Selling, general and administrative (“SG&A”) expenses were $89.4 million for the three months ended September 30, 2022 and $62.3 million for the three months ended September 30, 2021, resulting in an increase of $27.1 million.

Our Medical segment incurred higher SG&A expenses of $11.2 million for the three months ended September 30, 2022 compared with the three months ended September 30, 2021. The increase was primarily due to the impact of the CIRS acquisition in the Medical segment and increased amortization expense resulting from intangible assets and depreciation expense resulting from the property, plant and equipment acquired in the Business Combination.
Our Industrial segment incurred higher SG&A expenses of $13.9 million for the three months ended September 30, 2022. The increase was primarily driven by increased amortization expense resulting from intangible assets acquired in the Business Combination, the impact of the SIS acquisition and increases in sales and marketing expenses.

Corporate SG&A expenses were $24.6 million for the three months ended September 30, 2022 and $22.6 million for the three months ended September 30, 2021. The increase in SG&A expenses of $2.0 million was driven by an increase in stock-based compensation expense under the 2021 Omnibus Incentive Plan and Profit Interests (see Note 13, *Stock-Based Compensation* to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q), an increase in professional fees supporting our public company infrastructure, offset by the decrease in legal and professional fees related to the Business Combination incurred during the three months ended September 30, 2021.

Research and development

Research and development (“R&D”) expenses were $8.0 million for the three months ended September 30, 2022 and $8.5 million for the three months ended September 30, 2021, resulting in a decrease of $0.5 million period over period. The decrease in R&D expense was primarily a result of a reduction in R&D program spend in the Medical segment.

(Loss) income from operations

Loss from operations was $27.6 million for the three months ended September 30, 2022 compared with $8.9 million for the three months ended September 30, 2021. On a segment basis, income from operations in the Medical segment for the three months ended September 30, 2022 and 2021 was $0.4 million and $2.6 million, respectively, representing a decrease of $1.7 million period over period. (Loss) income from operations in the Industrial segment for the three months ended September 30, 2022 and three months ended September 30, 2021 was $(2.5) million and $12.5 million, respectively, representing a decrease of $16.5 million period over period. Corporate expenses were $25.5 million and $24.0 million for the three months ended September 30, 2022 and 2021, respectively, representing a decrease in income from operations of $1.5 million as discussed in the "Selling, general and administrative expenses" above. See “Business segments” and “Corporate and other” below for further details.

Interest expense, net

Interest expense, net, was $13.1 million for the three months ended September 30, 2022 and $43.8 million for the three months ended September 30, 2021. $33.0 million of the decrease is a non-cash decrease in interest related to the Shareholder Notes which were paid in full in connection with the closing of the Business Combination. $2.3 million is an increase in interest due to higher interest rates associated with the 2021 Credit Agreement compared to 2019 Credit Facility which was paid in full in connection with the closing of the Business Combination. For more information, see Note 8, *Borrowing*s, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Foreign currency loss, net

We recorded a loss of $3.1 million for the three months ended September 30, 2022 and a $1.4 million gain for the three months ended September 30, 2021 from foreign currency exchange. The change in net foreign currency losses is due to depreciation in European local currencies in relation to the U.S. dollar and its impact on the Company's foreign revenues.

Change in fair value of warrant liabilities

We recognized an unrealized loss of $12.0 million resulting from an increase in the fair value of the Public Warrant and Private Placement Warrant liabilities during the three months ended September 30, 2022. See Note 16, *Fair Value Measurements*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Income taxes

Our effective income tax rate was 9.0% and 9.1% for the three months ended September 30, 2022 and the three months ended September 30, 2021, respectively. Our effective income tax rate for the three months ended September 30, 2022 was impacted by the mix of earnings and certain adjustments for the Successor Period as a result of the Business Combination. The effective income tax rate for the three months ended September 30, 2021 was impacted by the mix of earnings and valuation allowances in the Predecessor Period.

The effective income tax rate for the Successor Period differs from the U.S. statutory rate of 21% due primarily to U.S. federal permanent differences. The effective income tax rate for the Predecessor Period differs from the U.K. statutory rate of 19% due primarily to valuation allowances on certain U.K. losses.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act that includes a new alternative minimum tax based upon financial statement income (book minimum tax), an excise tax on stock buybacks and tax incentives for energy and climate initiatives, among other provisions. The new book minimum tax is not expected to have a material impact on our consolidated financial statements. Separately, we are assessing the tax incentives in the legislation which could change our pre-tax or after-tax amounts and impact our tax rate.

Business segments

The following provides detail for business segment results for the three months ended September 30, 2022 and 2021. Segment (loss) income from operations includes revenues of the segment less expenses that are directly related to those revenues but excludes certain charges to cost of revenues and SG&A expenses predominantly related to corporate costs, shared overhead and other costs related to restructuring activities and costs to achieve operational initiatives, which are included in Corporate and Other in the table below. Interest expense, loss on debt extinguishment, foreign currency loss (gain), net, and other expense (income), net, are not allocated to segments.

For reconciliations of segment revenues and operating (loss) income to our consolidated results, see Note 15,*Segment Information*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Medical

	Unaudited	
	Successor	Predecessor
(In millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Revenues	$ 68.7	$ 52.0
Income from operations	$ 0.4	$ 2.6
Income from operations as a % of revenues	0.6 %	5.0 %

Medical segment revenues were $68.7 million for the three months ended September 30, 2022 and $52.0 million for the three months ended September 30, 2021, which is an increase of $16.7 million. Revenues increased primarily due to the impact of the CIRS acquisition contributing $3.7 million, the impact of prior year purchase accounting adjustment related to the SNC acquisition which resulted in a revenue reduction of $3.7 million, and an increased revenue of $10.7 million due to price increases and organic growth. Offsetting the increase in Medical segment revenues period over period was a negative foreign currency exchange impact by approximately $1.0 million.

Loss from operations, which excludes non-operational costs, was $0.4 million and $2.6 million for the three months ended September 30, 2022 and 2021, respectively, representing a decrease in loss from operations of $2.2 million. The decrease in loss from operations period over period was largely due to increased revenues discussed above, offset by an increase in amortization and depreciation expenses of $9.2 million resulting from increased intangible assets and increased fair values of property, plant, and equipment from the Business Combination, costs related to the CIRS business of $4.1 million, and increased sales and marketing costs of $1.7 million.

Industrial

	Unaudited	
	Successor	Predecessor
(In millions)	Three Months Ended September 30, 2022	Three Months Ended September 30, 2021
Revenues	$ 92.2	$ 92.3
(Loss) Income from operations	$ (2.5)	$ 12.5
(Loss) Income from operations as a % of revenues	(2.7)%	13.5 %

Industrial segment revenues were $92.2 million for three months ended September 30, 2022 and $92.3 million for the three months ended September 30, 2021, representing a decrease of $0.1 million. The decrease is primarily driven by project execution timing of $5.4 million, which includes the impacts from the Russia-Ukraine conflict and supply chain disruptions, and foreign exchange rate fluctuations of $7.6 million, offset by $4.0 million in volume increases, $3.2 million from price increases and $5.5 million from the acquisition of SIS.

Loss from operations, which excludes non-operational costs, was $2.5 million for the three months ended September 30, 2022 and Income from operations was $12.5 million for the three months ended September 30, 2021. Loss from operations, which excludes non-operational costs, increased $15.0 million period over period driven primarily by higher amortization of $11.8 million related to the Business Combination purchase accounting and $5.0 million costs related to SIS, the acquisition that occurred during the three months ended September 30, 2022.

Corporate and other

Corporate and other costs include costs associated with our corporate headquarters located in Georgia, as well as centralized global functions including Executive, Finance, Legal and Compliance, Human Resources, Technology, Strategy, and Marketing and other costs related to company-wide initiatives (e.g., Business Combination transaction expenses, merger and acquisition activities, restructuring and other initiatives).

Corporate and other costs were $25.5 million for the three months ended September 30, 2022 and $24.0 million for the three months ended September 30, 2021, which represents an increase of $1.5 million. The increase versus the comparable period was predominantly driven by an increase in stock-based compensation expense of $8.0 million (see Note 13, *Stock-Based Compensation* to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q), a $1.2 million increase in professional services mostly due to becoming a public company, offset by a $7.0 million decrease in legal and professional fees related to Business Combination that occurred in the three months ended September 30, 2021. For reconciliations of segment operating income and corporate and other costs to our consolidated results, see Note 15, *Segment Information* to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

For the Successor Period Nine Months Ended September 30, 2022 and the Predecessor Period Nine Months Ended September 30, 2021

The following tables summarizes our results of operations for the periods presented below (in millions):

	Unaudited	
	Successor	Predecessor
	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues	$ 499.9	$ 490.5
Cost of revenues	286.8	286.5
Gross profit	213.1	204.0
Selling, general and administrative expenses	271.3	189.4
Research and development	22.5	27.7
Goodwill impairment	55.2	—
Loss from operations	(135.9)	(13.1)
Interest expense, net	29.4	130.5
Foreign currency loss (gain), net	7.9	(4.3)
Change in fair value of warrant liabilities - (gain)/loss	(27.5)	—
Other expense (income), net	(0.5)	(0.6)
Loss before benefit from income taxes	(145.2)	(138.7)
Benefit from income taxes	(16.5)	2.6
Net loss	(128.7)	(141.3)
Loss attributable to noncontrolling interests	(5.3)	—
Net loss attributable to stockholders	$ (123.4)	$ (141.3)

Overview

Revenues were $499.9 million for the nine months ended September 30, 2022 and $490.5 million for the nine months ended September 30, 2021. Our Medical segment contributed $195.6 million and $155.6 million of revenues for the nine months ended September 30, 2022 and 2021, respectively. Our Industrial segment contributed $304.3 million and $334.9 million of revenues for the nine months ended September 30, 2022 and 2021, respectively. Gross profit was $213.1 million and $204.0 million for the nine months ended September 30, 2022 and 2021, respectively, resulting in a $9.1 million increase from the nine months ended September 30, 2021.

Net loss was $128.7 million and $141.3 million for the nine months ended September 30, 2022 and 2021, respectively. Our Medical segment contributed $3.2 million and $0.1 million losses from operations for the nine months ended September 30, 2022 and 2021, respectively. Our Industrial segment was responsible for a $49.1 million loss from operations and $60.2 million income from operations for the nine months ended September 30, 2022 and 2021, respectively. The overall decrease in net loss is primarily driven by increased revenues in the Medical segment, a reduction in interest expense and a $27.5 million gain from Change in fair value of warrant liabilities. Offsetting these items were reduced revenues in the Industrial segment, a $55.2 million goodwill impairment charge in the Industrial segment, increased amortization and depreciation expense due to the impact of purchase accounting related to the fair values of

intangible assets and property, plant, and equipment for the Business Combination, and higher selling, general and administrative costs associated with stock-based compensation expense and costs associated with becoming a public company.

Revenues

Revenues were $499.9 million for the nine months ended September 30, 2022 and $490.5 million for the nine months ended September 30, 2021. Revenues increased $9.4 million from the nine months ended September 30, 2021.

Medical segment revenues increased for the nine months ended September 30, 2022 compared with the nine months ended September 30, 2021 primarily due to the results of acquisitions in the Medical segment (CIRS and other acquisitions), price increases, and organic growth. Also driving the increase was the impact of the deferred revenue fair value adjustment for the SNC acquisition, which reduced revenues for the nine months ended September 30, 2021. Offsetting the increase in Medical segment revenues period over period was a negative impact from foreign currency exchange.

Industrial segment revenues decreased primarily due to project execution delays (driven by supply chain issues and the Russia-Ukraine conflict) and foreign exchange rate fluctuations, offset by the impact of the SIS acquisition in 2022.

Cost of revenues

Cost of revenues was $286.8 million for the nine months ended September 30, 2022 and $286.5 million for the nine months ended September 30, 2021. Cost of revenues increased $0.3 million from the nine months ended September 30, 2021.

Cost of revenues related to the Medical segment increased $14.7 million period over period due to an increase in manufacturing supplies, materials, and overhead costs in conjunction with an increase in operations and revenues over the same period. Cost of revenues related to acquisitions made in 2021, primarily the CIRS acquisition, resulted in an incremental cost of revenues for the nine months ended September 30, 2022. In addition, cost of revenues for the nine months ended September 30, 2022 includes purchase accounting related to the fair value of inventory from the Business Combination and increased amortization and depreciation expenses resulting from increased intangible assets and increased fair values of property, plant, and equipment, respectively, from the Business Combination. Finally, cost of revenues for the nine months ended September 30, 2021 includes costs from purchase accounting related to the fair value of inventory from previous acquisitions that no longer impact the nine months ended September 30, 2022.

Cost of revenues related to the Industrial segment decreased $8.8 million period over period. The decrease was primarily driven by a decrease in manufacturing supplies, materials, and overhead costs due to delays in contract execution related to the overall revenue decrease in the Industrial segment. Offsetting the decrease in Cost of revenues were the increased amortization and depreciation expenses from the Business Combination. There was also a decrease of $5.6 million due to manufacturing restructuring activities for the nine months ended September 30, 2022 that were recorded in the Corporate segment.

Selling, general and administrative expenses

Selling, general and administrative (“SG&A”) expenses were $271.3 million for the nine months ended September 30, 2022 and $189.4 million for the nine months ended September 30, 2021, resulting in an increase of $81.9 million.

Our Medical segment incurred higher SG&A expenses of $30.4 million for the nine months ended September 30, 2022. The increase was primarily due to the impact of the increased amortization expense resulting from intangible assets acquired in the Business Combination and the CIRS acquisition in the Medical segment. Our Industrial segment incurred higher SG&A expenses of $35.1 million for the nine months ended September 30, 2022. The increase was primarily driven by the increased amortization expense resulting from intangible assets acquired in the Business Combination.

Corporate SG&A expenses were $79.8 million for the nine months ended September 30, 2022 and $63.4 million for the nine months ended September 30, 2021. The higher SG&A expenses of $16.4 million were driven by an increase in stock-based compensation expense under the 2021 Omnibus Incentive Plan and Profit Interests (see Note 13, *Stock-Based Compensation,* to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q), an increase in compensation expense, Corporate insurance and systems infrastructure costs and professional services mostly due to becoming a public company, offset by the decrease in other costs related to company-wide initiatives including legal and professional fees related to the Business Combination and reduced restructuring costs.

Research and development

Research and development ("R&D") expenses were $22.5 million for the nine months ended September 30, 2022 and $27.7 million for the three months ended September 30, 2021, resulting in a decrease of $5.2 million. The decrease in R&D expense was primarily a result of a reduction in R&D program spend of $2.0 million in the Medical segment and $2.9 million in the Industrial segment for the nine months ended September 30, 2022.

Goodwill impairment

Goodwill impairment charges were $55.2 million for the nine months ended September 30, 2022. The Company concluded that a triggering event had occurred in the RMS reporting unit of the Industrial segment as a result of the Russia-Ukraine conflict. Based on the quantitative test for the RMS reporting unit, the Company determined that the carrying value exceeded the fair value. As such, the Industrial segment recognized its best estimate of a non-cash impairment loss (see Note 7, *Goodwill and intangible assets*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q).

(Loss) income from operations

Loss from operations were $135.9 million and $13.1 million for the nine months ended September 30, 2022 and 2021, respectively, which resulted in an increased loss of $122.8 million. On a segment basis, loss from operations in the Medical segment for the nine months ended September 30, 2022 and 2021 was $3.2 million and $0.1 million, respectively, representing a decrease of $3.1 million. Loss from operations in the Industrial segment for the nine months ended September 30, 2022 was $49.1 million and income from operations for the nine months ended September 30, 2021 was $60.2 million, representing a decrease of $109.3 million. Corporate expenses were $83.6 million and $73.2 million for the nine months ended September 30, 2022 and 2021, respectively, representing a decrease in income from operations of $10.4 million. See "Business segments" and "Corporate and other" below for further details.

Interest expense, net

Interest expense, net, was $29.4 million for the nine months ended September 30, 2022 and $130.5 million for the nine months ended September 30, 2021. $97.8 million of the decrease is a non-cash decrease in interest related to the Shareholder Notes which were paid in full in connection with the closing of the Business Combination. $3.3 million is a decrease in interest due to lower outstanding borrowing amounts associated with 2021 Credit Agreement compared to 2019 Credit Facility which was paid in full in connection with the closing of the Business Combination. For more information, see Note 8, *Borrowing*s, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Foreign currency loss, net

We recorded a loss of $7.9 million for the nine months ended September 30, 2022 and a gain of $4.3 million for the nine months ended September 30, 2021 from foreign currency exchange. The change in net foreign currency losses is due to depreciation in European and Canadian local currencies in relation to the U.S. dollar and its impact on the Company's foreign revenues.

Change in fair value of warrant liabilities

We recognized an unrealized gain of $27.5 million resulting from a decrease in the fair value of the Public Warrant and Private Placement Warrant liabilities during the nine months ended September 30, 2022. See Note 16, *Fair Value Measurements*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Income taxes

The effective income tax rate was 11.4% and (1.9)% for the nine months ended September 30, 2022 and the nine months ended September 30, 2021, respectively. The effective income tax rate for the nine months ended September 30, 2022 was impacted by the mix of earnings and certain adjustments for the Successor Period as a result of the Business Combination. The effective income tax rate for the nine months ended September 30, 2021 was impacted by the mix of earnings and valuation allowances in the Predecessor Period.

The effective income tax rate for the Successor Period differs from the U.S. statutory rate of 21% due primarily to U.S. federal permanent differences. The effective income tax rate for the Predecessor Period differs from the U.K. statutory rate of 19% due primarily to valuation allowances on certain U.K. losses.

On August 16, 2022, the U.S. enacted the Inflation Reduction Act that includes a new alternative minimum tax based upon financial statement income (book minimum tax), an excise tax on stock buybacks and tax incentives for energy and climate initiatives, among other provisions. The new book minimum tax is not expected to have a material impact on our consolidated financial statements. Separately, we are assessing the tax incentives in the legislation which could change our pre-tax or after-tax amounts and impact our tax rate.

Business segments

The following provides detail for business segment results for the nine months ended September 30, 2022 and 2021. Segment (loss) income from operations includes revenues of the segment less expenses that are directly related to those revenues but excludes certain charges to cost of revenues and SG&A expenses predominantly related to corporate costs, shared overhead and other costs related to restructuring activities and costs to achieve operational initiatives, which are included in Corporate and Other in the table below. Interest expense, loss on debt extinguishment, foreign currency loss (gain), net, and other expense (income), net, are not allocated to segments.

For reconciliations of segment revenues and operating (loss) income to our consolidated results, see Note 15,*Segment Information*, to the consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Medical

	Unaudited	
	Successor	Predecessor
(In millions)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues	$ 195.6	$ 155.6
Loss from operations	$ (3.2)	$ (0.1)
Loss from operations as a % of revenues	(1.6)%	(0.1)%

Medical segment revenues were $195.6 million for the nine months ended September 30, 2022 and $155.6 million for the nine months ended September 30, 2021, which is an increase of $40.0 million. Revenues increased primarily due to the impact of the CIRS acquisition contributing $10.4 million, the impact of prior year purchase accounting adjustment related to the SNC acquisition which resulted in a revenue reduction of $11.7 million, and an increased revenue of $21.0 million due to price increases and organic growth. Offsetting the increase in the Medical segment revenues period over period was a negative foreign currency exchange impact by approximately $1.9 million.

Loss from operations, which excludes non-operational costs, was $3.2 million and $0.1 million for the nine months ended September 30, 2022 and September 30, 2021, respectively, representing an increase in loss from operations of $3.1 million. The increase in loss from operations period over period was largely due to an increase in amortization expenses of $24.4 million resulting from increased intangible assets from the Business Combination and costs related to CIRS business ($13.4 million). Offsetting the increase in loss from operations was the increase in revenues described above, decreased research and development costs of $2.0 million, and a $1.3 million reduction in compensation expenses.

Industrial

	Unaudited	
	Successor	Predecessor
(In millions)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Revenues	$ 304.3	$ 334.9
(Loss) Income from operations	$ (49.1)	$ 60.2
(Loss) Income from operations as a % of revenues	(16.1)%	18.0 %

Industrial segment revenues were $304.3 million for nine months ended September 30, 2022 and $334.9 million for the nine months ended September 30, 2021, representing a decrease of $30.6 million. The decrease is primarily driven by delays caused by project execution timing from supply chain issues and impacts from the Russia-Ukraine conflict of $16.0 million and foreign exchange rate fluctuations of $20.2 million, offset by $5.5 million for the impact of the SIS acquisition in 2022.

Loss from operations, which excludes non-operational costs, was $49.1 million for the nine months ended September 30, 2022 and Income from operations was $60.2 million for the nine months ended September 30, 2021. Loss from operations, which excludes non-operational costs, increased $109.3 million period over period driven primarily by the decrease in revenues described above, the goodwill impairment charge of $55.2 million recognized during nine months ended September 30, 2022, higher cost of revenues including $5.4 million of inventory step-up and higher amortization of $33.8 million, both related to the Business Combination purchase accounting.

Corporate and other

Corporate and other costs include costs associated with our corporate headquarters located in Georgia, as well as centralized global functions including Executive, Finance, Legal and Compliance, Human Resources, Technology, Strategy, and Marketing and other costs related to company-wide initiatives (e.g., Business Combination transaction expenses, merger and acquisition activities, restructuring and other initiatives).

Corporate and other costs were $83.6 million for the nine months ended September 30, 2022 and $73.2 million for the nine months ended September 30, 2021, which represents an increase of $10.4 million. The increase versus the comparable period was predominantly driven by an increase in stock-based compensation expense of $24.1 million (see Note 13, *Stock-Based Compensation,* to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q) and an increase of $1.8 million in compensation expense, a $4.5 million increase in Corporate insurance and systems infrastructure costs and a $3.5 million increase in professional services mostly due to becoming a public company, offset by a $23.2 million decrease in other costs related to company-wide initiatives including legal and professional fees related to the Business Combination that occurred during the nine months ended September 30, 2021 and reduced restructuring costs. For reconciliations of segment operating income and corporate and other costs to our consolidated results, see Note 15, *Segment Information*, to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

Quarterly Results of Operations

The following table sets forth selected unaudited quarterly financial data for the current Successor quarter, our last seven completed fiscal quarters (Predecessor) and for the transition periods from July 1, 2021 through October 19, 2021 (Predecessor Stub Period) and from October 20, 2021 through December 31, 2021 (Successor). The information for each of these periods reflects all adjustments that are of a normal, recurring nature and that we consider necessary for a fair presentation of our operating results for such periods. The results of operations presented should be read in conjunction with our unaudited consolidated financial statements and notes thereto appearing elsewhere in this document and are not necessarily indicative of our operating results for any future period. Revenues for certain quarters/periods are impacted by the capital spending patterns of government customers, which are influenced by budgetary considerations and driven by timing of fiscal year-ends.

(In millions, except per share amounts)	Successor				Predecessor				
	September 30, 2022	June 30, 2022	March 31, 2022	From October 20, 2021 through December 31, 2021	From July 1, 2021 through October 19, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Revenues	$ 160.9	$ 175.8	$ 163.2	$ 154.1	$ 168.0	$ 144.3	$ 180.0	$ 166.2	$ 150.8
Adjusted revenues(1)(2)	$ 160.9	$ 175.8	$ 163.2	$ 156.4	$ 172.5	$ 148.0	$ 183.7	$ 170.5	$ 150.8
Net loss	$ (50.4)	$ (59.3)	$ (19.0)	$ (23.0)	$ (105.7)	$ (46.7)	$ (54.0)	$ (40.7)	$ (23.4)
Adjusted net income (loss)(1)(3)	$ 5.6	$ 24.4	$ 17.5	$ 25.6	$ (33.9)	$ (20.1)	$ (23.4)	$ (10.1)	$ (0.4)
Net loss per common share attributable to Mirion Technologies, Inc. (Successor)	$ (0.26)	$ (0.32)	$ 0.10	$ (0.12)	N/A	N/A	N/A	N/A	N/A
Adjusted EPS(1)(4)	$ 0.03	$ 0.13	$ 0.10	$ 0.14	N/A	N/A	N/A	N/A	N/A
EBITA(1)(5)	$ (7.1)	$ (20.8)	$ 23.6	$ 8.4	$ (38.8)	$ 8.5	$ 22.7	$ 13.8	$ 16.4
EBITDA(1)(5)	$ 0.3	$ (13.5)	$ 29.8	$ 13.7	$ (32.6)	$ 13.6	$ 29.5	$ 18.8	$ 21.0
Adjusted EBITDA(1)(5)	$ 30.8	$ 42.6	$ 34.9	$ 44.5	$ 31.2	$ 30.9	$ 49.9	$ 39.8	$ 38.3

(1) Adjusted revenues, Adjusted net (loss) income, Adjusted EPS, EBITA, EBITDA and Adjusted EBITDA are supplemental measures of our performance that are not required by, or presented in accordance with, U.S. GAAP. Adjusted revenues, Adjusted net (loss) income, Adjusted EPS, EBITA, EBITDA, and Adjusted EBITDA are included in this document because they are key metrics used by management to assess our financial performance. We believe that these measures are useful because they provide investors with information regarding our operating performance that is used by our management in its reporting and planning processes. These measures may not be comparable to similarly titled measures and disclosures reported by other companies.

Adjusted revenues are defined as U.S. GAAP revenues adjusted to remove the impact of purchase accounting on the recognition of deferred revenue. We have acquired businesses whose net tangible assets include deferred revenue. In accordance with GAAP reporting requirements, we recorded adjustments reducing deferred revenue under arrangements predating the business combination to fair value for all business combinations occurring prior. Therefore, our GAAP revenues after the date of acquisition will not reflect the full amount of revenues that would have been reported if the acquired deferred revenue was not written down to fair value. Therefore, Adjusted revenues reverses the impact of this deferred revenue write-down to provide another view of the revenue run-rate in a given period and providing meaningful information for comparative results in future periods.

Adjusted net (loss) income is defined as U.S. GAAP net income adjusted for foreign currency gains and losses, amortization of acquired intangible assets, the impact of purchase accounting on the recognition of deferred revenue, changes in the fair value of warrants, impact of goodwill impairment, certain non-operating expenses (certain purchase accounting impacts related to revenues and inventory, restructuring and costs to achieve operational synergies, merger and acquisition expenses and IT project implementation expenses), and income tax impacts of these adjustments. Adjusted EPS is defined as adjusted net (loss) income divided by weighted average common shares outstanding — basic and diluted.

EBITA is defined as income before net interest expenses (including loss on debt extinguishment), income tax (benefit) provision, and amortization. EBITDA is defined as income before net interest expense (including loss on debt extinguishment), income tax (benefit) provision, and depreciation (including finance lease amortization) and amortization. EBITA and EBITDA are not terms defined under U.S. GAAP and do not purport to be alternatives to net income as measures of operating performance or to cash flows from operating activities as measures of liquidity. Additionally, EBITA and EBITDA are not intended to be measures of free cash flow available for management's discretionary use as they do not consider certain cash requirements such as interest payments, tax payments and debt service requirements.

Adjusted EBITDA is defined as EBITDA excluding the items described in the table below. Adjusted EBITDA is used by management as a measure of operating performance. We believe that the inclusion of supplementary adjustments to

EBITDA applied in presenting Adjusted EBITDA is appropriate to provide additional information to investors about our results of operations that management utilizes on an ongoing basis to assess our core operating performance.

EBITA, EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures used by other companies. You should not consider our EBITA, EBITDA and Adjusted EBITDA as alternatives to operating income or net income, determined in accordance with U.S. GAAP.

(2) The following table reconciles Adjusted revenues to the most directly comparable U.S. GAAP financial performance measure, which is revenues:

	Successor				Predecessor				
(In millions)	September 30, 2022	June 30, 2022	March 31, 2022	From October 20, 2021 through December 31, 2021	From July 1, 2021 through October 19, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Revenues	**$ 160.9**	**$ 175.8**	**$ 163.2**	**$ 154.1**	**$ 168.0**	**$ 144.3**	**$ 180.0**	**$ 166.2**	**$ 150.8**
Revenue reduction from purchase accounting	—	—	—	2.3	4.5	3.7	3.7	4.3	—
Adjusted revenues	**$ 160.9**	**$ 175.8**	**$ 163.2**	**$ 156.4**	**$ 172.5**	**$ 148.0**	**$ 183.7**	**$ 170.5**	**$ 150.8**

(3) The following table reconciles Adjusted net income (loss) to the most directly comparable U.S. GAAP financial performance measure, which is net loss:

	Successor				Predecessor				
(In millions, except per share amounts)	Three Months Ended September 30, 2022	Three Months Ended June 30, 2022	Three Months Ended March 31, 2022	From October 20, 2021 through December 31, 2021	From July 1, 2021 through October 19, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net loss	**$ (50.4)**	**$ (59.3)**	**$ (19.0)**	**$ (23.0)**	**$ (105.7)**	**$ (46.7)**	**$ (54.0)**	**$ (40.7)**	**$ (23.4)**
Revenue reduction from purchase accounting	—	—	—	2.3	4.5	3.7	3.7	4.3	—
Cost of revenues impact from inventory valuation purchase accounting	—	—	6.3	15.8	—	—	—	4.7	0.5
Foreign currency loss (gain), net	3.1	3.3	1.5	1.6	(0.6)	(1.4)	1.1	(4.0)	8.2
Amortization of acquired intangibles	35.2	37.5	38.8	32.0	19.7	16.1	18.6	18.6	13.5
Stock/share-based compensation	8.5	8.5	7.8	5.3	9.3	—	—	(0.1)	0.1
Increase (decrease) in fair value of warrant liabilities	12.0	(19.6)	(19.9)	(1.2)	—	—	—	—	—
Goodwill impairment	—	55.2	—	—	—	—	—	—	—
Debt extinguishment	—	—	—	—	15.9	—	—	—	—
Non-operating expenses	6.9	8.7	9.4	7.0	34.7	15.0	15.6	16.1	8.5
Tax impact of adjustments above	(9.7)	(9.9)	(7.4)	(14.2)	(11.7)	(6.8)	(8.4)	(9.0)	(7.8)
Adjusted net income (loss)	**$ 5.6**	**$ 24.4**	**$ 17.5**	**$ 25.6**	**$ (33.9)**	**$ (20.1)**	**$ (23.4)**	**$ (10.1)**	**$ (0.4)**
Weighted average common shares outstanding — diluted	181.352	180.992	180.992	180.773	N/A	N/A	N/A	N/A	N/A
Adjusted EPS	$ 0.03	$ 0.13	$ 0.10	$ 0.14	N/A	N/A	N/A	N/A	N/A

(4) The following table reconciles Adjusted EPS to the most directly comparable U.S. GAAP financial performance measure, which is Net loss per common share attributable to Mirion Technologies, Inc. (Successor):

	Successor*			
(Amounts per share, except for outstanding shares in millions)	**Three Months Ended September 30, 2022**	**Three Months Ended June 30, 2022**	**Three Months Ended March 31, 2022**	**From October 20, 2021 through December 31, 2021**
Net loss per common share attributable to Mirion Technologies, Inc. (Successor)	**$ (0.26)**	**$ (0.32)**	**$ (0.10)**	**$ (0.12)**
Loss attributable to noncontrolling interests	(0.02)	(0.01)	(0.01)	(0.01)
Revenue reduction from purchase accounting	—	—	—	0.01
Cost of revenues impact from inventory valuation purchase accounting	—	—	0.04	0.09
Foreign currency loss (gain), net	0.02	0.02	0.01	0.01
Amortization of acquired intangibles	0.19	0.21	0.22	0.18
Stock-based compensation	0.05	0.05	0.04	0.03
Increase (decrease) in fair value of warrant liabilities	0.06	(0.11)	(0.11)	(0.01)
Goodwill impairment	—	0.30	—	—
Non-operating expenses	0.04	0.05	0.05	0.04
Tax impact of adjustments above	(0.05)	(0.06)	(0.04)	(0.08)
Adjusted EPS	**$ 0.03**	**$ 0.13**	**$ 0.10**	**$ 0.14**
Weighted average common shares outstanding — basic and diluted	**181.333**	**180.992**	**180.774**	**180.773**
Dilutive Potential Common Shares - RSU's	0.019	0.031	—	0.003
Adjusted weighted average common shares — diluted	**181.352**	**181.023**	**180.774**	**180.776**

* Note that Predecessor quarters have not been presented as Adjusted EPS is not meaningful for periods prior to the Business Combination due to the change in the capital structure.

(5) The following table reconciles EBITA, EBITDA and Adjusted EBITDA to the most directly comparable U.S. GAAP financial performance measure, which is net loss:

	Successor				Predecessor				
(In millions)	September 30, 2022	June 30, 2022	March 31, 2022	From October 20, 2021 through December 31, 2021	From July 1, 2021 through October 19, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020
Net loss	**$ (50.4)**	**$ (59.3)**	**$ (19.0)**	**$ (23.0)**	**$ (105.7)**	**$ (46.7)**	**$ (54.0)**	**$ (40.7)**	**$ (23.4)**
Interest expense, net	13.1	8.4	7.9	6.2	52.8	43.8	43.7	43.0	38.5
Income tax (benefit) provision	(5.0)	(7.4)	(4.1)	(6.8)	(5.6)	(4.7)	14.4	(7.1)	(12.2)
Amortization	35.2	37.5	38.8	32.0	19.7	16.1	18.5	18.6	13.5
EBITA	**$ (7.1)**	**$ (20.8)**	**$ 23.6**	**$ 8.4**	**$ (38.8)**	**$ 8.5**	**$ 22.6**	**$ 13.8**	**$ 16.4**
Depreciation	7.4	7.3	6.2	5.3	6.2	5.1	6.9	5.0	4.6
EBITDA	**$ 0.3**	**$ (13.5)**	**$ 29.8**	**$ 13.7**	**$ (32.6)**	**$ 13.6**	**$ 29.5**	**$ 18.8**	**$ 21.0**
Stock/share-based compensation expense	8.5	8.5	7.8	5.3	9.3	—	—	(0.1)	0.1
Increase (decrease) in fair value of warrant liabilities	12.0	(19.6)	(19.9)	(1.2)	—	—	—	—	—
Goodwill impairment	—	55.2	—	—	—	—	—	—	—
Debt extinguishment	—	—	—	—	15.9	—	—	—	—
Foreign currency loss (gain), net	3.1	3.3	1.5	1.6	(0.6)	(1.4)	1.1	(4.0)	8.2
Revenue reduction from purchase accounting	—	—	—	2.3	4.5	3.7	3.7	4.3	—
Cost of revenues impact from inventory valuation purchase accounting	—	—	6.3	15.8	—	—	—	4.7	0.5
Non-operating expenses	6.9	8.7	9.4	7.0	34.7	15.0	15.6	16.1	8.5
Adjusted EBITDA	**$ 30.8**	**$ 42.6**	**$ 34.9**	**$ 44.5**	**$ 31.2**	**$ 30.9**	**$ 49.9**	**$ 39.8**	**$ 38.3**

Liquidity and Capital Resources

Overview of Liquidity

Our primary future cash needs relate to working capital, operating activities, capital spending, strategic investments, and debt service.

Mirion management believes that net cash provided by operating activities, augmented by long-term debt arrangements, will provide adequate liquidity for the next 12 months of independent operations, as well as the resources necessary to invest for growth in existing businesses and manage its capital structure on a short- and long-term basis. Access to capital and availability of financing on acceptable terms in the future will be affected by many factors, including our credit rating, economic conditions, and the overall liquidity of capital markets. There can be no assurance of continued access to financing from the capital markets on acceptable terms or at all.

At September 30, 2022 and December 31, 2021 we had $58.4 million and $84.0 million, respectively, in cash and cash equivalents, which include amounts held by entities outside of the United States of approximately $37.0 million and $69.5 million, respectively, primarily in Europe and Canada. Non-U.S. cash is generally available for repatriation without legal restrictions, subject to certain taxes, mainly withholding taxes. We are asserting indefinite reinvestment of cash for certain non-U.S. subsidiaries. The Company has alternative repatriation options other than dividends should the need arise. The 2021 Credit Agreement provides for up to $90.0 million of revolving borrowings.
There is a discussion in Note 8, *Borrowings*, of the condensed consolidated financial statements included elsewhere in this Form 10-Q of the long-term debt arrangements issued by Mirion. For more information on our lease commitments, See Note 9, *Leased Assets*, of the condensed consolidated financial statements and for other commitments and contingencies, see Note 10, *Commitments and Contingencies* of the condensed consolidated financial statements, included elsewhere in this Quarterly Report on Form 10-Q.

Debt Profile

2021 Credit Agreement

On the Closing Date, certain subsidiaries of the Company entered into a credit agreement (the “2021 Credit Agreement”) among Mirion Technologies (HoldingSub2), Ltd., a limited liability company incorporated in England and Wales, as Holdings, Mirion Technologies (US Holdings), Inc., as the Parent Borrower, Mirion Technologies (US), Inc., as the Subsidiary Borrower, the lending institutions party thereto, Citibank, N.A., as the Administrative Agent and Collateral Agent and Goldman Sachs Lending Partners, Citigroup Global Markets Inc., Jefferies Finance LLC and JPMorgan Chase Bank, N.A., as the Joint Lead Arrangers and Bookrunners. The 2021 Credit Agreement refinanced and replaced an earlier credit facility (the "2019 Credit Facility").

The 2021 Credit Agreement provides for an $830.0 million senior secured first lien term loan facility and a $90.0 million senior secured revolving facility (collectively, the “Credit Facilities”). Funds from the Credit Facilities are permitted to be used in connection with the Business Combination and related transactions, to refinance the 2019 Credit Facility referred to above and for general corporate purposes. The term loan facility is scheduled to mature on October 20, 2028 and the revolving facility is scheduled to expire and mature on October 20, 2026. The agreement requires the payment of a commitment fee of 0.50% per annum for unused revolving commitments, subject to stepdowns to 0.375% per annum and 0.25% per annum upon the achievement of specified leverage ratios. Any outstanding letters of credit issued under the 2021 Credit Agreement reduce the availability under the revolving line of credit.

The 2021 Credit Agreement is secured by a first priority lien on the equity interests of the Parent Borrower owned by Holdings and substantially all of the assets (subject to customary exceptions) of the borrowers and the other guarantors thereunder. Interest with respect to the facilities is based on, at the option of the borrowers, (i) a customary base rate formula for borrowings in U.S. dollars or (ii) a floating rate formula based on LIBOR (with customary fallback provisions described below) for borrowings in U.S. dollars, a floating rate formula based on EURIBOR for borrowings in Euro or a floating rate formula based on SONIA for borrowings in Pounds Sterling, each as described in the 2021 Credit Agreement with respect to the applicable type of borrowing. The 2021 Credit Agreement includes fallback language that seeks to either facilitate an agreement with our lenders on a replacement rate for LIBOR in the event of its discontinuance or that automatically replaces LIBOR with benchmark rates based on the Secured Overnight Financing Rate ("SOFR") or other benchmark replacement rates upon triggering events. On July 1, 2022, the interest rate under the 2021 Credit Agreement increased to 5.63%, compared with the previous rate of 3.25%, due to the recent increases in LIBOR and will remain at this rate for the remainder of 2022.

The 2021 Credit Agreement contains customary representations and warranties as well as customary affirmative and negative covenants and events of default. The negative covenants include, among others and in each case subject to certain thresholds and exceptions, limitations on incurrence of liens, limitations on incurrence of indebtedness, limitations on making dividends and other distributions, limitations on engaging in asset sales, limitations on making investments, and a financial covenant that the “First Lien Net Leverage Ratio” (as defined in the 2021 Credit Agreement) as of the end of any fiscal quarter is not greater than 7.00 to 1.00 if on the last day of such fiscal quarter certain borrowings outstanding under the revolving credit facility exceed 40% of the total revolving credit commitments at such time. The covenants also contain limitations on the activities of Mirion Technologies (HoldingSub2), Ltd. as the “passive” holding company. If any of the events of default occur and are not cured or waived, any unpaid amounts under the 2021 Credit Agreement may be declared immediately due and payable, the revolving credit commitments may be terminated and remedies against the collateral may be exercised.

Cash flows

Nine months ended September 30, 2022 (Successor) compared to nine months ended September 30, 2021 (Predecessor)

	Unaudited	
	Successor	Predecessor
(In millions)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net cash provided by operating activities	$ 14.2	$ 44.8
Net cash used in investing activities	$ (28.5)	$ (38.6)
Net cash used in financing activities	$ (5.0)	$ (10.3)

Non-GAAP:

	Unaudited	
	Successor	Predecessor
(In millions)	Nine Months Ended September 30, 2022	Nine Months Ended September 30, 2021
Net cash provided by operating activities	**$ 14.2**	**$ 44.8**
Purchases of property, plant, and equipment and badges	(22.7)	(22.7)
Free cash flow[1]	**$ (8.5)**	**$ 22.1**
Cash used for non-operating expenses	24.9	34.1
Adjusted free cash flow[1]	**$ 16.4**	**$ 56.2**

(1) Free cash flow and Adjusted free cash flow are supplemental measures of our performance that are not required by, or presented in accordance with, U.S. GAAP. We believe that Free cash flow and Adjusted free cash flow are important because they provide management with measurements of cash generated from operations that is available for payment obligations and investment opportunities, such as repaying debt and funding acquisitions.

Free cash flow is defined as U.S. GAAP net cash provided by operating activities adjusted to include the impact of purchases of property, plant, and equipment and purchases of badges. Adjusted free cash flow is defined as Free cash flow adjusted to include the impact of cash used to fund non-operating expenses (as previously defined). We believe that the inclusion of supplementary adjustments to Free cash flow applied in presenting Adjusted free cash flow is appropriate to provide additional information to investors about our cash flows that management utilizes on an ongoing basis to assess our ability to generate cash for use in acquisitions and other investing and financing activities.

Free cash flow and Adjusted free cash flow may not be comparable to similarly titled measures used by other companies. You should not consider our Free cash flow or Adjusted free cash flow as alternatives to net cash provided by (used for) operating activities in accordance with U.S. GAAP.

Net Cash Provided by Operating Activities

Net cash provided by operating activities was $14.2 million for the nine months ended September 30, 2022 (Successor) and $44.8 million for the nine months ended September 30, 2021 (Predecessor), representing a decrease of $30.6 million.

The decrease is partially due to our net loss, adjusted for non-cash items, declining by $6.0 million. Net loss decreased by $12.6 million. Non-cash add-backs to net income included a decrease of accrual of in-kind interest on notes payable to related parties by $96.8 million, a decline in deferred income taxes by $34.2 million, and a decline in the fair value of warrant liabilities by $27.5 million, partially offset by an increase in depreciation and amortization by $62.3 million, a $55.2 million increase in goodwill impairment, and a $24.9 million increase in stock-based compensation expense. Cash from working capital decreased by $24.6 million period over period. Within working capital, changes in inventories decreased by $33.6 million, changes in accounts payable decreased by $9.1 million, changes in costs in excess of billings decreased by $7.6 million, and changes in other liabilities decreased by $7.6 million, partially offset by an increase in changes in accounts receivable of $17.6 million and an increase in changes in other assets of $10.4 million.

Net Cash Used in Investing Activities

Net cash used in investing activities was $28.5 million for the nine months ended September 30, 2022 (Successor) and $38.6 million for the nine months ended September 30, 2021 (Predecessor). The difference is driven primarily by a $9.3 million decline in payments related to acquisitions ($6.6 million of cash consideration paid for the purchase of the CI business of Collins Aerospace during the nine months ended September 30, 2022 compared with the payment of deferred consideration of $15.9 million related to the SNC acquisition during the nine months ended September 30, 2021. Additionally, cash provided from the sale of property, plant and equipment was $0.8 million for the nine months ended September 30, 2022.

Net Cash Used in Financing Activities

Net cash used in financing activities was $5.0 million during the nine months ended September 30, 2022 (Successor) and $10.3 million during the nine months ended September 30, 2021 (Predecessor). The decrease of $5.3 million primarily relates to a $7.6 million decline in principal repayments due to a change in debt structure.

Critical Accounting Policies and Estimates

Our consolidated financial statements are prepared in accordance with U.S. GAAP. The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. Such estimates are based on historical experience and on various other factors that management believes are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these judgments and estimates under different assumptions or conditions and any such differences may be material.

During the three months ended September 30, 2022, there were no material changes to our critical accounting policies and estimates from those described under the heading “Management’s Discussion and Analysis of Financial Condition and Results of Operations-Critical Accounting Policies and Estimates” in our Annual Report on Form 10-K.

Recent Accounting Pronouncements

See Note 1, *Nature of Business and Summary of Significant Accounting Policies*to our unaudited condensed financial statements included elsewhere in this Quarterly Report on Form 10-Q for more information.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Quantitative and Qualitative Disclosures about Market Risk

We have no material changes to the disclosures on this matter made in our Annual Report on Form 10-K for the periods ended September 30, 2022 and December 31, 2021.

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures are controls and other procedures that are designed to ensure that information required to be disclosed in our reports filed or submitted under the Securities Exchange Act of 1934, as amended (the "Exchange Act") is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that material information required to be disclosed in our reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

As required by Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our Chief Executive Officer and Chief Financial Officer carried out an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of September 30, 2022. Based upon their evaluation, our Chief Executive Officer and Chief Financial Officer concluded

that, as of September 30, 2022, our disclosure controls and procedures (as defined in Rules 13a- 15(e) and 15d-15(e) under the Exchange Act) were effective.

Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives and management necessarily applies its judgement in evaluating the cost-benefit relationship of possible controls and procedures.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting (as such term is defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) during the quarter ended September 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS

Due to the nature of our activities, we are at times subject to pending and threatened legal actions that arise out of the ordinary course of businessFor information regarding legal proceedings and other claims in which we are involved, see “Note 10. Commitments and Contingencies,” to the condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. The disposition of any such currently pending or threatened matters is not expected to have a material effect on our business, results of operations or financial condition. However, the results of legal actions cannot be predicted with certainty. Therefore, it is possible that our business, results of operations and financial condition could be materially adversely affected in any particular period by the unfavorable resolution of one or more legal actions. Regardless of the outcome, litigation can have an adverse impact on our business because of defense and settlement costs, diversion of management resources and other factors. In addition, the expense of litigation and the timing of this expense from period to period are difficult to estimate, subject to change and could adversely affect our consolidated financial statements.

ITEM 1A. RISK FACTORS

An investment in our securities involves a high degree of risk. You should carefully consider the following risk factors, together with all of the other information included in this Quarterly Report on Form 10-Q, before making an investment decision. The occurrence of one or more of the events or circumstances described in these risk factors, alone or in combination with other events or circumstances may have an adverse effect on our business, results of operations and financial condition. However, the selected risks described below are not the only risks we face. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, results of operations or financial condition. In such a case, the trading price of our securities could decline and you may lose all or part of your investment.

Summary of Principal Risk Factors

Below is a summary of some of the risks that we face. This summary is not complete, and should be read together with this entire section of “Risk Factors,” as well as the other information in this Quarterly Report on Form 10-Q and the other filings that we make with the SEC.

- We have incurred operating losses in the past and expect to incur operating losses in the future.
- Our results of operations may fluctuate significantly, which could make our future results difficult to predict and could cause our results of operations to fall below expectations.
- The military conflict between Russia and Ukraine and the sanctions imposed as a result have adversely affected and may further adversely affect our business, results of operations, and financial condition.
- Accidents involving nuclear power facilities, including but not limited to events similar to Fukushima, or terrorist acts or other high profile events involving radioactive materials could materially and adversely affect our customers and the markets in which we operate and increase regulatory requirements and costs that could in turn materially and adversely affect our business.
- Our global operations expose us to risks associated with public health crises and epidemics/pandemics, such as COVID-19. The global spread of COVID-19 has created significant volatility, uncertainty and worldwide economic disruption, resulting in an economic slowdown of potentially extended duration.

- If we or our suppliers experience supply shortages, such as the ongoing shortage of semiconductors, or prices of commodities or components that we use in our operations increase, our results of operations could be materially and adversely affected.
- If we are unable to develop new products or enhance existing products to meet our customers' needs and compete favorably in the market, we may be unable to attract or retain customers.
- We operate in highly competitive markets and in some cases compete against larger companies with greater financial resources.
- Our customers may reduce or halt their spending on our products and services.
- Our sales cycles in certain end markets can be long and unpredictable.
- Our growth plans depend in part on growth through acquisitions, and these plans involve numerous risks. If we are unable to make acquisitions, or if we are not successful in integrating the technologies, operations and personnel of acquired businesses or fail to realize the anticipated benefits of an acquisition, our business, results of operations and financial condition may be materially and adversely affected.
- Certain of our products require the use of radioactive sources or incorporate radioactive materials, which subject us and our customers to regulations, related costs and delays and potential liabilities for injuries or violations of environmental, health and safety laws.
- We have, and we intend to continue pursuing, fixed-price contracts. Our failure to mitigate certain risks associated with such contracts, such as inflation, may result in reduced margins.
- A failure to expand our manufacturing capacity if required, and scale our capabilities to manufacture new products could constrain our ability to grow our business.
- We rely on third-party manufacturers to produce sub-components for certain of our products and services. If our manufacturers are unable to meet our requirements, or are subject to unanticipated disruptions, our business, results of operations and financial condition could be materially and adversely affected.
- We rely on third-party sales representatives to assist in selling our products and services, and the failure of these representatives to perform as expected or to secure regulatory approvals in jurisdictions where they are required to do so could reduce our future sales.
- We derive a material portion of our revenue from contracts with governmental customers or their contractors and such customers may be subject to increased pressures to reduce expenses, require unusual or more onerous contractual terms and conditions or require that we undergo audits and investigations with an increased risk of sanctions and penalties.
- A failure or breach of our or our vendors' information technology ("IT"), data security infrastructure, or the security infrastructure of our products, or the discovery or exploitation of defects or vulnerabilities in the same, has subjected us in the past and may in the future subject us and our products to increased vulnerability to unauthorized access and other forms of cyberattacks and could materially and adversely impact our or our customers' business, reputation, results of operations and financial condition.
- We and our customers operate in highly regulated industries that require us and them to obtain, and comply with, federal, state, local and foreign government permits and approvals.
- We must comply with the FCPA, and analogous non-U.S. anti-bribery and anti-corruption laws, including the UKBA. The failure by us or our third-party sales representatives' or distributors' to comply with such laws could subject us to, among other things, penalties and legal expenses that could harm our reputation and materially and adversely affect our business, results of operations and financial condition.
- Legal compliance with import and export controls, as well as with sanctions laws and regulations, in the United States and other countries, is complex, and compliance restrictions and expenses could materially and adversely impact our business, results of operations and financial condition.
- Certain of our products and software are subject to ongoing regulatory oversight by the FDA or equivalent regulatory agencies in international markets and if we are not able to obtain or maintain the necessary regulatory approvals we may not be able to continue to market and sell such products which may materially and adversely affect our business, results of operations and financial condition.

- Our ability to compete successfully and achieve future growth will depend on our ability to obtain, maintain, protect, defend and enforce our intellectual property and to operate without infringing, misappropriating or otherwise violating the intellectual property of others.
- The price of our Class A common stock and warrants may be volatile.

Risks Related to Our Business and Industry

We have incurred operating losses in the past and expect to incur operating losses in the future.

As of September 30, 2022, we had an accumulated deficit of $255.0 million. For the nine months ended September 30, 2022, the period from October 20, 2021 through December 31, 2021 (the "Successor Period"), the period from July 1, 2021 through October 19, 2021 (the "Predecessor Stub Period"), and the fiscal year ended June 30, 2021, we experienced net losses of $128.7 million, $23.0 million, $105.7 million, $158.4 million, respectively. We cannot assure you that we will achieve positive net income in any future period. We expect our operating expenses to increase in the future as we expand our operations. Furthermore, as a public company, we are incurring additional legal, accounting and other expenses that we did not incur as a private company. If our revenue and gross profit do not grow at a greater rate than our operating expenses, we will not be able to achieve and maintain profitability. We expect to incur significant losses in the future for a number of reasons, including without limitation the other risks and uncertainties described herein. Additionally, we may encounter unforeseen operating or legal expenses, difficulties, complications, delays and other factors that may result in losses in future periods. If our expenses exceed our revenue, we may never achieve or maintain profitability and our business may be harmed.

Our results of operations may fluctuate significantly, which could make our future results difficult to predict and could cause our results of operations to fall below expectations.

Our business depends on the demand for our radiation detection, measurement, analysis and monitoring products, our nuclear medicine and related quality management products, and services in the nuclear, defense, medical and other end markets. In the past, the demand for our products in these markets has fluctuated due to a variety of factors, many of which are beyond our control. This has caused our results of operations to fluctuate. Among the factors affecting our results of operations are:

- general economic conditions, both domestically and internationally, including inflation, recession and interest rate fluctuations;
- international trade conditions, such as the Russia-Ukraine conflict and tariffs imposed by both the United States and China on the import of certain goods;
- the timing, number and size of orders from, and shipments to, our customers, as well as the relative mix of those orders;
- the timing of revenue recognition, which often requires customer acceptance of the delivered products;
- delays, postponements or cancellations of construction or decommissioning of NPPs caused by, for example, financing difficulties or regulatory delays;
- NPP outages, which are typically higher in the spring and fall due to reduced electricity demands
- adverse economic, financial and/or political conditions, as well as man made or natural disasters, such as pandemics, in one or more of our target end markets;
- variations in the volume of orders for a particular product or product line in a particular quarter;
- the size and timing of new contract awards;
- the timing of the release of government funds for procurement of our products;
- the degree to which new end markets emerge for our products;
- seasonal customer purchasing patterns due to the budget cycles of U.S. and foreign governments and commercial enterprises that affect timing of order placement for or delivery of our products;
- the tendency of commercial enterprises to fully utilize annual capital budgets prior to expiration; and

- changes in laws or regulations affecting our target end markets, in particular the medical market.

In addition, our operating results may be difficult to compare with our results for prior periods due to our recent change in fiscal year end from June 30 to December 31. As a result of these and other factors, you should not rely on the results of any prior quarterly or annual periods, or any historical trends reflected in such results, as indications of our future revenue or operating performance.

The military conflict between Russia and Ukraine and the sanctions imposed as a result have adversely affected and may further adversely affect our business, results of operations, and financial condition

We do business with Russian customers both within and outside of Russia and with customers who have contracts with Russian counterparties. Russia's invasion of Ukraine, the ensuing build-up of Russian sanctions and other impacts on this region have impacted the global economic environment and currencies resulting in fluctuating demand for our products and services, delays or cancellations of customer projects and difficulties in supplying and sourcing products from this and other geographic regions. In addition, it has become more difficult for certain of our customers' to satisfy their obligations to us as a result of the conflict. In addition, we have been adversely impacted and we may experience further impacts as the conflict continues. On May 2, 2022, one of the Company's customers announced that it had terminated a contract with a Russia state-owned entity to build a nuclear power plant in Finland, which termination had an impact on our goodwill and our backlog (see Part I, Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations—Recent Developments—Russia and Ukraine and Note 7, *Goodwill and Intangible Assets*, to the condensed consolidated financial statements, each included elsewhere in this Quarterly Report on Form 10-Q). In addition, we have experienced and may continue to experience delays in revenue recognition, order booking and contract payments due to export controls and other sanctions instituted to date. Additional contracts or projects may be subject to delays or terminations as the situation evolves. In addition, while none of these customers have asked for advanced payment refunds, they could seek to recover previous payments made to us depending on future developments. The Russian-Ukraine conflict may also escalate or expand in scope, thereby exacerbating its impact. The broader consequences of this conflict cannot be predicted, nor can we predict the conflict's ultimate impact on the global economy or our business, results of operations, and financial condition. We also are continuing to sell medical equipment and related products into Russia in compliance with applicable U.S. export control regulations, however we may be subject to criticism for continuing to sell products to Russia which may damage our reputation, the consequences of which are difficult to predict. The Russia-Ukraine conflict has heightened other risks disclosed herein, including through increased inflation, limited availability of certain commodities, supply chain disruption, disruptions to our global technology infrastructure, including cyber-attacks, increased terrorist activities, volatility or disruption in the capital markets, and delays or cancellations of customer projects, each of which could materially adversely affect our business, results of operations, and financial condition.

Accidents involving nuclear power facilities, including but not limited to events similar to Fukushima, or terrorist acts or other high profile events involving radioactive materials could materially and adversely affect our customers and the markets in which we operate and increase regulatory requirements and costs that could in turn materially and adversely affect our business.

Successful execution of our business model in the nuclear power end market is dependent upon a certain level of public support for nuclear power. Nuclear power faces strong opposition from certain competitive energy sources, individuals, and organizations. The accident that occurred at the Fukushima nuclear power plant in Japan beginning on March 11, 2011 increased public opposition to nuclear power in some countries, resulting in a slowdown in, or, in some cases, a complete halt to new construction of nuclear power plants, an early shut down of existing power plants, or a dampening of the favorable regulatory climate needed to introduce new nuclear technologies. As a result of the Fukushima accident, some countries that were considering launching new domestic nuclear power programs have delayed or cancelled the preparatory activities they were planning to undertake as part of such programs. As part of the Russia-Ukraine conflict, Russia has seized control and is occupying Europe's largest nuclear power plant, Zaporizhzhia, and has also stated that it may use nuclear weapons as part of the ongoing conflict. Any nuclear incident at Zaporizhzhia or at the other nuclear power plants in Ukraine as a result of the Russia-Ukraine conflict or any use of nuclear weapons could have devastating consequences and, similar to the Fukushima disaster or other events, could foster public opposition to nuclear power, more onerous regulatory requirements with increased costs and dampen customer demand for our products in the nuclear end market, all of which could materially and adversely affect our business, results of operations and financial condition.

We and many of our customers operate in a politically sensitive environment, and the public perception of nuclear energy or nuclear medicine can affect our customers and us

We and our customers operate in a politically sensitive environment. The risks associated with radioactive materials and the public perception of those risks can affect our business. Opposition by third parties can delay or prevent the construction of new nuclear power plants and can limit the operation of nuclear reactors. Adverse public reaction to developments in the use of nuclear power or nuclear radiation could directly affect our customers and indirectly affect our

business. In the past, adverse public reaction, increased regulatory scrutiny and litigation have contributed to extended construction periods for new nuclear reactors, sometimes delaying construction schedules by decades or more or even shutting down operations. For example, anti-nuclear groups in Germany successfully lobbied for the adoption of the Nuclear Exit Law in 2002, which requires the shutdown of all German NPPs by the end of 2022. Such law has not been reversed as of the date of this Quarterly Report. Adverse public reaction could also lead to increased regulation or limitations on the activities of our customers, more onerous operating requirements or other conditions that could have a material adverse impact on our customers and our business.

Our global operations expose us to risks associated with public health crises and epidemics/pandemics, such as COVID-19. The global spread of COVID-19 has created significant volatility, uncertainty and worldwide economic disruption, resulting in an economic slowdown of potentially extended duration.

COVID-19 and related new variants have had and may continue to have an adverse impact on our operations and supply chains, including as a result of impacts associated with preventive and precautionary measures that we, other businesses and governments are taking. The United States and other governments have reacted with an array of disparate laws and regulations which makes implementation and enforcement difficult and creates uncertainties for our and other businesses. Due to these impacts and measures, we have experienced unpredictable reductions in demand for certain of our products and services. In addition, our ability to continue to manufacture products is highly dependent on our ability to retain, continue to hire and maintain the safety and health of our factory employees. COVID-19 has had and may continue to have an adverse impact on employees' willingness to work onsite in our offices, including as a result of vaccine mandates in the United States and other countries, and we have experienced COVID-19 related attrition. In addition, the ability of employees to work may be impacted by contracting or being exposed to COVID-19. While we are following the requirements of governmental authorities and taking preventative and protective measures to prioritize the safety of our employees, these measures may not be successful, and we may be required to temporarily close facilities or take other measures. For example, many of our facilities have undergone brief closures and/or severe limitations of onsite activities due to the COVID-19 pandemic. While we are staying in close communication with our sites, employees, customers and suppliers and acting to mitigate the impact of this dynamic and evolving situation, the duration and extent of the effect of COVID-19 on us is not determinable.

The duration and extent of the impact from the COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the severity and transmission rate of the virus, the existence of any additional waves of the pandemic, the extent and effectiveness of containment actions, treatment and prevention measures, including vaccines, and the impact of these and other factors on our customers, employees, suppliers and other business partners. Moreover, to the extent the COVID-19 pandemic or any worsening of the global business and economic environment as a result thereof, continues to adversely affect our business and financial results, it may also have the effect of heightening or exacerbating many of the other risks described under "—Risks Related to Our Business Operations."

Supply shortages, labor shortages and continuing cost increases could materially and adversely affect our business, results of operations and financial condition.

We have experienced, and expect to continue to experience, a significantly stressed supply of labor, materials and freight, and we expect this to continue. The costs of materials and components of our products and the costs of labor and freight have been rising. In particular, some of our products incorporate microchips and other semiconductor components for which there is a global supply shortage. Similar to other companies, we have experienced, and may continue to experience, that certain of our product components we source from other companies contain substandard, counterfeit or otherwise faulty parts such that our end product does not function as expected. In such case, we could be required to repair or replace such faulty products at our expense. We also cannot predict future inflationary pressures or increases in tariffs on imported materials. The United States has imposed extraordinary tariffs and extensive export controls targeted primarily at the semiconductor industry in China and there is a risk that similar restrictive export control regulations and policies will be implemented in other industries which could affect our ability to supply Chinese customers. Further, if China retaliates to such measures or there is a conflict between China and Taiwan, which is a leading producer of semiconductors, there could be further disruption to the semiconductor industry and global supply chains. We or the suppliers we procure components from may be unable to manufacture our products at prices our customers would accept, or at all. Any inability to pass on future increased costs to customers would put downward pressure on our operating margins and materially and adversely affect our business, results of operations and financial condition.

Our reliance upon sole or limited sources of supply for certain materials or components could cause production interruptions, delays and inefficiencies.

We purchase materials, components, and equipment from third parties for use in our manufacturing operations. For example, we purchase cryogenic cooling equipment to support our spectroscopy line of products. There is a limited supply market for this type of equipment, and these products are designed specifically for use in our products. Qualification and

design of new equipment will require time and resources to complete. Our results of operations could be adversely impacted if we are unable to adjust our purchases to reflect changes in customer demand and market fluctuations, including those caused by seasonality or cyclicality. During a market upturn, suppliers may extend lead times, limit supplies, or increase prices. If we cannot purchase sufficient products at competitive prices and quality and on a timely enough basis to meet increasing demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase, or we may breach our contractual commitments and incur liabilities or be subject to litigation. Conversely, in order to secure supplies for the production of products, we sometimes enter into non-cancelable purchase commitments with vendors, which could impact our ability to adjust our inventory to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our profitability may suffer.

In addition, some of our businesses purchase certain requirements from sole or limited source suppliers for reasons of quality assurance, cost effectiveness, availability, contractual obligations or uniqueness of design or technology. If these or other suppliers encounter financial, operating, quality, or other issues or if our relationship with them changes, including as a result of contractual disputes, we might not be able to quickly establish or qualify replacement sources of supply. The supply chains for our businesses could also be disrupted by supplier capacity constraints, operational or quality issues, bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities, and external events such as natural disasters, pandemic health issues, war, terrorist actions, governmental actions, and legislative or regulatory changes. Any of these factors could result in production interruptions, delays, extended lead times, and inefficiencies. If we are not able to mitigate the impact of any disruptions in our supply chain, then our business, results of operations and financial condition may be materially and adversely impacted.

If we are unable to develop new products or enhance existing products to meet our customers' needs and compete favorably in the market, we may be unable to attract or retain customers

The markets in which we compete are subject to technological changes, product obsolescence and evolving industry standards. Our ability to successfully compete in these markets and to continue to grow our business depends in significant part upon our ability to develop, introduce and sell new and enhanced products in a timely and cost-effective manner, and to anticipate and respond to changing customer requirements. We have experienced, and may in the future experience, delays in the development and introduction of new products. These delays could provide a competitor a first-to-market advantage or greater market share. Defects or errors found in our products after commencement of commercial shipment could result in delays in market acceptance of these products. For example, our nuclear medicine and imaging products may become obsolete or unmarketable if new technologies are introduced to the market, or if new industry standards emerge. We may not be able to leverage our assets to diversify our products and services fast enough to generate revenue beyond our current markets in a timely manner. If we are unable to diversify our product and service offerings quickly enough to respond to market changes, our financial viability may worsen.

Our ability to successfully develop and introduce new products and product enhancements, and the revenues and costs associated with these efforts, will be affected by our ability to:

- properly identify and address customer needs;
- in the case of our medical end market, educate medical providers about the use of new products and services;
- comply with internal quality assurance systems and processes in a timely and efficient manner;
- manage regulatory approvals and clearances including their timing and costs;
- accurately predict and control costs associated with inventory overruns caused by phase-in of new products and phase-out of old products;
- manufacture and deliver our products in sufficient volumes on time and accurately predict and control costs associated with manufacturing, installation, warranty and maintenance of the products;
- meet our product development plan and launch timelines;
- improve manufacturing yields of components; and
- manage customer demands for retrofits of both old and new products.

Lack of market acceptance for our new products will jeopardize our ability to recoup research and development expenditures, hurt our reputation and harm our business, results of operations and financial condition. Accordingly, we cannot assure you that our future product development efforts will be successful.

We operate in highly competitive markets and in some cases compete against larger companies with greater financial resources.

The market for our products and services is fragmented, with a variety of small and large competitors, where the degree of fragmentation and the identities of our competitors vary among our target end markets. Some of our competitors have greater financial resources than do we, and they may be able to focus those resources on developing products or services that are more attractive to potential customers than those that we offer, or on lobbying efforts to enhance their prospects of obtaining government contracts. Some of our competitors, for example, are substantially larger and better capitalized than we are and have the ability to combine solutions into an integrated offering at attractive prices. Our competitors may offer these solutions at prices below cost in order to improve their competitive positions. Any of these competitive factors could make it more difficult for us to attract and retain customers, cause us to lower our prices to compete, and reduce our market share and revenue, any of which could materially and adversely affect our business, results of operations and financial condition.

Because we compete directly with certain of our customers and suppliers, our results of operations could be materially and adversely affected in the short term if these customers or suppliers abruptly discontinue or significantly modify their relationship with us.

Some of our competitors are also our suppliers and customers. For example, we had an arrangement with a supplier of components used to manufacture our Cryo-Cycle product. That supplier was acquired by one of our competitors, after which time the supplier ceased supplying us with the components used to manufacture the Cryo-Cycle. As with our other suppliers, our competitor suppliers are not required to supply us with any minimum quantities, and we cannot assure you that we will receive adequate quantities of components on a timely basis in the future. The loss of orders stemming from the actions of our supplier or customer competitors could cause delays, disruptions or reductions in product shipments or require product redesigns that could, in turn, damage relationships with current or prospective customers, increase costs or prices, result in litigation or otherwise materially and adversely affect our business, results of operations and financial condition.

Our customers may reduce or halt their spending on our products and services.

A variety of factors may cause our existing or future customers to reduce or halt their spending on our products and services. These factors include:

- unfavorable financial conditions and strategies of our customers;
- for the nuclear end market, civic opposition to or changes in government policies regarding nuclear operations or a reduction in demand for nuclear generating capacity;
- accidents, terrorism, natural disasters or other incidents occurring at our facilities, the facilities of our customers or at any other place; and
- the decision by one or more of our customers to acquire one of our competitors or otherwise insource the services we provide.

Our sales cycles in certain end markets can be long and unpredictable.

Our sales efforts for many of our products involve substantial discussion with customers regarding product configuration and deployment. This process can be extremely lengthy and time consuming and typically involves a significant product evaluation process. For example, the typical sales cycle for products whose procurement relates to the construction of new, or the refurbishment of existing, NPPs ranges from 12 to 36 months and has, in some cases, extended up to 60 months or more. In the medical end market, the typical sales cycle depends upon the type of product and whether the sales are international or within the United States, and can range from 1 to 18 months. In addition, these customers generally make a significant commitment of resources to test and evaluate our products prior to purchase. As a result, our sales process is often subject to delays associated with the lengthy approval processes that typically accompany the design, testing and adoption of new, technologically complex products. This results in us investing significant resources prior to orders being placed for our products, with no assurances that we will secure a sale.

In addition, a significant amount of time can pass before we recognize the revenue associated with an order once it has been placed. We may need a notice to proceed with an order from the customer before starting to execute the customer’s order, which may delay revenue recognition. We may also not recognize revenue for sales of certain of our products until the customer certifies the successful installation and operation of the product, which can be many months or, particularly

with regard to our Sensing Systems and Radiation Monitoring Systems products, years following the receipt of a customer order. The installation of our equipment may also be subject to construction or scheduled outage delays unrelated to our products, which can further defer the recognition of revenue.

We exercise judgment in determining the timing of revenue by analyzing the point in time or the period over which the customer has the ability to direct the use of and obtain substantially all of the remaining benefits of the performance obligation. Revenue recognized on an over-time basis for the nine months ended September 30, 2022, the Predecessor Stub Period from July 1, 2021 to October 19, 2021 and the Successor Period from October 20, 2021 to December 31, 2021 accounted for approximately 35%, 26% and 22%, respectively, of total net sales. Typically, overtime revenue recognition is based on the utilization of an input measure used to measure progress, such as costs incurred to date relative to total estimated costs. Changes in total estimated costs are recognized using the cumulative catch-up method of accounting which recognizes the cumulative effect of the changes on current and prior periods in the current period. Accordingly, the effect of the changes on future periods of contract performance is recognized as if the revised estimate had been the original estimate. A significant change in an estimate on one or more contracts could have a material effect on our consolidated financial position, results from operations, or cash flows.

Our long and uncertain sales cycle and the unpredictable period of time between the placement of an order and our ability to recognize the revenue associated with the order makes revenue predictions difficult, particularly on a quarterly basis, and can cause our operating results to fluctuate significantly.

Our acquisition plans involve numerous risks. If we are unable to make acquisitions, or if we are not successful in integrating the technologies, operations and personnel of acquired businesses or fail to realize the anticipated benefits of an acquisition, our operations may be materially and adversely affected.

As part of our business and growth strategy, we have made and plan to continue to make acquisitions of, or significant investments, in businesses, products or technologies that allow us to complement our existing product offerings, expand our market coverage, increase our engineering workforce, reinforce our supply chain or enhance our technological capabilities. We plan to continue exploring additional acquisition opportunities, but we are unable to predict whether or when any prospective acquisition candidate will become available or the likelihood that any acquisition will be completed. If our expected returns on these transactions are not achieved, it could adversely impact our business, results of operations and financial condition. Even if we do find suitable acquisition opportunities, we may not be able to consummate the acquisitions on commercially acceptable terms, may incur unexpected costs or reduced growth during the integration process or fail to realize the anticipated benefits. Our ability to grow our business through acquisitions is subject to numerous risks, including competition for the acquisition of attractive or promising businesses or assets, the need to finance such acquisitions through cash on hand or debt, equity or equity-linked financing, and the need to secure required governmental approvals under antitrust and competition laws in the United States and worldwide. The sale of equity or equity-linked securities or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

Where we succeed in acquiring a business or assets, we are exposed to many risks, including:

- problems integrating the new personnel or the purchased operations, technologies or products;
- difficulty securing adequate working capital;
- unanticipated costs associated with the acquisition;
- negative effects on our ability to generate excess free cash flow;
- negative effects on profitability;
- adverse effects on existing business relationships with suppliers and customers;
- risks associated with entering markets in which we have no or limited prior experience;
- loss of key employees of the acquired business;
- our assumption of legal or regulatory risks, particularly with respect to smaller businesses that have immature business processes and compliance programs;
- litigation arising from the operations before they were acquired by us; and

- difficulty completing financial statements and audits.

Our inability to overcome problems encountered in connection with any acquisition could divert the attention of management, consume scarce corporate resources and otherwise harm our business. If our expected returns on these transactions are not achieved, it could adversely impact our business, results of operations and financial condition.

Many of our products and services involve the detection, identification, measurement or monitoring of radiation and the failure of our products or services to perform to specification could materially and adversely affect our business, results of operations and financial condition.

Our products and services involve the detection and monitoring of radiation and are crucial components of the safety measures employed with respect to ionizing radiation. In the medical end market, our products and services are often used, for example, to ensure that radiation oncology patients receive accurate doses of radiation. In order to ensure the safety of such patients, we are committed to upholding high standards of precision and accuracy for our products. The failure of our products to perform to specification could result in personal injury or death and property damage (including environmental contamination), or the incorrect treatment being administered to patients. Legal and regulatory actions taken in response to product failure could result in significant costs to us. Additionally, the failure of our products to perform to specification could adversely affect market perception of the quality and effectiveness of our products and services, which would harm our ability to attract new customers and could cause our existing customers to cease doing business with us.

While we have attempted to secure appropriate insurance coverage at a reasonable cost, we do not insure against all risks and a claim can exceed the limits of our policies. We cannot assure you that our insurers will pay a particular claim, or that we will be able to maintain coverage at reasonable rates in the future, or at all. We may also be subject to significant deductibles.

Our contracts with customers generally seek to limit our liability in connection with product failure, but we cannot assure you that these contractual limitations on liability will be effective or sufficient in scope in all cases or that our insurance will cover the liabilities we have assumed under these contracts. The costs of defending against a claim arising out of such failure, and any damages awarded as a result of such a claim, could adversely affect our business, results of operations and financial condition.

Certain of our products require the use of radioactive sources or incorporate radioactive materials, which subject us and our customers to regulations, related costs and delays and potential liabilities for injuries or violation of environmental, health and safety laws.

The majority of our products designed to detect, quantify and analyze ionizing radiation require the use of radioactive sources for testing and calibration. The required radioactive sources, or other sources of ionizing radiation, e.g., X-ray machines, are held by our facilities performing these tests and calibrations. Our customers hold equivalent sources for ongoing testing and re-calibration. Customers often acquire the radioactive sources directly from third party providers but may also purchase the sources from us as accessory to the product.

Certain of our reactor instrumentation and control equipment and systems in our Industrial segment incorporate radioactive materials. In all such cases, licenses for radioactive sources and materials or other sources of ionizing radiation are provided by the appropriate regulatory authority in the relevant jurisdiction and such authorities may be at the state or national level. Our failure or any customer's failure to obtain the necessary license for radioactive sources or materials required by or incorporated into our products could result in the cancellation or delay of purchases by our customers, or remedial action by the relevant regulators.

While the specific process and criteria for receiving a license differ from jurisdiction to jurisdiction, it generally involves policies and procedures designed to ensure worker, workplace and public safety, including emergency plans; setting forth the proper handling, control and security of radioactive sources or materials on site; detailing any disposal or decommissioning considerations; and adequately training personnel at the site in proper access to, and handling of, radioactive sources or materials.

Our noncompliance with, or failure to properly implement, such policies and procedures could delay or otherwise preclude us from obtaining the necessary license for radioactive sources or materials required by or incorporated into our products, which could result in the cancellation or delay of purchases by our customers.

The particular license requirements in a given jurisdiction are normally tailored to the specific radioactive elements or compounds involved, their physical form and possession limits. Once authorities complete their application review and any required follow-up, the authority issues the site a license which imposes specific on-going compliance obligations that typically include requirements for us to pay periodic licensing fees, submit periodic written compliance reports, and agree

to periodic site inspections by regulators, which may be announced or unannounced. Our failure to comply with any of these on-going obligations could result in the revocation of the necessary license for radioactive sources or materials required by or incorporated into our products, which could result in the cancellation or delay of purchases by our customers.

We are subject to federal, state and local regulations governing storage, handling and disposal of these radioactive materials and waste products. Outside of the United States, we are also subject to radiation regulations that vary from country to country. The improper storage, use and disposal of such materials by us and/or our customers could result in direct or secondary liability, including penalties and fines, to us in the event of environmental contamination or physical injury. We cannot eliminate the risk of accidental contamination or injury from those radioactive materials nor can we control the practices of our customers. The sale and use of our products with radioactive sources or materials could also lead to the filing of claims if someone were to allege injury from the use of one of our products or allege that one of our products was defective. Such a claim could result in substantial damages, be costly and time-consuming to defend and adversely affect the marketability of our products and our reputation.

Rising inflation rates could negatively impact our revenues and profitability if increases in the prices of our products or a decrease in customer spending results in lower sales which would adversely affect our business, results of operations and financial condition.

Inflation rates, particularly in the United States, have increased recently to levels not seen in years. Increased inflation may result in decreased demand for our products and services, increased operating costs (including our labor costs), reduced liquidity, and limitations on our ability to access credit or otherwise raise debt and equity capital. In addition, the United States Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. Increases in interest rates, especially if coupled with reduced government spending and volatility in financial markets, may have the effect of further increasing economic uncertainty and heightening these risks. In an inflationary environment, we may be unable to raise the sales prices of our products at or above the rate at which our costs increase, which could have a material and adverse affect on our business, results of operations and financial condition.

We enter into fixed-price contracts with our customers and our failure to mitigate certain risks associated with such contracts may result in reduced operating margins.

We estimate that approximately a quarter of our revenue was associated with contracts with a duration of 12 months or longer and approximately 60% of such revenue was associated with contracts with fixed-price arrangements which do not provide for price escalation in the event of unanticipated cost overruns, in each case for the fiscal year ended June 30, 2021, respectively. Under these contracts, we perform our services and provide our products at a fixed price. Fixed-price contracts carry inherent risks, including risks of losses from underestimating costs, operational difficulties and other changes that may occur over the contract period. We have in the past experienced unanticipated cost overruns on some of our fixed-price contracts. If our cost estimates for a contract are inaccurate or if we do not execute the contract within our cost estimates, we may incur losses or the contract may not be as profitable as we expected. In addition, even though some of our longer-term contracts contain price escalation provisions, such provisions may not fully provide for cost increases, whether from inflation, the cost of goods and services to be delivered under such contracts or otherwise. In addition, we are sometimes required to incur costs in connection with modifications to a contract that may not be approved by the customer as to scope or price, or to incur unanticipated costs, including costs for customer-caused delays, errors in specifications or designs or contract termination, that we may not be able to recover. These, in turn, could materially and adversely affect our business, results of operations and financial condition.

The revenue, cost and gross profit realized on such contracts can vary, sometimes substantially, from the original projections due to changes in a variety of factors, such as:

- failure to properly estimate, or changes in, the costs of material, components or labor;
- inflation and currency exchange rate fluctuations;
- unanticipated technical problems with the products or services being supplied by us, which may require that we spend our own money to remedy the problem;
- our suppliers' or subcontractors' failure to perform;
- difficulties of our customers in obtaining required governmental permits or approvals;
- changes in local laws and regulations;
- unanticipated delays in construction of new NPPs and decommissioning of existing NPPs; and

- limited history with new products and new customers.

Furthermore, we intend to continue pursuing longer-term contracts which may continue to contain fixed-price arrangements, and the amount of revenue associated with such contracts may change in future periods. As a result of one or more of these factors, we may incur losses or contracts may not be as profitable as we expect, and this could materially and adversely affect our business, results of operations and financial condition.

We may not realize all of the sales expected from our backlog of orders and contracts, and amounts included in our order backlog may not result in actual revenue or translate into profits.

Although the amount of our backlog is based on signed purchase orders or other written contractual commitments, we cannot guarantee that our order backlog will result in actual revenue in the originally anticipated period or at all. As of September 30, 2022, December 31, 2021 and June 30, 2021 our estimated combined order backlog was $726.4 million, $747.5 million and $715.8 million, respectively. The majority of our combined backlog is expected to be delivered within two years. In addition, the mix of contracts included in our order backlog can greatly affect our margins in future periods, which may not be comparable to our historical product mix and operating results. Our customers may experience project or funding delays or cancel orders due to factors beyond our control. If customers terminate, reduce or defer firm orders, whether due to fluctuations in their business needs or purchasing budgets or other reasons, our sales will be adversely affected and we may not realize the revenue we expect to generate from our backlog or, if realized, the revenue may not translate into profit. We estimate approximately 10%-15% of our backlog at any point in time is related to contracts that are unfunded and may be at risk for cancellation if funding is not appropriated. If our order backlog fails to result in revenue in a timely manner or at all, we could experience an overall reduction in revenue and liquidity.

Risks Related to Our Business Operations

We operate as an entrepreneurial, decentralized company, which presents both benefits and certain risks. In particular, significant growth in a decentralized operating model may put strain on certain business group resources and our corporate functions, which could materially and adversely affect our business, results of operations and financial condition.

The business is organized in two reportable business segments: Medical and Industrial. Our Medical segment is based around our sales, products and services to customers in the medical market. The Industrial segment is primarily based around the nuclear energy, defense, laboratories and scientific research markets as well as other industrial markets.

The decentralization of our organization structure necessarily places significant control and decision-making powers in the hands of local management, which presents certain risks, including the risk that we may be slower to detect or react to compliance-related matters, that “company-wide” business initiatives may be more challenging or costly to implement, and the risk of noncompliance or failures is higher than they may be in a more centralized operating environment. In addition, key business group resources and our corporate functions, which are leanly staffed but responsible for supporting our decentralized operations, may also not be able to detect or resolve financial, operational, and compliance matters on a timely basis. Our failure to adapt our financial, operational and compliance controls and systems to effectively manage our decentralized business and comply with our obligations as a public company could materially and adversely affect our business, results of operations and financial condition.

A failure to expand our manufacturing capacity if required, and scale our capabilities to manufacture new products could constrain our ability to grow our business.

While we currently have sufficient capacity, the future growth of our business may depend on our ability to successfully expand our manufacturing capacity. Expansion of our manufacturing capacity may also require us to obtain regulatory approvals or additional financing. Delay in the expansion of our manufacturing capacity could constrain our ability to grow our business, which would materially and adversely affect our business, results of operations and financial condition.

We rely on third-party manufacturers to produce sub-components for certain of our products and services. If our manufacturers are unable to meet our requirements, or are subject to unanticipated disruptions, our business could be harmed.

We use third-party manufacturers to produce sub-components for certain of our products. From time to time demand for our products has grown faster than the supply capabilities of these vendors. For example, significant growth in our Instadose product line required additional inventory purchasing to meet demand. In many cases, these manufacturers have no obligation to supply products to us for any specific period, in any specific quantity or at any specific price, except as set

forth in a particular purchase order. Our requirements represent a small portion of the total production capacities for many of our manufacturers, and our manufacturers may reallocate capacity to other customers, even during periods of high demand for our products or services. We have in the past experienced, and may in the future experience, quality control issues and delivery delays with our manufacturers due to factors such as materials shortages, outages of specialized manufacturing equipment, high industry demand, inability of our manufacturers to consistently meet our quality or delivery requirements, or long lead times for components that could delay deliveries. Component manufacturers that sell to our suppliers may decide to stop producing certain components, declaring end-of-life for critical components and limiting supply of these components. In such cases, we would need to identify component alternatives, redesign electronic components or requalify electronic designs, which would require time and resources. In addition, third-party manufacturers may have financial difficulties and face the risk of bankruptcy, especially in light of the current worldwide economic downturn. If one of our suppliers was to cancel or materially change a commitment with us or fail to meet the quality or delivery requirements needed to satisfy customer orders for our products, we could lose time-sensitive customer orders, be unable to develop or sell our products or services cost effectively or on a timely basis, if at all, and have significantly decreased revenue, which would harm our business, results of operations and financial condition. We may qualify additional suppliers in the future which would require time and resources. If we do not qualify additional suppliers, we may be exposed to increased risk of capacity shortages due to our dependence on our current suppliers.

In addition, our suppliers (and those they depend upon for materials and services) are subject to risks, including COVID-19-related supplier plant shutdowns or slowdowns, labor disputes or constraints, union organizing activities, intellectual property claims, financial liquidity, information technology failures, inclement weather, natural disasters, significant public health and safety events, supply constraints, and general economic and political conditions that could limit their ability to provide us with materials. Insurance for certain disruptions may not be available, affordable or adequate. The effects of climate change, including extreme epidemics and pandemics, weather events, long-term changes in temperature levels, sea level rise and water availability may exacerbate these risks. Such disruption has in the past and could in the future interrupt our ability to manufacture certain products.

We derive a significant portion of our revenue from international sales and our operations in foreign countries are subject to political, economic, legal and other risks, which could materially and adversely affect us.

Revenue generated from outside of North America accounted for approximately 35%, 40%, 36%, and 45% of our net sales for the nine months ended September 30, 2002, the Successor Period from October 20, 2021 through December 31, 2021, the Predecessor Stub Period from July 1, 2021 through October 19, 2021, and in our fiscal year ending June 30, 2021 ("fiscal 2021"), respectively, and approximately 48% of our net sales in our fiscal years ended June 30, 2020 and June 30, 2019. We anticipate that international sales will continue to constitute a material percentage of our total net sales in future periods. As a result, our operations are subject to risks associated with global operations and sales, including:

- foreign currency exchange fluctuations;
- changes in regulatory requirements;
- tariffs and other barriers;
- timing and availability of export licenses;
- difficulties in accounts receivable collections;
- difficulties in protecting and enforcing our intellectual property;
- difficulties in staffing and managing international operations;
- difficulties in managing sales agents, distributors and other third parties;
- coordination regarding, and difficulties in obtaining, governmental approvals for products that may require certification;
- rescission or termination of contracts by governmental parties without penalty and regardless of the terms of the contract;
- restrictions on transfers of funds and other assets of our subsidiaries between jurisdictions;
- the burden of complying with a wide variety of complex foreign laws and treaties;

- potentially adverse tax consequences; and
- uncertainties relative to regional political and economic circumstances.

We are also subject to risks associated with the imposition of legislation and regulations relating to the import or export of our products. Furthermore, the failure to comply with export control regulations and to obtain required approvals could result in loss of the ability to continue to export products, fines and penalties. See "Legal and Regulatory Risks—We are subject to, or may otherwise be impacted by, a variety of federal, state, local and foreign laws and regulatory regimes, including governmental export and import controls, sanctions and anti-corruptions laws. Failure to comply with such laws and regulations could subject us to, among other things, penalties and legal expenses which could materially and adversely affect our business, results of operations and financial condition."

We cannot predict whether quotas, duties, taxes or other charges or restrictions upon the importation or exportation of our products will be implemented by the United States or other countries. Some of our customers' purchase orders and agreements are governed by foreign laws, which often differ significantly from the laws of the United States. Therefore, we may be limited in our ability to enforce our rights under such agreements and to collect damages, if awarded. These factors may materially and adversely affect our business, results of operations and financial condition.

We rely on third-party sales representatives to assist in selling our products and services, and the failure of these representatives to perform as expected or to secure regulatory approvals in jurisdictions where they are required to do so could reduce our future sales.

We derive a significant portion of our revenue from sales through third-party sales representatives. We have established relationships with some of our third-party sales representatives recently, and we are unable to predict the extent to which our third-party sales representatives will be successful in marketing and selling our products and services. Moreover, many of our third-party sales representatives also market and sell competing products and services, which may affect the extent to which our third-party sales representatives promote our products and services. If our third party sales representatives advertise or promote or characterize our products in a manner inconsistent with our (or their) messaging, as approved by our regulatory affairs professionals, such acts could be imputed to us and we could become subject to risk or liability from government regulatory bodies or agencies for criminal or civil claims, including false claims, and we could become susceptible to individual consumer actions or class actions based on false or improper advertising and promotion, off-label promotion, failure to warn defects in our products and unfair competition or unfair trade practices claims, all of which could lead to adverse publicity, fines, penalties, judgments, money damages and other significant losses. Our future performance will also depend, in part, on our ability to attract additional third-party sales representatives who will be able to market and support our products and services effectively and accurately, especially in markets in which we have not previously sold our products and services. If we cannot retain our current third-party sales representatives or recruit additional or replacement third-party sales representatives, our business, results of operations and financial condition could be harmed.

We derive a material portion of our revenue from contracts with governmental customers or their contractors, and such customers may be subject to increased pressures to reduce expenses, require unusual or more onerous contractual terms and conditions or require that we undergo audits and investigations with an increased risk of sanctions and penalties.

U.S. government contractors and subcontractors must comply with specific procurement regulations and other requirements, including with respect to ethics and business conduct, cost accounting, pricing, intellectual property, employment, cybersecurity and supply chain issues. Accordingly, we are subject to routine audits and investigations by U.S. government agencies and held to strict compliance standards. If we fail to comply and demonstrate our compliance with these rules and regulations, we could be subject to contract modification or termination, the assessment of criminal and civil penalties and fines, and/or suspension or debarment from government contracting and subcontracting. As of September 30, 2022, certain audits remain open and although we have recorded contract revenues based upon our estimate of costs that we believe will be approved upon final audit or review, we cannot predict the outcome of any ongoing or future audits or reviews and adjustments and, if future adjustments exceed our estimates, our results of operations may be adversely affected.

Furthermore, we have bid, and may in the future submit bids, for U.S. government contracts that require various levels of security clearances with the Department of Defense or Department of Energy. Obtaining and maintaining security clearances for employees involves a lengthy process and such clearances may ultimately not be granted. It can also be difficult to identify, recruit and retain employees who already hold security clearances. If we or our employees are unable to obtain or retain security clearances, or if our employees who hold security clearances stop working for us, we may face delays in fulfilling contracts, be unable to fulfill or secure new government contracts or be subject to contract cancellations

with any of our customers involved in classified work. Any breach of security for which we are responsible could seriously harm our business, damage our reputation and make us ineligible to work on any classified programs.

Any reduction in the capital resources or government funding of our customers could reduce our sales and impede our ability to generate revenue.

A significant portion of our sales are capital purchases by our customers. The spending policies of our customers could have a significant effect on the demand for our products. These policies are based on a wide variety of factors, including the resources available to make purchases, the spending priorities among various types of equipment, policies regarding spending during recessionary periods and changes in the political climate. In particular, certain customers can come under significant budgetary pressure and resort to cost-cutting measures.

Any changes in capital spending or changes in the capital budgets of our customers could significantly reduce demand for our products. The capital resources of our customers may be limited by the availability of equity or debt financing. In addition, a portion of our sales are to governmental and non-profit entities such as universities and hospitals, which are subject to unique budgetary pressures. Any reduction in spending or budget austerity measures could inhibit the ability of these customers to purchase our products.

Many of our large contracts have penalties for late deliveries.

In some cases, including through many of our fixed-price contracts, we have agreed to deliver a project by a scheduled date. If we fail to deliver the project as scheduled, we may be held responsible for costs associated with the delay, generally in the form of liquidated damages, in some cases up to the full value of the contract. We have in the past incurred penalties associated with late delivery on some of our contracts. In the event that a project is delayed, the total costs of the project could exceed our original estimates, and we could experience reduced profits or a loss for that project.

A failure or breach of our or our vendors' information technology data security infrastructure, or the security infrastructure of our products, or the discovery or exploitation of defects or vulnerabilities in the same, has subjected us in the past and may in the future subject us and our products to increased vulnerability to unauthorized access and other forms of cyberattacks and could materially and adversely impact our or our customers' business, reputation, results of operations and financial condition.

We rely upon the capacity, reliability and security of our and our vendors' IT and data security infrastructure and our and our vendor's ability to expand and continually update this infrastructure in response to the changing needs of our business. As we implement new systems or integrate existing systems, they may not perform as expected, which may result in liability or incurred costs, including litigation. If we experience an issue with the functioning of an important IT system or a security breach of our IT systems, including during necessary system upgrades and/or new system implementations, the resulting disruptions, including because of investigations or litigation, could have a material and adverse effect on our business, results of operations and financial condition. We are indirectly exposed to the same risks in our supply chain. Furthermore, we collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on our IT and data security infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information and personal information. We have established physical, electronic and organizational measures to safeguard and secure our systems to prevent data compromise and rely on commercially available systems, software, tools, and monitoring to provide security for our IT systems and the processing, transmission and storage of digital information. We have also outsourced elements of our IT systems and, as a result, a number of third-party vendors may or could have access to our confidential information.

Despite our implementation of security measures, our IT systems, like those of other companies, are vulnerable to damage or interruption from a variety of sources, including physical damage, telecommunications or network failures or interruptions, system malfunction, natural disasters and malicious human acts. Such IT systems, including our servers, are additionally vulnerable to physical or electronic break-ins, security breaches from inadvertent or intentional actions by our employees, third-party service providers, contractors, consultants, business partners, and/or other third parties, or from cyber-attacks by malicious third parties (including the deployment of harmful malware, ransomware, denial-of-service attacks, social engineering, and other means to affect service reliability and threaten the confidentiality, integrity, and availability of information). For example, in February 2021, we experienced a ransomware attack that involved the unauthorized access to certain of our servers. While we were able to detect and stop the unauthorized access before any substantial amount of information was accessed and before the attacker was able to encrypt our systems, the attacker misappropriated certain personal and proprietary information and publicly published certain of such information. We reported the incident to the applicable government authorities in France, Germany and the United States. Additionally, one of our acquired subsidiaries experienced a ransomware attack in February 2020, prior to our acquisition of such subsidiary.

The acquired subsidiary did not make any ransom payments and was able to restore its systems from backups. Although we have implemented additional security measures to prevent future ransomware attacks, we can provide no assurance that our IT systems, or those of the third parties upon which we rely, will not experience cybersecurity incidents in the future. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity, and sophistication of attempted attacks and intrusions from around the world have increased. We may not be able to anticipate all types of security threats, and we may not be able to implement preventive measures effective against all such security threats. The techniques used by cyber criminals change frequently, may not be recognized until launched, and can originate from a wide variety of sources, including outside groups such as external service providers, organized crime affiliates, terrorist organizations, or hostile foreign governments or agencies. It is possible that we or our third-party vendors may experience cybersecurity and other breach incidents that remain undetected for an extended period. Even when a security breach is detected, the full extent of the breach may not be determined immediately. The costs to us to mitigate network security issues, bugs, viruses, worms, malicious software programs and security vulnerabilities could be significant and, while we have implemented security measures to protect our IT and data security infrastructure, our efforts to address these issues may not be successful. There is also the potential for class action or other litigation as the result of such issues and the dissemination of personal information.

Any system failure, accident or security breach could result in disruptions to our operations or those of our customers. A material network breach in the security of our IT systems could include the theft of our intellectual property (including our trade secrets), customer information, human resources information or other confidential matter or the theft of the confidential information of our customers. To the extent that any disruption or security breach results in a loss or damage to our or our customers' data, or an inappropriate disclosure of confidential, proprietary or customer information, it could cause significant damage to our reputation, affect our relationships with our customers, lead to claims against us, including civil litigation, and ultimately harm our business. In addition, we may be required to incur significant costs to protect against damage caused by these disruptions or security breaches in the future. If our IT systems fail and our redundant systems or disaster recovery plans are not adequate to address such failures, or if our business interruption insurance does not sufficiently compensate us for any losses that we may incur, our revenues and profits could be reduced and the reputation of our brand and our business could be materially and adversely affected.

We are also reliant on the security practices of our third-party service providers, which may be outside of our direct control. The services provided by these third parties are subject to the same risk of outages, other failures and security breaches described above. If these third parties fail to adhere to adequate security practices, or experience a breach of their systems, the data of our employees, customers and business associates may be improperly accessed, used or disclosed. In addition, our providers have broad discretion to change and interpret the terms of service and other policies with respect to us, and those actions may be unfavorable to our business operations. Our providers may also take actions beyond our control that could harm our business, including discontinuing or limiting our access to one or more services, increasing pricing terms, terminating or seeking to terminate our contractual relationship altogether, or altering how we are able to process data in a way that is unfavorable or costly to us. Although we expect that we could obtain similar services from other third parties, if our arrangements with our current providers were terminated, we could experience interruptions in our business, as well as delays and additional expenses in arranging for alternative cloud infrastructure services. Any loss or interruption to our systems or the services provided by third parties would adversely affect our business, results of operations and financial condition.

Our future success is dependent on our ability to retain key personnel, including our executive officers, and attract qualified personnel. If we lose the services of these individuals or are unable to attract new talent, our business will be materially and adversely affected.

Our future operating results depend in significant part upon the continued contributions of our key technical and senior management personnel, many of whom would be difficult to replace. We are particularly dependent on the continued service of Thomas D. Logan, our Chief Executive Officer, and Brian Schopfer, our Chief Financial Officer.

Our future operating results also depend in significant part upon our ability to attract, train and retain qualified management, manufacturing and quality assurance, engineering, marketing, sales and support personnel. In particular, engineers skilled in the analog technologies used in certain of our products are in high demand and competition to attract such personnel is intense. In addition, the expected increase in construction of new NPPs may exacerbate the shortage of radiation engineers and other qualified personnel. We have also recently observed general labor shortages, increasing competition for talent, and increasing employee attrition including at some sites where we have an aging workforce and we also face the risk employee attrition and backfilling positions in connection with employee attrition following acquisitions or restructurings. We are continually recruiting such personnel; however, we cannot assure you that we will be successful in attracting, training or retaining such personnel now or in the future. There may be only a limited number of persons with

the requisite skills to serve in these positions, and it may be increasingly difficult for us to hire such persons over time. The high demand for such personnel may increase the costs to us to recruit and retain employees.

The loss of any key employee, the failure of any key employee to perform in his or her current position, our inability to attract, train and retain skilled employees as needed or the inability of our officers and key employees to expand, train and manage our employee base could materially and adversely affect our business, results of operations and financial condition.

If we encounter manufacturing problems, or if our manufacturing facilities do not continue to meet federal, state or foreign manufacturing standards, we may be required to temporarily cease all or part of our manufacturing operations, which would result in delays and lost revenue.

Many of our products are complex and require the integration of a number of components from several sources of supply. We must manufacture and assemble these complex systems in commercial quantities in compliance with regulatory requirements and at an acceptable cost. We may also experience limitations in the availability of qualified personnel as a result of shelter-in-place rules, quarantine requirements, or illness. If our manufacturing capacity does not keep pace with product demand, we will not be able to fulfill orders in a timely manner, which in turn may breach our obligations to our business partners or otherwise have a negative effect on our financial results and overall business, including as a result of litigation. Conversely, if demand for our products decreases, the fixed costs associated with excess manufacturing capacity may adversely affect our financial results.

Our manufacturing processes and the manufacturing processes of our third-party suppliers are required to comply with the FDA's Quality System Regulations ("QSR"), which are medical device good manufacturing practices for any products imported into, or sold within, the United States. Other jurisdictions where our medical device products are distributed and sold have their own regulatory requirements that include quality and manufacturing requirements and controls. Furthermore, we are required to verify that our suppliers maintain facilities, procedures and operations that comply with our quality requirements. We are also subject to state licensing and other requirements and licenses applicable to manufacturers of medical devices, and we are required to comply with International Organization for Standardization, or ISO, quality system standards in order to produce products for sale in Europe and Canada, as well as various other foreign laws and regulations. Because our manufacturing processes include the production of diagnostic and therapeutic X-ray equipment and laser equipment, we are subject to the electronic product radiation control provisions of the U.S. Federal Food, Drug and Cosmetic Act ("FDCA"), which requires that we file reports with the FDA, applicable states and our customers regarding the distribution, manufacturing and installation of these types of equipment. The FDA enforces the QSR and the electronic product radiation control provisions through inspections, both periodic and for cause. We have been, and will continue being subject to such inspections.

Sometimes inspections result in warning letters which are publicly available and can result in adverse publicity or litigation. Our failure to take prompt and satisfactory corrective action in response to an adverse inspection or our failure to comply with applicable regulatory requirements and standards could result in enforcement actions, including a shutdown of our manufacturing operations, a recall of our products, civil or criminal penalties, or other sanctions, which would cause our sales and business to suffer. Any inspection or government action based on alleged violations of law could require us to expend significant time and resources in response and could generate negative publicity. The occurrence of any event or penalty described above may inhibit our ability to keep our products on the market and generate revenue. In addition, because some foreign regulatory approvals require approvals or clearances from the FDA, any failure to comply with FDA requirements may also disrupt our sales of products in other countries. We cannot assure you that the FDA or other governmental authorities would agree with our interpretation of applicable regulatory requirements, or that we, or our third-party suppliers, have in all instances fully complied with all applicable requirements. If any of these events occur, our reputation could be harmed, we could lose customers and our business, results of operations and financial condition could be materially and adversely affected, including as the result of litigation.

If we cannot achieve the required level and quality of production, we may need to outsource production or rely on licensing and other arrangements with third parties who possess sufficient manufacturing facilities and capabilities in compliance with regulatory requirements. Even if we could outsource needed production or enter into licensing or other third-party arrangements, this could reduce our gross margin and expose us to the risks inherent in relying on others. We also cannot assure you that our suppliers will deliver an adequate supply of required components on a timely basis, or that they will adequately comply with the QSR. Failure to obtain these components on a timely basis would disrupt our manufacturing processes and increase our costs, which would harm our operating results.

The localization requirements in certain of our markets, in particular in Russia, China, India and South Korea, could limit our ability to sell our products.

Many emerging markets, including Russia, China, India and South Korea, impose localization requirements sometimes as a condition to funding contracts, which favor locally based component manufacturers and which require some degree of technology transfer to local manufacturers. Over time, such localization requirements could limit our ability to sell into such markets and could affect our ability to maintain our trade secrets. If our ability to sell our products in these markets is restricted, our business, results of operations and financial condition could be materially and adversely affected.

Our operations, and the operations of our suppliers, distributors or customers, could be subject to natural and man made disasters and other business disruptions, which could materially and adversely affect our business and increase our expenses.

Our operations could be subject to natural disasters and other business disruptions, which could lead to reductions of revenue and increases in costs and expenses. For example, some of our facilities are located in areas with earthquake fault lines or in hurricane zones. In the event of a major earthquake or other natural or man made disaster, we could experience business interruptions, destruction of or damage to facilities and/or loss of life, any of which could materially and adversely affect our business, results of operations and financial condition.

Our management has limited experience in operating a public company. The requirements of being a public company may strain our resources and divert management's attention, and the increases in legal, accounting and compliance expenses may be greater than we anticipate.

We are a public company, and as such we incur significant legal, accounting and other expenses that we did not incur as a private company. We are subject to the reporting requirements of the Exchange Act, and are required to comply with the applicable requirements of the Sarbanes-Oxley Act and the Dodd-Frank Act, as well as the rules and regulations subsequently implemented by the SEC and the listing standards of the NYSE, including changes in corporate governance practices and the establishment and maintenance of effective disclosure and financial controls.

Compliance with these rules and regulations can be burdensome. Our management and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased, and will continue to increase, our historical legal and financial compliance costs and will make some activities more time-consuming and costly. For example, we expect that these rules and regulations may make it more difficult and more expensive for us to attract and retain qualified members of our board of directors as compared to a private company. In particular, we incur significant expenses and devote substantial management effort toward ensuring compliance with the requirements of Section 404 of the Sarbanes-Oxley Act. We have hired additional accounting and financial staff, and engaged outside consultants, all with appropriate public company experience and technical accounting knowledge and maintain an internal audit function, which increased our operating expenses. We expect to continue work on the implementation and improvement of internal controls and to provide additional trainings to employees on the relevant topics, in particular in connection with acquisitions.

Our executive officers have limited experience in the management of a publicly traded company. Their limited experience in dealing with the increasingly complex laws pertaining to public companies could be a significant disadvantage in that it is likely that an increasing amount of their time may be devoted to these activities, which will result in less time being devoted to the management and growth of the post-combination company. We may not have adequate personnel with the appropriate level of knowledge, experience and training in the accounting policies, practices or internal control over financial reporting required of public companies. Our management will need to continually assess our staffing and training procedures to improve our internal control over financial reporting. Further, the development, implementation, documentation and assessment of appropriate processes, in addition to the need to remediate any potential deficiencies, will require substantial time and attention from management. The development and implementation of the standards and controls necessary for us to achieve the level of accounting standards required of a public company may require costs greater than expected. It is possible that we will be required to expand our employee base and hire additional employees to support our operations as a public company which will increase its operating costs in future periods.

As a private company, we were not required to document and test our internal controls over financial reporting, our management was not required to certify the effectiveness of our internal controls and our auditors were not required to opine on the effectiveness of our internal controls over financial reporting. Failure to maintain adequate financial, information technology and management processes and controls could result in material weaknesses which could lead to errors in our financial reporting, which could adversely affect our business.

We were not required to document and test our internal controls over financial reporting, our management was not required to certify the effectiveness of our internal controls and our auditors were not required to opine on the effectiveness of our internal controls over financial reporting. As a large accelerated filer we are now subject to Section 404 of the Sarbanes-Oxley Act. However, we are required to provide management's attestation on internal controls commencing with our annual report for the year ending December 31, 2022, and our auditors will be required to opine on the effectiveness of internal controls for this period. We may not be able to complete our evaluation, testing and any required remediation in a timely fashion. In addition, our current controls and any new controls that we develop may become inadequate because of poor design and changes in our business, including increased complexity resulting from our international operations and our contemplated international expansion. Any failure to implement and maintain effective internal controls over financial reporting could adversely affect the results of assessments by our independent registered public accounting firm and their attestation reports.

If we are unable to certify the effectiveness of our internal controls, or if our internal controls have a material weakness, we may not detect errors timely, our financial statements could be misstated, we could be subject to regulatory scrutiny and a loss of confidence by stakeholders, which could harm our business and adversely affect the trading price of our Class A common stock.

We identified a material weakness in our internal control over financial reporting, and we may experience additional material weaknesses or otherwise fail to design and maintain effective internal control over financial reporting, our ability to timely and accurately report our results of operations and financial condition in compliance with reporting requirements applicable for public companies in the United States could be impaired, which may adversely affect investor confidence in us and, as a result, the value of our Class A common stock or our warrants.

As previously disclosed in the GSAH Annual Report on Form 10-K/A filed on May 17, 2021, GSAH identified a material weakness in internal control over financial reporting as of December 31, 2020. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the Company's annual or interim financial statements will not be prevented or detected on a timely basis. Specifically, we concluded that our control around the interpretation and accounting for certain complex features of the Class A common stock and warrants issued by us was not effectively designed or maintained. This material weakness resulted in the restatement of our financial statements as of and for the year ended December 31, 2020, our balance sheet as of July 2, 2020, and our interim financial statements for the quarter ended September 30, 2020. Additionally, this material weakness could result in a misstatement of the warrant liability, Class A common stock and related accounts and disclosures that would result in a material misstatement of the financial statements that would not be prevented or detected on a timely basis.

Subsequent to the Business Combination on October 20, 2021, and upon filing of this Annual Report on Form 10-K for the period ended December 31, 2021, the internal controls over financial reporting of Mirion Technologies, Inc. replaced the internal controls over financial reporting of GSAH. As a result, the internal control structure of GSAH is no longer in operation. Instead, the relevant internal control structure after completion of the Business Combination is that of Mirion Technologies, Inc.

During the Successor Period ended December 31, 2021, we implemented the below changes to our processes to improve our internal control over financial reporting to remediate the control deficiency that gave rise to the material weakness:

- While we have processes to properly identify and evaluate the appropriate accounting technical pronouncements and other literature for all significant or unusual transactions, we have enhanced these processes to ensure that the nuances of such transactions are effectively evaluated in the context of the increasingly complex accounting standards. We require the formalized consideration of obtaining additional technical guidance prior to concluding on all significant or unusual transactions.
- We acquired enhanced access to accounting literature, research materials and documents and increased communication among our personnel and third-party professionals with whom we consult regarding the application of temporary and permanent equity and complex accounting transactions.

After completion of the above changes, our management believes the previously identified material weakness has been remediated. See "Part II. Item 9A. Controls and Procedures" of our most recent Annual Report on Form 10-K."

Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud. If we are unable to develop and maintain effective internal control over financial reporting we may not be able to accurately report our financial results in a timely manner, which may cause us to be unable to comply with securities law or applicable stock exchange requirements, adversely affect investor confidence in us and/or materially and adversely affect our business, results of operations and financial condition, and our stock price may decline as a result. Any required remediation measures may be time consuming and costly and there is no assurance that any measures taken to date or any such measures taken in the future will ultimately have the intended effects, including to avoid potential future material weaknesses.

Our reported financial results may be affected by changes in accounting principles generally accepted in the United States.

Generally accepted accounting principles in the United States ("GAAP" or "U.S. GAAP") are subject to interpretation by the Financial Accounting Standards Board ("FASB") the SEC and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and could affect the reporting of transactions completed before the announcement of a change. Any difficulties in implementing any future changes to accounting principles could cause us to fail to meet our financial reporting obligations, which could result in regulatory discipline and harm investors' confidence in us.

Legal and Regulatory Risks

We are subject to, or may otherwise be impacted by, a variety of federal, state, local and foreign laws and regulatory regimes, including governmental export and import controls, sanctions and anti-corruptions laws. Failure to comply with such laws and regulations could subject us to, among other things, penalties and legal expenses which could materially and adversely affect our business, results of operations and financial condition.

Our business is subject to extensive regulation by various federal, state, and local governmental agencies in the United States and all other countries in which we conduct business, including with respect to radioactive material exposure, antitrust, occupational safety, food and drug, medical device and other applicable healthcare and laboratory regulations, import and export controls, and labor and employment regulations. Noncompliance with applicable regulations could subject us to investigations, sanctions, enforcement actions, damages, fines, civil and criminal penalties, injunctions or debarment from government contracting or subcontracting. In addition, from time to time we have received, and may in the future receive, correspondence from former employees who threaten to bring claims against us alleging that we have violated one or more labor or employment regulations. An adverse outcome in any such litigation could require us to pay damages. If we become subject to government enforcement actions, or any governmental sanctions are imposed, or if we do not prevail in any civil or criminal litigation, our business, results of operations and financial condition could be materially and adversely affected. In addition, responding to any action could be costly and result in a significant diversion of management's attention and resources.

We are also subject to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and other anti-corruption, sanctions, anti-bribery, anti-money laundering and similar laws in the United States and other countries in which we conduct activities. Anti-corruption and anti-bribery laws, which have been enforced aggressively and are interpreted broadly, prohibit companies and their employees, agents, intermediaries, and other third parties from promising, authorizing, making or offering improper payments or other benefits to government officials and others in the private sector. We leverage third parties, including intermediaries, agents and channel partners, to conduct our business in the U.S. and in other countries. We and these third-parties may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these third-party business partners and intermediaries, our employees, representatives, contractors, channel partners, agents, intermediaries, and other third parties, even if we do not explicitly authorize such activities. While we have policies and procedures to address compliance with these laws, we cannot assure you that they will be effective, or that all of our employees, representatives, contractors, channel partners, agents, intermediaries, or other third parties have not taken, or will not take actions, in violation of our policies and applicable law, for which we may be ultimately held responsible. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, severe criminal or civil sanctions, settlements, prosecution, loss of export privileges, suspension or debarment from U.S. government contracts, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, whistleblower complaints, adverse media coverage and

other consequences. Any investigations, actions or sanctions could materially and adversely affect our reputation, business, results of operations and financial condition.

Legal compliance with import and export controls, as well as with sanctions, in the United States and other countries, is complex, and compliance restrictions and expenses could materially and adversely impact our revenue and supply chain.

We are subject to a variety of import laws, export controls and economic sanctions laws and regulations, including rule changes, and evolving enforcement practices. Changes in import and export control or trade sanctions laws may restrict our business practices and affect our ability to supply our products to various countries and/or to various customers, including cessation of business activities in sanctioned countries or with sanctioned entities, and may result in claims for breach of existing contracts and modifications to existing compliance programs and training schedules. Violations of the applicable export or import control, or economic sanctions laws and regulations, such as an export to an embargoed country, or to a denied party, or the export of a product without the appropriate governmental license, may result in penalties, including fines, debarments from export privileges, and loss of authorizations needed to conduct aspects of our international business, and may harm our ability to enter into contracts with our customers who have contracts with the U.S. government. A violation of the laws and regulations enumerated above could materially and adversely affect our business, results of operations and financial condition.

We do business with Russian customers both inside and outside of Russia and with customers who have contracts with Russian counterparties. As a result of Russia's invasion of Ukraine, the United States, the United Kingdom and the European Union governments, among others, have developed coordinated sanctions and export-control measure packages. For more information, see “Risks Related to Our Business and Industry—The military conflict between Russia and Ukraine and the sanctions imposed as a result have adversely affected and may further adversely affect our business, results of operations, and financial condition.”

The U.S. government has also imposed increasingly strict export control restrictions on exports to China including, most recently, extensive restrictions and extraordinary tariffs with respect to semiconductors. These regulatory changes and potential retaliatory moves by China could disrupt global semiconductor supply chains and make it more difficult for us to procure components for our products. In addition, such restrictions could be imposed on products in other industries, including products we sell. Further, the U.S. government has imposed export control restrictions on transactions with an increasing number of Chinese entities by adding those entities to the U.S. Bureau of Industry and Security (BIS) Entity List. Export licenses from BIS are required for the export, reexport or transfer (in country) of any commodities, software or technologies subject to U.S. export control jurisdiction to those BIS Entity List parties. Certain of our customers are subject to BIS Entity List export control restrictions which can make it more difficult or not possible to supply our products to those entities. If more of our customers are added to the BIS Entity List, it could make it more difficult to supply our products to those customers.

The impact of sanctions and export controls imposed against Russia, China or other countries or parties in those countries that may also be operating in other countries where we do business could materially and adversely impact our business, results of operations and financial condition.

Enhanced international tariffs, including tariffs that affect our products or components within our products, other trade barriers or global trade wars or domestic preferences could increase our costs and materially and adversely affect our business, results of operations and financial condition.

Our global business could be negatively affected by trade barriers and other governmental protectionist measures, any of which can be imposed suddenly and unpredictably. There is currently significant uncertainty about the future trade relationships between the United States and various other countries, most significantly Russia and China, with respect to trade policies, treaties, government regulations, sanctions and tariffs.

Certain components that we import into the United States from our suppliers are currently subject to enhanced or extraordinary tariffs and such additional tariffs can be imposed from to time. The imposition of enhanced or extraordinary tariffs could increase our costs and require us to raise prices on our products, which may negatively impact the demand for our products in the affected market. If we are not successful in offsetting the impact of any such tariffs, our revenue, gross margins and operating results may be adversely affected.

These developments may materially and adversely affect global economic conditions and the stability of global financial markets, and they may significantly reduce global trade and, in particular, trade between China and the United States. Any of these factors could depress economic activity, restrict our access to customers and materially and adversely affect our business, results of operations and financial condition.

We are subject to risks related to legal claims and proceedings filed by or against us, and adverse outcomes in these matters may materially harm our business.

We are subject from time to time to various claims, disputes, investigations, demands, arbitration, litigation or other legal proceedings. Legal claims and proceedings may relate to, among other things, labor and employment, commercial arrangements, intellectual property, disputes with customers or business partners, breach of contract, environmental, health and safety, property damage, theft, consumer protection, class action, mass tort and product liability, personal injury, false advertising, unfair competition or unfair trade practices, public or private nuisance, "whistleblower" litigation, fiduciary duties of our directors and officers, securities, Medicare and Medicaid reimbursement claims, false claims, radioactive contamination, indemnity, insurance and various other matters. Legal matters are inherently uncertain and we cannot predict the duration, scope, cost, outcome or consequences of such matters. In addition, we may be subject to product liability claims, including where our products are found to be defective in design or manufacture, a misstatement is found on product labeling or marketing materials or where our or our partners' conduct is found to fall below the standard of care for a similarly situated medical device company. Accordingly, we should expect, in the ordinary course of business, to encounter class actions, mass tort actions, claims that allege our marketed products or products in development are mislabeled, mischaracterized or defective and violate applicable consumer protection statutes or FDA regulations or have caused, or could cause, serious adverse events or injury, including latent injury, and claims that our products have been, or should be recalled due to safety or warning defects. Although we have obtained insurance coverage, if such coverage is inadequate to cover such claims or actions, we must pay the amount of any settlement or judgment in excess of the policy limits. The unfavorable resolution of one or more of these matters could have a material and adverse impact on our business, results of operations and financial condition.

We and our customers and partners operate in highly regulated industries that require us and them to obtain, and comply with, federal, state, local and foreign government permits and approvals.

We and our customers operate in a highly regulated environment. Many of our products, particularly those offered by our Industrial segment, are subject to various domestic and international standards and are subject to product testing under extreme temperature, pressure, radiation and seismic conditions, known collectively as a qualification, for any given nuclear reactor design. In addition, many of our products and services, particularly those offered by our Medical segment, must be certified by the National Voluntary Laboratory Accreditation Program in the United States and by other governmental agencies in international markets. In addition, our customers and partners are required to obtain, and to comply with, federal, state, local and foreign government licenses, permits and approvals with respect to either their facilities or possession and use of radioactive sources or other radioactive materials.

Any of these accreditations, qualifications, licenses, permits or other approvals may be subject to denial, revocation or modification under various circumstances. Although such existing permits or approvals are routinely renewed by various regulators, renewal could be denied or jeopardized by various factors, including but not limited to:

- failure to comply with environmental and safety laws and regulations;
- failure to comply with permit conditions or violations found during inspections or otherwise;
- local community, political or other opposition; and
- other governmental action.

Furthermore, if the requirements to obtain such permits or approvals change, including if existing rules or regulations are interpreted or enforced differently, we or our customers or partners may also incur substantial costs to adapt our products. Regulatory issues experienced by our customers may lead to delay or cancellation of their orders for our products and services or the discontinuance of future orders. Changes in industry standards and governmental regulations may increase our expenses or reduce demand for our products or services. We cannot assure you that we or our customers will be able to meet all potential regulatory challenges on a timely or cost-effective basis, or at all, and as such our business, results of operations and financial condition could be materially and adversely affected.

Changes in global or regional environmental conditions and governmental actions in response to climate changes may materially and adversely affect us.

There is growing concern from many members of the scientific community and the general public that an increase in global average temperatures due to emissions of greenhouse gases and other human activities have caused, and will continue to cause, significant changes in weather patterns and increases in the frequency and severity of natural disasters. Government

mandates, standards or regulations intended to reduce greenhouse gas emissions or projected climate change impacts have resulted, and are likely to continue to result, in operational constraints and cause us to incur expenses that will place pressure on margins or that will require us to increase the price of our products and services to the point that it affects demand for those products and services and our business, results of operations and financial condition could be materially and adversely affected.

We could incur substantial costs as a result of violations of, or liabilities under, environmental laws.

Our operations and properties are subject to a variety of federal, state, local and foreign environmental, health and safety laws and regulations governing, among other things, air emissions, wastewater discharges, management and disposal of hazardous, non-hazardous and radioactive materials and waste and remediation of releases of hazardous materials. Compliance with environmental requirements could require us to incur significant operating or capital expenditures or result in significant restrictions on our operations. Our failure to comply with these environmental, health and safety laws and regulations, including failing to obtain any necessary permits, could cause us to incur substantial civil or criminal fines or penalties or enforcement actions, including regulatory or judicial orders enjoining or curtailing our operations or requiring us to conduct or fund remedial or corrective measures, install pollution control equipment or perform other actions.

A European Union ("EU") directive relating to the restriction of hazardous substances in electrical and electronic equipment ("RoHS Directive") and an EU directive relating to waste electrical and electronic equipment ("WEEE Directive") have been and are being implemented in EU member states. In addition, laws similar to the RoHS and WEEE directives were passed in China in 2006 and South Korea in 2007. Governments in other countries and states, including the United States, have implemented or are considering implementing similar laws or regulations.

In addition, a regulation regarding the registration, authorization and restriction of chemical substances in industrial products ("REACH") became effective in the EU in 2007. REACH and other regulations require us or our suppliers to substitute certain chemicals contained in our products with substances the EU considers less dangerous. The costs associated with complying with future laws and regulations could include costs associated with modifying, requalifying or reformulating our products, recycling and other waste processing costs, or legal and regulatory costs and insurance costs. The costs of complying with future environmental and worker health and safety laws and regulations could materially and adversely affect our business, results of operations and financial condition.

Our ability to compete successfully and achieve future growth will depend on our ability to obtain, maintain, protect, defend and enforce our intellectual property and to operate without infringing, misappropriating or otherwise violating the intellectual property of others.

Our intellectual property, including our design, engineering, manufacturing and testing know-how, is an essential asset of our business. Failure to adequately protect our intellectual property rights could result in our competitors or other third parties offering similar products and services, potentially resulting in the loss of our competitive advantage and a decrease in our revenue, which would adversely affect our business, results of operations and financial condition. We attempt to protect our intellectual property rights through patents, trademarks, copyrights, trade secret laws, non-disclosure agreements, confidentiality procedures, employee disclosure and invention assignment agreements and other contractual provisions. We cannot guarantee that any of our pending patent applications or other applications for intellectual property registrations will be issued or granted or that our existing and future intellectual property rights will be sufficiently broad to protect our proprietary technology.

If we fail to obtain issuance of patents or registration of other intellectual property, or our patent claims or other intellectual property rights are rendered invalid or unenforceable, or narrowed in scope, pursuant to, for example, judicial or administrative proceedings including re-examination, post-grant review, inter partes, interference, opposition, or derivation proceedings, the coverage of patents and other intellectual property rights afforded our products could be impaired. Even if we are to obtain issuance of further patents or registration of other intellectual property, such intellectual property could be subjected to attacks on ownership, validity, enforceability, or other legal attacks. Any such impairment or other failure to obtain sufficient intellectual property protection could materially and adversely affect our business, results of operations and financial condition, including forcing us to, among other things, rebrand or re-design our affected products. Moreover, our patents and patent applications may only cover particular aspects of our products, and competitors and other third parties may be able to circumvent or design around our patents. Competitors may develop and obtain patent protection for more effective technologies, designs or methods. There can be no assurance that third parties will not create new products or methods that achieve similar or better results without infringing upon patents we own. If these developments were to occur, it could have an adverse effect on our business, results of operations and financial condition.

We also rely upon unpatented proprietary radiation detection expertise, continuing technological innovation and other trade secrets some of which is licensed from third parties, to develop and maintain our competitive position. We seek to enter into confidentiality agreements with our employees and third parties who have access to our confidential or proprietary information

The laws of foreign countries also may not adequately protect our intellectual property rights, including due to a lack of adequate remedies and enforcement mechanisms. Because we conduct a substantial portion of our operations and a majority of our sales have been outside of the United States, we have significant exposure to foreign intellectual property risks.

Others have in the past attempted, and may in the future attempt, to copy or otherwise obtain and use our intellectual property without our consent. Monitoring the unauthorized use of our intellectual property is difficult and we may fail to identify instances where a third party is infringing, misappropriating or otherwise violating our intellectual property. We have in the past and may in the future initiate, litigation against one or more third parties to preserve or enforce our intellectual property rights or to challenge the validity and scope of proprietary rights asserted by others, and we could face counterclaims. Such efforts may be insufficient or ineffective, and any of our intellectual property rights may be challenged, which could result in them being narrowed in scope or declared invalid or unenforceable. Furthermore, any such legal disputes we may initiate with our customers or companies with whom we have manufacturing relationships could substantially harm our relationships and sales. An adverse outcome in any such proceeding could subject us to significant liability for damages or invalidate our proprietary rights. Such litigation could result in significant expense to us and divert the efforts of our technical and management personnel, whether or not such litigation is ultimately determined in our favor. Further, adequate remedies may not be available in the event of an unauthorized use or disclosure of our trade secrets and manufacturing expertise. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

We may need to defend ourselves against third-party claims that we are infringing, misappropriating or otherwise violating others' intellectual property rights, which could divert management's attention, cause us to incur significant costs and prevent us from selling or using the technology to which such rights relate.

From time to time, third parties have claimed and may claim in the future that we have infringed upon, misappropriated or misused their proprietary rights, and we may be unaware of existing third-party intellectual property rights that we may be infringing.

Any of these events or claims could result in litigation and require the company to pay significant costs in defense of such litigation, even if we are successful. If we aren't successful in defending against such claims, we could be required to pay substantial damages, cease the manufacture, use and sale of certain products, expend significant resources to develop or acquire non-infringing technology, discontinue the use of certain processes, obtain licenses to use the infringed technology or indemnify our customers. We cannot assure you that we would be successful in such development or acquisition or that such licenses would be available on reasonable terms, or at all. If we cannot license or develop a non-violating alternative, we would be forced to limit or stop sales of our offerings and may be unable to effectively compete. Moreover, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our stock. Any of these results would materially and adversely affect our business, results of operations and financial condition.

Our use of "open source" software could negatively affect our ability to sell our products and subject us to possible litigation.

A portion of our products incorporate so-called "open source" software, and we may incorporate additional open source software in the future. If an author or other third party that distributes such open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our products that contained the open source software and required to comply with the foregoing conditions, which could disrupt the distribution and sale of some of our products and adversely affect our business, results of operations and financial condition.

Our obligations to indemnify our customers for the infringement, misappropriation or other violation by our products of the intellectual property rights of others could require us to pay substantial damages and impose other costs and fees.

We currently have in effect, and may in the future enter into, agreements in which we agree to defend, indemnify and hold harmless our customers or suppliers from damages and costs that may arise from the infringement, misappropriation or other violation by our products of third-party patents, trademarks or other proprietary rights. Litigation related to such

obligations could result in significant expense to us and divert the efforts of our technical and management personnel, whether or not such litigation is ultimately determined in our favor. Our insurance does not cover intellectual property infringement. Any of the foregoing could materially and adversely affect our business, results of operations and financial condition.

Any actual or perceived failure to comply with evolving data privacy and data security laws and regulations in the jurisdictions where we operate, both inside and outside of the United States, could lead to government enforcement actions (which could include civil or criminal penalties), private litigation or adverse publicity and could materially and adversely affect our business.

Privacy and data security have become significant issues in the United States, Europe and in many other jurisdictions where we conduct our operations. Our collection, processing, distribution, and storage of personal information is subject to a variety of laws and regulations both in the United States and abroad, which could limit the way we market and provide our products and services. Compliance with these privacy and data security requirements is rigorous and time-intensive and may increase our cost of doing business and, despite these efforts, there is a risk that we fail to comply and may become subject to government enforcement actions, fines and penalties, litigation and reputational harm, which could materially and adversely affect our business, results of operations and financial condition. In addition, the regulatory framework for the handling of personal and confidential information is rapidly evolving and is likely to remain uncertain for the foreseeable future as new privacy laws are being enacted globally and existing laws are being updated and strengthened. These regulations include the California Consumer Privacy Act ("CCPA") and California Privacy Rights Act ("CPRA"). The CPRA also establishes a regulatory agency dedicated to enforcing the CCPA and the CPRA, which is in the process of developing new regulations. Numerous other states have also enacted or are in the process of enacting or considering comprehensive state-level data privacy and security laws, rules and regulations. Moreover, we are required to provide notice under certain circumstances to consumers whose personal information has been disclosed as a result of a data breach. These state statutes, and other similar state or federal laws that may be enacted in the future, may require us to modify our data processing practices and policies, incur substantial compliance-related costs and expenses, and otherwise suffer adverse impacts on our business. Internationally, virtually every jurisdiction in which we operate has established its own data privacy and security legal framework with which we must comply. For example, we are required to comply with the European Union General Data Protection Regulation ("GDPR"). Additionally, following the United Kingdom's withdrawal from the EU, we also are subject to the U.K. General Data Protection Regulation, a version of the GDPR as implemented into the laws of the U.K.

Moreover, while we strive to publish and prominently display privacy policies that are accurate, comprehensive, and compliant with applicable laws, rules regulations and industry standards, we cannot ensure that our privacy policies and other statements regarding our practices will be sufficient to protect us from claims, proceedings, liability or adverse publicity relating to data privacy and security. Although we endeavor to comply with our privacy policies, we may at times fail to do so or be alleged to have failed to do so. If our public statements about our use, collection, disclosure and other processing of personal information, whether made through our privacy policies, information provided on our website, press statements or otherwise, are alleged to be deceptive, unfair or misrepresentative of our actual practices, we may be subject to potential government or legal investigation or action, including by the Federal Trade Commission or applicable state attorneys general.

These laws, rules and regulations may be inconsistent from one jurisdiction to another, subject to differing interpretations and may be interpreted to conflict with our practices. Additionally, we may be bound by contractual requirements applicable to our collection, use, processing and disclosure of various types of data, including personal information, and may be bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters. Claims that we have violated individuals' privacy rights, failed to comply with privacy and data security laws, or breached our contractual obligations, even if we are not found liable, could be expensive and time consuming to defend and could result in adverse publicity could increase our operational costs and harm our business, results of operations and financial condition.

We do not control our suppliers, customers or business partners, and facts or circumstances that may occur as a result of their actions or omissions could harm our reputation and sales.

We do not control our suppliers, customers or partners, or their environmental or other practices. A violation of environmental or other laws by our suppliers, other customers or partners, or an environmental or public health incident at customer locations could create negative publicity and harm our reputation. Any conduct or actions that our suppliers could take could reduce demand for our products, harm our ability to meet demand or harm our reputation, brand image, business, results of operations and financial condition.

Some of our workforce is represented by labor unions or by works councils and are covered by collective bargaining agreements in connection with such representations. Labor group representation may lead to work stoppages that could materially and adversely affect our business, including as a result of a failure to renegotiate a collective bargaining agreement.

The majority of our EU employees are members of, or are represented by, works councils or trade unions and are covered by collective bargaining agreements, and in addition a small number of our U.S. employees are presently unionized. In addition, employees who are not currently members of, or otherwise represented by, labor organizations may seek such membership or representation, as applicable, in the future. We may experience related work stoppages or other labor disturbances in the future, including in connection with the renegotiation of collective bargaining agreements as they expire, which could adversely affect our business. Union and works council rules may limit our flexibility to respond to changing market conditions and the application of these rules could harm our business. Additionally, any renegotiation of current collective bargaining agreements may result in terms that are less favorable to us.

The elimination or any modification of the Price-Anderson Act's indemnification authority could have adverse consequences for our business.

Certain of our products require the use of radioactive sources. In the United States, the Atomic Energy Act of 1954, as amended ("AEA"), comprehensively regulates the manufacture, use and storage of radioactive materials. Section 170 of the AEA, which is known as the Price-Anderson Act, supports the nuclear services industry by offering broad indemnification for third-party public liability claims arising from a nuclear accident occurring at any commercial NPP in the United States. If the nuclear liability and indemnification authority in the United States or other countries is eliminated or adversely modified in the future, our business could be adversely affected if the owners and operators of NPPs cancel or delay plans to build new plants or curtail the operations of existing plants. Although it is unlikely that the nuclear liability financial protection authority under the Price-Anderson Act would be completely abolished, some aspects of the Act could be changed during future reauthorizations.

Certain of our products and software are subject to ongoing regulatory oversight by the FDA or equivalent regulatory agencies in international markets and if we are not able to obtain or maintain the necessary regulatory approvals we may not be able to continue to market and sell such products and this may materially and adversely affect our business.

The FDA regulates virtually all aspects of a medical device design, development, testing, manufacturing, labeling, storage, record keeping, adverse event reporting, sale, promotion, distribution and shipping. Before a new medical device, including a new intended use, indication, or claim for an existing product, can be marketed in the United States, it must first receive either premarket approval or 510(k) clearance from the FDA, unless an exemption exists. Either process can be expensive, lengthy and unpredictable. The FDA's 510(k) clearance process generally takes from three to twelve months, and premarket approval generally takes from one to three years, but each can last longer. Additionally, outside of the United States, our products are subject to clearances and approvals by foreign FDA counterparts. In order to market our products internationally, we must obtain licenses or approvals from these governmental agencies, which could include local requirements, safety standards, testing or certifications, and can be time consuming, burdensome and uncertain. Despite the time, effort and cost, there can be no assurance that a particular device or a modification of a device will be approved or cleared by the FDA, or any foreign governmental agency in a timely fashion, if at all. Even if we are granted regulatory clearances or approvals, they may include significant limitations on the indicated uses of the product, which may limit the market for those products, and how those products can be promoted.

Medical devices may only be marketed for the indications for which they are approved or cleared. The FDA and other foreign governments also may change their policies, adopt additional regulations, or revise existing regulations, each of which could prevent or delay approval or clearance of our device, or could impact our ability to market our currently approved or cleared devices. We are also subject to medical device reporting regulations, which require us to report to the FDA and other international governmental agencies if our products cause or contribute to a death or a serious injury, or malfunction in a way that would likely cause or contribute to a death or a serious injury. Further, we are subject to the QSR in the United States and ISO 13485 certification in many international markets, ongoing compliance with which is necessary to receive and maintain FDA and other international clearances or approvals to market new products or to continue to market a cleared or approved product in the United States or globally. After a product is placed in the market, we are also subject to oversight by the FDA and Federal Trade Commission related to the advertising and promotion of our products to ensure our claims are consistent with our regulatory clearances, that there is scientific data to substantiate our claims, and that our advertising is not false or misleading. Our products are also subject to state regulations and various international laws and regulations.

A component of our strategy is to continue to upgrade products such as SunCHECK, SunScan 3D or Lynx. Our previous upgrades required 510(k) clearance and international registration before we were able to offer them for sale. We expect our

future upgrades will similarly require 510(k) clearance or approval; however, future upgrades may be subject to substantially more time-consuming data generation requirements and uncertain premarket approval or clearance processes.
The FDA requires device manufacturers to make their own determination of whether or not a modification requires an approval or clearance; however, the FDA can review a manufacturer's decision not to submit for additional approvals or clearances. Any modification to an FDA approved or cleared device that would significantly affect its safety or efficacy or that would constitute a major change in its intended use would require a new premarket approval or 510(k) clearance. We cannot ensure that the FDA will agree with our decisions not to seek approvals or clearances for particular device modifications or that we will be successful in obtaining premarket approvals or 510(k) clearances for modifications in a timely fashion, if at all.

We have obtained 510(k) clearance for SunCHECK to be used as an integrated patient quality assurance, machine quality assurance and data management workflow management application for radiation therapy professionals. We have made modifications to SunCHECK in the past and may make additional modifications in the future that we believe do not or will not require additional approvals or clearances. If the FDA disagrees, based on new finalized guidance and requires us to obtain additional premarket approvals or 510(k) clearances for any modifications to SunCHECK and we fail to obtain such approvals or clearances or fail to secure approvals or clearances in a timely manner, we may be required to cease manufacturing and marketing the modified device or to recall such modified device until we obtain FDA approval or clearance and we may be subject to significant regulatory fines or penalties.

The FDA and similar governmental authorities in other countries in which we market and sell our products have the authority to require the recall of our products in the event of material deficiencies or defects in design, manufacture or labeling, and from time to time we have conducted and may in the future conduct such recalls. A government mandated recall, or a voluntary recall by us, could occur as a result of component failures, manufacturing errors or design defects, including defects in labeling and user manuals. Any recall could divert management's attention, cause us to incur significant expenses, generate negative publicity, harm our reputation with customers, negatively affect our future sales and business, require redesign of our products, and harm our operating results. In these circumstances, we may also be subject to significant enforcement action. If any of these events were to occur, our ability to introduce new or enhanced products in a timely manner would be adversely affected, which in turn would harm our future growth.

We are subject to federal, state, local and international laws and regulations related to healthcare, the violation of which could result in substantial penalties and harm our business in the medical end market.

Our operations are subject to several laws and regulations governing interactions with healthcare providers. Such laws impact our sales, marketing and other promotional activities by reducing the types of financial arrangements we may have with our customers, potential customers, marketing consultants and other service providers. They particularly impact how we structure our sales offerings, including discount practices, customer support, product loans, education and training programs, physician consulting, research grants and other service arrangements.

In addition to such anti-kickback laws, federal and state "false claims" laws generally prohibit the knowing filing or causing the filing of a false claim, or the knowing use of false statements to obtain payment from government payers.
We are also subject to federal and state physician self-referral laws. The federal Ethics in Patient Referrals Act of 1989, commonly known as the Stark Law, prohibits, subject to certain exceptions, physician referrals of Medicare and Medicaid patients to an entity providing certain "designated health services" if the physician or an immediate family member has any financial relationship with the entity. The Stark Law also prohibits the entity receiving the referral from billing any good or service furnished pursuant to an unlawful referral. Various states have corollary laws to the Stark Law, including laws that require physicians to disclose any financial interest they may have with a healthcare provider to their patients when referring patients to that provider. Both the scope and exceptions for such laws vary from state to state.
If our past or present operations are found to be in violation of any of these "anti-kickback," "false claims," "self-referral" or other similar laws in foreign jurisdictions, we may be subject to the applicable penalties associated with the violation, which could adversely affect our ability to operate our business and our financial results.

There are a number of federal and state laws protecting the confidentiality of certain patient health information, including patient records, and restricting the use and disclosure of that protected information. In particular, the U.S. Department of Health and Human Services ("HHS"), has promulgated patient privacy rules under the Health Insurance Portability and Accountability Act ("HIPAA"). Although we are not a "covered entity" under HIPAA, we are considered a "business associate" of certain covered entities and, as such, we are directly subject to HIPAA, including its enforcement scheme and inspection requirements, and are required to implement policies, procedures as well as reasonable and appropriate physical, technical and administrative security measures to protect individually identifiable health information we receive from covered entities. Our failure to protect health information received from customers in compliance with HIPAA or other laws could subject us to civil and criminal liability to the government and civil liability to the covered entity, could result in adverse publicity, and could harm our business and impair our ability to attract new customers.

The Sunshine Act, which was enacted by Congress as part of the Patient Protection and Affordable Care Act on December 14, 2011, requires each applicable manufacturer, which includes medical device companies, to track and report to the federal government on an annual basis all payments and other transfers of value from such applicable manufacturer to U.S. licensed physicians and teaching hospitals as well as physician ownership of such applicable manufacturer's equity, in each case subject to certain statutory exceptions. Failure to comply can result in monetary penalties. In addition, we are subject to similar state and foreign laws related to the tracking and reporting of payments and other transfers of value to healthcare professionals, the violation of which could, among other things, result in civil monetary penalties and adversely impact our reputation and business.

If third-party payers do not provide sufficient coverage and reimbursement to healthcare providers or if there is a reduction in the number of patients with health insurance, demand for our products and our revenue could be materially and adversely affected.

Our customers rely significantly on reimbursement from public and private third-party payers procedures utilizing our radiation oncology and other medical products. Our ability to commercialize our products successfully and increase market acceptance of our products will depend in significant part on the extent to which public and private third-party payers provide adequate coverage and reimbursement for procedures that are performed with our products and the extent to which patients that are treated by our products continue to be covered by health insurance. Third-party payers may establish or change the reimbursement for medical products and services that could significantly influence the purchase of medical products and services. If reimbursement policies or other cost containment measures are instituted in a manner that significantly reduces the coverage or payment for the procedures that are performed with our products or if there is a prolonged reduction in the number of patients eligible to be treated by our products that are covered by health insurance, our revenue may decline, our existing customers may not continue using our products or may decrease their use of our products, and we may have difficulty obtaining new customers. Such actions would likely materially and adversely affect our business, results of operations and financial condition.

In addition, the Centers for Medicare and Medicaid Services ("CMS"), reviews reimbursement rates annually and may implement significant changes in future years, which could discourage existing and potential customers from purchasing or using our products. Further, outside of the United States, reimbursement practices vary significantly by country. Market acceptance of our products may depend on the availability and level of coverage and reimbursement in any country within a particular time.

Some of our products depend on our ability to source data from third parties who could take steps to block our access to such data. Such blocking could limit the effectiveness of these products, increase our expenses or materially and adversely impact our business.

Our SunCHECK software requires access to data such as electronic health information ("EHI") from other third-party vendors of our customers, typically original equipment manufacturers, in order to perform quality assessments. The functioning of our analytics applications and our ability to perform analytics services is predicated on our ability to establish interfaces that download the relevant data from these third party source systems on a repeated basis and in a reliable manner. If certain market actors engage in "information blocking," meaning activity that is likely to interfere with, prevent or materially discourage access, exchange or use of EHI, it may inhibit our ability to access the relevant data on behalf of customers and any steps we take to enforce the anti-information blocking provisions of the Cures Act could be costly, could distract management attention from the business and could materially and adversely impact our business, results of operations and financial condition.

Regulations related to "conflict minerals" may force us to incur additional expenses, may result in damage to our business reputation and may materially and adversely impact our ability to conduct our business.

As a public company, we will be subject to the requirements under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Dodd-Frank Act") that require us to diligence, disclose and report whether or not our devices contain conflict minerals. The implementation of these requirements could adversely affect the sourcing, availability and pricing of the materials used in the manufacture of components used in our devices. In addition, we will incur additional costs to comply with the disclosure requirements, including costs related to conducting diligence procedures to determine the sources of conflict minerals that may be used or necessary to the production of our devices and, if applicable, potential changes to devices, processes or sources of supply as a consequence of such verification activities. It is also possible that we may face reputational harm if we determine that certain of our devices contain minerals not determined to be conflict-free or if we are unable to alter our devices, processes or sources of supply to avoid such materials.

Failure to comply with evolving Environmental, Social and Governance (ESG) practices, ratings and regulations could adversely affect our reputation.

ESG practices are important to our customers, employees and other stakeholders and ESG ratings are frequently integrated into the research process of ESG-focused investors and lenders who utilize these ratings to screen for investments, to assess valuations of companies' ESG risks and to help them vote at stockholder meetings. As a newly public company, many rating agencies have only recently initiated coverage of Mirion's ESG performance. If we are not able to attain adequate scores in a timely manner, or if we lag the performance of our peers, our reputation could be harmed which could in turn impact our relationships with customers, partners, investors and lenders and influence institutions to reduce or divest their holdings in our securities and loans. In addition, there is also an increasing regulatory focus on ESG data, disclosures and performance. For example, the SEC has proposed climate-related disclosure rules which may require us to expend significant resources to comply. If we do not meet evolving investor, lender or other stakeholder expectations and standards or fail to comply with evolving regulations, then our reputation and our attractiveness to customers, investors, lenders, partners and employees could be adversely impacted. Further, our failure or perceived failure to satisfy various reporting standards and regulations on a timely basis, or at all, could have similar negative impacts or expose us to government enforcement actions and private litigation.

Risks Related to Our Liquidity and Capital Resources

If we cannot generate sufficient operating cash flow and obtain external financing, we may be unable to make all of our planned capital expenditures and pay other expenses.

Our ability to fund anticipated capital expenditures and other expenses depends on generating sufficient cash flow from operations and the availability of external financing. In addition, our debt service obligations and our capital expenditures, together with on-going operating expenses, are expected to be a substantial drain on our cash flow and may decrease our cash balances. The timing and amount of our capital requirements cannot be precisely determined at this moment and will depend on a number of factors, including demand for our products, product mix, changes in industry conditions and market competition. We intend to regularly assess markets for external financing opportunities, including debt, equity and equity-linked financing such as convertible debt. Such financing may not be available when needed or, if available, may not be available on satisfactory terms, particularly in light of the limited financing available as a result of the recent global financial crisis. Any equity or equity-linked financing would cause further dilution to our stockholders. Our inability to obtain needed financing or to generate sufficient cash from operations may require us to abandon projects or curtail capital expenditures which may materially and adversely affect our business, results of operations and financial condition.

Our indebtedness could adversely affect our financial condition.

As of September 30, 2022, we had $823.8 million aggregate principal amount of indebtedness outstanding under our senior secured term loan facility (the "Term Loan Facility") and there is additional availability under our senior secured revolving facility (the "Revolving Facility" and, together with the Term Loan Facility, the "Credit Facilities") of up to $90.0 million. In addition, our Credit Facilities bear interest based on variable interest rates which have recently increased and may increase further from time to time in the future. For example, the Board of Governors of the Federal Reserve System voted to increase interest rates multiple times in 2022 and further increases are expected for 2023. Continued increases in interest rates will increase the cost of servicing our outstanding indebtedness as well incurring new indebtedness and refinancing our outstanding indebtedness, and could materially and adversely affect our business, results of operations and financial condition.

Our indebtedness could have important consequences to us, including:

- requiring us to dedicate a significant portion of our cash flows from operations to the payment of interest and principal on our debt, which would reduce the funds available to us for our working capital, capital expenditures, acquisitions and other general corporate requirements;
- increasing our vulnerability to adverse changes in general economic, industry and competitive conditions;
- limiting our flexibility in planning for, or reacting to, changes in our business and industry;
- placing us at a competitive disadvantage compared to our competitors with less indebtedness or more liquidity;
- limiting our ability to obtain additional financing in the future for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes; and

- exposure to market conditions impact on our variable interest rate debt and increasing our borrowing costs.

If we cannot make scheduled payments on our indebtedness, we will be in default and the lenders could terminate their commitments to loan us money, declare all outstanding principal and interest to be due and payable, or foreclose against the assets securing their borrowings, any of which could force us into bankruptcy or liquidation.

Despite our levels of indebtedness, we have the ability to incur more indebtedness. Incurring additional debt could further intensify the risks described above.

We may incur additional debt in the future and the terms of the credit agreement governing our Credit Facilities (the "Credit Agreement") permits us to do so subject to certain limitations. We have the ability to draw upon our $90 million Revolving Facility. We also have the ability to utilize the uncommitted "accordion" under the Credit Facilities (subject to the receipt of commitments and satisfaction of certain other conditions), which permits the incurrence of additional debt if certain incurrence and leverage ratio tests in the Credit Agreement are satisfied, and the Credit Agreement contains other provisions allowing us to incur significant amounts of additional debt. If additional debt is added to the debt that is originally incurred under the Credit Facilities, the related risks could intensify and we may not be able to meet all our respective debt obligations.

Restrictive covenants in the Credit Agreement and any future debt agreements, could restrict our operating flexibility.

The Credit Agreement contains restrictive covenants that limit our ability to engage in specified transactions and prohibit us from voluntarily prepaying certain of our other indebtedness. These covenants limit our ability to, among other things:

- incur additional indebtedness;
- pay dividends on, or repurchase or make distributions in respect of, our capital stock or make other restricted payments;
- make certain investments, including acquisitions of other companies;
- sell or transfer assets;
- prepay, redeem, repurchase, defease or amend the terms of certain junior indebtedness;
- create or incur liens on our assets or enter into contractual obligations that restrict our ability to grant liens on assets or capital stock; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

Under the Credit Agreement, in certain circumstances we also are required to satisfy and maintain a certain "First Lien Net Leverage Ratio" (as defined in the Credit Agreement). Our ability to meet this financial ratio could be affected by events beyond our control, and there can be no assurance that we will meet that ratio.

The failure to comply with any of these covenants or any other term of the Credit Agreement could cause a default under the Credit Agreement. A default, if not waived, could result in acceleration of the outstanding indebtedness under the Credit Agreement, in which case such indebtedness would become immediately due and payable, and could also cause the acceleration of other indebtedness outstanding at such time. If any default occurs, we may not be able to pay our debt or borrow sufficient funds to refinance it. Even if new financing is available, it may not be available on terms that are acceptable to us. Complying with these covenants may cause us to take actions that we otherwise would not take or not take actions that we otherwise would take.

The expected replacement of the LIBOR benchmark interest rate and other interbank offered rates with new benchmark rate indices may have an impact on our financing costs.

LIBOR, the interest rate benchmark used as a reference rate on our variable rate debt, including under our Credit Facilities is being phased out. As of September 30, 2022, we had approximately $824 million of debt outstanding under the Credit Facilities with variable interest rates based on LIBOR. The Credit Agreement includes fallback language that seeks to either facilitate an agreement with our lenders on a replacement rate for LIBOR in the event of its discontinuance or that automatically replaces LIBOR with benchmark rates based on the Secured Overnight Financing Rate ("SOFR") or other benchmark replacement rates upon certain triggering events. There are many uncertainties regarding a transition from LIBOR and we cannot predict what the impact of any such replacement rate would be to our interest expense. The discontinuation, reform, or replacement of LIBOR or any other benchmark rates may result in the need to amend all

contracts with LIBOR or such other benchmark rates, and this may have a negative impact on our interest expense and our profitability. The consequences of these developments with respect to LIBOR cannot be entirely predicted and span multiple future periods. Potential changes to the underlying floating-rate indices and reference rates may have an adverse impact on our liabilities indexed to LIBOR and could have a negative impact on our profitability and cash flows. Furthermore, we cannot predict or quantify the time, effort and cost required to transition to the use of SOFR or new benchmark rates, including with respect to negotiating and implementing any necessary changes to existing contractual agreements, and implementing changes to our systems and processes. We continue to evaluate the operational and other effects of such changes, including possible impacts on our accounting for interest rate hedging agreements.

Unfavorable currency exchange rate fluctuations could materially and adversely affect our financial results.

Our international sales and our operations in countries other than the United States expose us to risks associated with fluctuating currency values and exchange rates. A significant amount of our international sales, costs, assets and liabilities are denominated in currencies other than the U.S. dollar. For example, in fiscal 2021, approximately 39% of our sales were denominated in euros, 3% in pounds sterling, 2% in Japanese yen and 2% in Canadian dollars. Gains and losses on the conversion of accounts receivable, accounts payable and other monetary assets and liabilities to U.S. dollars have contributed and may continue to contribute to fluctuations in our results of operations. In addition, continued increases in the value of the U.S. dollar relative to the euro could have an adverse effect on our results of operations. We do not currently purchase forward contracts to hedge against the risks associated with fluctuations in exchange rates.

Changes in our effective tax rate, including as a result of changes in law or recent changes in our organizational structure, or adverse outcomes resulting from examination of our income tax returns, could materially and adversely affect our results of operations.

Our effective tax rate could be adversely affected by several factors, many of which are outside of our control, including:

- earnings being lower than anticipated in countries where we are taxed at lower rates or other shifts in the mix of pre-tax profits and losses from one jurisdiction to another;
- our inability to use tax credits;
- changing tax laws or related interpretations, accounting standards and regulations and interpretations in multiple tax jurisdictions in which we operate;
- an increase in expenses not deductible for tax purposes, including certain share-based compensation expense and impairment of goodwill;
- the tax effects of purchase accounting for acquisitions and restructuring charges and other discrete recognition of taxable events and exposures that may cause fluctuations between reporting periods;
- changes related to our ability to ultimately realize future benefits attributed to net operating loss and other carryforwards included in our deferred tax assets;
- tax assessments resulting from income tax audits or any related tax interest or penalties that would affect our income tax expense for the period in which the settlements take place; and
- a change in our decision to indefinitely reinvest foreign earnings.

Changes in our organizational structure that occurred in connection with our business combination with GS Acquisition Holdings Corp II (the “Business Combination”) may also impact our tax rate. For example, prior to the Business Combination, income derived by many of our non-U.S. subsidiaries was not subject to U.S. federal income tax but, after the Business Combination, we are subject to U.S. federal income tax on our worldwide income, including in certain cases dividends from, or income earned by, our non-U.S. subsidiaries, which may adversely impact our overall effective tax rate. In addition, we have significantly reduced non-deductible interest expense in periods following the Business Combination, which has impacted our effective tax rate. As a result, we can provide no assurances as to how our effective tax rate is expected to be impacted by our post-Business Combination organizational structure. If our effective tax rate were to increase, our business, results of operations and financial condition could be materially and adversely affected.

In addition, we may be subject to examination of our income tax returns by the U.S. Internal Revenue Service or other tax authorities. If any tax authority challenges the relative mix of our U.S. and international income, our future effective income tax rates could be adversely affected. While we regularly assess the likelihood of adverse outcomes from such examinations and the adequacy of our provision for income taxes, we cannot assure you that such provision is sufficient

and that a determination by a tax authority will not have an adverse effect on our business, results of operations and financial condition.

Risks Related to Ownership of our Securities

The price of our Class A common stock and warrants may be volatile.

The price of our Class A common stock and our warrants may fluctuate due to a variety of factors, including:

- actual or anticipated fluctuations in our operating performance;
- our operating results failing to meet our earnings guidance or other projections, including those issued at the time of our Business Combination, and the expectation of securities analysts or investors in a particular period;
- failure of industry or financial analysts to maintain coverage of us, changes in financial estimates by any analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the reaction by investors to our press releases, our other public announcements and our filings with the SEC;
- changes in the industries and end markets in which we and our customers operate, including slow or negative growth, and developments involving our competitors as well as the operating results of our competitors;
- operating and stock price performance of other companies that investors consider comparable to us;
- changes in laws and regulations affecting our business or litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- actions by stockholders, including the sale by any of our principal stockholders of any of their shares of our Class A common stock;
- the potential sales of 18,750,000 founder shares outstanding as of September 30, 2022 upon the satisfaction of certain vesting requirements;
- the issuance and potential sales of 8,040,540 shares of our Class A common stock upon the redemption of 8,040,540 shares of Class B common stock of Mirion IntermediateCo, Inc. (“IntermediateCo”) together with 8,040,540 shares of our Class B common stock outstanding as of September 30, 2022;
- the issuance and potential sales of 27,249,979 shares of Class A common stock upon the exercise of the public warrants and private placement warrants outstanding as of September 30, 2022;
- additions and departures of key personnel;
- litigation involving us, our industry or both, or investigations by regulators into our operations or those of our competitors;
- changes in our capital structure, such as future issuances of equity and equity-linked securities or the incurrence of additional debt;
- the volume of shares of our Class A common stock available for public sale;
- general economic and political conditions, such as the effects of the Russia-Ukraine conflict, pandemics such as the COVID-19 outbreak, recessions, interest rates, inflation, local and national elections, fuel prices, international currency fluctuations, changes in diplomatic and trade relationships, political instability, acts of war or terrorism and natural disasters; and
- other risk factors listed in this section “Risk Factors.”

In addition, the stock market in general has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of listed companies. Broad market and industry factors may significantly impact the market price of our Class A common stock and warrants, regardless of our actual operating performance. In addition, in the past, following periods of volatility in the overall market and the market prices of a particular company’s securities, securities class action litigation has often been instituted against that company. Securities litigation, if instituted against us, could result in substantial costs and divert our management’s attention and resources from

our business. Any of the factors listed above could materially and adversely affect your investment in our securities, and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline.

The coverage of our business or our securities by securities or industry analysts or the absence thereof could adversely affect the price of our securities and trading volume.

The trading market for our securities will be influenced in part by the research and other reports that industry or securities analysts may publish about us or our business or industry from time to time. We do not control these analysts or the content and opinions included in their reports. As a former special purpose acquisition company, we may be slow to attract equity research coverage, and the analysts who publish information about our securities will have had relatively little experience with our company, which could affect their ability to accurately forecast our results and make it more likely that we fail to meet their estimates. If no or few analysts commence equity research coverage of us, the trading price and volume of our securities would likely be negatively impacted. If analysts do cover us and one or more of them downgrade our securities, or if they issue other unfavorable commentary about us or our industry or inaccurate research, our stock price would likely decline. Furthermore, if one or more of these analysts cease coverage or fail to regularly publish reports on us, we could lose visibility in the financial markets. Any of the foregoing would likely cause our stock price and trading volume to decline.

Even if we are actively covered by analysts, we do not have any control over the analysts or the measures that analysts or investors may rely upon to forecast our future results. Overreliance by analysts or investors on any particular metric to forecast our future results may lead to forecasts that differ significantly from our own.

We may require additional capital to support our growth plans, and such capital may not be available on terms acceptable to us, if at all. This could hamper our growth and adversely affect our business.

We intend to continue to make significant investments to support our business growth and may require additional funds to respond to business challenges, improve our operating infrastructure or acquire complementary businesses, personnel and technologies. Accordingly, we may need to engage in equity, equity-linked or debt financings to secure additional funds, including for possible use in acquisitions. If we raise additional funds through future issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock.
Any additional debt financing that we secure in the future could involve offering additional security interests and undertaking restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. Additionally, the COVID-19 pandemic has disrupted capital markets, and if we seek to access additional capital or increase our borrowing, there can be no assurance that financing may be available to us on favorable terms, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, our ability to continue to support our business growth and to respond to business challenges could be significantly impaired, and our business, results of operations and financial condition may be harmed.

The issuance of additional shares of our Class A common stock or other equity or equity-linked securities, or sales of a significant portion of our Class A common stock, could depress the market price of our Class A common stock.

Future issuances of shares of our Class A common stock, or of securities convertible into or exercisable for our Class A common stock, could depress the market price of our Class A common stock and result in significant dilution for holders of our Class A common stock. The exercise of our outstanding warrants, or the vesting and settlement of our restricted stock units, would result in additional dilution to holders of our Class A common stock. In the future, we may issue additional shares of our Class A common stock, or securities convertible into or exercisable for Class A common stock, in connection with generating additional capital, future acquisitions, repayment of outstanding indebtedness, under our equity incentive plans, or for other reasons.

The market price of shares of our Class A common stock could decline as a result of substantial sales of Class A common stock, particularly by our significant stockholders, a large number of shares of Class A common stock becoming available for sale or the perception in the market that holders of a large number of shares intend to sell their shares.
Pursuant to our registration rights agreement, the stockholders party thereto are entitled to, among other things, certain registration rights, including demand, piggy-back and shelf registration rights. If one or more of these stockholders were to sell a substantial portion of the shares they hold, it could cause the trading price of our Class A common stock to decline.

Our business could be negatively impacted by shareholder activism.

In recent years, shareholder activists have become involved in numerous public companies. Shareholder activists frequently propose to involve themselves in the governance, strategic direction and operations of companies. Shareholder activists have also become increasingly concerned with companies' efforts with respect to environmental, sustainability and governance standards. Responding to actions by activist shareholders, such as requests for special meetings, potential nominations of candidates for election to our board of directors, requests to pursue a strategic combination or other transaction, or other special requests may disrupt our business and divert the attention of management and employees. In addition, any perceived uncertainties as to our future direction resulting from such a situation could result in the loss of potential business opportunities, be exploited by our competitors, cause concern to our current or potential customers and make it more difficult to attract and retain qualified personnel and business partners, all of which could negatively impact our business. Shareholder activism could result in substantial costs to be borne by us. In addition, actions of activist shareholders may cause significant fluctuations in our stock price based on temporary or speculative market perceptions or other factors that do not necessarily reflect the underlying fundamentals of our business.

Our warrants are exercisable for our Class A common stock, we may elect to issue shares of our Class A common stock in connection with the redemption of shares of IntermediateCo Class B common stock and the founder shares may vest, each of which would increase the number of shares eligible for future resale in the public market and result in dilution to our stockholders.

Outstanding warrants to purchase an aggregate of 27,249,979 shares of our Class A common stock (including 18,749,979 public warrants and 8,500,000 private placement warrants) are exercisable. The exercise price of these warrants is $11.50 per share. In addition, up to 8,040,540 shares of Class A common stock may be issued in connection with the redemption of IntermediateCo Class B common stock and up to 18,750,000 founder shares may vest and become unrestricted upon the occurrence of certain vesting requirements. To the extent such warrants are exercised and such shares are issued or become unrestricted, additional shares of our Class A common stock will be issued or become eligible for resale, which will result in dilution to the holders of our common stock and increase the number of shares eligible for resale in the public market. Sales of substantial numbers of such shares in the public market or the fact that such warrants may be exercised could adversely affect the market price of our Class A common stock.

The public warrants may never be in the money, they may expire worthless and the terms of the warrants may be amended in a manner adverse to a holder if holders of at least 50% of the then outstanding public warrants approve of such amendment.

The exercise price for our warrants is $11.50 per share of Class A common stock. There is no guarantee that the warrants will be in the money at any given time prior to their expiration on October 20, 2026. If the trading price of our common stock declines, the warrants may expire worthless. The warrants were issued in registered form under our warrant agreement, which provides that the terms of the warrants may be amended without the consent of any holder to cure any ambiguity or correct any defective provision, but requires the approval by the holders of at least 50% of the then outstanding public warrants to make any change that adversely affects the interests of the registered holders of public warrants. Accordingly, we may amend the terms of the public warrants in a manner adverse to a holder if holders of at least 50% of the then outstanding public warrants approve of such amendment. Although our ability to amend the terms of the public warrants with the consent of at least 50% of the then outstanding public warrants is unlimited, examples of such amendments could be amendments to, among other things, increase the exercise price of the warrants, convert the warrants into cash or stock (at a ratio different than initially provided), shorten the exercise period or decrease the number of shares of our Class A common stock purchasable upon exercise of a warrant.

We may redeem your unexpired warrants prior to their exercise at a time that is disadvantageous to you, thereby making your warrants worthless.

We have the ability to redeem outstanding warrants, in whole and not in part, at any time prior to their expiration, at a price of $0.01 per warrant, provided that the last reported sales price of our Class A common stock equals or exceeds $18.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) for any 20 trading days within a 30 trading-day period ending on the third trading day prior to the date we send the notice of redemption to the warrant holders. If and when the warrants become redeemable by us, we may exercise our redemption right even if we are unable to register or qualify the underlying securities for sale under all applicable state securities laws.
In addition, we may redeem the outstanding warrants, in whole and not in part, at a price of $0.10 per warrant provided that:

- holders will be able to exercise their warrants on a cashless basis prior to redemption and receive that number of shares of Class A common stock provided for in the warrant agreement;

- if, and only if, the last reported sale price of our Class A common stock equals or exceeds $10.00 per share (as adjusted for stock splits, stock dividends, reorganizations, recapitalizations and the like) on the trading day prior to the date on which we send the notice of redemption to the warrant holders; and
- if, and only if, there is an effective registration statement covering the issuance of the shares of Class A common stock issuable upon exercise of the warrants and a current prospectus relating thereto available throughout the 30-day period after written notice of redemption is given.

Such redemption may occur at a time when the warrants are "out-of-the-money," in which case you would lose any potential embedded value from a subsequent increase in the value of the Class A common stock had your warrants remained outstanding.

Redemption of the outstanding warrants could force you to: (1) exercise your warrants and pay the exercise price therefor at a time when it may be disadvantageous for you to do so; (2) sell your warrants at the then-current market price when you might otherwise wish to hold your warrants; or (3) accept the nominal redemption price which, at the time the outstanding warrants are called for redemption, is likely to be substantially less than the market value of your warrants.
None of the private placement warrants will be redeemable by us so long as they are held by the Sponsor or its permitted transferees.

Our warrants are accounted for as derivative liabilities and the changes in the value of our warrants have had and may continue to have a material effect on our financial results.

Our warrants are included on our balance sheet as derivative liabilities. ASC 815 provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non-cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our financial statements and results of operations have fluctuated and may continue to fluctuate quarterly, based on factors which are outside of our control. Due to the recurring fair value measurement, we expect that we will recognize non-cash gains or losses on our warrants each reporting period and that the amount of such gains or losses could be material.

We have not and may not pay cash dividends for the foreseeable future.

We currently intend to retain our future earnings, if any, to finance the further development and expansion of our business and does not intend to pay cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board and will depend on our financial condition, results of operations, capital requirements, restrictions contained in future agreements and financing instruments, business prospects and such other factors as our Board deems relevant.

We will have broad discretion over the use of proceeds from the exercise of the warrants, and we may invest or spend the proceeds in ways with which investors do not agree and in ways that may not yield a return.

We will have broad discretion over the use of proceeds from the exercise of warrants. Investors may not agree with our decisions, and our use of the proceeds may not yield a return on investment. We intend to use these net proceeds for general corporate purposes, which may include capital expenditures, investments and working capital. In addition, from time to time in the past we have considered, and we continue to consider, acquisitions and strategic transactions, and we also may use such net proceeds for such purposes. Our use of these proceeds may differ substantially from our current plans. Our failure to apply the net proceeds from the exercises of warrants and options effectively could impair our ability to pursue our growth strategy or could require us to raise additional capital.

We are subject to certain ownership and voting power laws and regulations which may limit the ability of stockholders to acquire our Class A common stock and therefore limit demand for our Class A common stock.

Under foreign direct investment (FDI) and public interest laws, including in Germany, Finland, France, and the UK, and potentially other jurisdictions, certain acquisitions of our Class A common stock by investors are subject to government approval requirements. For example, in Germany, German FDI law require foreign investors to obtain approval from the German Federal Ministry for Economic Affairs and Energy for the direct or indirect acquisition of shares of a German company if the acquirer directly or indirectly holds at least 10% of the voting rights of the company following the acquisition. Any acquisition in violation of the aforementioned provisions of German FDI law may be void. Any violation of the prohibition to consummate an acquisition without approval of the Ministry may be subject to sanctions. Similar FDI laws exist in other jurisdictions in which we have substantial operations. In Finland, government approvals are required if an investor holds at least 10% of the voting rights of the company following the investment. In France, the prior approval from the French Minister of Economy is required if a non-EU investor exceeds, directly or indirectly, 25% of the voting

rights of the French entities of the company following the investment or, for an EU non-French investor, in case of acquisition of control, direct or indirect, of the French entities. The U.K. has a 25% voting rights threshold for mandatory filings under the National Security and Investment Act 2021 which became operational on January 4, 2022. Accordingly, these restrictions on and approval requirements for the acquisition of a substantial shareholding in our share capital may restrict certain investments and limit demand for shares of our Class A common stock.

Anti-takeover provisions contained in our Charter and Bylaws, as well as provisions of Delaware law, could impair a takeover attempt.

Our Charter and Bylaws contain provisions that may discourage unsolicited takeover proposals that stockholders may consider to be in their best interests. We are also subject to anti-takeover provisions under Delaware law, which could delay or prevent a change of control. Together, these provisions may make more difficult the removal of management and may discourage transactions that otherwise could involve payment of a premium over prevailing market prices for our securities. Certain of these provisions provide:

- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the right of our Board to elect a director to fill a vacancy created by the expansion of our Board or the resignation, death or removal of a director in certain circumstances, which prevents stockholders from being able to fill vacancies on our Board;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- a prohibition on stockholders calling a special meeting and the requirement that a meeting of stockholders may only be called by members of our Board or our Chief Executive Officer, which may delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors; and
- advance notice procedures that stockholders must comply with in order to nominate candidates to our Board or to propose matters to be acted upon at a meeting of stockholders, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us.

Our Charter includes forum selection clauses, which could discourage claims or limit stockholders' ability to make a claim against us, our directors, officers, other employees or stockholders.

Our Charter provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery in the State of Delaware shall be the sole and exclusive forum for any stockholder (including a beneficial owner) to bring: (a) any derivative action or proceeding brought on behalf of the Company; (b) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee of the Company, to the Company or the Company's stockholders; (c) any claim or cause of action against the Company or any current or former director, officer or other employee of the Company, arising out of or pursuant to any provision of the DGCL or our certificate of incorporation or bylaws; (d) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws (as each may be amended from time to time, including any right, obligation, or remedy thereunder), (e) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (f) any claim or cause of action against the Company or any current or former director, officer or other employee of the Company, governed by the internal- affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court having personal jurisdiction over the indispensable parties named as defendants.

In addition, our Charter provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. Notwithstanding the foregoing, the Securities Act forum selection clause will not apply to suits brought to enforce any liability or duty created by the Exchange Act or any other claim for which the federal district courts of the United States of America shall be the sole and exclusive forum. These forum selection clauses may discourage claims or limit stockholders' ability to submit claims in a judicial forum that they find favorable and may result in additional costs for a stockholder seeking to bring a claim. While we believe the risk of a court declining to enforce these forum selection clauses is low, if a court were to determine a forum selection clause to be inapplicable or unenforceable in an action, we may incur additional costs in conjunction with our efforts to resolve the dispute in an alternative jurisdiction, which could have a negative impact on our business, results of operations and financial condition.

We may be subject to securities litigation, which is expensive and could divert management attention and result in significant legal expenses and settlement or damage awards.

The market price of our Class A common stock may be volatile and, in the past, companies that have experienced volatility in the market price of their stock have been subject to securities class action litigation. We have and may in the future become subject to claims and litigation alleging violations of the securities laws or other related claims, which could harm our business and require us to incur significant costs. We are generally obliged, to the extent permitted by law, to indemnify our current and former directors and officers who are named as defendants in these types of lawsuits. Regardless of the outcome, litigation may require significant attention from management and could result in significant legal expenses, settlement costs or damage awards that could materially and adversely affect our business, results of operations and financial condition.

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

Not applicable.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

ITEM 5. OTHER INFORMATION

Not applicable.

ITEM 6. EXHIBITS

The exhibits listed on the accompanying Exhibit Index are filed or incorporated by reference as part of this Quarterly Report.

EXHIBIT INDEX

Exhibit Number	Exhibit Title
3.1	Amended and Restated Certificate of Incorporation (incorporated by reference to Exhibit 3.1 to the Company's Current Report on Form 8-K filed with the SEC on October 25, 2021).
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Company's Current Report on Form 8-K filed with the SEC on October 25, 2021).
10.1*	Retention Bonus Agreement between Brian Schopfer and Mirion Technologies, Inc. dated September 30, 2022.
31.1*	Certification of Principal Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2*	Certification of Principal Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1**	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS*	XBRL Instance Document.
101.SCH*	XBRL Taxonomy Extension Schema Document.
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document.
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).

* Filed herewith.

** The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" or purposes of Section 18 of the Securities Exchange Act of 1934, as amended, and are not to be incorporated by reference into any of the Company's filings under the Securities Act of 1933, as amended, irrespective of any general incorporation language contained in such filing.

SIGNATURES

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

Name	Title	Date
/s/ Thomas D. Logan Thomas D. Logan	Chief Executive Officer and Director (principal executive officer)	November 2, 2022
/s/ Brian Schopfer Brian Schopfer	Chief Financial Officer (principal financial officer)	November 2, 2022
/s/ Christopher Moore Christopher Moore	Chief Accounting Officer (principal accounting officer)	November 2, 2022

September 30, 2022

Brian Schopfer

Re: **Retention Bonus**

Dear Brian:

We consider your continued service and dedication to Mirion Technologies (US), Inc. (fka Mirion Technologies, Inc. and thereafter "**Mirion**") essential to our long range plan. To incentivize you to remain employed with Mirion, subject to approval by Mirion's compensation committee, we are pleased to offer you a retention bonus, as described in this letter agreement (the "**Agreement**").

1. **Retention Bonus Amount and Payment**

To incentivize your continued employment with Mirion through the fourth anniversary of the Effective Date (as defined below) (the "**Retention Period**"), and subject to the terms and conditions set forth in this Agreement, Mirion agrees to pay you a retention bonus in the amount of One Million Dollars (USD $1,000,000), less all applicable withholdings and deductions required by law (the "**Retention Bonus**"). The Retention Bonus shall be paid to you on or about October 7, 2022.

2. **Clawback of Retention Bonus**

If, during the Retention Period, (x) your employment with Mirion is terminated either (A) by Mirion for Cause, or (B) by you other than for Good Reason (as such terms are defined in your Third Amended and Restated Employment Agreement dated as of May 1, 2020, as first amended on December 27, 2021 (as it may be further amended, restated or otherwise modified, the "**Executive Employment Agreement**")), or (y) you give notice of your intent to terminate your employment with Mirion other than for Good Reason prior to the end of the Retention Period (such termination date in (A) or notice of termination in (B), the "**Termination Date**"), you agree to repay the following portion of your Retention Bonus to Mirion within thirty (30) days after such termination of your employment: (1) if the Termination Date occurs prior to the first anniversary of the Effective Date, 100% of the Retention Bonus; (2) if the Termination Date occurs on or after the first anniversary of the Effective Date but prior to the second anniversary of the Effective Date, 75% of the Retention Bonus; (3) if the Termination Date occurs on or after the second anniversary of the Effective Date but prior to the third anniversary of the Effective Date, 50% of the Retention Bonus; and (4) if the Termination Date occurs on or after the third anniversary of the Effective Date but prior to the fourth anniversary of the Effective Date, 25% of the Retention Bonus. Notwithstanding the foregoing, you will not be required to repay the Retention Bonus to Mirion if: (i) you remain continuously employed with Mirion through the end of the Retention Period, or (ii) your employment during the Retention Period is terminated (A) by Mirion for any reason other than Cause, (B) by you for Good Reason, (C) by you within

twelve month after a Change of Control (as defined in the Mirion Technologies, Inc. Omnibus Incentive Plan) whereby Mirion Technologies, Inc. is acquired by an operating company and not a private equity investment firm and resulting in a material diminution in your authority, duties or responsibilities, or (D) by Mirion due to your Death or Permanent Disability (in each case, as such capitalized terms are described in your Executive Employment Agreement).

3. **Miscellaneous**

This Agreement contains all of the understandings and representations between Mirion and you relating to the Retention Bonus and supersedes all prior and contemporaneous understandings, discussions, agreements, representations, and warranties, both written and oral, with respect to any retention bonus or any other retention-related conditions or covenants; provided, however, that this Agreement does not modify or supersede the Executive Employment Agreement, and the Executive Employment Agreement remains in full force and effect.

This Agreement shall not be construed as creating any contract for continued employment between you and Mirion (or any successor), and nothing herein contained shall give you the right to be retained as an employee of Mirion. **Accordingly, your employment remains at-will, meaning that you and Mirion may terminate the employment relationship at any time, with or without cause, and with or without notice as set forth in your Executive Employment Agreement.**

This Agreement will become effective on the date of last signature (the "**Effective Date**"), and it may not be amended or modified unless in writing signed by both the Chief Executive Officer of Mirion and you. Approval of this Agreement and any modification or amendment to this letter agreement is subject to the approval of the board of directors of Mirion Technologies, Inc. (or its compensation committee).

This Agreement and all matters arising out of or relating to this letter agreement, whether sounding in contract, tort, or statute for all purposes shall be governed by and construed in accordance with the laws of the State of Georgia without giving effect to any conflict of laws principles that would cause the laws of any other jurisdiction to apply.

We hope that you will accept this offer to receive the Retention Bonus. You may indicate your agreement with these terms and accept this offer by signing the Agreement and returning the executed copy to Mirion. This offer, if not accepted, will expire at the close of business on October 7, 2022.

This Agreement may be executed in one or more counterparts, including by way of any electronic signature, subject to applicable law, each of which shall be deemed an original and all of which together shall constitute one instrument.

We look forward to your continued employment with us.

[signature page follows]

Very truly yours,
Mirion

By: */s/ Thomas D. Logan*
Thomas D. Logan
Chief Executive Officer
Date: *October 1, 2022*

Agreed to and accepted by:

/s/ Brian Schopfer
Brian Schopfer
Date: *October 1, 2022*

Cc: Alison Ulrich, CHRO

Exhibit 31.1

Certification of Principal Executive Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Thomas D. Logan, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mirion Technologies, 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 period presented in this report;

4. The registrant's other certifying officers 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)) 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 officers 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 controls over financial reporting.

Date: November 2, 2022

By: /s/ Thomas D. Logan
Name: Thomas D. Logan
Title: Chief Executive Officer (Principal Executive Officer)

Exhibit 31.2

Certification of Principal Financial Officer
Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Brian Schopfer, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Mirion Technologies, 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 period presented in this report;

4. The registrant's other certifying officers 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)) 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 officers 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 controls over financial reporting.

Date: November 2, 2022

By: /s/ Brian Schopfer
Name: Brian Schopfer
Title: Chief Financial Officer
(Principal Financial Officer)

Exhibit 32.1

Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Mirion Technologies, Inc. (the "Company"), for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Thomas D. Logan, Chief Executive Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

Date: November 2, 2022

By: /s/ Thomas D. Logan

Name: Thomas D. Logan

Title: Chief Executive Officer (Principal Executive Officer)

Exhibit 32.2

Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report on Form 10-Q of Mirion Technologies, Inc. (the "Company"), for the period ended September 30, 2022, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), the undersigned, Brian Schopfer, Chief Financial Officer of the Company, certifies, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of my knowledge:

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

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

Date: November 2, 2022

By: /s/ Brian Schopfer
Name: Brian Schopfer
Title: Chief Financial Officer
(Principal Financial Officer)