

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 8-K

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

Date of Report (Date of earliest event reported)
May 8, 2023

NEOGENOMICS, INC.

(Exact name of registrant as specified in its charter)

Nevada
(State or other jurisdiction
of incorporation)

001-35756
(Commission
File Number)

74-2897368
(I.R.S. Employer
Identification No.)

9490 NeoGenomics Way, Fort Myers,
(Address of principal executive offices)

Florida

33912
(Zip Code)

(239) 768-0600

(Registrant's telephone number, including area code)

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

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

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

<u>Title of each class</u>	<u>Trading Symbol</u>	<u>Name of each exchange on which registered</u>
Common stock (\$0.001 par value)	NEO	The Nasdaq Stock Market LLC

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

Emerging growth company ☐

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

Item 2.02 Results of Operations and Financial Condition.

On May 8, 2023, NeoGenomics, Inc. issued a press release reporting its results for its first fiscal quarter of 2023. The press release is furnished herewith as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, and it shall not be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

- (a) Not applicable
- (b) Not applicable
- (c) Not applicable
- (d) Exhibits.

[99.1 Press Release of NeoGenomics, Inc. dated May 8, 2023.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document).

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 hereunto duly authorized.

NEOGENOMICS, INC.

Date: May 8, 2023

By: /s/ Jeffrey S. Sherman

Jeffrey S. Sherman
Chief Financial Officer

NeoGenomics Reports First Quarter 2023 Results

First Quarter Revenue Increased 17% to \$137 Million

Fort Myers, Florida (May 8, 2023) - NeoGenomics, Inc. (NASDAQ: NEO) (the “Company”), a leading provider of cancer-focused genetics testing services and global oncology contract research services, today announced its first-quarter results for the period ended March 31, 2023.

Highlights

- Consolidated revenue increased 17% to \$137 million
- Clinical Services revenue increased 16% to \$115 million
- Pharma Services revenue increased 22% to \$22 million

“Our business continued the momentum we saw in the fourth quarter of last year into the first quarter with accelerated double-digit revenue growth in both the Clinical and Pharma businesses,” said Chris Smith, Chief Executive Officer of NeoGenomics. “The key strategic initiatives set forth in second half of 2022 are continuing to have a positive impact on the business. Thanks to the strong execution of our Neo teammates and the growing demand for our tests from our existing client base and new customers, we continued to generate significant operating leverage as revenue favorability contributed to a significant improvement in AEBITDA.”

First-Quarter Results

Consolidated revenue for the first quarter of 2023 was \$137 million, an increase of 17% over the same period in 2022. Clinical Services revenue of \$115 million was an increase year-over-year of 16%. Clinical test volume⁽¹⁾ increased by 7% year-over-year. Average revenue per clinical test (“revenue per test”) increased by 8% to \$402. Pharma Services revenue increased by 22% to \$22 million compared to the first quarter of 2022.

Consolidated gross profit for the first quarter of 2023 was \$54.8 million, an increase of 43.4% compared to the first quarter of 2022. This increase was primarily due to an increase in revenue partially offset by higher payroll and payroll-related costs and an increase in supplies expense. Consolidated gross profit margin, including amortization of acquired Inivata developed technology intangible assets, was 39.9%. Adjusted Gross Profit Margin⁽²⁾, excluding amortization of acquired Inivata developed technology intangible assets, was 43.5%.

Operating expenses for the first quarter of 2023 were \$90 million, flat when compared to the first quarter of 2022. Operating expenses included a decrease in non-cash stock-based compensation expense and professional fees. These decreases were partially offset by restructuring costs which were not included in the same period of 2022.

Net loss for the quarter was \$31 million compared to net loss of \$49 million for the first quarter of 2022.

Adjusted EBITDA⁽²⁾ was negative \$7 million compared to negative \$19 million in the first quarter of 2022. Adjusted Net Loss⁽²⁾ was \$12 million compared to Adjusted Net Loss⁽²⁾ of \$25 million in the first quarter of 2022.

Cash and cash equivalents and marketable securities totaled \$418 million at quarter end.

2023 Financial Guidance⁽³⁾

The Company revised its full-year 2023 guidance⁽³⁾, initially issued on February 23, 2023.

(in millions)	FY 2022	Initial FY 2023 Guidance		Revised FY 2023 Guidance ⁽³⁾		YOY % Change from FY 2022	
	Actual	Low	High	Low	High	Low	High
Consolidated revenue	\$510	\$545	\$555	\$555	\$565	9%	11%
Net loss	\$(144)	\$(116)	\$(107)	\$(116)	\$(108)	19%	25%
Adjusted EBITDA	\$(48)	\$(27)	\$(22)	\$(22)	\$(18)	54%	63%

⁽¹⁾ Clinical tests exclude tests and revenue for Pharma Services.

⁽²⁾ The Company has provided adjusted financial information that has not been prepared in accordance with GAAP, including Adjusted EBITDA, Adjusted Gross Profit Margin, Adjusted Net Loss, and Adjusted Diluted EPS. Each of these measures is defined in the section of this report entitled “Use of Non-GAAP Financial Measures.” See also the tables reconciling such measures to their closest GAAP equivalent.

⁽³⁾ The Company reserves the right to adjust this guidance at any time based on the ongoing execution of its business plan. Current and prospective investors are encouraged to perform their own due diligence before buying or selling any of the Company’s securities, and are reminded that the foregoing estimates should not be construed as a guarantee of future performance.

Conference Call

The Company has scheduled a webcast and conference call to discuss its first quarter 2023 results on Monday, May 8, 2023 at 4:30 p.m. Eastern Time. To access the live call via telephone, interested investors should dial (888) 506-0062 (domestic) and (973) 528-0011 (international) at least five minutes prior to the call. The participant access code provided for this call is 357448. The live webcast may be accessed by visiting the Investor Relations section of our website at ir.neogenomics.com. A replay of the webcast will be available shortly after the conclusion of the call and will be archived on the company’s website.

About NeoGenomics, Inc.

NeoGenomics, Inc. specializes in cancer genetics testing and information services, providing one of the most comprehensive oncology-focused testing menus in the world for physicians to help them diagnose and treat cancer. The Company’s also serves pharmaceutical clients in clinical trials and drug development.

NeoGenomics is committed to connecting patients with life altering therapies and trials. We believe that, together, with our partners, we can help patients with cancer today and the next person diagnosed tomorrow. In carrying out these commitments, NeoGenomics adheres to relevant data protection laws, provides transparency and choice to patients regarding the handling and use of their data through our Notice of Privacy Practices, and has invested in leading technologies to secure the data we maintain.

Headquartered in Fort Myers, FL, NeoGenomics operates CAP accredited and CLIA certified laboratories for full-service sample processing in Fort Myers, Florida; Aliso Viejo and San Diego, California; Research Triangle Park, North Carolina; and Houston, Texas; and CAP accredited full-service, sample-processing laboratories in Rolle, Switzerland; Singapore and China. CAP accreditation is pending in Cambridge, United Kingdom. NeoGenomics also has several, small, non-processing laboratory locations across the United States for providing analysis services. NeoGenomics serves the needs of pathologists, oncologists, academic centers, hospital systems, pharmaceutical firms, integrated service delivery networks, and managed care organizations throughout the United States, and pharmaceutical firms in Europe and Asia.

Forward Looking Statements

This press release includes forward-looking statements. These forward-looking statements generally can be identified by the use of words such as “anticipate,” “expect,” “plan,” “could,” “would,” “may,” “will,” “believe,” “estimate,” “forecast,” “goal,” “project,” “guidance,” “plan,” “potential” and other words of similar meaning, although not all forward-looking statements include these words. These forward-looking statements address various matters, including statements regarding improving operational efficiency, returning to profitable growth and its ongoing executive recruitment process. Each forward-looking statement contained in this press release is subject to a number of risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statement. Applicable risks and uncertainties include, among others, the Company’s

ability to identify and implement appropriate financial and operational initiatives to improve performance, to identify and recruit executive candidates, to continue gaining new customers, respond to the effects of the COVID-19 outbreak, offer new types of tests, integrate its acquisitions and otherwise implement its business plan, and the risks identified under the heading “Risk Factors” contained in the Company’s Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and the Company’s other filings with the Securities and Exchange Commission.

We caution investors not to place undue reliance on the forward-looking statements contained in this press release. You are encouraged to read our filings with the SEC, available at www.sec.gov, for a discussion of these and other risks and uncertainties. The forward-looking statements in this press release speak only as of the date of this document (unless another date is indicated), and we undertake no obligation to update or revise any of these statements. Our business is subject to substantial risks and uncertainties, including those referenced above. Investors, potential investors, and others should give careful consideration to these risks and uncertainties.

For further information, please contact:

NeoGenomics, Inc.

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NeoGenomics, Inc.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	(unaudited) March 31, 2023	December 31, 2022
ASSETS		
Current assets		
Cash and cash equivalents	\$ 275,609	\$ 263,180
Marketable securities, at fair value	142,306	174,809
Accounts receivable, net	118,842	119,711
Inventories	24,432	24,277
Prepaid assets	16,185	15,237
Other current assets	7,622	8,077
Total current assets	584,996	605,291
Property and equipment, net	102,845	102,499
Operating lease right-of-use assets	93,784	96,109
Intangible assets, net	399,477	408,260
Goodwill	522,766	522,766
Other assets	5,306	5,109
Total non-current assets	1,124,178	1,134,743
Total assets	\$ 1,709,174	\$ 1,740,034
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities		
Accounts payable and other current liabilities	\$ 79,634	\$ 83,278
Current portion of equipment financing obligations	38	70
Current portion of operating lease liabilities	6,934	6,584
Total current liabilities	86,606	89,932
Long-term liabilities		
Convertible senior notes, net	536,037	535,322
Operating lease liabilities	67,319	68,952
Deferred income tax liabilities, net	31,715	34,750
Other long-term liabilities	13,035	13,055
Total long-term liabilities	648,106	652,079
Total liabilities	\$ 734,712	\$ 742,011
Stockholders' equity		
Total stockholders' equity	\$ 974,462	\$ 998,023
Total liabilities and stockholders' equity	\$ 1,709,174	\$ 1,740,034

NeoGenomics, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share amounts)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
NET REVENUE		
Clinical Services	\$ 114,869	\$ 98,791
Pharma Services	22,351	18,378
Total net revenue	137,220	117,169
COST OF REVENUE	82,406	78,937
GROSS PROFIT	54,814	38,232
Operating expenses:		
General and administrative	61,549	66,248
Research and development	7,395	7,713
Sales and marketing	16,259	16,299
Restructuring charges	4,684	—
Total operating expenses	89,887	90,260
LOSS FROM OPERATIONS	(35,073)	(52,028)
Interest (income) expense, net	(1,467)	1,301
Other expense (income), net	114	(168)
Loss before taxes	(33,720)	(53,161)
Income tax benefit	(2,925)	(3,753)
NET LOSS	\$ (30,795)	\$ (49,408)
NET LOSS PER SHARE		
Basic	\$ (0.25)	\$ (0.40)
Diluted	\$ (0.25)	\$ (0.40)
WEIGHTED AVERAGE COMMON SHARES OUTSTANDING		
Basic	125,026	123,630
Diluted	125,026	123,630

NeoGenomics, Inc.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Net loss	\$ (30,795)	\$ (49,408)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation	9,048	8,395
Amortization of intangibles	8,783	8,490
Non-cash stock-based compensation	4,758	12,103
Non-cash operating lease expense	2,330	2,653
Amortization of convertible debt discount and debt issue costs	715	706
Gain on sale of assets held for sale	—	(2,048)
Impairment of assets	923	—
Other adjustments	(31)	1,126
Changes in assets and liabilities, net	(8,423)	(11,057)
Net cash used in operating activities	(12,692)	(29,040)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of marketable securities	(6,756)	(16,167)
Proceeds from sales and maturities of marketable securities	40,425	36,438
Purchases of property and equipment	(9,927)	(8,219)
Net cash provided by investing activities	23,742	12,052
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of equipment financing obligations	(32)	(346)
Issuance of common stock, net	1,411	6,403
Net cash provided by financing activities	1,379	6,057
Net change in cash and cash equivalents	12,429	(10,931)
Cash and cash equivalents, beginning of period	263,180	316,827
Cash and cash equivalents, end of period	\$ 275,609	\$ 305,896

Use of Non-GAAP Financial Measures

In order to provide greater transparency regarding our operating performance, the financial results and financial guidance in this press release refer to certain non-GAAP financial measures that involve adjustments to GAAP results. Non-GAAP financial measures exclude certain income and/or expense items that management believes are not directly attributable to the Company's core operating results and/or certain items that are inconsistent in amounts and frequency, making it difficult to perform a meaningful evaluation of our current or past operating performance. Management believes that the presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors by facilitating the analysis of the Company's core test-level operating results across reporting periods and when comparing those same results to those published by our peers. These non-GAAP financial measures may also assist investors in evaluating future prospects. Management also uses non-GAAP financial measures for financial and operational decision making, planning and forecasting purposes and to manage the business. These non-GAAP financial measures do not replace the presentation of financial information in accordance with U.S. GAAP financial results, should not be considered measures of liquidity, and are unlikely to be comparable to non-GAAP financial measures provided by other companies.

Definitions of Non-GAAP Measures

Non-GAAP Adjusted EBITDA

"Adjusted EBITDA" is defined by NeoGenomics as net (loss) income from continuing operations before: (i) interest (income) expense, net, (ii) tax (benefit) or expense, (iii) depreciation and amortization expense, (iv) non-cash stock-based compensation expense, and, if applicable in a reporting period, (v) acquisition and integration related expenses, (vi) restructuring charges, and (vii) other significant or non-operating (income) or expenses, net.

Non-GAAP Adjusted Cost of Revenue, Adjusted Gross Profit and Adjusted Gross Profit Margin

"Adjusted cost of revenue" is defined by NeoGenomics as cost of revenue before: (i) amortization expense of acquired Inivata developed technology intangible assets, and, if applicable in a reporting period, (ii) the write-off of COVID-19 PCR testing inventory equipment.

"Adjusted gross profit" is defined by NeoGenomics as total revenue less adjusted cost of revenue.

"Adjusted gross profit margin" is defined by NeoGenomics as adjusted cost of revenue divided by total revenue.

Non-GAAP Adjusted Net (Loss) Income

"Adjusted net (loss) income" is defined by NeoGenomics as net (loss) income from continuing operations plus: (i) non-cash amortization of intangible assets, (ii) non-cash stock-based compensation expense, and, if applicable in a reporting period, (iii) acquisition and integration related expenses, (iv) restructuring charges, and (v) other significant or non-operating (income) or expenses, net. If GAAP net (loss) income is negative and adjusted net (loss) income is positive, adjusted net (loss) income will also be adjusted to reverse any recognized interest expense (including any amortization of discounts) on the convertible notes using the if-converted method unless the effect of this adjustment on both the adjusted net (loss) income and weighted average diluted common shares outstanding would be anti-dilutive. If GAAP net (loss) income is positive and adjusted net (loss) income is negative, adjusted net (loss) income will also be adjusted to reverse any recognized interest expense (including any amortization of discounts) on the convertible notes using the if-converted method.

Non-GAAP Adjusted Diluted EPS

"Adjusted diluted EPS" is defined by NeoGenomics as adjusted net (loss) income divided by adjusted diluted shares outstanding. If GAAP net (loss) income is negative and adjusted net (loss) income is positive, adjusted diluted shares outstanding will also include any options or restricted stock that would be outstanding as dilutive instruments using the treasury stock method and the weighted average number of common shares that would be outstanding if the convertible notes were converted into common stock on the original issue date based on the number of days such common shares would have been outstanding in the reporting period, until the effect of these adjustments are anti-dilutive. If GAAP net (loss) income is positive and adjusted net (loss) income is negative, adjusted diluted shares outstanding will exclude any options or restricted stock that would be outstanding as dilutive instruments using the treasury stock method and the weighted average number of common shares that would be outstanding if the convertible notes were converted into common stock on the original issue date based on the number of days such common shares would have been outstanding in the reporting period.

Reconciliation of GAAP Net Loss to Non-GAAP EBITDA and Adjusted EBITDA
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Net loss (GAAP)	\$ (30,795)	\$ (49,408)
<i>Adjustments to net loss:</i>		
Interest (income) expense, net	(1,467)	1,301
Income tax benefit	(2,925)	(3,753)
Depreciation	9,048	8,395
Amortization of intangibles	8,783	8,490
EBITDA (non-GAAP)	\$ (17,356)	\$ (34,975)
<i>Further adjustments to EBITDA:</i>		
Acquisition and integration related expenses	—	1,030
Non-cash stock-based compensation expense	4,758	12,103
Restructuring charges	4,684	—
Other significant (income) expenses, net ⁽⁴⁾	798	2,831
Adjusted EBITDA (non-GAAP)	<u>\$ (7,116)</u>	<u>\$ (19,011)</u>

⁽⁴⁾ For the three months ended March 31, 2023, other significant (income) expenses, net, includes CEO transition costs, fees related to a regulatory matter, and other non-recurring items. For the three months ended March 31, 2022, other significant (income) expenses, net, includes a gain on the sale of a building, fees related to the regulatory matter, CEO transition costs, and other non-recurring items.

**Reconciliation of Segment and Consolidated GAAP Cost of Revenue, Gross Profit and Gross Profit Margin to
Non-GAAP Adjusted Cost of Revenue, Adjusted Gross Profit and Adjusted Gross Profit Margin
(dollars in thousands)
(unaudited)**

	Three Months Ended March 31,		
	2023	2022	% Change
Clinical Services:			
Total revenue (GAAP)	\$ 114,869	\$ 98,791	16.3 %
Cost of revenue (GAAP)	\$ 67,292	\$ 65,267	3.1 %
Adjustments to cost of revenue ⁽⁵⁾	(4,264)	(4,264)	
Adjusted cost of revenue (non-GAAP)	<u>\$ 63,028</u>	<u>\$ 61,003</u>	3.3 %
Gross profit (GAAP)	\$ 47,577	\$ 33,524	41.9 %
Adjusted gross profit (non-GAAP)	\$ 51,841	\$ 37,788	37.2 %
Gross profit margin (GAAP)	41.4 %	33.9 %	
Adjusted gross profit margin (non-GAAP)	45.1 %	38.3 %	
Pharma Services:			
Total revenue (GAAP)	\$ 22,351	\$ 18,378	21.6 %
Cost of revenue (GAAP)	\$ 15,114	\$ 13,670	10.6 %
Adjustments to cost of revenue ⁽⁶⁾	(589)	(589)	
Adjusted cost of revenue (non-GAAP)	<u>\$ 14,525</u>	<u>\$ 13,081</u>	11.0 %
Gross profit (GAAP)	\$ 7,237	\$ 4,708	53.7 %
Adjusted gross profit (non-GAAP)	\$ 7,826	\$ 5,297	47.7 %
Gross profit margin (GAAP)	32.4 %	25.6 %	
Adjusted gross profit margin (non-GAAP)	35.0 %	28.8 %	
Consolidated:			
Total revenue (GAAP)	\$ 137,220	\$ 117,169	17.1 %
Cost of revenue (GAAP)	\$ 82,406	\$ 78,937	4.4 %
Adjustments to cost of revenue ⁽⁵⁾⁽⁶⁾	(4,853)	(4,853)	
Adjusted cost of revenue (non-GAAP)	<u>\$ 77,553</u>	<u>\$ 74,084</u>	4.7 %
Gross profit (GAAP)	\$ 54,814	\$ 38,232	43.4 %
Adjusted gross profit (non-GAAP)	\$ 59,667	\$ 43,085	38.5 %
Gross profit margin (GAAP)	39.9 %	32.6 %	
Adjusted gross profit margin (non-GAAP)	43.5 %	36.8 %	

⁽⁵⁾ Clinical Services cost of revenue adjustments for both the three months ended March 31, 2023 and 2022 includes \$4.3 million of amortization of acquired Inivata developed technology intangible assets.

⁽⁶⁾ Pharma Services cost of revenue adjustments for both the three months ended March 31, 2023 and 2022 include \$0.6 million of amortization of acquired Inivata developed technology intangible assets.

**Reconciliation of GAAP Net Loss to Non-GAAP Adjusted Net Loss
and GAAP EPS to Non-GAAP Adjusted EPS
(in thousands, except per share amounts)
(unaudited)**

	Three Months Ended March 31,	
	2023	2022
Net loss (GAAP)	\$ (30,795)	\$ (49,408)
<i>Adjustments to net loss, net of tax:</i>		
Amortization of intangibles	8,783	8,490
Acquisition and integration related expenses	—	1,030
Non-cash stock-based compensation expense	4,758	12,103
Restructuring charges	4,684	—
Other significant (income) expenses, net ⁽⁷⁾	798	2,831
Adjusted net loss (non-GAAP)	\$ (11,772)	\$ (24,954)
Net loss per common share (GAAP)		
<i>Diluted EPS</i>	\$ (0.25)	\$ (0.40)
<i>Adjustments to diluted loss per share:</i>		
Amortization of intangibles	0.07	0.07
Acquisition and integration related expenses	—	0.01
Non-cash stock-based compensation expense	0.04	0.10
Restructuring charges	0.04	—
Other significant (income) expenses, net ⁽⁷⁾	0.01	0.02
Rounding and impact of diluted shares in adjusted diluted shares ⁽⁸⁾	—	—
Adjusted diluted EPS (non-GAAP)	\$ (0.09)	\$ (0.20)
Weighted average shares used in computation of adjusted diluted EPS:		
Diluted common shares (GAAP)	125,026	123,630
Dilutive effect of options, restricted stock, and converted shares ⁽⁹⁾⁽¹⁰⁾	—	—
Adjusted diluted shares outstanding (non-GAAP)	125,026	123,630

⁽⁷⁾ For the three months ended March 31, 2023, other significant (income) expenses, net, includes CEO transition costs, fees related to a regulatory matter and other non-recurring items. For the three months ended March 31, 2022, other significant (income) expenses, net, includes a gain on the sale of a building, fees related to the regulatory matter, CEO transition costs, and other non-recurring items.

⁽⁸⁾ This adjustment is for rounding and, in those periods in which GAAP net (loss) income is negative and adjusted net (loss) income is positive or GAAP net (loss) income is positive and adjusted net (loss) income is negative, also compensates for the effects of additional diluted shares included or excluded in adjusted diluted shares outstanding for the treasury stock impact of outstanding stock options and restricted stock and the if-converted impact of convertible notes.

⁽⁹⁾ In those periods in which GAAP net (loss) income is negative and adjusted net (loss) income is positive, this adjustment includes any options or restricted stock that would be outstanding as dilutive instruments using the treasury stock method and the weighted average number of common shares that would be outstanding if the convertible notes were converted into common stock on the original issue date based on the number of days such common shares would have been outstanding in the reporting period, until the effect of these adjustments are anti-dilutive.

⁽¹⁰⁾ In those periods in which GAAP net (loss) income is positive and adjusted net (loss) income is negative, this adjustment excludes any options or restricted stock that would be outstanding as dilutive instruments using the treasury stock method and the weighted average number of common shares that would be outstanding if the convertible notes were converted into common stock on the original issue date based on the number of days such common shares would have been outstanding in the reporting period.

Reconciliation of Non-GAAP Financial Guidance to Corresponding GAAP Measures
(in thousands, except per share amounts)
(unaudited)

GAAP net loss in 2023 will be impacted by certain charges, including: (i) expense related to the amortization of intangible assets, (ii) non-cash stock based compensation, (iii) restructuring charges and (iv) other one-time expenses. These charges have been included in GAAP net loss available to stockholders and GAAP net loss per share; however, they have been removed from adjusted net loss and adjusted diluted net loss per share.

The following table reconciles the Company's 2023 outlook for net loss and EPS to the corresponding non-GAAP measures of adjusted net loss, adjusted EBITDA, and adjusted diluted EPS:

	Year Ended December 31, 2023	
	Low Range	High Range
Net loss (GAAP)	\$ (116,000)	\$ (108,000)
Amortization of intangibles	35,000	35,000
Non-cash stock-based compensation	27,000	26,000
Restructuring charges	7,000	7,000
Other one-time expenses	1,000	1,000
Adjusted net loss (non-GAAP)	(46,000)	(39,000)
Interest and taxes	(13,000)	(15,000)
Depreciation	37,000	36,000
Adjusted EBITDA (non-GAAP)	\$ (22,000)	\$ (18,000)
Net loss per diluted share (GAAP)	\$ (0.91)	\$ (0.84)
<i>Adjustments to net loss per diluted share:</i>		
Amortization of intangibles	0.27	0.27
Non-cash stock-based compensation expenses	0.21	0.20
Restructuring charges	0.05	0.05
Other one-time expenses	0.01	0.01
Rounding and impact of diluted shares in adjusted diluted shares ⁽¹¹⁾	0.01	0.01
Adjusted diluted EPS⁽¹²⁾ (non-GAAP)	\$ (0.36)	\$ (0.30)
Weighted average assumed shares outstanding in 2023:		
Diluted shares (GAAP)	128,000	128,000
Options, restricted stock, and converted shares not included in diluted shares ⁽¹²⁾	—	—
Adjusted diluted shares outstanding (non-GAAP)	128,000	128,000

⁽¹¹⁾ This adjustment is for rounding and, in those periods in which GAAP net (loss) income is negative and adjusted net (loss) income is positive, also compensates for the effects of additional diluted shares included in adjusted diluted shares outstanding for the treasury stock impact of outstanding stock options and restricted stock and the if-converted impact of convertible notes.

⁽¹²⁾ For those periods in which GAAP net (loss) income is negative and adjusted net (loss) income is positive, this adjustment includes any options or restricted stock that would be outstanding as dilutive instruments using the treasury stock method and the weighted average number of shares that would be outstanding if the convertible notes were converted into common stock on the original issue date based on the number of days such shares would have been outstanding in the reporting period, until the effect of these adjustments are anti-dilutive.

Supplemental Information
Clinical⁽¹³⁾ Tests Performed and Revenue
(unaudited)

	Three Months Ended March 31,		
	2023	2022	% Change
Clinical ⁽¹³⁾ :			
Number of tests performed	285,476	266,035	7.3 %
Average revenue/test	\$ 402	\$ 371	8.4 %

⁽¹³⁾ Clinical tests exclude tests and revenue for Pharma Services.