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

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2026

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: 001-40592

Rapid Micro Biosystems, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**20-8121647**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification Number)**
25 Hartwell Avenue **Lexington, MA** **(Address of Principal Executive Offices)**	**02421** **(Zip Code)**

(978) 349-3200
(Registrant's telephone number, including area code)

Not applicable
(Former name, former address and former fiscal year, if changed since last report)

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

Title of Each Class	Trading symbol(s)	Name of Exchange on which registered
Class A common stock, $0.01 par value per share	**RPID**	**The Nasdaq Capital Market**

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ 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 November 13, 2026, there were 46,342,785 shares of the registrant's Class A common stock, par value $0.01, outstanding.
As of November 13, 2026, there were 4,499,529 shares of the registrant's Class B common stock, par value $0.01, outstanding.

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements. We intend such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q may be forward-looking statements. In some cases, you can identify forward-looking statements by terms such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "targets," "projects," "contemplates," "believes," "estimates," "forecasts," "predicts," "potential" or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q include, but are not limited to, statements regarding:

- our ability to consummate the transactions contemplated by the Agreement and Plan of Merger (the "Merger Agreement") that we entered into on November 16, 2026 with Merck KGaA, Darmstadt, Germany ("Parent") and EMD Holdings NewCo II, Inc., a wholly-owned subsidiary of Parent ("Purchaser"), pursuant to which, among other things, Purchaser will commence a cash tender offer to acquire all of the issued and outstanding shares of Class A common stock, $0.01 par value per share, and Class B common stock, $0.01 par value per share, of the Company, at price per share of $0.75 (collectively, the "Transaction");
- our ability to satisfy required conditions under the Merger Agreement, including, but not limited to, that there shall have been validly tendered (and not validly withdrawn) that number of shares of Class A common stock satisfying the minimum threshold specified in the tender offer in a timely manner;
- our ability to focus our continued attention on our ongoing business operations during the pendency of the Transaction;
- the effect of the announcement of the Transaction on our operating results and business generally, including, but not limited to, our ability to retain and hire key personnel and maintain our relationships with business partners, manufacturers, customers, vendors, regulatory authorities and others with whom we do business;
- the impact of the pending Transaction on our strategic plans and operations and our ability to respond effectively to competitive pressures, industry developments and future opportunities;
- our ability to regain compliance with the minimum bid price requirement, and remain in compliance with all other requirements, for continued listing on the Nasdaq Capital Market;
- our business strategy for our Growth Direct platform and systems;
- our expectations regarding future results of operations and financial position, including our expectations regarding revenue, gross margin, gross margin percentage, operating expenses and our ability to achieve positive cash flow;
- our plans and efforts to reduce our use of cash for operating and investing activities, including our cost reduction effort, our plans and efforts to increase productivity and efficiency and to pursue growth opportunities;
- the expected impact of our debt facility with Trinity Capital Inc., including with respect to our financial position, cash forecast and use of proceeds;
- our expectations and assumptions related to our future funding requirements and available capital resources, including our ability to continue as a going concern, which may be impacted by market uptake of our Growth Direct platform and systems, our management of inventory and supply chain, our capital expenditures, our research and development activities and our sales, marketing, manufacturing and distribution activities;
- our expectations regarding our ability to maintain and expand our customer base for our Growth Direct platform and systems, including expectations for customer adoption of new applications for our Growth Direct system;
- the expected effectiveness of our sales force and our sales processes;
- anticipated trends and growth rates in our business and in the markets in which we operate;
- our research and development plans, activities and prospective new features, products and product approvals;
- our ability to anticipate market needs and successfully develop and launch new and enhanced solutions to meet those needs, including prospective products;

- our expectations regarding our ability to hire and retain necessary qualified employees to grow our business and expand our operations;
- our expectations regarding the potential impact of inflation and fluctuations in interest rates on our business and operating costs;
- our expectations regarding the potential impact of ongoing conditions in the financial markets and banking system on our operations and financial results; and
- our ability to adequately protect our intellectual property.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Quarterly Report on Form 10-Q. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, the important factors discussed under Part II, Item 1A, "Risk Factors" of this Quarterly Report on Form 10-Q. The forward-looking statements in this Quarterly Report on Form 10-Q are based upon information available to us as of the date of this Quarterly Report on Form 10-Q, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

You should read this Quarterly Report on Form 10-Q and the documents that we reference in this Quarterly Report on Form 10-Q and have filed as exhibits to this Quarterly Report on Form 10-Q with the understanding that our actual future results, levels of activity, performance and achievements may be materially different from what we expect. We caution you not to place undue reliance on forward-looking statements, which speak only as of the date hereof. We undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

SUMMARY RISK FACTORS

Our business is subject to numerous risks and uncertainties, including those described in Part II, Item 1A, "Risk Factors" in this Quarterly Report on Form 10-Q. You should carefully consider these risks and uncertainties as part of your evaluation of an investment in our Class A common stock. The principal risks and uncertainties affecting our business include, but are not limited to, the following:

- We may not complete the Transaction within the time frame we anticipate or at all, which would have an adverse effect on our business, financial results and/or operations;
- Our cash resources may not be sufficient to sustain our operations during the pendency of the Transaction;
- The pendency of the Transaction could adversely affect our business, financial results and/or operations;
- While the Merger Agreement is in effect, we are subject to restrictions on our business activities;
- In specified instances, the Merger Agreement requires us to pay a termination fee to Parent, which could require us to use available cash that would have otherwise been available for general corporate purposes;
- We have incurred, and will continue to incur, direct and indirect costs as a result of the pending Transaction;
- Lawsuits may be filed against us and the members of our board of directors arising out of the Transaction, which may delay or prevent the Transaction;

- We have determined that there is substantial doubt regarding our ability to continue as a going concern. We will need to raise additional capital to fund our operations if the transactions contemplated by the Merger Agreement are not consummated;
- Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter;
- Our business depends on the commercial success of our Growth Direct platform, which may not be achieved or maintained;
- Our operating results have fluctuated significantly in the past and will fluctuate significantly in the future, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations;
- We have in the past and may in the future fail to meet our publicly announced guidance or other expectations about our business and future operating results, which could adversely affect our business, reputation and financial results and cause our stock price to decline;
- If we cannot maintain the level of sales of our Growth Direct systems or the sales of our consumables and services to existing customers declines, our future operating results would be adversely affected;
- We may need or otherwise decide to raise additional capital to fund our existing operations, improve our platform or develop and commercialize new products or expand our operations;
- Our existing and any future indebtedness could adversely affect our ability to operate our business;
- Our business relies heavily on establishing and maintaining our position in the market as a leading provider of automated microbial quality control ("MQC") testing;
- We may not be successful in expanding our business with existing customers and driving adoption of our solutions with new customers;
- The size of the markets and forecasts of market growth for automated MQC testing and other of our key performance indicators are based on a number of complex assumptions and estimates, and may be inaccurate;
- New product development involves a lengthy and complex process and we may be unable to develop or commercialize products on a timely basis, or at all;
- Our customers use our Growth Direct platform as part of their quality control workflow, which is subject to regulation by the U.S. Food and Drug Administration and other comparable regulatory authorities;
- If we are unable to manage our inventory and support demand for existing and future products on the Growth Direct platform, our business could suffer;
- We have limited experience in marketing and sales, and if we are unable to successfully market our products to new and existing customers, address our customers' needs or to expand our customer base, our business may be adversely affected;
- Our cost reduction effort may not result in anticipated savings, could result in total costs and expenses that are greater than expected and could disrupt our business;
- If we cannot compete successfully, we may be unable to increase or sustain our revenue, or achieve and sustain profitability;
- We must develop new products, adapt to rapid and significant technological change and respond to introductions of new products by competitors to remain competitive;

- Due to the significant resources required to enable access in new markets, we must make strategic and operational decisions to prioritize certain markets, products and services. We may expend our resources to access markets and develop products and services that do not yield meaningful revenue or we may fail to capitalize on markets, products or services that may be more profitable or with a greater potential for success;

- The Growth Direct platform may contain undetected errors or defects and may not meet the expectations of our customers, which means our business, financial condition, results of operations and prospects could suffer;

- Potential product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of any products that we may develop;

- If we lose key management, cannot recruit qualified employees, directors, officers or other significant personnel or experience increases in our compensation costs, our business may be materially harmed;

- We may not realize the intended benefits of our strategic partnerships and other collaborations, and such relationships may introduce additional risks to our business.

- If our primary manufacturing facility or development facility becomes damaged or inoperable or we are required to vacate one or both facilities, our ability to conduct and pursue our manufacturing and/or development efforts would be jeopardized;

- Our manufacturing operations are dependent upon third-party suppliers, including single-source suppliers, making us vulnerable to supply shortages and price fluctuations, which could harm our business;

- If we are unable to obtain and maintain sufficient intellectual property protection for our technology, including the Growth Direct platform, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products may be impaired;

- Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time;

- The market price of our Class A common stock has been and may continue to be volatile and fluctuate substantially, which could result in substantial losses for our stockholders;

- If our Class A common stock is delisted from Nasdaq, the liquidity of our Class A common stock would be adversely affected and the market price of our common stock could decrease; and

- We have been, and may in the future be, subject to the actions of activist stockholders or unsolicited acquisition proposals, which could cause us to incur substantial costs, divert management's and the board's attention and resources, and have an adverse effect on our business and stock price.

- Future sales and issuances of our Class A common stock, including through our ATM facility, or rights to purchase Class A common stock, including pursuant to our equity incentive plans, upon the exercise of outstanding warrants, or any warrants we may issue in connection with potential future fund raising efforts, would result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

TRADEMARKS

Solely for convenience, our trademarks and trade names in this Quarterly Report on Form 10-Q are referred to without the ® and ™ symbols, but such references should not be construed as any indicator that we will not assert, to the fullest extent under applicable law, our rights thereto.

INTERNET POSTING OF INFORMATION

We routinely post information that may be important to investors in the “Investors” section of our website at www.rapidmicrobio.com. We encourage investors and potential investors to consult our website regularly for important information about us. The contents of our website are not incorporated by reference in this Quarterly Report on Form 10-Q and shall not be deemed “filed” under the Exchange Act.

PART I —FINANCIAL INFORMATION

Item 1. Financial Statements

RAPID MICRO BIOSYSTEMS, INC.
Condensed consolidated balance sheets
(Unaudited)
(In thousands, except share and per share amounts)

	September 30, 2026	December 31, 2025
Assets		
Current assets:		
Cash and cash equivalents	$ 6,619	$ 20,030
Short-term investments	102	18,266
Accounts receivable	7,669	3,134
Inventory, net	19,658	17,593
Prepaid expenses and other current assets	2,273	2,145
Total current assets	36,321	61,168
Property and equipment, net	7,552	8,972
Right-of-use assets	3,289	4,109
Other long-term assets	127	319
Restricted cash	284	284
Total assets	47,573	74,852
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	$ 4,823	$ 4,139
Accrued expenses and other current liabilities	5,909	8,316
Deferred revenue	4,414	4,734
Lease liabilities, short-term	1,365	1,298
Total current liabilities	16,511	18,487
Notes payable, net	19,221	18,902
Warrant liability	22	186
Lease liabilities, long-term	2,652	3,674
Other long-term liabilities	357	397
Total liabilities	38,763	41,646
Commitments and contingencies (Note 15)		
Stockholders' equity:		
Class A common stock, $0.01 par value; 210,000,000 shares authorized at September 30, 2026 and December 31, 2025; 46,325,263 shares and 39,970,946 shares issued and outstanding at September 30, 2026 and December 31, 2025, respectively	463	400
Class B common stock, $0.01 par value; 10,000,000 shares authorized at September 30, 2026 and December 31, 2025; 4,499,529 shares issued and outstanding at September 30, 2026 and December 31, 2025	45	45
Preferred stock, $0.01 par value: 10,000,000 shares authorized at September 30, 2026 and December 31, 2025; 0 shares issued and outstanding at September 30, 2026 and December 31, 2025	—	—
Additional paid-in capital	569,165	555,147
Accumulated deficit	(560,863)	(522,397)
Accumulated other comprehensive income	—	11
Total stockholders' equity	8,810	33,206
Total liabilities and stockholders' equity	$ 47,573	$ 74,852

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

RAPID MICRO BIOSYSTEMS, INC.
Condensed consolidated statements of operations
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Revenue:				
Product revenue	$ 6,514	$ 5,214	$ 17,378	$ 14,117
Service revenue	3,014	2,624	8,206	8,188
Total revenue	9,528	7,838	25,584	22,305
Cost of revenue:				
Cost of product revenue	5,727	5,563	17,186	15,907
Cost of service revenue	1,399	1,579	4,413	5,023
Total cost of revenue	7,126	7,142	21,599	20,930
Gross margin	2,402	696	3,985	1,375
Operating expenses:				
Research and development	2,970	3,529	9,661	10,383
Sales and marketing	3,020	2,895	9,878	8,760
General and administrative	6,330	5,644	20,538	17,413
Restructuring	721	—	721	—
Total operating expenses	13,041	12,068	40,798	36,556
Loss from operations	(10,639)	(11,372)	(36,813)	(35,181)
Other income (expense):				
Interest income	98	347	494	1,188
Interest expense	(632)	(393)	(1,917)	(417)
Other expense, net	(74)	(79)	(156)	(190)
Total other income (expense), net	(608)	(125)	(1,579)	581
Loss before income taxes	(11,247)	(11,497)	(38,392)	(34,600)
Income tax expense	21	8	74	26
Net loss	$ (11,268)	$ (11,505)	$ (38,466)	$ (34,626)
Net loss per share — basic and diluted	$ (0.23)	$ (0.26)	$ (0.79)	$ (0.78)
Weighted average common shares outstanding — basic and diluted	48,875,933	44,956,131	48,649,224	44,534,826

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

RAPID MICRO BIOSYSTEMS, INC.
Condensed consolidated statements of comprehensive loss
(Unaudited)
(In thousands)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Net loss	$ (11,268)	$ (11,505)	$ (38,466)	$ (34,626)
Other comprehensive income (loss):				
Unrealized gain (loss) on investments	1	14	(11)	(27)
Comprehensive loss	$ (11,267)	$ (11,491)	$ (38,477)	$ (34,653)

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

RAPID MICRO BIOSYSTEMS, INC.
Condensed consolidated statements of stockholders' equity
(Unaudited)
(In thousands, except share amounts)

	Class A Common stock		Class B Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount				
Balances at December 31, 2025	39,970,946	$ 400	4,499,529	$ 45	$ 555,147	$ (522,397)	$ 11	$ 33,206
Vesting of restricted stock units	514,722	5	—	—	(5)	—	—	—
Issuance of Class A common stock upon exercise of common stock options	102,368	1	—	—	115	—	—	116
Issuance of Class A common stock under ESPP	58,182	1	—	—	139	—	—	140
Net exercise of warrant to purchase Class A common stock	621,293	6	—	—	(6)	—	—	—
Stock-based compensation expense	—	—	—	—	1,223	—	—	1,223
Net loss	—	—	—	—	—	(14,275)	—	(14,275)
Other comprehensive loss	—	—	—	—	—	—	(12)	(12)
Balances at March 31, 2026	41,267,511	$ 413	4,499,529	$ 45	$ 556,613	$ (536,672)	$ (1)	$ 20,398
Vesting of restricted stock units	489,619	5	—	—	(5)	—	—	—
Issuance of Class A common stock upon exercise of common stock options	56,368	1	—	—	66	—	—	67
Stock-based compensation expense	—	—	—	—	1,321	—	—	1,321
Issuance of Class A common stock pursuant to Underwritten and D&O Offerings to related parties, net of issuance costs	3,652,607	36	—	—	3,967	—	—	4,003
Warrants to purchase common stock to related parties, net of issuance costs	—	—	—	—	4,882	—	—	4,882
Net loss	—	—	—	—	—	(12,923)	—	(12,923)
Balances at June 30, 2026	45,466,105	$ 455	4,499,529	$ 45	$ 566,844	$ (549,595)	$ (1)	$ 17,748
Vesting of restricted stock units	29,664	—	—	—	—	—	—	—
Issuance of Class A common stock upon exercise of common stock options	205,821	2	—	—	204	—	—	206
Issuance of Class A common stock under ESPP	60,018	1	—	—	72	—	—	73
Issuance of Class A common stock under the ATM offering, net	563,655	5	—	—	718	—	—	723
Stock-based compensation expense	—	—	—	—	1,327	—	—	1,327
Net loss	—	—	—	—	—	(11,268)	—	(11,268)
Other comprehensive income	—	—	—	—	—	—	1	1
Balances at September 30, 2026	46,325,263	$ 463	4,499,529	$ 45	$ 569,165	$ (560,863)	$ —	$ 8,810

	Class A Common stock		Class B Common stock		Additional paid-in capital	Accumulated deficit	Accumulated other comprehensive income (loss)	Total
	Shares	Amount	Shares	Amount				
Balances at December 31, 2024	37,729,242	$ 377	5,309,529	$ 53	$ 550,157	$ (475,274)	$ 39	$ 75,352
Issuance of Class A common stock under ESPP	127,335	1	—	—	89	—	—	90
Vesting of restricted stock units	251,707	3	—	—	(3)	—	—	—
Issuance of Class A common stock upon exercise of common stock options	273,385	3	—	—	293	—	—	296
Stock-based compensation expense	—	—	—	—	1,042	—	—	1,042
Conversion of Class B common stock to Class A common stock	810,000	8	(810,000)	(8)	—	—	—	—
Net loss	—	—	—	—	—	(11,263)	—	(11,263)
Other comprehensive loss	—	—	—	—	—	—	(26)	(26)
Balances at March 31, 2025	39,191,669	$ 392	4,499,529	$ 45	$ 551,578	$ (486,537)	$ 13	$ 65,491
Vesting of restricted stock units	415,381	4	—	—	(4)	—	—	—
Tax withholding on settlement of restricted stock units	(158,908)	(2)	—	—	(416)	—	—	(418)
Issuance of Class A common stock upon exercise of common stock options	112,297	1	—	—	126	—	—	127
Stock-based compensation expense	—	—	—	—	1,218	—	—	1,218
Net loss	—	—	—	—	—	(11,858)	—	(11,858)
Other comprehensive loss	—	—	—	—	—	—	(15)	(15)
Balances at June 30, 2025	39,560,439	$ 395	4,499,529	$ 45	$ 552,502	$ (498,395)	$ (2)	$ 54,545
Issuance of Class A common stock under ESPP	36,773	—	—	—	72	—	—	72
Vesting of restricted stock units	160,830	1	—	—	(1)	—	—	—
Issuance of Class A common stock upon exercise of common stock options	51,620	1	—	—	59	—	—	60
Stock-based compensation expense	—	—	—	—	1,146	—	—	1,146
Net loss	—	—	—	—	—	(11,505)	—	(11,505)
Other comprehensive income	—	—	—	—	—	—	14	14
Balances at September 30, 2025	39,809,662	$ 397	4,499,529	$ 45	$ 553,778	$ (509,900)	$ 12	$ 44,332

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

RAPID MICRO BIOSYSTEMS, INC.
Condensed consolidated statements of cash flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2026	2025
Cash flows from operating activities:		
Net loss	$ (38,466)	$ (34,626)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	2,027	2,462
Amortization of debt discount and issuance costs	254	24
Stock-based compensation expense	3,871	3,406
Provision for excess and obsolete inventory	22	448
Non-cash lease expense	914	914
(Gain) loss on revaluation of warrant liability	(164)	41
Accretion on investments	252	294
Other	195	46
Changes in operating assets and liabilities:		
Accounts receivable	(4,535)	2,089
Inventory	(2,441)	(1,633)
Prepaid expenses and other current assets	(171)	259
Other long-term assets	3	(10)
Accounts payable	683	1,051
Accrued expenses and other current liabilities	(3,441)	(1,069)
Deferred revenue	(320)	(1,528)
Other long-term liabilities	—	16
Net cash used in operating activities	(41,317)	(27,816)
Cash flows from investing activities:		
Purchases of property and equipment	(221)	(758)
Purchases of investments	(5,006)	(23,055)
Sales of investments	9,908	2,505
Maturity of investments	13,000	31,750
Net cash provided by investing activities	17,681	10,442
Cash flows from financing activities:		
Proceeds from issuance of Class A common stock - stock option exercise	389	485
Proceeds from issuance of Class A common stock - employee stock purchase plan	212	162
Proceeds from issuance of debt	—	20,000
Payments of debt issuance costs	—	(878)
Tax withholding on settlement of restricted stock units	—	(419)
Proceeds from related parties in underwritten and D&O offerings, net of underwriting discounts	9,395	—
Payments of third-party offering costs	(509)	—
Issuance of Class A common stock under the ATM offering	766	—
Payments on finance lease obligations	(28)	(22)
Net cash provided by financing activities	10,225	19,328
Net (decrease) increase in cash, cash equivalents and restricted cash	(13,411)	1,954
Cash, cash equivalents and restricted cash at beginning of period	20,314	17,276
Cash, cash equivalents and restricted cash at end of period	$ 6,903	$ 19,230

RAPID MICRO BIOSYSTEMS, INC.
Condensed consolidated statements of cash flows
(Unaudited)
(In thousands)

	Nine Months Ended September 30,	
	2026	2025
Supplemental disclosure of cash flow information		
Cash paid for interest	$ 1,679	$ 188
Supplemental disclosure of non-cash investing activities		
Purchases of property and equipment in accounts payable and accrued expenses	$ —	$ 64
Supplemental disclosure of non-cash financing activities		
Recognition of warrant liability in connection with debt issuance	$ —	$ 317
Warrant to purchase Class A common stock	$ —	$ 317

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

RAPID MICRO BIOSYSTEMS, INC.
Notes to condensed consolidated financial statements
(Amounts in thousands, except share and per share amounts)
(Unaudited)

1. Nature of the business and basis of presentation

Rapid Micro Biosystems, Inc. (the "Company") was incorporated under the laws of the State of Delaware on December 29, 2006. The Company develops, manufactures, markets and sells Growth Direct systems ("Systems"), proprietary consumables, laboratory information management system ("LIMS") connection and other software, and services to address rapid microbial analysis used for quality control in the manufacture of pharmaceuticals, medical devices and personal care products. The Company's technology uses a highly sensitive camera and the natural auto fluorescence of living cells to identify and quantify microbial growth faster and more accurately than the traditional method, which relies on the human eye. The Company currently sells to customers in North America, Europe and the Asia-Pacific region. The Company is headquartered in Lexington, Massachusetts.

Basis of presentation

These condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") and include the accounts of the Company and its wholly owned subsidiaries in Germany and Switzerland. All intercompany accounts and transactions have been eliminated in consolidation. Certain information and note disclosures normally included in the consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Therefore, these condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's audited consolidated financial statements for the year ended December 31, 2025. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for the fair statement of the Company's financial position as of September 30, 2026 and the results of its operations and its cash flows for the three and nine months ended September 30, 2026 and 2025. The financial data and other information disclosed in these notes related to the three and nine months ended September 30, 2026 and 2025 are also unaudited. The results for the three and nine months ended September 30, 2026 are not necessarily indicative of results to be expected for the year ending December 31, 2026, any other interim periods, or any future year or period.

Liquidity

The Company has incurred recurring losses and net cash outflows from operations since its inception. The Company expects to continue to generate operating losses in the near- to medium-term. To date, the Company has funded operations primarily through proceeds from sales of redeemable convertible preferred stock, borrowings under loan agreements, revenue from sales of our products and services, proceeds from the Company's initial public offering ("IPO"), and proceeds from registered offerings.

On August 8, 2025, the Company entered into a Loan and Security Agreement ("LSA") with Trinity Capital Inc. and the other lenders party thereto and Trinity Capital Inc., as administrative agent and collateral agent, with an aggregate principal amount of $45.0 million, with $20.0 million drawn on the first tranche and up to an additional $20.0 million in the aggregate, across two equal tranches, available if certain commercial and operational milestones are met, and up to an additional $5.0 million at the lenders' sole discretion.

On May 20, 2026, as described in *Note 10 - Common stock and common stock warrants*, the Company sold shares of Class A common stock pursuant to an Underwriting Agreement, resulting in proceeds of $8.8 million, net of underwriting discounts and third-party fees. Concurrent with the Underwriting Agreement, the Company also sold shares of Class A common stock pursuant to a Securities Purchase Agreement with certain of the Company's directors and officers, resulting in proceeds of $0.1 million.

During the three and nine months ended September 30, 2026, the Company sold 563,655 shares of Class A common stock under the ATM facility resulting in net proceeds of $0.8 million.

As further described in Note 18, on November 16, 2026, the Company entered into the Merger Agreement, in which the Company would be acquired by Merck KGaA, Darmstadt, Germany ("Parent"). Pursuant to the Merger Agreement, the Company has agreed to various covenants, including, among others, agreements to conduct our business in the ordinary course of business as was being conducted prior to the date of the Merger Agreement. Outside of limited exceptions, the Company may not take, authorize, or agree or commit to take, enumerated actions without Parent's consent, including, but not limited to: (i) acquiring businesses and disposing of significant assets; (ii) incurring capital expenditures above specified thresholds; (iii) issuing equity; (iv) incurring indebtedness; and (v) repurchasing or paying dividends on shares. The Company could be required to pay a termination fee of $1.6 million under specific circumstances described in the Merger Agreement. In addition, the Company expects to incur costs and expenses in connection with the Merger, a portion of which may be payable regardless of whether the Merger is completed. Payment of any such fees, costs or expenses could require the Company to use available cash that would otherwise be available for general corporate purposes or other uses. While the Company has entered into the Merger Agreement that it expects to close in December 2026, the closing is subject to certain conditions which are not entirely in the Company's control. If the Company is unable to close the Merger Agreement or raise other capital via equity or debt offerings, the Company may be required to significantly reduce, delay, or discontinue its operations, reduce headcount, defer or terminate development or commercialization activities, sell or license assets on unfavorable terms, or pursue other strategic alternatives or seek protection under bankruptcy or insolvency laws or pursue a restructuring, liquidation, dissolution, or wind-down.

In accordance with Accounting Standards Update 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), the Company is required to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about its ability to continue as a going concern from the issuance date of its financial statements. Based on the Company's history of operating losses, and existing cash, cash equivalents, investments and borrowing capacity, the Company does not expect to be able to fund operations, as currently planned, for more than one year beyond the filing date of this Form 10-Q. As a result of these uncertainties, the Company has determined that there is substantial doubt regarding its ability to continue as a going concern for more than one year from the filing date of this Form 10-Q.

2. Summary of significant accounting policies

Use of estimates

The preparation of the Company's condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements, and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these condensed consolidated financial statements include, but are not limited to, calculating the standalone selling price for revenue recognition, the valuation of inventory, and the valuation of stock-based awards. The Company bases its estimates on historical experience, known trends and other market-specific and relevant factors that it believes to be reasonable under the circumstances. On an ongoing basis, management evaluates its estimates when there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results could differ from those estimates.

There have been no material changes to the Company's significant accounting policies during the three and nine months ended September 30, 2026, as compared to those disclosed in Note 2 of the audited consolidated financial statements filed with the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2025.

Risk of concentrations of credit, significant customers and significant suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash, cash equivalents, short-term investments and accounts receivable. The Company maintains its cash and cash equivalents with financial institutions that management believes to be of high credit quality, and does not believe that it is subject to unusual credit risk beyond the credit risk associated with commercial banking relationships.

Significant customers are those which represent more than 10% of the Company's total revenue or accounts receivable balance at each respective balance sheet date. The following table presents customers that represented 10% or more of the Company's total revenue:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Customer A	19.2 %	*	11.5 %	*
Customer B	13.8 %	*	10.9 %	*
Customer C	*	*	10.4 %	12.7 %
Customer D	10.2 %	11.7 %	*	10.5 %
Customer E	*	13.4 %	*	*
Customer F	*	11.9 %	*	*
	43.2 %	37.0 %	32.8 %	23.2 %

* Represented less than 10%

The following table presents customers that represented 10% or more of the Company's accounts receivable:

	September 30,	December 31,
	2026	2025
Customer A	20.1 %	*
Customer B	17.7 %	*
Customer D	17.5 %	16.3 %
Customer F	*	11.4 %
Customer G	*	10.8 %
	55.3 %	38.5 %

* Represented less than 10%

The Company relies on third parties for the supply and manufacture of certain components of its products as well as third-party logistics providers. There were no significant concentrations around a single third-party supplier, manufacturer, or logistics provider for the nine months ended September 30, 2026 or 2025.

Cash and cash equivalents

The Company considers all highly liquid investments with an original maturity of 90 days or less at the time of purchase to be cash equivalents. Cash equivalents that are readily convertible to cash are stated at cost, which approximates fair value. At September 30, 2026 and December 31, 2025, the Company held cash of $0.2 million and $0.1 million in banks located outside of the United States, respectively.

Restricted cash

As of September 30, 2026 and December 31, 2025, the Company was required to maintain guaranteed investment certificates of $0.3 million with maturities of three months to one year that are subject to an insignificant risk of changes in value. The guaranteed investment certificates are held for the benefit of the landlord in connection with operating leases which have remaining terms of greater than one year and are classified as restricted cash (non-current) on the Company's condensed consolidated balance sheets.

Accounts receivable

Accounts receivable are customer obligations that are unconditional. Accounts receivable are presented net of an allowance for doubtful accounts for expected credit losses, which represents an estimate of amounts that may not be collectible. The Company performs ongoing credit evaluations of its customers and, if necessary, provides an allowance for doubtful accounts and expected credit losses. A provision to the allowance for doubtful accounts for expected credit losses

is recorded based on factors including the length of time the receivables are past due, the current business environment, the geographic market, and the Company's historical experience. Provisions to the allowance for doubtful accounts for expected credit losses are recorded to general and administrative expenses in the condensed consolidated statements of operations. The Company writes off accounts receivable against the allowance when it determines a balance is uncollectible and no longer actively pursues collection of the receivable. The Company does not have any off-balance-sheet credit exposure related to customers. As of September 30, 2026 and December 31, 2025, the allowance for doubtful accounts for expected credit losses was zero.

Software development costs

The Company accounts for software development costs for internal-use software under the provisions of ASC 350-40, *"Internal-Use Software*" ("ASC 350"). Accordingly, certain costs to develop internal-use computer software are capitalized, provided these costs are expected to be recoverable. Internal-use software is amortized on a straight-line basis over its estimated useful life. For the three months ended September 30, 2026 and 2025, there was less than $0.1 million and $0.1 million of amortization expense, respectively, related to capitalized software development costs recorded in the condensed consolidated statements of operations. For the nine months ended September 30, 2026 and 2025, there was less than $0.1 million and $0.3 million of amortization expense, respectively, related to capitalized software development costs recorded in the condensed consolidated statements of operations.

Fair value measurements

Certain assets and liabilities of the Company are carried at fair value under GAAP. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. Financial assets and liabilities carried at fair value are to be classified and disclosed in one of the following three levels of the fair value hierarchy, of which the first two are considered observable and the last is considered unobservable:

- Level 1—Quoted prices in active markets for identical assets or liabilities.
- Level 2—Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.
- Level 3—Unobservable inputs that are supported by little or no market activity that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's cash equivalents and short-term investments are carried at fair value, determined according to the fair value hierarchy described above (see Note 3). The carrying values of the Company's accounts receivable, prepaid expenses and other current assets, accounts payable and accrued expenses and other current liabilities approximate their fair values due to the short-term nature of these assets and liabilities. The carrying value of long-term debt approximates fair value as the interest rate under the obligation approximates market rates of interest available to the Company for similar instruments and is net of unamortized debt issuance costs.

Common stock warrants

The Company accounts for common stock warrants as equity if the contract requires physical settlement or net physical settlement or if the Company has the option of physical settlement or net physical settlement and the warrants meet the requirements to be classified as equity. Common stock warrants classified as equity are initially measured at fair value using the Black-Scholes-Merton ("Black Scholes") option pricing model using various inputs, including Company estimates of expected stock price volatility, term, risk-free rate and future dividends, on the issuance date and are not subsequently remeasured.

The Company accounts for common stock warrants as a liability in accordance with ASC 815-40-15 if the warrants do not meet the criteria for equity treatment and must be recorded as liabilities. Accordingly, the Company classifies the warrants as liabilities based on their fair value at issuance. This liability is subject to re-measurement at each balance sheet

date until exercised, and any change in fair value is recognized in the other expense line of the condensed consolidated statement of operations and comprehensive loss. The warrants are valued using the Black-Scholes model.

Product warranties

The Company offers a one-year limited assurance warranty on System sales, which is included in the selling price. The Company also performs preventative maintenance visits, or a service warranty, during the warranty period. Similarly, from time to time, we have determined, and may in the future determine, to repair, replace or otherwise remedy other products, including our consumables, at no charge to customers. We update our estimate for assurance warranty expenses at each reporting period, net of warranty claims. The accrual for assurance warranty obligations is included in accrued expenses and other current liabilities in the condensed consolidated balance sheets. Amounts recognized for assurance-type warranties during the three and nine months ended September 30, 2026 and 2025 were not material.

Segment information

The Company determined its operating segment after considering the Company's organizational structure and the information regularly reviewed and evaluated by the Company's chief operating decision maker ("CODM") in deciding how to allocate resources and assess performance. The Company has determined that its CODM is its Chief Executive Officer. The CODM reviews the financial information on a consolidated basis, specifically net loss on the condensed consolidated statement of operations, for purposes of evaluating financial performance and allocating resources. The CODM reviews all functional expenses (cost of revenues, sales and marketing, research and development, and general and administrative) at the consolidated level to manage the Company's operations. Other segment items included in consolidated net loss are interest income, interest expense, other expense, and provision for income taxes. These line items are reflected in the condensed consolidated statement of operations. The chief operating decision maker considers budget-to-actual variances on a monthly basis for the profit measure when making decisions about allocating capital and personnel to the segment. On the basis of these factors, the Company determined that it operates and manages its business as one operating segment, that develops, manufactures, markets and sells Systems and related LIMS connection and other software, consumables and services; and accordingly has one reportable segment for financial reporting purposes. The measure of the segment's assets is reported on the balance sheet as total consolidated assets. Substantially all of the Company's long-lived assets are held in the United States.

Revenue recognition

Remaining performance obligations

The Company does not disclose the value of remaining performance obligations for (i) contracts with an original contract term of one year or less, (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice when that amount corresponds directly with the value of services performed, and (iii) variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied distinct service that forms part of a single performance obligation. The Company does not have material remaining performance obligations associated with contracts with terms greater than one year.

Contract balances from contracts with customers

Contract assets arise from customer arrangements when revenue recognized exceeds the amount billed to the customer and the Company's right to payment is conditional and not only subject to the passage of time. The Company had less than $0.1 million and $0.1 million in contract assets included in prepaid expenses and other current assets in the condensed consolidated balance sheets as of September 30, 2026 and December 31, 2025, respectively. These balances relate to unbilled amounts with customers.

Contract liabilities represent the Company's obligation to transfer goods or services to a customer for which it has received consideration (or the amount is due) from the customer. The Company has a contract liability related to service revenue, which consists of amounts that have been invoiced but that have not been recognized as revenue. Amounts expected to be recognized as revenue within 12 months of the balance sheet date are classified as current deferred revenue and amounts expected to be recognized as revenue beyond 12 months of the balance sheet date are classified as non-current deferred revenue. The Company did not record any non-current deferred revenue as of September 30, 2026 or December 31, 2025. Deferred revenue was $4.4 million and $4.7 million at September 30, 2026 and December 31, 2025, respectively. Revenue recognized during the three months ended September 30, 2026 and 2025 that was included in deferred revenue at the prior period-end was $0.5 million and $1.1 million, respectively. Revenue recognized during the

nine months ended September 30, 2026 and 2025 that was included in deferred revenue at the prior period-end was $3.0 million and $4.3 million, respectively.

Disaggregated revenue

The Company disaggregates revenue based on the recurring and non-recurring nature of the underlying sale. Recurring revenue includes sales of consumables and service contracts. The Company considers these to be recurring revenues because customers typically place purchase orders on a periodic basis as they use their Growth Direct system(s) over time. These arrangements typically contain a single performance obligation and thus the entire consideration to which the Company is entitled is allocated entirely to that performance obligation. Non-recurring revenue includes sales of systems, LIMS connection software, other software, validation services, and field services, and typically contains multiple performance obligations. The Company considers these to be non-recurring revenues because customers typically place single purchase orders for a bundle of products and services on a one-time or infrequent basis. For these arrangements, significant judgment is applied in identifying the distinct performance obligations, determination of the transaction price, transaction price allocation, and determination of standalone selling price for each of the distinct performance obligations.

The following table presents the Company's revenue by the recurring or non-recurring nature of the revenue stream (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Product and service revenue — recurring	$ 5,174	$ 4,839	$ 15,292	$ 13,226
Product and service revenue — non-recurring	4,354	2,999	10,292	9,079
Total revenue	$ 9,528	$ 7,838	$ 25,584	$ 22,305

The following table presents the Company's revenue by customer geography (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
United States	$ 4,229	$ 2,855	$ 9,714	$ 7,244
Switzerland	1,059	1,385	3,791	4,502
Germany	1,208	1,579	2,989	4,894
Japan	972	915	2,404	2,336
South Korea	464	100	2,435	261
All other countries	1,596	1,004	4,251	3,068
Total revenue	$ 9,528	$ 7,838	$ 25,584	$ 22,305

Advertising costs

Advertising costs are expensed as incurred and are included in sales and marketing expenses in the condensed consolidated statements of operations. Advertising costs were less than $0.1 million during each of the three months ended September 30, 2026 and 2025. Advertising costs were $0.2 million and less than $0.1 million during the nine months ended September 30, 2026 and 2025, respectively.

Stock-based compensation

The Company measures all stock-based awards granted to employees, officers and directors based on their fair value on the date of the grant and recognizes compensation expense for those awards over the requisite service period, which is generally the vesting period of the respective award. The Company issues stock-based awards with (i) service-based vesting conditions only and (ii) stock-based awards with both service-based and Company performance vesting conditions, and records the expense for these awards using the straight-line method. Forfeitures are accounted for prospectively as they occur.

The Company measures all restricted stock units granted based on the common stock value on the date of grant.

Recently adopted accounting pronouncements

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments — Credit Losses* (Topic 326): Measurement of Credit Losses for Accounts Receivable and Contract Assets. ASU 2025-05 provides a practical expedient that all entities can use when estimating expected credit losses for current accounts receivable and current contract assets arising from transactions accounted for under ASC 606, Revenue from Contracts with Customers. Under this practical expedient, an entity is allowed to assume that the current conditions it has applied in determining credit loss allowances for current accounts receivable and current contract assets remain unchanged for the remaining life of those assets. The Company adopted this guidance prospectively effective January 1, 2026, and elected the practical expedient to assume that current conditions as of the balance sheet date do not change for the remaining life of the assets. The adoption of this ASU had no material impact on the Company's condensed consolidated financial statements and related disclosures.

Recently issued accounting pronouncements

The Company qualifies as an "emerging growth company" as defined in the Jumpstart Our Business Startups ("JOBS") Act of 2012 and has elected not to "opt out" of the extended transition related to complying with new or revised accounting standards, which means that when a standard is issued or revised and it has different application dates for public and nonpublic companies, the Company will adopt the newer revised standard at the time nonpublic companies adopt the new or revised standard and will do so until such time that the Company either (i) irrevocably elects to "opt out" of such extended transition period or (ii) no longer qualifies as an emerging growth company. The Company may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for nonpublic companies. The Company expects to cease being an emerging growth company on December 31, 2026, at which time it will no longer be eligible to use the extended transition period and will be required to adopt new or revised accounting standards on the effective dates applicable to public business entities, unless a particular standard provides otherwise.

In November 2024, the FASB issued ASU 2024-03, *Income Statement — Reporting Comprehensive Income — Expense Disaggregation Disclosures* (Subtopic 220-40): Disaggregation of Income Statement Expenses. This update requires that public businesses provide more detailed disclosures about specific natural expense categories within their footnotes. The primary objective is to enhance transparency and provide investors with a clearer understanding of an entity's cost structure. The amendments in this update are effective for annual periods beginning after December 15, 2026, and interim periods beginning after December 15, 2027. The Company is in the process of evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

In September 2025, the FASB issued ASU 2025-06, *Intangibles — Goodwill and Other — Internal-Use Software* (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. The ASU clarifies and modernizes the accounting for costs related to internal-use software. The ASU is effective for annual periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. Early adoption is also permitted for annual or interim financial statements that have not yet been issued or made available for issuance. The Company is in the process of evaluating the impact the adoption of this ASU will have on its consolidated financial statements and related disclosures.

3. Fair value of financial assets and liabilities

The following tables present information about the Company's financial assets and liabilities measured at fair value on a recurring basis and indicate the level of the fair value hierarchy used to determine such fair values (in thousands):

	Fair value measurements as of September 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 5,404	$ —	$ —	$ 5,404
Short-term investments	102	—	—	102
	$ 5,506	$ —	$ —	$ 5,506
Liabilities				
Warrant liability	$ —	$ —	$ 22	$ 22
	$ —	$ —	$ 22	$ 22

	Fair value measurements as of December 31, 2025			
	Level 1	Level 2	Level 3	Total
Assets				
Cash equivalents	$ 12,132	$ —	$ —	$ 12,132
Short-term investments	18,266	—	—	18,266
	$ 30,398	$ —	$ —	$ 30,398
Liabilities				
Warrant liability	$ —	$ —	$ 186	$ 186
	$ —	$ —	$ 186	$ 186

Level 3 liability valuations are based on unobservable inputs, which reflect the Company's own assumptions incorporated in valuation techniques used to determine fair value; further discussion of these assumptions is set forth below. During the three and nine months ended September 30, 2026 and 2025, there were no transfers in or out of Level 3.

Cash equivalents

Cash equivalents consist of money market funds and treasury bills and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. The Company considers all highly liquid interest-earning investments with a maturity of 90 days or less at the date of purchase to be cash equivalents. The fair values of these investments approximate their carrying values.

Valuation of short-term investments

U.S. Treasury bills and notes included in short-term investments were valued by the Company using quoted prices in active markets for identical securities, which represents a Level 1 measurement within the fair value hierarchy.

Valuation of warrant liability

The fair value of the warrant liability associated with the future tranches of the LSA borrowing at September 30, 2026 was determined using the Black-Scholes option pricing model. This represents a Level 3 measurement within the fair value hierarchy. The key inputs for the Black-Scholes valuation model were as follows:

	September 30, 2026	December 31, 2025
Exercise price	$ 3.35	$ 3.35
Stock price	$ 1.03	$ 2.90
Expected volatility	42.0 %	40.1 %
Expected term (in years)	5.0	5.0
Risk-free interest rate	5.1 %	3.7 %
Expected dividend yield	0 %	0 %

Change in fair value of Level 3 liabilities

The following table presents a reconciliation of the warrant liability measured at fair value on a recurring basis as of September 30, 2026:

	Warrant liability
Balance at December 31, 2025	$ 186
Net gain in revaluation of warrant liability	(164)
Balance at September 30, 2026	$ 22

The change in fair value of the warrant liability is recognized in the other expense, net line of the condensed consolidated statements of operations.

4. Investments

Short-term investments by investment type consisted of the following (in thousands):

	September 30, 2026			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Short-term investments				
U.S. Government Treasury Notes	$ 102	$ —	$ —	$ 102
	$ 102	$ —	$ —	$ 102

	December 31, 2025			
	Amortized cost	Gross unrealized gains	Gross unrealized losses	Fair value
Short-term investments				
U.S. Government Treasury Notes	$ 18,255	$ 11	$ —	$ 18,266
	$ 18,255	$ 11	$ —	$ 18,266

5. Inventory, net

Inventory, net consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Raw materials	$ 12,055	$ 11,830
Work in process	2,667	884
Finished goods	4,936	4,879
Total	$ 19,658	$ 17,593

Raw materials, work in process and finished goods were net of adjustments to realizable value of $0.6 million and $1.2 million as of September 30, 2026 and December 31, 2025, respectively.

6. Prepaid expenses and other current assets

Prepaid expenses and other current assets consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Prepaid insurance	$ 69	$ 329
Contract assets	44	144
Deposits	1,091	433
Deferred offering costs	462	505
Other	607	734
	$ 2,273	$ 2,145

7. Property and equipment, net

Property and equipment, net, consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Manufacturing and laboratory equipment	$ 15,891	$ 15,356
Computer hardware and software	1,934	1,911
Office furniture and fixtures	682	682
Leasehold improvements	9,447	9,447
Construction-in-process	851	872
	28,805	28,268
Less: Accumulated depreciation	(21,253)	(19,296)
	$ 7,552	$ 8,972

Depreciation and amortization expense related to property and equipment was $0.6 million and $0.7 million for the three months ended September 30, 2026 and 2025, respectively, and was $2.0 million and $2.1 million for the nine months ended September 30, 2026 and 2025, respectively.

8. Accrued expenses and other current liabilities

Accrued expenses and other current liabilities consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Accrued employee compensation and benefits expense	$ 3,713	$ 4,796
Accrued vendor expenses	2,119	2,336
Accrued taxes	23	269
Other	54	915
	$ 5,909	$ 8,316

9. Notes payable, net

Notes payable, net consisted of the following (in thousands):

	September 30, 2026	December 31, 2025
Term Loan	$ 20,000	$ 20,000
Unamortized debt related warrant liability	(251)	(291)
Unamortized debt issuance costs	(695)	(807)
Accretion of end of term fee	167	—
Total notes payable, net	$ 19,221	$ 18,902

Term loan agreements

Loan and Security Agreement

On August 8, 2025 (the "Closing Date"), the Company entered into a Loan and Security Agreement (the "LSA") with Trinity Capital Inc. and the other lenders party thereto (collectively, the "Lenders") and Trinity Capital Inc., as administrative agent and collateral agent (the "Agent").

Under the LSA, the Lenders agreed to extend debt capital to the Company, in the form of a term loan, in tranches totaling an aggregate principal amount of up to $45.0 million available as follows: (a) at closing, an aggregate principal amount of $20.0 million (the "First Tranche"), (b) until January 31, 2027, subject to the achievement of certain commercial and operational milestones, an aggregate principal amount of $10.0 million (the "Second Tranche"), (c) until July 31, 2027, subject to the achievement of certain commercial and operational milestones, an aggregate principal amount of $10.0 million (the "Third Tranche"), and (d) an aggregate principal amount of $5.0 million in Lenders' sole discretion (the "Fourth Tranche" and collectively with the First Tranche, the Second Tranche and the Third Tranche, the "Tranches"). The obligations of the Lenders to extend such debt capital are subject to certain conditions precedent described in the LSA. The Company is required to pay a commitment fee of 1.0% of the amount drawn, plus related documentation and funding fees, in connection with each drawdown. On the Closing Date, the Company drew down the First Tranche. The Company's obligations under the facility may be guaranteed by certain subsidiaries and are secured by a first priority security interest in substantially all assets of the Company and any subsidiaries providing a guarantee.

In connection with the drawdown of any Tranche, the Company is required to issue to the Lenders warrants to purchase shares of the Company's Class A common stock. The exercise price ("Exercise Price") for each warrant shall be equal to the lower of (a) the volume-weighted average price of the Class A common stock over the ten days prior to the drawdown and (b) the closing price of the Class A common stock on the day immediately prior to the drawdown. The number of shares of Class A common stock for which each warrant is exercisable is equal to 3.0% of the drawn down amount of the applicable Tranche, divided by the Exercise Price. Each warrant shall have a term of ten years from the date of issuance and shall permit cashless exercise, all in accordance with its terms. In connection with the drawdown of the First Tranche, the Company issued warrants to purchase up to an aggregate of 179,104 shares of Class A common stock, with an Exercise Price of $3.35 per share. As it relates to the warrants issued for the First Tranche, the Company concluded they meet the requirements for equity classification given the exercise price and number of shares are fixed. As it relates to the subsequent Second and Third tranche, given the strike price is a floating strike price which will not be set until drawn, the Company concluded they should be accounted for as liabilities until drawn.

All Tranches will mature on September 1, 2030 (the "Maturity Date"), unless earlier accelerated under the terms of the LSA. At maturity, the Company is required to repay the then-outstanding principal amount, together with any accrued and unpaid interest thereon and any other obligations outstanding under the LSA. In addition, at maturity or early termination of the LSA, including acceleration of the loans, the Company is required to pay the Lenders an additional 4.0% of the amounts drawn down by the Company under the LSA (the "End of Term Payment").

Interest accrues on the Tranches that the Company has drawn down at a floating rate per annum, calculated based on a 360-day year, equal to the greater of (a) the sum of (i) The Wall Street Journal Prime Rate and (ii) 4.0%, and (b) 11.0%. The initial interest rate was 11.5% per annum. For the first 36 months after the Closing Date (the "Interest Only Period"), the Company is required to make only monthly payments of interest in arrears. Following such period, and until the Maturity Date (the "Amortization Period"), the Company is required to make monthly payments of principal and interest in an amount that fully amortizes the outstanding principal balance due over the duration of the Amortization Period. If the Second Tranche is fully drawn down by the Company, the Interest Only Period will be extended by six months. If the Third Tranche is fully drawn down by the Company, the Interest Only Period will be extended by a further six months. In the event of such extensions of the Interest Only Period, the duration of the Amortization Period will decrease by the same amount. In any event, the total term of all Tranches shall not exceed 60 months.

The Company may voluntarily prepay the outstanding loan balance at any time, in whole or in part, subject to the payment of prepayment premiums. If prepayment occurs on or before the first anniversary of the Closing Date, the premium shall equal 3.0% of the principal being repaid. Thereafter, if prepayment occurs on or before the second anniversary of the Closing Date, the premium shall equal 2.0% of the principal being repaid. Thereafter, the premium shall equal 1.0% of the principal being repaid. For the avoidance of doubt, such prepayment premiums are in addition to the End of Term Payment. Additionally, the Company is required to prepay the outstanding loan balance (plus accrued and unpaid interest thereon, any prepayment premiums and any other obligations that are due and payable) upon a sale, divestment or transfer of all or substantially all assets of the Company and its subsidiaries, taken as a whole, or of a material business line of the Company, the acquisition by a person or group of a sufficient number of the Company's equity securities to elect a majority of the members of the Company's board of directors, or the acceleration of the loans by the Agent on behalf of the Lenders following an event of default under the LSA. In connection with the consummation of the transactions contemplated by the Merger Agreement, all outstanding obligations, including amounts in respect of early repayment and back-end fees, owed under the LSA will be required to be repaid.

The LSA contains customary affirmative and negative covenants (imposed on us and our subsidiaries, as applicable), including with respect to notice obligations, limitations on new indebtedness, liens, investments and transactions with affiliates of the Company, restrictions on the payment of dividends, maintenance of collateral and accounts and maintenance of insurance. The LSA does not contain any covenants to maintain a specified level of revenues, profitability, cash flow or cash resources.

The LSA contains customary representations and warranties of the Company, as well as customary events of default, the occurrence of which may accelerate the obligations of the Company, increase the interest rate by a specified default rate and impose other consequences described in the LSA. Such events include among others, failure to make payments when due, breach of covenants, insolvency, a cross-default to other indebtedness, a judgment event of default, the occurrence of a material adverse change to the Company, and delisting of the Company's securities from Nasdaq.

As of September 30, 2026, there was $20.0 million outstanding under the LSA and unamortized debt issuance costs of $0.7 million.

The interest rate was 11.0% at September 30, 2026. During the three months ended September 30, 2026, the Company recognized $0.6 million of interest expense, including less than $0.1 million of amortization of debt issuance costs. During the nine months ended September 30, 2026, the Company recognized interest expense of $1.9 million, including $0.1 million of amortization of debt issuance costs.

Future debt principal payments under the LSA as of September 30, 2026, excluding the $0.8 million end of term fee, are due as follows (in thousands):

Year Ending December 31,		
2026	$	—
2027		—
2028		3,024
2029		9,795
2030		7,181
Total principal payments	$	20,000

10. Common stock and common stock warrants

As of both September 30, 2026 and December 31, 2025, the Company's restated certificate of incorporation authorized the issuance of $0.01 par value Class A and Class B common stock. Each share of Class A common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. The Company's Class B common stock is non-voting. Class A and Class B common stockholders are entitled to receive dividends, as may be declared by the board of directors, if any, subject to the preferential dividend rights of Preferred Stock. As of September 30, 2026, no cash dividends had been declared or paid.

On December 15, 2023, the Company entered into an ATM Agreement with Cowen, pursuant to which the Company may issue and sell shares of its Class A common stock having aggregate sales proceeds of up to $50 million from time to time through Cowen, acting as sales agent and/or principal. The prospectus filed by the Company related to the ATM Agreement permits the issuance and sale of up to $10 million shares of Class A common stock from time to time. The Company agreed to pay Cowen a commission of up to 3.0% of the gross proceeds from any sales of shares of its Class A common stock under this facility. During the year ended December 31, 2025, we sold 113,217 shares of Class A common stock under this facility resulting in net proceeds of $0.4 million. During the three and nine months ended September 30, 2026, we sold 563,655 shares of Class A common stock under this facility resulting in net proceeds of $0.8 million.

On May 20, 2026, the Company closed the Underwritten Offering and sold (i) 3,581,000 shares of Class A common stock with accompanying Series A Warrants to purchase an aggregate of 3,581,000 shares of Class A common stock and Series B Warrants to purchase an aggregate of 3,581,000 shares of Class A common stock, and (ii) Pre-Funded Warrants to purchase up to 1,463,000 shares of Class A common stock at an exercise price of $0.01, with accompanying Series A Warrants to purchase up to 1,463,000 shares of Class A common stock at an exercise price of $1.955 per share, and Series B Warrants to purchase up to 1,463,000 shares of Class A common stock at an exercise price of $2.340 per share, in exchange for net proceeds received of $8.8 million. Proceeds received were net of $0.5 million in third-party fees and $0.6 million in underwriting discounts. The participants in the Underwritten Offering are related parties that include investors who are significant owners in the Company.

On May 29, 2026, the Company closed the D&O Offering and sold an additional 71,607 shares of Class A common stock and accompanying Series A Warrants to purchase an aggregate of 71,607 shares of Class A common stock with an exercise price of $1.955 per share and Series B Warrants to purchase an aggregate of 71,607 shares of Class A common stock with an exercise price of $2.340 per share to various of the Company's officers and directors in exchange for

proceeds of $0.1 million. The participants in the D&O Offering are related parties that include members of management and the board of directors of the Company.

In lieu of exercising warrants from the underwritten and registered direct offerings for Class A common stock, holders may exercise instead for the equivalent number of pre-funded warrants.

The Pre-Funded Warrants are exercisable immediately and may be exercised at any time. The Series A Warrants are exercisable 6 months from the date of issuance and will expire one year from the date of issuance. The Series B Warrants are exercisable 6 months from the date of issuance and will expire five years from the date of issuance. The exercise price of each class of warrants issued is subject to certain adjustments. Further, the Company may not effect the exercise of any warrant if the holder of such warrant would own greater than 4.5%, 4.99%, or 9.99%, as applicable to the individual warrant holders, of the total number of issued and outstanding shares of Class A common stock of the Company prior to or after exercise of such warrant.

The Series A Warrants include provisions applicable upon certain fundamental transactions, such as mergers or sales of the Company, that preserve the holders' economic rights by providing the right to receive the same type of consideration that would have been received had the warrants been exercised immediately prior to the transaction.

The Series A Warrants also contain a forced exercise provision granting the Company the right, upon the satisfaction of specified conditions, to require holders to exercise all or any portion of their Series A Warrants.

The Series B warrants include similar provisions applicable upon certain fundamental transactions, including the right under specified circumstances to receive the Black-Scholes value of the unexercised warrants.

The Pre-Funded Warrants, Series A Warrants, and Series B Warrants meet the criteria to be classified as equity instruments pursuant to the equity classification criteria in ASC 815-40, and funds received were accordingly recorded as an increase in additional paid-in capital in the condensed consolidated balance sheets.

As of September 30, 2026, the Company had reserved 41,077,667 shares of Class A common stock for the exercise of outstanding stock options and warrants, vesting of restricted stock units, the number of shares remaining available for grant under the Company’s 2021 Incentive Award Plan (see Note 11), the number of shares available for purchase under the Company’s Employee Stock Purchase Plan (see Note 11) and the conversion of Class B common stock.

Outstanding warrants to purchase common stock consisted of the following at September 30, 2026:

Issuance date	Contractual term	Balance sheet classification	Shares of common stock issuable upon exercise of warrant	Weighted average exercise price
	(in years)			
April 12, 2018	10	Equity	30,000	$ 1.00
July 14, 2021 *	10	Equity	346,077	$ 3.99
August 8, 2025	10	Equity	179,104	$ 3.35
May 20, 2026 Pre-funded	†	Equity	1,463,000	$ 0.01
May 20, 2026 Series A	1	Equity	5,044,000	$ 1.96
May 20, 2026 Series B	5	Equity	5,044,000	$ 2.34
May 29, 2026 Series A	1	Equity	71,607	$ 1.96
May 29, 2026 Series B	5	Equity	71,607	$ 2.34
			12,249,395	

† such rights shall not expire

Outstanding warrants to purchase common stock consisted of the following at December 31, 2025:

Issuance date	Contractual term	Balance sheet classification	Shares of common stock issuable upon exercise of warrant	Weighted average exercise price
	(in years)			
July 24, 2017	10	Equity	15,035	$ 298.96
April 12, 2018	10	Equity	30,000	$ 1.00
July 14, 2021 *	10	Equity	975,109	$ 1.46
August 8, 2025	10	Equity	179,104	$ 3.35
			1,199,248	

* In connection with the Company's IPO, preferred stock warrants were automatically converted to Class A common stock warrants. The contractual term of the converted Class A common stock warrants remained consistent with the original term of the preferred stock warrants, with original issue dates between 2017-2020.

11. Stock-based compensation

2010 Stock Option and Grant Plan

The Company's 2010 Stock Option and Grant Plan (the "2010 Plan") provided for the Company to grant incentive stock options or nonqualified stock options, restricted stock awards and other stock-based awards to employees, officers, directors and consultants of the Company.

Following the effectiveness of the Company's IPO in July 2021, no additional awards are being granted under the 2010 Plan and shares of existing outstanding options that were issued under the 2010 Plan and are forfeited or canceled are available for grant under the 2021 Incentive Award Plan.

2021 Incentive Award Plan

In July 2021, the Board of Directors adopted, and the Company's stockholders approved, the 2021 Incentive Award Plan (the "2021 Plan"). The 2021 Plan provides for the grant of stock options, including incentive stock options and non-qualified stock options, stock appreciation rights, restricted stock, restricted stock units, and other stock-based and cash-based awards. The 2021 Plan has a term of ten years. The aggregate number of shares of Class A common stock available for issuance under the 2021 Plan is equal to the sum of (i) 4,200,000 shares; (ii) any shares which are subject to the 2010 Plan awards that become available for issuance under the 2021 Plan; and (iii) an annual increase for ten years on the first

day of each calendar year beginning on January 1, 2022, equal to the lesser of (A) 5% of the aggregate number of shares of Class A common stock outstanding on the last day of the immediately preceding calendar year and (B) such smaller amount of shares as determined by the Board of Directors. No more than 33,900,000 shares of Class A common stock may be issued under the 2021 Plan upon the exercise of incentive stock options. As of September 30, 2026, there were 4,324,824 shares available for issuance under the 2021 Plan.

2023 Inducement Plan

In May 2023, the Company's board of directors adopted the 2023 Inducement Plan (the "Inducement Plan") pursuant to which the Company reserved 330,000 shares of Class A common stock to be used exclusively for grants of equity-based awards to individuals who were not previously employees or directors of the Company as an inducement material to the individual's entry into employment with the Company within the meaning of Rule 5635(c)(4) of The Nasdaq Listing Rules. The Inducement Plan provides for the grant of equity-based awards in the form of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, and dividend equivalent rights. The Inducement Plan was adopted by the Company's board of directors without stockholder approval pursuant to Rule 5635(c)(4) of the Nasdaq Listing Rules. In February and May 2025, the Company amended the Inducement Plan to reserve an additional 476,000 and 442,987 shares, respectively, of its Class A common stock. In January 2026, the Company amended the Inducement Plan to reserve an additional 1,000,000 shares of its Class A common stock. The amendments were adopted by the Company's board of directors, without stockholder approval pursuant to Rule 5635(c)(4) of The Nasdaq Listing Rules. As of September 30, 2026, 983,000 shares were available for future issuance under the Inducement Plan.

Stock options

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant-date fair value of stock options granted:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	**2025**	**2026**	**2025**
Risk-free interest rate	4.5 %	*	4.0 %	4.3 %
Expected term (in years)	6.0	*	6.0	6.0
Expected volatility	41.0 %	*	42.5 %	51.7 %
Expected dividend yield	0 %	*	0 %	0 %

* No options granted in the respective period.

The following table summarizes the Company's stock option activity since December 31, 2025:

	Number of shares	**Weighted average exercise price**	**Weighted average remaining contractual term**	**Aggregate intrinsic value**
			(in years)	(in thousands)
Outstanding as of December 31, 2025	6,539,263	$ 2.43	6.0	$ 8,653
Granted	1,616,500	3.73		
Exercised	(364,557)	1.07		$ 433
Expired	(87,415)	7.82		
Forfeited	(293,858)	3.14		
Outstanding as of September 30, 2026	7,409,933	$ 2.69	5.7	$ 302
Options vested and expected to vest as of September 30, 2026	7,409,933	$ 2.69	5.7	$ 302
Options exercisable as of September 30, 2026	5,253,705	$ 2.46	4.3	$ 289

The aggregate intrinsic value of options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's Class A common stock for those options that had exercise prices lower than such fair value.

The intrinsic value of stock options exercised during the three months ended September 30, 2026 and 2025 was $0.2 million and $0.1 million, respectively, and during the nine months ended September 30, 2026 and 2025 was $0.4 million and $0.7 million, respectively.

The weighted average grant-date fair value per share of stock options granted during the three months ended September 30, 2026 was $0.95. No options were granted in the three months ended September 30, 2025. The weighted average grant-date fair value per share of stock options granted during the nine months ended September 30, 2026 and 2025 was $1.74 and $1.80, respectively.

Restricted stock units

Restricted stock unit grants typically have service-based vesting terms from one to three years. Vesting occurs annually on the anniversary of the grant date. During the nine months ended September 30, 2026, the Company granted restricted stock units with service-based vesting conditions only. The Company expenses the fair value of the restricted stock units over the vesting period and accounts for forfeitures prospectively as they occur.

The following table summarizes the Company's restricted stock units activity since December 31, 2025:

	Number of shares	Weighted average grant date fair value
Unvested as of December 31, 2025	2,795,976	$ 2.39
Granted	2,857,100	2.72
Vested	(1,034,005)	2.28
Forfeited	(589,503)	2.54
Unvested as of September 30, 2026	4,029,568	$ 2.63

The weighted average grant-date fair value per share of restricted stock units granted during the three months ended September 30, 2026 and 2025 was $1.81 and $2.93, respectively, and during the nine months ended September 30, 2026 and 2025 was $2.72 and $3.13, respectively. The total fair value of shares vested during the nine months ended September 30, 2026 and 2025 was $3.3 million and $2.4 million, respectively.

2021 Employee Stock Purchase Plan

In July 2021, the board of directors adopted, and the Company's stockholders approved, the 2021 Employee Stock Purchase Plan (the "2021 ESPP"), which became effective in connection with the IPO of Class A common stock. The aggregate number of shares of Class A common stock available for issuance under the 2021 ESPP is equal to (i) 400,000 shares and (ii) an annual increase for ten years on the first day of each calendar year beginning on January 1, 2022, equal to the lesser of (A) 1% of the aggregate number of shares of Class A common stock outstanding on the last day of the immediately preceding calendar year and (B) such smaller amount of shares as determined by the board of directors. No more than 6,300,000 shares of Class A common stock may be issued under the 2021 ESPP.

Under the 2021 ESPP, eligible employees may purchase shares of the Company's common stock through payroll deductions of up to 15% of eligible compensation during an offering period. Generally, each offering period will be for 6 months as determined by the Company's board of directors. In no event may an employee purchase more than 100,000 shares per offering period based on the closing price on the first trading date of an offering period or the last trading date of an offering period, or more than $25,000 worth of stock during any calendar year. The purchase price for shares to be purchased under the 2021 ESPP is 85% of the lesser of the market price of the Company's common stock on the first trading date of an offering period or on any purchase date during an offering period (March 14 or September 14).

During the nine months ended September 30, 2026, there were 118,200 shares of Class A common stock purchased under the 2021 ESPP. The Company recognized less than $0.1 million of expense related to the 2021 ESPP for each of nine months ended September 30, 2026 and 2025. As of September 30, 2026, 1,451,633 shares were available for future issuance under the 2021 ESPP.

The Company estimates the fair value of shares issued to employees under the 2021 ESPP using the Black-Scholes option-pricing model. The following weighted average assumptions were used in the calculation of fair value of shares under the 2021 ESPP at the grant date for both the three and nine months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Risk-free interest rate	4.2 %	3.8 %	4.0 %	4.0 %
Expected term (in years)	0.5	0.5	0.5	0.5
Expected volatility	45.5 %	56.7 %	44.1 %	48.4 %
Expected dividend yield	0 %	0 %	0 %	0 %

Stock-based compensation

Stock-based compensation expense was classified in the condensed consolidated statements of operations as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Cost of revenue	$ 106	$ 114	$ 340	$ 327
Research and development	102	89	273	279
Sales and marketing	183	102	419	302
General and administrative	936	841	2,839	2,498
Total stock-based compensation expense	$ 1,327	$ 1,146	$ 3,871	$ 3,406

As of September 30, 2026, total unrecognized compensation expense related to unvested stock options held by employees and directors was $3.2 million, which is expected to be recognized over a weighted average period of 1.5 years. Additionally, unrecognized compensation expense related to unvested restricted stock units held by employees and directors was $7.7 million, which is expected to be recognized over a weighted average period of 1.0 years.

12. Income taxes

During both the nine months ended September 30, 2026 and 2025, the pretax losses incurred by the Company, as well as the research and development tax credits generated, received no corresponding tax benefit because the Company concluded that it is more likely than not that the Company will be unable to realize the value of any resulting deferred tax assets. The Company will continue to assess its position in future periods to determine if it is appropriate to reduce a portion of its valuation allowance.

The Company's tax provision and the resulting effective tax rate for interim periods is determined based upon its estimated annual effective tax rate, adjusted for the effect of discrete items arising in that quarter. The income tax provision was generated from operations in Germany and Switzerland.

The impact of such discrete items could result in a higher or lower effective tax rate during a particular quarter, based upon the mix and timing of actual earnings or losses versus annual projections. In each quarter, the Company updates its estimate of the annual effective tax rate, and if the estimated annual tax rate changes, a cumulative adjustment is made in that quarter.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize its deferred tax assets, which primarily consist of net operating loss carryforwards. The Company has considered its history of cumulative net losses, estimated future taxable income and prudent and feasible tax planning strategies and has concluded that it is more likely than not that the Company will not realize the benefits of its deferred tax assets. As a result, as of both

September 30, 2026 and December 31, 2025, the Company recorded a full valuation allowance against its net deferred tax assets.

The Company files income tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by U.S. federal, state and international jurisdictions, where applicable. There are currently no pending tax examinations in the U.S., and the Company has not received notice of examination from any jurisdictions in the U.S.

On July 4, 2025, the President signed into law the One Big Beautiful Bill ("OBBB") Act, introducing significant amendments to the U.S. Internal Revenue Code. The amendments include the permanent extension of certain individual, business, and international tax measures initially established under the 2017 Tax Cuts and Jobs Act, which were set to expire at the end of 2025.

The OBBB permanently extends the 100% bonus depreciation of qualifying assets which is expected to accelerate the timing of depreciation deductions for these assets. The OBBB also permanently eliminates the requirement under Internal Revenue Code Section 174 to capitalize and amortize U.S.-based research and experimental expenditures over five years, making these expenditures fully deductible in the period incurred. The legislation did not have a material impact on the Company's income tax expense for 2025, or for the period ended September 30, 2026, as the Company did not elect bonus depreciation.

13. Net loss per share

Net loss per share attributable to the common stockholders

As of September 30, 2026, the Company had Class A common stock and Class B common stock. Both share classes have the same rights to the Company's earnings and neither of the classes have any prior or senior rights to dividends to the other share class.

Basic and diluted net loss per share was calculated as follows (in thousands, except share and per share amounts):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Numerator:				
Net loss	$ (11,268)	$ (11,505)	$ (38,466)	$ (34,626)
Denominator:				
Weighted average Class A common shares outstanding—basic and diluted	44,376,404	40,456,602	44,149,695	39,889,912
Weighted average Class B common shares outstanding—basic and diluted	4,499,529	4,499,529	4,499,529	4,644,914
Total shares for EPS—basic and diluted	48,875,933	44,956,131	48,649,224	44,534,826
Net loss per share attributable to Class A common stockholders—basic and diluted	$ (0.23)	$ (0.26)	$ (0.79)	$ (0.78)
Net loss per share attributable to Class B common stockholders—basic and diluted	$ (0.23)	$ (0.26)	$ (0.79)	$ (0.78)

The Company's potentially dilutive securities, which include stock options, restricted stock units, and common stock warrants, have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted-average number of common shares outstanding used to calculate both basic and diluted net loss per share is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share for the periods indicated

because including them would have had an anti-dilutive effect:

	September 30,	
	2026	2025
Options to purchase common stock	7,409,933	6,834,752
Unvested restricted stock units	4,029,568	2,978,003
Warrants to purchase common stock	10,500,344	463,269
Options to purchase common stock under ESPP	12,417	78,529
	21,952,262	10,354,553

14. Leases

The Company determines if an arrangement is or contains a lease at inception, which is the date on which the terms of the contract are agreed to, and the agreement creates enforceable rights and obligations. Under ASC 842, a contract is or contains a lease when (i) explicitly or implicitly identified assets have been deployed in the contract and (ii) the customer obtains substantially all of the economic benefits from the use of that underlying asset and directs how and for what purpose the asset is used during the term of the contract. The Company also considers whether its service arrangements include the right to control the use of an asset.

The Company made an accounting policy election not to recognize right-of-use ("ROU") assets and lease liabilities for leases with a term of 12 months or less. For all other leases, the Company recognizes ROU assets and lease liabilities based on the present value of lease payments over the lease term at the commencement date of the lease. Lease payments may include fixed rent escalation clauses or payments that depend on an index (such as the consumer price index). Subsequent changes to an index and any other periodic market-rate adjustments to base rent are recorded in variable lease expense in the period incurred. The ROU assets also include any initial direct costs incurred and lease payments made at or before the commencement date and are reduced by any lease incentives.

The Company has made an accounting policy election to account for lease and non-lease components in its contracts as single lease components for all asset classes. The non-lease components typically represent additional services transferred to the Company, such as common area maintenance for real estate, which are variable in nature and recorded in variable lease expense in the period incurred.

The Company uses its incremental borrowing rate which is the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term and amount in a similar economic environment to determine the present value of lease payments as the Company's leases do not have a readily determinable implicit discount rate. Judgment is applied in assessing factors such as Company specific credit risk, lease term, nature, and quality of the underlying collateral, currency, and economic environment in determining the incremental borrowing rate to apply to each lease. Although the Company has entered into new debt arrangements with different interest rates, such changes do not impact the incremental borrowing rates applied to existing leases, as those rates are established at lease commencement and are not subsequently updated unless a lease is modified or remeasured.

The Company leases office and manufacturing space under operating lease agreements that have initial terms ranging from approximately 8 to 10 years. The Company leases furniture under a financing lease agreement that has an initial term of approximately 8 years. The furniture financing lease agreement is immaterial to the Company's condensed consolidated financial statements. Some leases include one or more options to renew, generally at the Company's sole discretion, with renewal terms that can extend the lease term by up to 5 years. In addition, certain leases contain termination options, where the rights to terminate are held by either the Company, the lessor, or both parties. Options to extend a lease are included in the lease term when it is reasonably certain that the Company will exercise the option. Options to terminate a lease are excluded from the lease term when it is reasonably certain that the Company will not exercise the option. The Company's leases generally do not contain any material restrictive covenants or residual value guarantees.

Supplemental cash flow information related to leases is as follows (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Cash paid for amounts included in measurement of lease liabilities:		
Operating cash outflows - payments on operating leases	$ 1,048	$ 1,022
Operating cash outflows - payments on financing leases	$ 28	$ 35
Financing cash outflows - payments on financing leases	$ 28	$ 22

Supplemental balance sheet information related to the Company's operating and financing leases is as follows (in thousands):

	September 30, 2026	December 31, 2025
Operating Leases:		
Operating lease assets	$ 3,188	$ 3,981
Operating lease liabilities, short-term	$ 1,307	$ 1,246
Operating lease liabilities, long-term	2,551	3,539
Total operating lease liabilities	$ 3,858	$ 4,785
Financing Leases:		
Office furniture and fixtures	$ 386	$ 386
Accumulated depreciation	(285)	(257)
Net property, plant and equipment	$ 101	$ 129
Lease liabilities, short-term	$ 58	$ 53
Lease liabilities, long-term	101	134
Total financing lease liabilities	$ 159	$ 187
Weighted-average remaining lease term - operating leases (in years):	2.79	3.54
Weighted-average remaining lease term - financing leases (in years):	2.75	3.50
Weighted-average discount rate - operating leases:	3.8 %	3.8 %
Weighted-average discount rate - financing leases:	12.0 %	12.0 %

The components of lease expense were as follows (in thousands):

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	2026	2025
Operating lease cost	$ 305	$ 305	914	914
Financing lease cost - amortization of right-of-use asset	9	9	27	28
Financing lease cost - interest on lease liability	9	11	28	34
Variable lease cost	212	205	631	614
Total lease cost	$ 535	$ 530	1,600	1,590

Operating lease cost is recognized on a straight-line basis over the lease term. Total rent expense, including the Company's share of the lessors' operating expenses, was $0.5 million for each of the three months ended September 30, 2026 and 2025, and was $1.5 million and $1.6 million for the nine months ended September 30, 2026 and 2025, respectively. Financing lease cost includes asset amortization on a straight-line basis over the lease term and interest accretion calculated using the effective interest method. Total financing lease asset depreciation and interest expense was less than $0.1 million for each of the three and nine months ended September 30, 2026 and 2025.

Maturities of the Company's operating lease liabilities as of September 30, 2026 were as follows (in thousands):

	Operating Lease Maturities
2026 (excluding the nine months ended September 30)	$ 354
2027	1,435
2028	1,469
2029	804
Total lease payments	$ 4,062
Less imputed interest	(204)
Total present value of lease liabilities	$ 3,858

Maturities of the Company's financing lease liability as of September 30, 2026 were as follows (in thousands):

	Financing Lease Maturities
2026 (excluding the nine months ended September 30)	$ 19
2027	75
2028	75
2029	37
Total lease payments	$ 206
Less imputed interest	(47)
Total present value of lease liabilities	$ 159

15. Commitments and contingencies

Supplier agreements

In the ordinary course of business, the Company has entered, and may in the future enter, into agreements with suppliers that may require the Company to purchase or pay minimum or fixed amounts over the duration of the agreement. The Company currently has minimum purchase commitments of $0.8 million and $2.3 million expected to be incurred for the remainder of 2026 and 2027, respectively, under such agreements. These commitments are accrued as a liability when it is probable that a related future expenditure will be made, and such expenditure can be reasonably estimated.

Indemnification agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to customers, vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with members of its board of directors and certain of its executive officers that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or service as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not currently aware of any indemnification claims and has not accrued any liabilities related to such obligations in its condensed consolidated financial statements as of September 30, 2026 and December 31, 2025.

Legal proceedings

The Company is not a party to any material litigation and does not have contingency reserves established for any litigation liabilities. At each reporting date, the Company evaluates whether or not a potential loss amount or a potential range of loss is probable and reasonably estimable under the provisions of the authoritative guidance that addresses accounting for contingencies. The Company expenses the costs related to legal proceedings as incurred.

16. Benefit plans

The Company maintains a defined contribution savings plan under Section 401(k) of the Code. This plan covers all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Matching contributions to the plan may be made at the discretion of the Company's board of directors. The Company made contributions of $0.2 million and $0.4 million to the plan during the three months ended September 30, 2026 and 2025, respectively, and made contributions of $0.6 million and $1.5 million to the plan during the nine months ended September 30, 2026 and 2025, respectively.

17. Reduction in force

In the third quarter of 2026, the Company completed an enterprise-wide review of opportunities to realize operational efficiencies. Based on the results of this review, the Company implemented certain cost actions including a reduction in the Company's current workforce, the closure of certain open and planned positions, and reductions in other non-headcount-related expenses across the business.

During the three months ended September 30, 2026, the Company recorded $0.7 million for charges related to this workforce reduction, which is included in restructuring expense in the condensed consolidated statements of operations. As of September 30, 2026, $0.5 million of these workforce reduction charges remain unpaid.

18. Subsequent events

On November 16, 2026, the Company entered into an Agreement and Plan of Merger (the "Merger Agreement") with Merck KGaA, Darmstadt, Germany ("Parent") and EMD Holdings NewCo II, Inc., a wholly-owned subsidiary of Parent ("Purchaser"), pursuant to which, among other things, Purchaser will commence a cash tender offer (the "Offer") to acquire all of the issued and outstanding shares of Class A common stock, $0.01 par value per share, and Class B common stock, $0.01 par value per share, of the Company, at price per share of $0.75 (collectively, the "Transaction"). Purchaser's obligation to accept for payment shares of Company Common Stock validly tendered pursuant to the Offer is subject to the satisfaction or waiver, to the extent permitted under applicable legal requirements, of certain conditions set forth in the Merger Agreement, including that there shall have been validly tendered (and not validly withdrawn) that number of shares of Class A common stock satisfying the minimum threshold specified in the tender offer in a timely manner. The Merger Agreement also provides that, in connection with the termination of the Merger Agreement under certain specified circumstances, including termination by us to accept and enter into an agreement with respect to a Superior Proposal or a Company Adverse Recommendation Change (as defined in the Merger Agreement), we will be required to pay Parent a termination fee in the amount of $1.6 million.

On November 16, 2026, the Company received a notification letter from the Nasdaq Listing Qualifications Staff (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that the bid price for the Company's Class A common stock, par value $0.01 (the "common stock") had closed below $1.00 per share for the thirty (30) consecutive business days (October 5, 2026 to November 13, 2026) and that the Company therefore is not in compliance with the minimum bid price requirement for continued inclusion on the Nasdaq Stock Market under Nasdaq Listing Rule 5450(a)(1) (the "Bid Price Requirement"). The notification has no immediate effect on the listing of the Company's common stock on Nasdaq.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has a period of 180 calendar days to regain compliance with the Bid Price Requirement, which will expire on May 17, 2027 (the "Compliance Date"). To regain compliance, the closing bid price of the Company's common stock must be at least $1.00 or higher for a minimum of ten (10) consecutive business days, and in such case, the Staff will provide the Company with written confirmation that it has regained compliance with the Bid Price Requirement. The Staff has the discretion to extend the ten (10) business day period to up to twenty (20) consecutive business days pursuant to Nasdaq Listing Rule 5810(c)(3)(H).

If the Company does not regain compliance by the Compliance Date, the Company may be eligible for an additional 180 calendar compliance period. To qualify, the Company will be required to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. If the Company is not eligible or it appears to Nasdaq that the Company will not be able to cure the deficiency during the additional compliance period, Nasdaq will

provide written notice to the Company that the Company's common stock will be subject to delisting. In the event of such notification, the Company may appeal Nasdaq's determination to delist its securities. However, there can be no assurance that, if the Company receives a delisting notice and appeals the delisting determination by the Staff, such appeal would be successful.

The Company intends to monitor the closing bid price of its common stock and take such reasonable measures to regain compliance with the Bid Price Requirement. There can be no assurance that the Company will be able to regain compliance for continued listing on Nasdaq.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

The following discussion and analysis of our financial condition and results of operations should be read together with our consolidated condensed financial statements and the related notes appearing elsewhere in this Quarterly Report on Form 10-Q and our audited Consolidated Financial Statements and related notes thereto for the year ended December 31, 2025, included in the Annual Report on Form 10-K for the fiscal year ended December 31, 2025, filed with the SEC on March 12, 2026 (the "2025 Form 10-K"). Some of the information contained in this discussion and analysis or set forth elsewhere in this Quarterly Report on Form 10-Q contains forward-looking statements regarding the proposed Transaction, including the timing, completion and anticipated benefits of the Transaction and the satisfaction of the conditions to closing, as well as forward looking statements that reflect our current plans, forecasts, estimates and beliefs and involve risks and uncertainties. As a result of many factors, including those factors set forth in the "Risk Factors" section of this Quarterly Report on Form 10-Q, our actual results could differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

We are an innovative life sciences technology company that enables the safe and efficient manufacture of pharmaceutical products through our rapid automated microbial quality control ("MQC") detection platform. We develop, manufacture, market and sell the Growth Direct system and related proprietary consumables, and value-added services to enable rapid MQC testing in the manufacture of biologics and cell and gene therapies, vaccines, sterile injectables, and other healthcare products. Our system delivers the power of industrial automation to bioprocessing and pharmaceutical manufacturing firms by modernizing and digitizing their MQC operations. Our Growth Direct platform, developed with over 15 years of active feedback from our customers, was purpose-built to meet the growing demands posed by the increasing scale, complexity, and regulatory scrutiny confronting global pharmaceutical manufacturing. Our Growth Direct platform comprises the Growth Direct system, optional laboratory information management system ("LIMS") connection software (which the majority of our customers purchase), proprietary consumables, and comprehensive field service, validation services and post-warranty service contracts. Once embedded and validated in our customers' facilities, our Growth Direct platform provides for recurring revenues through ongoing sales of consumables and service contracts.

Our technology fully automates and digitizes the process of pharmaceutical MQC and is designed to enable our customers to perform this critical testing process more efficiently, accurately, and securely. Our Growth Direct platform accelerates time to results by 50% or more compared to the traditional method, and reduces MQC testing to a simple two-step workflow, eliminating up to 85% of the manual steps of traditional MQC, generating significant time, operational, and cost savings for our customers. We seek to establish the Growth Direct as the trusted global standard in automated MQC by delivering the speed, accuracy, security, and data integrity compliance that our customers depend on to ensure patient safety and consistent drug supply.

Since our inception, we have devoted a majority of our resources to designing, developing, and building our proprietary Growth Direct platform and associated products, launching our Growth Direct platform commercially, expanding our sales and marketing infrastructure to grow our sales, building global customer service and support teams to deliver our value-added services, investing in robust manufacturing and supply chain operations to serve our customers globally, and providing general and administrative support for these operations.

In May 2026 we issued and sold to certain investors in an underwritten public offering (i) 3,581,000 shares (the "Shares") of Class A common stock and accompanying Series A warrants ("Series A Warrants") to purchase an aggregate of 3,581,000 shares of Class A common stock and Series B warrants ("Series B Warrants") to purchase an aggregate of 3,581,000 shares of Class A common stock, and, (ii) pre-funded warrants to purchase an aggregate of up to 1,463,000 shares of Class A common stock (the "Pre-Funded Warrants") and accompanying Series A Warrants to purchase an aggregate of 1,463,000 shares of Class A common stock at an exercise price of $1.955 per share and Series B Warrants to purchase an aggregate of 1,463,000 shares of Class A common stock at an exercise price of $2.340 per share. Each Share was offered and sold together with an accompanying Series A Common Stock Warrant and a Series B Common Stock Warrant at a combined offering price of $1.955, and each Pre-Funded Warrant was offered and sold together with an accompanying Series A Common Stock Warrant and a Series B Common Stock Warrant at a combined offering price of $1.945.

Concurrently, we also issued and sold to certain of our directors and officers in a registered direct offering 71,607 shares of Class A common stock and accompanying Series A Warrants to purchase an aggregate of 71,607 shares of Class A common stock with an exercise price of $1.955 per share and Series B Warrants to purchase an aggregate of 71,607

shares of Class A common stock with an exercise price of $2.34 per share. Each Share was offered and sold together with an accompanying Series A Warrant and a Series B Warrant at a combined offering price of $1.955.

In lieu of exercising warrants from the underwritten and registered direct offerings for Class A common stock, holders may exercise instead for the equivalent number of pre-funded warrants.

Proceeds received from the underwritten and registered direct offerings, net of underwriting discounts and third-party fees were $8.8 million and $0.1 million, respectively.

We generated revenue of $9.5 million and $7.8 million for the three months ended September 30, 2026 and 2025, respectively, and incurred net losses of $11.3 million and $11.5 million for those same periods, respectively. As of September 30, 2026, we had cash, cash equivalents and short-term investments of $6.7 million.

Since our inception, we have incurred recurring operating losses and net cash outflows from operations. We expect to continue to generate operating losses in the near- to medium-term. To date, we have funded our operations primarily through proceeds from sales of redeemable convertible preferred stock, borrowings under loan agreements, revenue from sales of our products and services, proceeds from our IPO and proceeds from registered offerings. In addition, and as described below, while we have entered into the Merger Agreement that we expect to close in December 2026, the closing is subject to certain conditions which are not entirely in our control. If we are unable to consummate the Merger Agreement or raise other capital via equity or debt offerings, we may be required to significantly reduce, delay, or discontinue our operations, reduce headcount, defer or terminate development or commercialization activities, sell or license assets on unfavorable terms, or pursue other strategic alternatives or seek protection under bankruptcy or insolvency laws or pursue a restructuring, liquidation, dissolution, or wind-down.

In accordance with Accounting Standards Update 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), we are required to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern from the issuance date of our financial statements. Based on our history of operating losses, and our existing cash, cash equivalents, investments and borrowing capacity, we do not expect to be able to fund our operations, as currently planned, for more than one year beyond the filing date of this Form 10-Q. As a result of these uncertainties, we have determined that there is substantial doubt regarding our ability to continue as a going concern for more than one year from the filing date of this Form 10-Q. See "Liquidity and Capital Resources."

MilliporeSigma partnership

In February 2025, we entered into a Distribution and Collaboration Agreement (the "Distribution Agreement") with Millipore S.A.S., a subsidiary of the Life Science business of Merck KGaA, Darmstadt, Germany, which operates in the U.S. as MilliporeSigma ("MilliporeSigma"). Pursuant to the Distribution Agreement, we granted MilliporeSigma a global, co-exclusive right to sell our products, initially consisting of our Growth Direct systems and related consumables, into all fields related to industrial quality control applications in the pharmaceutical, medical device, personal care, cosmetics and food and beverage spaces in all regions of the world. During the term of the Distribution Agreement, MilliporeSigma will receive tier-based transfer pricing on such products. We will continue to directly market, sell, manufacture and distribute our products and provide all services to customers, including in respect of system installation, validation, maintenance and support.

Over the first two years of the Distribution Agreement, MilliporeSigma has committed to purchase a minimum number of Growth Direct systems. Thereafter, we and MilliporeSigma will evaluate and mutually agree on additional purchase commitments, if any. Pursuant to the Distribution Agreement, we are permitted to continue to sell our products independently and through our existing distributors, but we may not grant the right to sell the products covered by the Distribution Agreement to other third parties so long as a purchase commitment by MilliporeSigma is in place. The initial term of the Distribution Agreement is five years, unless earlier terminated by us or MilliporeSigma in accordance with its terms.

The Distribution Agreement also contemplates future collaboration by the parties, including with respect to sourcing materials and service delivery. In that regard, the parties are negotiating towards a supply agreement, pursuant to which the parties are exploring cost-saving measures within our supply chain focused on accelerating gross margin improvement, particularly with respect to consumables. The focus of such supply agreement may include raw materials and components as well as manufacturing and supply chain services. The parties intend to share in any cost savings achieved in the supply of the products through this supply agreement. Additionally, the parties have signed a services agreement which permits MilliporeSigma to engage us to provide certain of our services to their customers. The parties also intend to explore

additional opportunities for collaboration, such as joint development efforts for the enhancement of our products or introducing new products to be covered by the distribution arrangement. We expect to make incremental investments in our manufacturing and service organizations as our sales volumes increase over time, including as a result of increased sales volumes related to the Distribution Agreement.

Agreement and plan of merger

On November 16, 2026, we, Merck KGaA, Darmstadt, Germany, a German corporation with general partners ("Parent"), and EMD Holdings NewCo II, Inc, a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, and upon the terms and subject to the conditions therein, Purchaser will commence a cash tender offer (the "Offer") to acquire all of the issued and outstanding shares of Class A common stock, $0.01 par value per share, and Class B common stock, $0.01 par value per share (collectively "Company Common Stock"), at a price per share of $0.75 (the "Offer Price"), without interest and subject to any withholding of taxes required by applicable law. The Offer will initially expire at one minute after 11:59 p.m. Eastern Time on the date that is 10 business days following the commencement of the Offer, subject to extension under certain circumstances.

Purchaser's obligation to accept for payment shares of Company Common Stock validly tendered pursuant to the Offer is subject to the satisfaction or waiver, to the extent permitted under applicable legal requirements, of certain conditions set forth in the Merger Agreement, including that (i) there shall have been validly tendered (and not validly withdrawn) shares of Class A common stock ("Class A Common Shares") that, considered together with all other Class A Common Shares (if any) owned by Parent and its affiliates, but excluding Class A Common Shares that have not yet been "received" (as such term is defined by Section 251(h)(6) of the Delaware General Corporation Law (the "DGCL"), would represent one more Class A Common Share than 50% of the total number of (1) Class A Common Shares issued and outstanding as of immediately following the "consummation" of the Offer (as such term is defined in Section 251(h)(6) of the DGCL) plus (2) any shares issued upon a "cashless exercise" pursuant to the terms of our outstanding pre-funded warrants (the "Minimum Condition"); (ii) our representations and warranties contained in the Merger Agreement shall be accurate, subject to customary materiality thresholds and exceptions; (iii) we shall have complied with and performed in all material respects each of the covenants and other obligations contained in the Merger Agreement; (iv) since the execution and delivery of the Merger Agreement, there shall not have occurred any Material Adverse Effect (as defined in the Merger Agreement) that is continuing as of the expiration of the Offer; (v) there shall not have been issued by any governmental body of competent jurisdiction and remain in effect any order, nor shall any law have been promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body that remains in effect, in each case that prohibits or makes illegal the consummation of the Offer or the Merger; and (vi) other customary conditions set forth in Annex I of the Merger Agreement.

Following the consummation of the Offer, upon the terms and subject to the conditions set forth in the Merger Agreement, and in accordance with the DGCL, Purchaser will merge with and into our company, with our company continuing as the surviving corporation and as a wholly owned subsidiary of Parent (the "Merger"). The Merger will be governed by Section 251(h) of the DGCL, with no stockholder vote required in order to consummate the Merger.

Pursuant to the Merger Agreement, at the effective time of the Merger (the "Effective Time"), by virtue of the Merger and without any action on the part of any stockholder of our company, each share of Company Common Stock (other than shares of Company Common Stock (a) held by our company (or held in our treasury), Parent, Purchaser or any of their direct or indirect wholly owned subsidiaries, (b) irrevocably accepted for purchase in the Offer, or (c) with respect to which the holders thereof have properly exercised and perfected demands for appraisal in accordance with Section 262 of the DGCL) will be converted into the right to receive the Offer Price, in cash, without interest and subject to any withholding of taxes required by applicable law (the "Merger Consideration").

The Merger Agreement includes customary representations, warranties and covenants by our company, Parent and Purchaser for a transaction of this nature, including covenants regarding the operation of our business prior to the Effective Time.

The Merger Agreement also provides that, in connection with the termination of the Merger Agreement under certain specified circumstances, including termination by us to accept and enter into an agreement with respect to a Superior Proposal or a Company Adverse Recommendation Change (as defined in the Merger Agreement), we will be required to pay Parent a termination fee in the amount of $1.6 million.

The parties expect the Merger to close in December 2026. Following completion of the transactions contemplated by the Merger Agreement, our Class A Common Stock will no longer be publicly listed.

Factors affecting our performance

We believe that our financial performance has been, and in the foreseeable future will continue to be, primarily driven by multiple factors as described below, each of which presents growth opportunities and challenges for our business. Our ability to successfully address these opportunities and challenges is subject to various risks and uncertainties, including those described under the heading "Risk Factors."

New customer adoption of the Growth Direct platform

Our financial performance has largely been driven by, and a key factor to our future success will be, our ability to increase the global adoption of our Growth Direct platform in our key markets. We plan to drive global customer adoption through both direct and indirect sales and marketing organizations in North America, Europe, and the Asia-Pacific region.

We are focused on enhancing customer engagement and experience and improving the efficiency and effectiveness of our sales team. We are making targeted investments in these organizations and expect to continue to do so in the future. Examples of these investments include new tools and training for the sales organization, targeted marketing initiatives, expanding lead generation capabilities and hosting Growth Direct demonstrations and other customer-focused events.

Expansion within our existing customer base

There is an opportunity to broaden adoption and increase utilization of our Growth Direct platform throughout our existing customers' organizations as our existing customers purchase more systems. These additional systems will allow our existing customers to convert more of their test volume at existing locations, to support multiple locations, to meet redundancy requirements, or to increase capacity. As of September 30, 2026, over 40% of our customers have purchased Growth Direct systems for multiple sites, and nearly 60% of our customers have purchased multiple Growth Direct systems. Increased utilization amongst existing customers can also occur as customers advance through the Growth Direct platform adoption cycle, from early validation of initial applications to validation and conversion of multiple applications on the Growth Direct platform, or as the result of new product approvals or increases in their manufacturing volumes for existing products.

Revenue mix

Our revenue is derived from sales of our Growth Direct systems, our LIMS connection and other software, proprietary consumables, and services. Growth Direct system revenue involves a capital selling process and tends to be somewhat concentrated within a relatively small (but varied) group of customers each year, so it is subject to variability from quarter to quarter.

Gross margin improvement

We have made significant investments to build infrastructure and develop capabilities in areas such as procurement, manufacturing, distribution, quality and after-sales service. Given our current business scale, our revenues are not yet sufficient to fully cover these costs, impacting our current gross margin profile. For additional information, see *Item 1. Business - Gross margin improvement* included in our Annual Report on Form 10-K.

We have experienced positive trends in gross margin percentage, improving from (24.4)% to (0.4)% to 3.1% for the years ended December 31, 2023, 2024 and 2025, respectively, from 8.9% to 25.2% for the three months ended September 30, 2025 and September 30, 2026, respectively, and from 6.2% to 15.6% for the nine months ended September 30, 2025 and September 30, 2026, respectively. While we expect our gross margin percentage to continue to trend positively in the future, expansion in future periods may not be linear and is subject to variability from period to period.

Key business metrics

We regularly review the following key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe that the following

metrics are representative of our current business; however, we anticipate these may change or be substituted for additional or different metrics as our business grows and evolves.

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Systems placed:				
Systems placed in period	7	5	2	40.0 %
Cumulative systems placed	207	174	33	19.0 %
Systems validated:				
Systems validated in period	12	4	8	200.0 %
Cumulative systems validated	181	152	29	19.1 %
Product and service revenue — total	$ 9,528	$ 7,838	$ 1,690	21.6 %
Product and service revenue — recurring	$ 5,174	$ 4,839	$ 335	6.9 %

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Systems placed:				
Systems placed in period	17	12	5	41.7 %
Cumulative systems placed	207	174	33	19.0 %
Systems validated:				
Systems validated in period	26	15	11	73.3 %
Cumulative systems validated	181	152	29	19.1 %
Product and service revenue — total	$ 25,584	$ 22,305	$ 3,279	14.7 %
Product and service revenue — recurring	$ 15,292	$ 13,226	$ 2,066	15.6 %

Growth Direct system placements

We consider a Growth Direct system to be "placed" upon transfer of control of the system to the customer, at which point the revenue for that system is recognized. We regularly review the number of Growth Direct systems placed and cumulative Growth Direct system placements in each period as a leading indicator of our business performance. Our revenue has historically been driven by, and in the future will continue to be impacted by, the rate of Growth Direct system placements as a reflection of our success selling and delivering our products. We expect our Growth Direct system placements to continue to grow over time as we increase penetration in our existing markets and expand into new markets.

The number of Growth Direct system placements and rate of growth varies from period-to-period due to factors including, but not limited to, Growth Direct system order volume and timing as well as access to customer sites (including the timing of customer site construction activities). As a result, we expect to experience continued variability in our period-to-period number of Growth Direct system placements due to the aforementioned factors.

Validated systems

We regularly review the number of Growth Direct systems validated and cumulative Growth Direct systems validated in each period as indicators of our business performance. Management focuses on validated Growth Direct systems as a leading indicator of likely future recurring revenue as well as a reflection of our success supporting our customers in validating placed systems. We expect our validated Growth Direct systems to continue to grow over time as we increase our base of cumulative systems placed and then install and validate those systems. After a Growth Direct system is placed with a customer and installed, we work with the customer to validate the system, which typically has taken anywhere from three to nine months. Once a validation has been completed, we generally expect our customers to transition from their legacy manual method to our automated method and begin regular utilization of consumables over a period of up to three

months after the validation is completed. However, the timeline for such transition may be longer depending on the specific circumstances of each individual customer. In addition, in exceptional cases, we have reacquired Growth Direct systems from customers that were previously placed and, in some cases, previously validated. Our metrics showing cumulative systems placed and cumulative systems validated are not reduced to reflect these reacquired systems.

The number of validated Growth Direct systems and rate of growth varies from period-to-period due to factors including, but not limited to, Growth Direct system placement volume and timing, whether customers have previously validated Growth Direct systems within their site or global network, access to customer sites, customer site readiness, availability of required customer personnel and the time to install and validate each individual system. As a result, we expect to experience continued fluctuations in our period-to-period number of Growth Direct systems validated due to the aforementioned factors.

Recurring revenue

We regularly assess trends relating to our recurring revenue, which is the revenue from consumables and service contracts, based on our product offerings, our customer base and our understanding of how our customers use our products. Recurring revenue was 54.3% and 61.7% of our total revenue for the three months ended September 30, 2026 and 2025, respectively. Recurring revenue was 59.8% and 59.3% for the nine months ended September 30, 2026 and 2025, respectively. Our recurring revenue as a percentage of the total product and service revenue will generally vary based upon the cumulative number of validated Growth Direct systems in the period, as well as other variables such as the volume of tests being conducted and the test application(s) being used on customers' Growth Direct systems.

Components of results of operations

Revenue

We generate revenue from sales of our Growth Direct system (including our LIMS connection and other software), consumables, validation services, service contracts, and field service. We sell our products and services directly to customers and through distributors. Our sales arrangements are noncancellable and nonrefundable after ownership passes to the customer.

	Three Months Ended September 30, 2026	Percentage of total revenue	Three Months Ended September 30, 2025	Percentage of total revenue
	(in thousands)		(in thousands)	
Product revenue	$ 6,514	68.4 %	$ 5,214	66.5 %
Service revenue	3,014	31.6 %	2,624	33.5 %
Total revenue	$ 9,528	100.0 %	$ 7,838	100.0 %

	Nine Months Ended September 30, 2026	Percentage of total revenue	Nine Months Ended September 30, 2025	Percentage of total revenue
	(in thousands)		(in thousands)	
Product revenue	$ 17,378	67.9 %	$ 14,117	63.3 %
Service revenue	8,206	32.1 %	8,188	36.7 %
Total revenue	$ 25,584	100.0 %	$ 22,305	100.0 %

Product revenue

We derive product revenue primarily from the sale of our Growth Direct systems and related consumables as well as our LIMS connection software, which the majority of our customers purchase. As of September 30, 2026, we had placed 207 Growth Direct systems with approximately 50 customers globally, including 75% of the top 20 largest pharmaceutical companies as measured by revenue, and the manufacturers of a number of globally approved cell and gene therapies, including manufacturers of 86% of approved gene-modified autologous CAR-T cell therapies.

Growth Direct systems

Growth Direct system revenue is a non-recurring product revenue stream that we recognize as revenue upon transfer of control of the system to the customer. The Growth Direct system is fully functional for use by the customer upon delivery. Although we do not require our customers to use our installation and validation services, our customers typically elect to purchase those services from us. As such, transfer of control occurs at shipment or delivery depending on contractual terms.

We expect our Growth Direct system revenue to continue to grow over time as we increase system placements into our existing customers and markets and expand into new customers, markets and products. For instance, we announced the receipt of large, multi-system customer orders from Amgen and Samsung Biologics that contributed to our results for the quarters ended December 31, 2025 and March 31, 2026, respectively.

Consumables

Our consumable revenue is a recurring product revenue stream composed of three proprietary consumables to capture test samples for analysis on the Growth Direct system, an Environmental Monitoring ("EM") consumable, consumables for use in Water or Bioburden ("W/BB") applications, and a Sterility ("ST") consumable. Our proprietary consumables support the growth-based compendial method for MQC testing mandated by global regulators and provide results that are comparable to traditional consumables. Our consumables are designed with features that enable automation on the Growth Direct system, with bar coding for tracking and data integrity, and physical characteristics for robotic handling, to support vision detection, and to prevent counterfeiting.

We expect consumable revenue to increase in future periods as our base of cumulative validated Growth Direct systems grows and those systems enter routine use and utilize our consumables on a recurring, ongoing basis.

LIMS connection and other software

Our LIMS connection software is a non-recurring product revenue stream. Although optional, the majority of our customers elect to purchase this software, which allows Growth Direct systems to export result reports and securely link to a customer's two-way LIMS connection software to completely eliminate manual data entry and drive productivity.

We also offer other software to our customers for use with our Growth Direct platform that adds features or expands capabilities, such as our Mold Alarm software.

To the extent our sales of Growth Direct systems increase in future periods, we would also expect LIMS connection and other software revenue to increase.

Service revenue

We derive service revenue from validation services, field service including installations, and service contracts sold to our customers. Revenue from validation services and field service are non-recurring service revenue streams, while revenue from service contracts is a recurring service revenue stream.

We offer our customers validation services (including related documentation) that enable them to replace their existing manual testing method and utilize their Growth Direct systems in compliance with relevant MQC regulations. Validation services are recognized as revenue over time as these services are provided to the customer.

We offer our customers service contracts that can be purchased after the expiration of the one-year assurance warranty that all of our customers receive with the purchase of a Growth Direct system. Under these contracts, they are entitled to receive phone support, emergency on-site maintenance support and preventative maintenance visits. These service contracts generally have fixed fees and a term of one year. We recognize revenue from the sale of service contracts over time as these services are provided over the respective contract term.

We also offer our customers field service which primarily consists of services provided by our field service engineers to install Growth Direct systems at customer sites. We recognize revenue from field service over time as these services are provided to the customer.

We expect service revenue to increase in future periods as the number of placed and validated Growth Direct systems grows and we are able to generate increasing non-recurring revenue from validation services and field service for newly placed systems and increasing recurring revenue from service contracts for validated systems.

Cost of revenue, gross margin, and gross margin percentage

Cost of product revenue primarily consists of costs for raw material parts and associated freight, shipping and handling costs, salaries and other personnel costs including non-cash stock-based compensation expense, contract manufacturer costs, scrap, warranty cost, inventory reserves, non-cash depreciation and amortization expense, allocated information technology and facility-related costs, overhead and other costs related to those sales recognized as product revenue in the period.

Cost of service revenue primarily consists of salaries and other personnel costs including non-cash stock-based compensation expense, travel costs, materials consumed when performing installations, validations and other services, allocated information technology and facility-related costs, costs associated with training, and other expenses related to service revenue recognized in the period.

For future periods, we expect our costs of revenue to increase or decrease commensurate with product and service volumes. Such costs may be further impacted by our ongoing efforts to reduce product costs and increase manufacturing productivity and efficiencies as well as service productivity. In addition, our product costs may be adversely impacted by recently enacted and potential future tariffs by the U.S. and other jurisdictions in which we conduct business. Disruptions to international logistics and to the supply and cost of fuel resulting from recent conflicts in the Middle East also can contribute to increases in our costs. While we do not expect such impacts on our costs to rise to levels that are material to our results of operations in the near-term, future changes in policies and other macroeconomic conditions could materially and adversely affect our results of operations.

Gross margin is calculated as revenue less cost of revenue. Gross margin percentage is gross margin expressed as a percentage of revenue. Our gross margin in future periods will depend on a variety of factors, including market conditions that may impact our pricing, sales mix among systems, consumables, and services, excess and obsolete inventories, our cost structure for manufacturing operations relative to volume, and product warranty obligations.

We expect that our gross margin percentage will increase over time as our future revenues from both products and services grow at rates significantly higher than the costs related to providing and supporting those products and services. However, expansion in gross margin percentage in future periods may not be linear and is subject to variability from period to period.

We expect to achieve these increases through direct material cost reductions, increased manufacturing efficiencies for our products, including higher throughput on our automated consumables manufacturing line, leveraging our current cost structure to support future growth with minimal incremental investment, and by increasing productivity and efficiency in our service organization. We are also pursuing gross margin expansion opportunities through our MilliporeSigma partnership.

Operating expenses

Research and development

Research and development expenses consist primarily of costs incurred for our research activities, product development, hardware and software engineering and consultant services and other costs associated with our technology Growth Direct platform and products, which include:

- employee-related expenses, including costs for salaries, bonuses and other personnel costs including non-cash stock-based compensation expense, for employees engaged in research and development functions;
- the cost of developing, maintaining and improving new and existing product designs;
- the cost of hardware and software engineering;
- research materials and supplies;

- external costs of outside consultants engaged to conduct research and development associated with our technology and products; and
- allocated information technology and facility-related costs, which include headcount-related costs for those functions as well as expenses for information technology systems and services, software, rent, facilities maintenance, and insurance as well as related non-cash depreciation and amortization.

Our research and development costs are expensed as incurred. We believe that our continued investment in research and development is essential to our long-term competitive position. For future periods, we expect our research and development expenses to increase or decrease commensurate with the size, scope and complexity of our research and development activities.

Sales and marketing

Sales and marketing expenses consist primarily of salaries, commissions, benefits and other personnel costs including non-cash stock-based compensation expense as well as costs relating to travel, consulting, trade shows, customer events and demonstrations, information services, advertising and allocated information technology and facility-related costs for our employees engaged in sales and marketing activities. For future periods, we expect sales and marketing expenses to increase or decrease commensurate with the number of sales and marketing personnel, our geographic sales and marketing footprint, and the size of our customer base.

General and administrative

General and administrative expenses consist primarily of salaries, bonuses and other personnel costs including non-cash stock-based compensation expense for our executive, finance, legal, human resources and general management employees, as well as director and officer insurance costs and professional fees for legal, patent, accounting, audit, investor relations, recruiting, consulting, regulatory, compliance, board of directors' fees and other services. General and administrative expenses also include direct and allocated information technology and facility-related costs. For future periods, we expect these expenses to increase or decrease commensurate with the size, scope and complexity of our general and administrative functions.

Restructuring

Restructuring expense consists of charges recorded in connection with our workforce reduction executed in the third quarter of 2026, which impacted most areas of the Company.

Other income (expense)

Interest income

Interest income is comprised primarily of interest income from cash equivalents and investments.

Interest expense

Interest expense is comprised primarily of expense incurred from long-term debt and leases.

Other expense, net

Other expense, net, primarily consists of other miscellaneous income and expense unrelated to our core operations.

Income tax expense

We generated significant taxable losses during each of the three and nine months ended September 30, 2026 and 2025, and therefore have not recorded any U.S. federal or state income tax expense during those periods. However, we did record an immaterial amount of foreign income tax expense during each of those periods.

Results of operations

Comparison of the three months ended September 30, 2026 and 2025

The following table summarizes our results of operations for the three months ended September 30, 2026 and 2025:

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Revenue:				
Product revenue	$ 6,514	$ 5,214	$ 1,300	24.9 %
Service revenue	3,014	2,624	390	14.9 %
Total revenue	9,528	7,838	1,690	21.6 %
Cost of revenue:				
Cost of product revenue	5,727	5,563	164	2.9 %
Cost of service revenue	1,399	1,579	(180)	(11.4)%
Total cost of revenue	7,126	7,142	(16)	(0.2)%
Gross margin	2,402	696	1,706	245.1 %
Operating expenses:				
Research and development	2,970	3,529	(559)	(15.8)%
Sales and marketing	3,020	2,895	125	4.3 %
General and administrative	6,330	5,644	686	12.2 %
Restructuring	721	—	721	N/M
Total operating expenses	13,041	12,068	973	8.1 %
Loss from operations	(10,639)	(11,372)	733	(6.4)%
Other income (expense):				
Interest income	98	347	(249)	(71.8)%
Interest expense	(632)	(393)	(239)	60.8 %
Other expense, net	(74)	(79)	5	(6.3)%
Total other income (expense), net	(608)	(125)	(483)	386.4 %
Loss before income taxes	(11,247)	(11,497)	250	(2.2)%
Income tax expense	21	8	13	162.5 %
Net loss	$ (11,268)	$ (11,505)	$ 237	(2.1)%

N/M - percentage change not meaningful

Revenue

Product revenue increased by $1.3 million, or 24.9%, with the increase primarily attributable to higher consumable shipment volumes due to the higher number of cumulative validated systems as well as two more system placements in the third quarter of 2026.

Service revenue increased by $0.4 million, or 14.9%. The increase in service revenue was primarily driven by an increase in validation revenue and higher service contract revenue as a result of an increase in the level of validation activity and cumulative number of systems validated and under such contracts, respectively. Service revenue from validations, which is recognized when those services are provided, generally lag the related system placements by three to nine months.

Cost of revenue, gross margin, and gross margin percentage

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
Cost of product revenue	$ 5,727	$ 5,563	$ 164	2.9 %
Cost of service revenue	1,399	1,579	(180)	(11.4)%
Total cost of revenue	$ 7,126	$ 7,142	$ (16)	(0.2)%
Gross margin	$ 2,402	$ 696	$ 1,706	245.1 %
Gross margin percentage	25.2 %	8.9 %		

Cost of product revenue increased by $0.2 million, or 2.9%. The increase was primarily driven by higher system and consumables sales volume, partially offset by a reduction in direct material costs for our products.

Cost of service revenue decreased by $0.2 million, or 11.4%. The decrease was primarily attributable to lower service headcount and related costs.

Gross margin and gross margin percentage increased by $1.7 million and 16.3 percentage points, respectively. The increase was driven by an improvement in both product margin and service margin.

Operating expenses

Research and development

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Research and development	$ 2,970	$ 3,529	$ (559)	(15.8)%
Percentage of total revenue	31.2 %	45.0 %		

Research and development expenses decreased by $0.6 million, or 15.8%. The decrease was primarily driven by lower research and development headcount and related costs.

Sales and marketing

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 3,020	$ 2,895	$ 125	4.3 %
Percentage of total revenue	31.7 %	36.9 %		

Sales and marketing expenses increased by $0.1 million, or 4.3%. This increase was primarily driven by higher headcount-related costs as well as higher third-party consulting costs.

General and administrative

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
General and administrative	$ 6,330	$ 5,644	$ 686	12.2 %
Percentage of total revenue	66.4 %	72.0 %		

General and administrative expenses increased by $0.7 million, or 12.2%. This increase was primarily attributable to higher headcount-related costs, including non-cash stock compensation expense, in the third quarter of 2026.

Restructuring

	Three Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Restructuring	$ 721	—	$ 721	N/M
Percentage of total revenue	7.6 %	— %		

N/M - percentage change not meaningful

Restructuring expenses increased by $0.7 million. This increase was attributable to charges recorded in connection with our workforce reduction executed in the third quarter of 2026, which impacted most areas of the Company.

Other income (expense)

Interest income

Interest income for the three months ended September 30, 2026 and 2025 was $0.1 million and $0.3 million, respectively. The decrease of $0.2 million, or 71.8%, was due to lower cash equivalents and investment balances during the year as well as lower interest rates earned on our cash equivalents and investments balances.

Interest expense

Interest expense for the three months ended September 30, 2026 and 2025 was $0.6 million and $0.4 million, respectively. The increase of $0.2 million was due to interest incurred with our long-term debt.

Other expense, net

Other expense, net, which is comprised of miscellaneous expenses unrelated to our core business, was less than $0.1 million for each of the three months ended September 30, 2026 and 2025.

Income tax expense

Income tax expense was less than $0.1 million for each of the three months ended September 30, 2026 and 2025. The expense recorded related to our German and Swiss subsidiaries.

Comparison of the nine months ended September 30, 2026 and 2025

The following table summarizes our results of operations for the nine months ended September 30, 2026 and 2025:

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Revenue:				
Product revenue	$ 17,378	$ 14,117	$ 3,261	23.1 %
Service revenue	8,206	8,188	18	0.2 %
Total revenue	25,584	22,305	3,279	14.7 %
Cost of revenue:				
Cost of product revenue	17,186	15,907	1,279	8.0 %
Cost of service revenue	4,413	5,023	(610)	(12.1)%
Total cost of revenue	21,599	20,930	669	3.2 %
Gross margin	3,985	1,375	2,610	189.8 %
Operating expenses:				
Research and development	9,661	10,383	(722)	(7.0)%
Sales and marketing	9,878	8,760	1,118	12.8 %
General and administrative	20,538	17,413	3,125	17.9 %
Restructuring	721	—	721	N/M
Total operating expenses	40,798	36,556	4,242	11.6 %
Loss from operations	(36,813)	(35,181)	(1,632)	4.6 %
Other income (expense):				
Interest income	494	1,188	(694)	(58.4)%
Interest expense	(1,917)	(417)	(1,500)	359.7 %
Other expense, net	(156)	(190)	34	(17.9)%
Total other income (expense), net	(1,579)	581	(2,160)	(371.8)%
Loss before income taxes	(38,392)	(34,600)	(3,792)	11.0 %
Income tax expense	74	26	48	184.6 %
Net loss	$ (38,466)	$ (34,626)	$ (3,840)	11.1 %

N/M - percentage change not meaningful

Revenue

Product revenue increased by $3.3 million, or 23.1%. The increase was driven primarily by a higher volume of system placements as well as higher consumable shipment volumes due mainly to an increase in cumulative validated systems.

Service revenue was relatively flat for each of the nine months ended September 30, 2026 and 2025.

Cost of revenue, gross margin, and gross margin percentage

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
Cost of product revenue	$ 17,186	$ 15,907	$ 1,279	8.0 %
Cost of service revenue	4,413	5,023	(610)	(12.1)%
Total cost of revenue	$ 21,599	$ 20,930	$ 669	3.2 %
Gross margin	$ 3,985	$ 1,375	$ 2,610	189.8 %
Gross margin percentage	15.6 %	6.2 %		

Cost of product revenue increased by $1.3 million, or 8.0%. The increase was driven by higher system and consumables sales volume, partially offset by a reduction in direct material costs for our products.

Cost of service revenue decreased by $0.6 million, or 12.1%. The decrease was primarily attributable to lower service headcount and related costs.

Gross margin and gross margin percentage increased by $2.6 million and 9.4 percentage points, respectively. The increase was driven by an improvement in both product margin and service margin.

Operating expenses

Research and development

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Research and development	$ 9,661	$ 10,383	$ (722)	(7.0)%
Percentage of total revenue	37.8 %	46.6 %		

Research and development expenses decreased by $0.7 million, or 7.0%. The decrease was primarily driven by lower headcount and headcount-related costs as well as the timing of spending related to new product development activities.

Sales and marketing

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Sales and marketing	$ 9,878	$ 8,760	$ 1,118	12.8 %
Percentage of total revenue	38.6 %	39.3 %		

Sales and marketing expenses increased by $1.1 million, or 12.8%. This increase was primarily driven by higher headcount-related costs and third-party consulting costs.

General and administrative

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
General and administrative	$ 20,538	$ 17,413	$ 3,125	17.9 %
Percentage of total revenue	80.3 %	78.1 %		

General and administrative expenses increased by $3.1 million, or 17.9%. This increase was primarily attributable to higher headcount related costs, including non-cash stock compensation expense and severance, partially offset by a reduction in consulting fees.

Restructuring

	Nine Months Ended September 30,		Change	
	2026	2025	Amount	%
	(dollars in thousands)			
Restructuring	$ 721	—	$ 721	N/M
Percentage of total revenue	2.8 %	— %		

N/M - percentage change not meaningful

Restructuring expenses increased by $0.7 million. This increase was attributable to charges recorded in connection with our workforce reduction executed in the third quarter of 2026, which impacted most areas of the Company.

Other income (expense)

Interest income

Interest income for the nine months ended September 30, 2026 and 2025 was $0.5 million and $1.2 million, respectively. The decrease of $0.7 million, or 58.4%, was due to lower cash equivalents and investment balances during the year as well as lower interest rates earned on our cash equivalents and investments balances.

Interest expense

Interest expense for the nine months ended September 30, 2026 and 2025 was $1.9 million and $0.4 million, respectively. The increase of $1.5 million, or 359.7%, was due to interest incurred with our long-term debt.

Other expense, net

Other expense, which is comprised of miscellaneous expenses unrelated to our core business, was $0.2 million for each of the nine months ended September 30, 2026 and 2025.

Income tax expense

Income tax expense was less than $0.1 million for each of the nine months ended September 30, 2026 and 2025. The expense recorded related to our German and Swiss subsidiaries.

Liquidity and capital resources

Since our inception, we have incurred recurring operating losses and net cash outflows from operations. We expect to continue to generate operating losses in the near- to medium-term. To date, we have funded our operations primarily through proceeds from sales of redeemable convertible preferred stock, borrowings under loan agreements, revenue from sales of our products and services, proceeds from our IPO, and proceeds from registered offerings.

In the third quarter of 2026, we completed an enterprise-wide review of opportunities to realize operational efficiencies. Based on the results of this review, we implemented certain cost actions including a reduction in our current workforce, the closure of certain open and planned positions and reductions in other non-headcount-related expenses across the business. These actions are part of our ongoing efforts to prudently manage our cash resources and are expected to result in approximately $3.0 million in cash savings for the full year 2027 and approximately $1.0 million over the balance of 2026. We plan to continue to invest in key initiatives that are expected to drive future revenue growth and gross margin improvement, including customer sales and support, product development and product cost reduction programs. We recorded a charge of $0.7 million in the third quarter of 2026 related to this initiative.

On November 16, 2026, we entered into the Merger Agreement. Pursuant to the Merger Agreement, we have agreed to various covenants, including, among others, agreements to conduct our business in the ordinary course of business as was being conducted prior to the date of the Merger Agreement. Outside of limited exceptions, we may not take, authorize, or agree or commit to take, enumerated actions without Parent's consent, including, but not limited to: (i) acquiring businesses and disposing of significant assets; (ii) incurring capital expenditures above specified thresholds; (iii) issuing equity; (iv) incurring indebtedness; and (v) repurchasing or paying dividends on shares. We could be required to pay Parent a termination fee of $1.6 million under specific circumstances described in the Merger Agreement. In addition, we expect to incur costs and expenses in connection with the Merger, a portion of which may be payable regardless of whether the Merger is completed. Payment of any such fees, costs or expenses could require us to use available cash that would otherwise be available for general corporate purposes or other uses. While we expect the transactions contemplated by the Merger Agreement to close in December 2026, the closing is subject to certain conditions which are not entirely in our control. If we are unable to consummate the transactions contemplated by the Merger Agreement or raise other capital via equity or debt offerings, we may be required to significantly reduce, delay, or discontinue our operations, reduce headcount, defer or terminate development or commercialization activities, sell or license assets on unfavorable terms, or pursue other strategic alternatives or seek protection under bankruptcy or insolvency laws or pursue a restructuring, liquidation, dissolution, or wind-down.

In accordance with Accounting Standards Update 2014-15, Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern (Subtopic 205-40), we are required to evaluate whether there are conditions and events, considered in the aggregate, that raise substantial doubt about our ability to continue as a going concern from the issuance date of our financial statements. Based on our history of operating losses, and our existing cash, cash equivalents, investments and borrowing capacity, we do not expect to be able to fund our operations, as currently planned, for more than one year beyond the filing date of this Form 10-Q. As a result of these uncertainties, we have determined that there is substantial doubt regarding our ability to continue as a going concern for more than one year from the filing date of this Form 10-Q.

As of September 30, 2026, we had the following cash and investment-related assets on our condensed consolidated balance sheet (in thousands):

	September 30, 2026
Cash and cash equivalents	$ 6,619
Short-term investments	102
Restricted cash	284
Total	$ 7,005

ATM facility

On December 15, 2023, we entered into a sales agreement to establish an ATM facility with Cowen and Company, LLC, pursuant to which we may sell and issue shares of our Class A common stock. During the quarter and year ended December 31, 2025, we sold 113,217 shares of Class A common stock under this facility resulting in net proceeds of $0.4 million. During the three and nine months ended September 30, 2026, we sold 563,655 shares of Class A common stock under this facility resulting in net proceeds of $0.8 million.

Contractual obligations and commitments

In October 2013, we entered into an operating lease for office and manufacturing space in Lowell, Massachusetts. In March 2022, we amended the lease to increase the amount of facility space subject to the lease and extend the expiration of the lease from July 2026 to July 2029. The terms of the amendment include options for a one-time, five-year extension of the lease. Monthly rent payments are fixed and future minimum lease payments under the lease (as amended) are $1.9 million as of September 30, 2026, including $0.7 million in short-term obligations.

In June 2021, we entered into a sublease agreement for our Lexington, Massachusetts headquarters, which expires in June 2029 (the "sublease agreement"). Monthly rent payments are fixed and future minimum lease payments over the term of the sublease are $2.1 million as of September 30, 2026, including $0.8 million in short-term obligations. Concurrently with entering into the sublease agreement, we executed an option agreement with the property owner which provides us the

option to enter into a new direct lease for our Lexington, Massachusetts facility for an additional five years following expiration of the sublease.

For additional information on our contractual obligation and commitments please see Note 15 — *Commitments and Contingencies* to our consolidated financial statements.

Cash flows

The following table summarizes our sources and uses of cash for each of the periods presented (in thousands):

	Nine Months Ended September 30,	
	2026	2025
Net cash used in operating activities	$ (41,317)	$ (27,816)
Net cash provided by investing activities	17,681	10,442
Net cash provided by financing activities	10,225	19,328
Net (decrease) increase in cash and cash equivalents and restricted cash	$ (13,411)	$ 1,954

Operating activities

During the nine months ended September 30, 2026, net cash used in operating activities was $41.3 million, an increase of $13.5 million compared to the nine months ended September 30, 2025. The higher use of net cash was primarily due to the volume and timing of collections from customers and payments to vendors, including for inventory purchases, as well as higher personnel-related costs.

Investing activities

During the nine months ended September 30, 2026, net cash provided by investing activities was $17.7 million, an increase of $7.2 million compared to the nine months ended September 30, 2025. This increase was primarily driven by lower investment purchases as well as lower net sales and maturities of investments in the current year period. The increase was also due to lower purchases of property and equipment.

Financing activities

During the nine months ended September 30, 2026, net cash provided by financing activities was $10.2 million, a decrease of $9.1 million compared to the nine months ended September 30, 2025. The primary driver of this decrease was net proceeds from the issuance of debt in the prior year period, offset by net proceeds from the registered offerings in May 2026, a decrease in tax withholdings on settlement of restricted stock units, and higher ATM proceeds in the current year period.

Seasonality

Our revenues vary from quarter to quarter as a result of factors such as our customers' budgetary cycles and extended summer vacation periods that can impact our ability to progress system sale processes, deliver products and provide onsite services to our customers during those periods. We expect this variability to continue for the foreseeable future, which may cause fluctuations in our operating results and financial metrics.

Critical accounting policies and significant judgments and estimates

Our condensed consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, costs and expenses, and the disclosure of contingent assets and liabilities in our consolidated financial statements. Our estimates are based on our historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities

that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our significant accounting policies are described in more detail in Note 2 — Summary of Significant Accounting Policies to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q. There have been no significant changes in our critical accounting policies and estimates as compared to the critical accounting policies and estimates disclosed in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included in the 2025 Form 10-K, other than as disclosed in Note 2 — Summary of Significant Accounting Policies — to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Recently issued accounting pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2 — Summary of Significant Accounting Policies — to our condensed consolidated financial statements appearing elsewhere in this Quarterly Report on Form 10-Q.

Emerging growth company status

The Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), permits an "emerging growth company" such as us to take advantage of an extended transition period to comply with new or revised accounting standards applicable to public companies until those standards would otherwise apply to private companies. We have elected to use this extended transition period for complying with new or revised accounting standards that have different effective dates for public and private companies until the earlier of the date we (i) are no longer an emerging growth company or (ii) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies, and our financial statements may not be comparable to other public companies that comply with new or revised accounting pronouncements as of public company effective dates. We may choose to early adopt any new or revised accounting standards whenever such early adoption is permitted for private companies.

We will cease to be an emerging growth company on December 31, 2026. Even after we no longer qualify as an emerging growth company, we may still qualify as a "smaller reporting company," which would allow us to take advantage of many of the same exemptions from disclosure requirements, including reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest rate risk

As of September 30, 2026, we had cash, cash equivalents and short-term investments of $6.7 million, which consisted of cash, money market funds, U.S. treasury bills, and U.S. treasury notes. Interest income is sensitive to changes in the general level of interest rates; however, due to the nature of these investments, an immediate 10% change in interest rates would not have a material effect on the fair market value of our investment portfolio. Fluctuations in interest rates may also affect our business through its impact on the broader macroeconomic environment, potentially manifesting as decreased demand for our products and services from customers who may face economic uncertainty.

Foreign currency exchange risk

We are not currently exposed to significant market risk related to changes in foreign currency exchange rates. Our operations may be subject to fluctuations in foreign currency exchange rates in the future.

Inflation risk

While we have experienced some impact from inflation related mainly to our materials, labor and freight costs, we have been able to mitigate further impacts, including through long-term contracts and commitments with key suppliers. In addition, we continue to monitor the impact of inflation on these costs and seek to minimize its effects through productivity improvements and cost reductions. As a result, we currently do not believe that inflation has had a material effect on our business, financial condition or results of operations. However, the imposition of tariffs by the U.S. and other trading nations, as well as supply chain disruptions as a result of geopolitical events that increase energy costs and the price of

products derived from petroleum, may have an inflationary effect on the prices of goods and services, including those that we utilize in the production of our products and delivery of our services. As a result, due to these and other macroeconomic factors, we have and may continue to experience inflationary pressures on significant cost categories including labor, materials and freight. If our costs were to become subject to significant incremental inflationary pressures, we may not be able to meaningfully offset such higher costs through price increases. Our inability or failure to do so could harm our business, financial condition or results of operations.

Item 4. Controls and Procedures

Limitations on effectiveness of controls and procedures

In designing and evaluating our disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Evaluation of disclosure controls and procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated, as of the end of the period covered by this Quarterly Report on Form 10-Q, the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")). Our disclosure controls and procedures are designed to ensure (a) that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and (b) that information required to be disclosed by us in reports filed or submitted under the Exchange Act is accumulated and communicated to our management, including our principal executive officer and principal financial officer to allow timely decisions regarding required disclosures. Based on that evaluation, our principal executive officer and principal financial officer concluded that, as of September 30, 2026, our disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2026 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

From time to time, we may become involved in litigation or other legal proceedings. We are not currently a party to any material litigation or legal proceedings that, in the opinion of our management, are probable to have a material adverse effect on our business. Regardless of outcome, litigation can have an adverse impact on our business, financial condition, results of operations and prospects because of defense and settlement costs, diversion of management resources and other factors.

Item 1A. Risk Factors.

Our business involves significant risks. Stockholders should carefully consider the risks and uncertainties described below and the other information in this Quarterly Report on Form 10-Q. Our business, financial condition, results of operations, or prospects could be materially and adversely affected if any of these risks occurs and, as a result, the market price of our Class A common stock could decline and stockholders could lose all or part of their investment. This Quarterly Report on Form 10-Q also contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Statements" on page 3. Our actual results could differ materially and adversely from those anticipated in these forward-looking statements as a result of certain important factors, including those set forth below.

The risk factors denoted with a "", if any, are newly added or have been materially updated from our Annual Report on Form 10-K for the fiscal year ended December 31, 2025 (the "2025 Form 10-K").*

Risks Related to the Pending Merger

We may not complete the Transaction within the time frame we anticipate or at all, which would have an adverse effect on our business, financial results and/or operations.

On November 16, 2026, we, Merck KGaA, Darmstadt, Germany, a German corporation with general partners ("Parent"), and EMD Holdings NewCo II, Inc, a Delaware corporation and a wholly owned subsidiary of Parent ("Purchaser"), entered into an Agreement and Plan of Merger (the "Merger Agreement"). Pursuant to the Merger Agreement, and upon the terms and subject to the conditions therein, Purchaser will commence a cash tender offer (the "Offer") to acquire all of the issued and outstanding shares of Class A common stock, $0.01 par value per share, and Class B common stock, $0.01 par value per share (collectively "Company Common Stock"), at a price per share of $0.75 (the "Offer Price"), without interest and subject to any withholding of taxes required by applicable law. The Offer will initially expire at one minute after 11:59 p.m. Eastern Time on the date that is 10 business days following the commencement of the Offer, subject to extension under certain circumstances.

Purchaser's obligation to accept for payment shares of Company Common Stock validly tendered pursuant to the Offer is subject to the satisfaction or waiver, to the extent permitted under applicable legal requirements, of certain conditions set forth in the Merger Agreement, including that (i) there shall have been validly tendered (and not validly withdrawn) shares of Class A common stock ("Class A Common Shares") that, considered together with all other Class A Common Shares (if any) owned by Parent and its affiliates, but excluding Class A Common Shares that have not yet been "received" (as such term is defined by Section 251(h)(6) of the DGCL), would represent one more Class A Common Share than 50% of the total number of (1) Class A Common Shares issued and outstanding as of immediately following the "consummation" of the Offer (as such term is defined in Section 251(h)(6) of the DGCL) plus (2) any shares issued upon a "cashless exercise" pursuant to the terms of our outstanding pre-funded warrants (the "Minimum Condition"); (ii) our representations and warranties contained in the Merger Agreement shall be accurate, subject to customary materiality thresholds and exceptions; (iii) we shall have complied with and performed in all material respects each of the covenants and other obligations contained in the Merger Agreement; (iv) since the execution and delivery of the Merger Agreement, there shall not have occurred any Material Adverse Effect (as defined in the Merger Agreement) that is continuing as of the expiration of the Offer; (v) there shall not have been issued by any governmental body of competent jurisdiction and remain in effect any order, nor shall any law have been promulgated, enacted, issued or deemed applicable to the Offer or the Merger by any governmental body that remains in effect, in each case that prohibits or makes illegal the consummation of the Offer or the Merger; and (vi) other customary conditions set forth in Annex I of the Merger Agreement.

The Merger Agreement includes customary representations, warranties and covenants of us, Parent and Purchaser for a transaction of this nature, including covenants regarding the operation of our business prior to the Effective Time.

The Merger Agreement also provides that, in connection with the termination of the Merger Agreement under certain specified circumstances, including termination by us to accept and enter into an agreement with respect to a Superior Proposal or a Company Adverse Recommendation Change (as defined in the Merger Agreement), we will be required to pay Parent a termination fee in the amount of $1.6 million. As a result, we cannot assure you that the Merger will be completed, or that, if completed, it will be exactly on the terms set forth in the Merger Agreement or within the expected time frame.

In addition, we expect to incur costs and expenses in connection with the Merger, a portion of which may be payable regardless of whether the Merger is completed. Payment of any such fees, costs or expenses could require us to use available cash that would otherwise be available for general corporate purposes or other uses. While we expect the transactions contemplated by the Merger Agreement to close in December 2026, the closing is subject to certain conditions which are not entirely in our control. If we are unable to consummate the transactions contemplated by the Merger

Agreement or raise other capital via equity or debt offerings, we may be required to significantly reduce, delay, or discontinue our operations, reduce headcount, defer or terminate development or commercialization activities, sell or license assets on unfavorable terms, or pursue other strategic alternatives or seek protection under bankruptcy or insolvency laws or pursue a restructuring, liquidation, dissolution, or wind-down. The failure to complete the transaction also may result in negative publicity and negatively affect our relationship with our stockholders, employees, collaborators, regulators and other business partners. We may also be required to devote significant time and resources to litigation related to any failure to complete the Merger or related to any enforcement proceeding commenced against us to perform our obligations under the Merger Agreement.

Our cash resources may not be sufficient to sustain our operations during the pendency of the Merger.

We may not have sufficient cash resources to fund our operations and meet our financial obligations during the period between the announcement of the Merger and its consummation. The pendency of the Merger may continue for an extended period of time, and our available cash resources may be depleted before the Merger is consummated. Our ability to continue operating through the closing of the Merger depends, in part, on our ability to manage our cash resources and, if necessary, obtain additional financing. We cannot assure you that our existing cash resources will be sufficient to fund our operations through the closing of the Merger or that we will be able to obtain additional financing on acceptable terms, or at all.

Although the Merger Agreement permits us, under certain circumstances, to seek bridge financing to fund our operations during the pendency of the Merger, our ability to obtain such financing may be subject to certain conditions, including Parent's approval of the terms of such financing in its sole discretion. Accordingly, Parent may not approve proposed financing terms, and we may be unable to obtain bridge financing on terms acceptable to us or at all. If we are unable to obtain sufficient financing when needed, we may be required to significantly curtail or cease certain operations, delay or forego expenditures, or take other measures that could adversely affect our business, financial condition, results of operations and prospects. Any such developments could also adversely affect our ability to satisfy our obligations under the Merger Agreement and consummate the Merger.

The pendency of the Merger could adversely affect our business, financial results and/or operations.

Our efforts to complete the Merger could cause substantial disruptions in, and create uncertainty surrounding, our business, which may materially adversely affect our results of operations and our business. Uncertainty as to whether the transaction will be completed may affect our ability to recruit prospective employees or to retain and motivate existing employees. Employee retention may be particularly challenging while the transaction is pending because employees may experience uncertainty about their roles following consummation of the transaction. A substantial amount of our management’s and employees’ attention is being directed toward the completion of the transaction and thus is being diverted from our day-to-day operations. Uncertainty as to our future could adversely affect our business and our relationships with vendors, manufacturers, regulators and other business partners. Changes to or termination of existing business relationships could adversely affect our results of operations and financial condition, as well as the market price of our common stock. The adverse effects of the pendency of the transaction could be exacerbated by any delays in the completion of the transaction or termination of the Merger Agreement.

While the Merger Agreement is in effect, we are subject to restrictions on our business activities.

While the Merger Agreement is in effect, we are subject to restrictions on our business activities, generally requiring us to conduct our business in the ordinary course and subjecting us to a variety of specified limitations absent Parent’s prior consent. These limitations include, among other things, restrictions on our ability to incur additional indebtedness, issue additional shares of our common stock outside of existing equity plans, repurchase shares, declare or pay dividends, acquire or dispose of assets or businesses (subject to limited exceptions), enter into or amend contracts and make capital expenditures above specified thresholds. These restrictions could prevent us from pursuing strategic business opportunities, taking actions with respect to our business that we may consider advantageous and responding effectively and/or timely to competitive pressures and industry developments, and may as a result materially and adversely affect our business, results of operations and financial condition.

In specified instances, the Merger Agreement requires us to pay a termination fee to Parent, which could require us to use available cash that would have otherwise been available for general corporate purposes.

Under the terms of the Merger Agreement, we may be required to pay Parent a termination fee of $1.6 million if the Merger Agreement is terminated under specific circumstances described in the Merger Agreement. If the Merger Agreement is terminated under such circumstances, the termination fee we may be required to pay under the Merger

Agreement may require us to use available cash that would have otherwise been available for general corporate purposes and other uses. For these and other reasons, termination of the Merger Agreement could materially and adversely affect our business operations and financial condition, which in turn would materially and adversely affect the price of our common stock.

We have incurred, and will continue to incur, direct and indirect costs as a result of the pending Merger.

We have incurred, and will continue to incur, significant costs and expenses, including fees for professional services and other transaction costs, in connection with the pending transaction. We must pay substantially all of these costs and expenses whether or not the transaction is completed. There are a number of factors beyond our control that could affect the total amount or the timing of these costs and expenses.

Lawsuits may be filed against us and the members of our board of directors arising out of the Merger, which may delay or prevent the Merger.

Putative stockholder complaints, including stockholder class action complaints, and other complaints may be filed against us, our board of directors, Parent and others in connection with the transactions contemplated by the Merger Agreement. The outcome of litigation is inherently uncertain, and we may not be successful in defending against any such future claims. Additional lawsuits that may be filed against us, our board of directors or Parent could delay or prevent the Merger, divert the attention of our management and employees from our day-to-day business and otherwise adversely affect us financially.

Risks Related to Our Financial Position and Need for Capital

We have incurred significant losses since inception, we expect to incur losses in the future and we may not be able to continue our operations.

We have incurred significant losses since our inception. For the three months ended September 30, 2026, we incurred net losses of $11.3 million. As of September 30, 2026, we had an accumulated deficit of $560.9 million. Since our inception, we have financed our operations primarily from private placements of equity, the incurrence of indebtedness, our initial public offering, registered offerings, and to a lesser extent, revenue derived from our Growth Direct platform and non-commercial contracts. We have devoted substantially all of our resources to the development and commercialization of our Growth Direct platform and to development activities related to advancing and expanding our technological capabilities. We will need to raise additional capital, generate significant additional revenue, significantly improve our gross margin and/or further reduce costs to continue our operations.

Our limited operating history makes it difficult to evaluate our future prospects and the risks and challenges we may encounter.

Predictions about our future success or viability may not be as accurate as they could be if our products had a longer commercial history. While our product and services revenue has continued to increase in recent periods, if our strategy to grow and scale our business is not successful, we may not be able to achieve continued revenue growth. Our limited operating history, evolving business and rapid growth make it difficult to evaluate our future prospects and the risks and challenges we may encounter, and we may not continue to grow at or near historical rates.

In addition, as we seek to innovate in and disrupt the current microbial quality control (“MQC”) market, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown challenges. We are transitioning to a company capable of supporting commercial manufacturing, sales and marketing at scale in the United States and abroad. We may not be successful in such a transition and, as a result, our business may be adversely affected.

Our business depends on the commercial success of our Growth Direct platform, which may not be achieved or maintained.

Our business is dependent on sales of our Growth Direct systems and related consumables and services. Our ability to achieve and maintain commercial market acceptance of our Growth Direct platform will depend on a number of factors, including:

- significant acceptance by drug manufacturers of automated MQC testing;

- our ability to increase awareness of the capabilities of automated MQC testing and our technology and solutions;
- our customers' willingness to adopt new technologies and workflows;
- our ability to integrate our platform with our customers' existing workflows, including related to regulatory validation processes;
- whether our platform reliably provides advantages over the conventional, manual method of MQC testing and other automated technologies and is perceived by customers to be cost effective;
- the continued growth of the pharmaceutical and biopharmaceutical industry, in particular biologics and cell and gene therapies;
- our ability to execute on our business strategy, including continuing to expand in the market for cell and gene therapies;
- the rate of adoption of our platform and solutions by drug manufacturers;
- prices we charge for our systems and consumables;
- the relative reliability and robustness of our platform as a whole and the components of our platform;
- our ability to develop new products for existing customers and to expand our capabilities within the MQC testing workflow;
- our ability to expand the use of our platform with existing customers;
- other competitive automated MQC testing platforms;
- the impact of our investments in product innovation and commercial growth; and
- the overall profile and market perception of our company and its business, finances and operations.

We cannot assure our stockholders that we will be successful in addressing each of these criteria or other criteria that might affect the market acceptance of our products. If we are unsuccessful in achieving and maintaining commercial market acceptance of our Growth Direct platform, our business, financial condition, results of operations and prospects could be adversely affected.

Our operating results have fluctuated significantly in the past and will fluctuate significantly in the future, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations.

Our quarterly and annual operating results have fluctuated significantly in the past and may fluctuate significantly in the future, which makes it difficult for us to predict our future operating results. For example, while we have experienced positive trends in our gross margin percentage, expansion in future periods may not be linear and may be subject to variability from period to period. In that regard, our gross margin percentage improved from (0.4)% for the 12 months ended December 31, 2024 to 3.1% for the 12 months ended December 31, 2025, from 8.9% to 25.2% for the three months ended September 30, 2025 and September 30, 2026, respectively, and from 6.2% to 15.6% for the nine months ended September 30, 2025 and September 30, 2026, respectively. Additionally, revenue growth and operating expenses may also be subject to variability from period to period. For instance, we announced the receipt of large, multi-system customer orders from Amgen and Samsung Biologics that contributed to our results for the quarters ended December 31, 2025 and March 31, 2026, respectively. Additionally, the timing of consumables, validations and service revenue is variable. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to:

- our customers' tendency to purchase our Growth Direct system, including multiple systems, in a single transaction, resulting in significant variations in sales of our systems over time;
- the level of demand for our platform and solutions, which may vary significantly;

- the length of time of the sales cycle for purchases of our systems;
- seasonality in our business due to our customers' budgetary cycles and time off during summer vacation and end-of-year periods;
- lead time needed for validation prior to our customers' purchasing and using our consumables;
- changes in demand for our consumables;
- the timing and cost of, and level of investment in, technology development and commercialization activities, which may change from time to time;
- the start, completion, and output of manufacturing runs;
- the costs of manufacturing and shipping our products or of providing services to our customers, which may impact our operating gross margin in any given period;
- system repairs or replacements that may impact our customers' confidence in us and our products and our reputation in the market;
- the relative reliability and robustness of our platform;
- the introduction of new products or product enhancements by us or others in our industry;
- expenditures that we may incur to acquire, develop or commercialize additional products and technologies;
- expenditures involved in preparing, filing, prosecuting, maintaining, defending and enforcing patent claims;
- future accounting pronouncements or changes in our accounting policies;
- the ability of our sales organization to design and execute effective sales processes;
- our implementation of cost reduction efforts, and the resulting costs and savings related to these actions; and
- general market conditions and other factors, including factors, such as inflation and tariffs, unrelated to our operating performance or the operating performance of our competitors.

The effect of any single factor, or the cumulative effects of a combination of factors, could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance. We may continue to experience fluctuations in our operating results as a result of these factors.

We have in the past and may in the future fail to meet our publicly announced guidance or other expectations about our business and future operating results, which could adversely affect our business, reputation and financial results and cause our stock price to decline.

From time to time, we announce earnings guidance and other expectations regarding the future performance of our business in our quarterly and annual earnings conference calls, quarterly and annual earnings releases, or otherwise, that represents our management's estimates as of the date of such disclosure. This guidance includes forward-looking statements based on projections prepared by our management. Projections are based upon a number of assumptions and estimates that are based on information known when they are issued, and, while presented with numerical specificity, are inherently subject to significant business, economic, and competitive uncertainties and contingencies relating to our business, many of which are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. It can be expected that some or all of the assumptions underlying any guidance furnished by us will not materialize or will vary significantly from actual results. From time to time, we provide our beliefs regarding possible outcomes as high and low ranges, but these are not intended to imply that actual results could not fall outside of the suggested ranges.

Our actual business results may vary significantly from such guidance due to a number of factors, many of which are outside of our control, including our customers' demand for our Growth Direct systems, the length of the sales cycle for purchases of our systems, customer site readiness and the lead time needed for validation of our systems prior to customers purchasing and using our consumables, the costs of manufacturing and shipping our products or of providing services to our customers, as well as the impact of global economic uncertainty and financial market conditions, such as recently imposed and potential future tariffs, geopolitical events, rising inflation, rising interest rates, and public health crises, all of which have in the past and may in the future adversely affect our business and operating results. For example, guidance that we provide is based on system purchase order commitments that we have in hand or expect to receive in the future, which may not be a reliable indicator. We recognize revenue upon the delivery of our systems to customers, at which point we also classify such systems as placed. Delivery of our systems to customers is dependent on a number of factors, many of which are beyond our control, including our customers' plans and circumstances with respect to their manufacturing capabilities, such as the timing of construction activities. If our systems are not delivered on the timelines that we expect or at all, our expectations with respect to the recognition of revenue and number of systems placed may prove to be incorrect. Furthermore, if we make downward revisions of our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet expectations of securities analysts, investors, or other interested parties, we may experience adverse effects on our business and reputation and the price of our common stock could decline.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of such disclosure. Actual results may vary from our guidance and the variations may be material. Investors are urged to exercise caution when using our guidance in making an investment decision regarding our common stock. Any failure to successfully implement our business strategy or the occurrence of any of the events or circumstances set forth in this Risk Factors section in this Quarterly Report on Form 10-Q could result in the actual operating results being different from our guidance, and the differences may be adverse and material.

If we cannot maintain the level of sales of our Growth Direct systems or the sales of our consumables and services to existing customers declines, our future operating results would be adversely affected.

Many of our customers purchase multiple Growth Direct systems at the same time and we expect them to use these systems for many years before needing to purchase new systems. We believe that our ability to generate revenue depends on our ability to sell our Growth Direct system to new customers and expand the use of our system by existing customers. Our current commercial strategy includes targeting sales to customers that are receptive to entering into multi-system deals with us. As a result, in the near term, we have observed and we believe that a significant portion of our revenue may continue to be generated from a small number of different customers each year. We currently rely on consumables and service contracts as a potential source of recurring revenue from our existing customers, though there can be no assurance that such revenue will continue at current levels. These consumables and service contracts are purchased on an as-needed basis and, as a result, revenue from these sources may be subject to change, as customers' purchasing practices and policies change or their demand for our consumables and service contracts change. For example, in the past, we have experienced occasions in which customers' facilities in which our Growth Direct systems were used have been closed or sold, which resulted in the reduction, suspension, or cessation of purchases of consumables at such sites. If we are unable to sell our Growth Direct system to new customers, if our existing customers do not expand their use of our systems, or if our existing customers decide to purchase fewer of our consumables and service contracts or terminate their relationships with us, our revenue could materially and significantly decrease, and there can be no assurance that we will be able to replace such revenue, which would have an adverse effect on our financial condition and results of operations and could adversely impact our ability to execute on our growth strategy.

Our existing and any future indebtedness could adversely affect our ability to operate our business.

In August 2025, we entered into a Loan and Security Agreement (the "LSA"), with Trinity Capital Inc. and the other lenders party thereto, or the Lenders, and Trinity Capital Inc., as administrative agent and collateral agent (the "Agent"). The LSA provides for up to $45.0 million of senior secured term loans (the "Term Loan"), available to us in multiple tranches. The availability of future tranches is subject to certain commercial and operational milestones and other conditions set forth in the LSA and, therefore, there can be no guarantee that we will be able to access any future tranches. The Term Loan will mature on September 1, 2030. Our obligations under the LSA are secured, subject to customary exceptions, by a security interest in all of our tangible and intangible assets, including our intellectual property.

The LSA contains customary covenants that could prevent us from taking certain actions without the consent of the Lenders. These covenants may limit our flexibility in operating our business and our ability to take actions that might be

advantageous to us and our stockholders. For additional information see Note 9 — *Notes payable, net* to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

The LSA also contains customary events of default, including the failure to make payments when due or comply with other covenants therein. We intend to satisfy our current and future debt service obligations with our then-existing cash and cash equivalents. However, we may not have sufficient funds, and may be unable to arrange for additional financing, to pay the amounts due under LSA or any other debt instruments. Upon the occurrence and continuance of an event of default, the Lenders may accelerate all of our repayment obligations and take control of our pledged assets, potentially requiring us to renegotiate our agreement on terms less favorable to us or to immediately cease operations. Any declaration by the Lenders of an event of default would therefore significantly harm our business and prospects and could cause the price of our common stock to decline.

If we raise any additional debt financing, the terms of such additional debt could further restrict our operating and financial flexibility. In connection with the consummation of the transactions contemplated by the Merger Agreement, all outstanding obligations, including amounts in respect of early repayment and back-end fees, owed under the LSA will be required to be repaid.

We have determined that there is substantial doubt regarding our ability to continue as a going concern. We will need to raise additional capital to fund our operations if the transactions contemplated by the Merger Agreement are not consummated.

We have incurred recurring losses and net cash outflows from operations since our inception. We expect to continue to generate operating losses in the near- to medium-term. If the transactions contemplated by the Merger Agreement are not consummated, based on our history of operating losses, and our existing cash, cash equivalents, investments and borrowing capacity, we do not expect to be able to fund our operations, as currently planned, for more than one year beyond the filing date of this Form 10-Q. As a result of these uncertainties, we have determined that there is substantial doubt regarding our ability to continue as a going concern for more than one year from the filing date of this Form 10-Q. This estimate and our expectation regarding the sufficiency of our existing cash, cash equivalents, and investments are based on assumptions that may prove to be wrong, and we could use our available capital resources sooner than we currently expect. While we expect the transactions contemplated by the Merger Agreement to close in December 2026, the closing is subject to certain conditions which are not entirely in our control. If we are unable to consummate the transactions contemplated by the Merger Agreement or raise other capital via equity or debt offerings, we may be required to significantly reduce, delay, or discontinue our operations, reduce headcount, defer or terminate development or commercialization activities, sell or license assets on unfavorable terms, or pursue other strategic alternatives or seek protection under bankruptcy or insolvency laws or pursue a restructuring, liquidation, dissolution, or wind-down.

Until such time, if ever, as we can generate sufficient cash flow, we may seek to finance our cash needs through a combination of equity offerings and additional debt financings or other sources. While we have remaining borrowing capacity under the LSA, our ability to access such capacity is restricted under the Merger Agreement, and is in any event subject to satisfaction of certain conditions contained in the LSA. For example, access to the first additional tranche under the LSA is subject to the satisfaction of certain revenue and gross margin metrics in the six months ending December 31, 2026 and would become available to be drawn, if at all, during January 2027. In addition, our ability to cause the exercise of certain warrants that we issued in our May 2026 financing is dependent on achieving and maintaining certain trading price and volume in our Class A common stock. Therefore, we do not currently have any committed external source of funds that are not subject to conditions to access.

Our funding requirements may increase significantly if one or more of the other risks, events or circumstances described elsewhere in our risk factors are realized. To the extent that we raise additional capital through the sale of equity or convertible debt securities, the ownership interests of our common stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. In addition, additional debt financing and preferred equity financing, if available, may involve agreements that include covenants limiting or restricting our ability to take specific actions, such as incurring additional debt, making capital expenditures or declaring dividends. If we raise additional funds through collaborations, strategic alliances or marketing, distribution or licensing arrangements with third parties, we may be required to relinquish valuable rights to our technologies, intellectual property, future revenue streams or products or grant licenses on terms that may not be favorable to us. Furthermore, any capital raising efforts may divert our management from their day-to-day activities, which may adversely affect our ability to advance product development activities.

If we are unable to raise capital as, if and when, needed, we may be required to significantly reduce, delay, or discontinue our operations, reduce headcount, defer or terminate development or commercialization activities, sell or license assets on unfavorable terms, or pursue other strategic alternatives. These alternatives may not be available on acceptable terms, or at all, and may not provide sufficient liquidity to enable us to continue operations. If we are unable to obtain adequate financing or consummate a strategic transaction, we may be forced to seek protection under applicable bankruptcy or insolvency laws or pursue a restructuring, refinancing, liquidation, dissolution, wind-down, or similar proceeding. In that event, holders of our common stock could lose all or substantially all of their investment, and any recovery by stockholders would depend on the amount, if any, remaining after the satisfaction of our obligations to creditors and any holders of securities senior to our common stock.

Future sales and issuances of our Class A common stock, including through our ATM facility, or rights to purchase Class A common stock, including pursuant to our equity incentive plans, upon the exercise of outstanding warrants, or any warrants we may issue in connection with potential future fund raising efforts, would result in additional dilution of the percentage ownership of our stockholders and could cause our stock price to fall.

To the extent we raise additional capital by issuing equity securities, our stockholders may experience substantial dilution. We may sell common stock, convertible securities or other equity securities in one or more transactions at prices and in a manner we determine from time to time. If we sell common stock, convertible securities or other equity securities in more than one transaction, investors may be materially diluted by subsequent sales. These sales may also result in material dilution to our existing stockholders, and new investors could gain rights superior to our existing stockholders. In December 2023, we filed a registration statement on Form S-3 relating to the registration of our Class A common stock, preferred stock, debt securities, warrants and units or any combination thereof. In December 2023, we entered into an ATM facility, which provides for the offering, issuance and sale by us of shares of our Class A common stock from time to time for aggregate gross proceeds of up to $50.0 million in sales deemed to be “at-the-market offerings” as defined by the Securities Act. In an underwritten offering that we undertook in May 2026, we issued and sold 3,581,000 Shares together with an aggregate of 3,581,000 Series A Warrants Pre-Funded Warrants and Series B Warrants at a combined offering price of $1.955 per share, and 1,463,000 Pre-Funded Warrants with an aggregate of 1,463,000 Series A Warrants and Series B Warrants at a combined offering price of $1.945 per share. In May 2026, in a registered direct offering, we issued and sold 71,607 Shares together with an aggregate of 71,607 Series A Warrant and a Series B Warrant at a combined offering price of $1.955 per share. During the year ended December 31, 2025, we sold 113,217 shares of Class A common stock under the ATM facility resulting in net proceeds of $0.4 million. During the three and nine months ended September 30, 2026 through the filing date of this Quarterly Report, we sold 563,655 shares of Class A common stock under the ATM facility resulting in net proceeds of $0.8 million. Any exercises of the Series A Warrants, Series B Warrants or Pre-Funded Warrants issued in the May 2026 underwritten offering and registered direct offering and any additional sales or issuances of securities pursuant to our registration statement on Form S-3 or otherwise may result in dilution to our stockholders and may cause the market price of our stock to decline. Furthermore, new investors purchasing securities that we may issue and sell in the future could obtain rights superior to the rights of our existing stockholders.

Risks Related to Our Business and Strategy

Our business relies heavily on establishing and maintaining our position in the market as a leading provider of automated MQC testing.

Our future profitability will depend on our ability to successfully execute and maintain a sustainable business model and generate continuous streams of revenue. Our business model is premised on our position as a leader in automated MQC testing and the competitive advantages that such position creates. Our Growth Direct platform, among other things, is designed to reduce the amount of time for MQC testing and the opportunity for human error in what we believe is a more cost-effective manner than traditional MQC testing. However, if competitors develop and commercialize an automated MQC testing platform and are able to obtain traction with customers, we may not be able to maintain our lead position and execute our business strategy. If we are unable to expand or continue to expand our customers in growing areas of drug manufacturing, such as biologics and cell and gene therapies, continue to grow market adoption of our Growth Direct platform, and maintain our position as the industry leader in automated MQC testing, our business, prospects, financial condition and results of operations could be adversely affected.

We may not be successful in expanding our business with existing customers and driving adoption of our solutions with new customers.

We believe our success will depend on our ability to expand our business with existing customers and to target new drug manufacturing customers to capture a greater share of the MQC testing value chain. Our ability to grow our business with existing customers will depend on our ability to broaden the application of our automated MQC testing to a larger portion of the MQC testing workflow and to increase the number of Growth Direct systems in their manufacturing facilities. Our ability to expand our business will also depend on our ability to attract new customers and to integrate our platform with new methods of manufacturing, such as cell and gene therapies. Future revenue growth, if any, may also depend on our ability to develop and market new products, technologies and solutions to meet our customers' evolving needs, as well as our ability to identify new applications and customers for our technology in additional industries beyond the drug manufacturing industry.

As we continue to scale our business, we may find that certain of our products, certain customers or certain industries may require a dedicated sales force or sales personnel with different experience than those we currently employ. Identifying, recruiting and training additional qualified personnel would require significant time, expense and attention. If we are unable to drive new customer conversion to automated MQC and our Growth Direct platform, expand adoption of our Growth Direct platform into new industries and markets, or increase the usage and value of our platform to our customers, then our business, financial condition, results of operations and prospects could be adversely affected.

We may not successfully expand our Growth Direct platform to customers who manufacture cell and gene therapies.

Our ability to expand our Growth Direct platform to customers who manufacture cell and gene therapies depends upon our ability to integrate our platform with the novel manufacturing processes being developed for these therapies. Companies that manufacture cell and gene therapies are developing new approaches to handle this manufacturing method, including novel facility layouts, new processes and workflows, and new quality and risk management frameworks. Unlike traditional "small molecule" drug manufacturing, the manufacture of biologics, and cell and gene therapies in particular, is more time sensitive and subject to increased risk of contamination due to material handling and process change-over. There are also currently a small number of cell and gene therapies approved by the U.S. Food and Drug Administration ("FDA"). While we have experience providing automated MQC testing for customers that manufacture a number of these approved therapies, we may encounter challenges or unexpected issues as we apply our Growth Direct platform to testing a greater number of therapies as they are approved in future. We cannot be certain that we will be able to successfully or consistently integrate our platform with this novel manufacturing process. If we are unable to successfully expand our Growth Direct platform into this growing segment of therapeutic manufacturing, our business and financial position may be adversely affected.

The size of the markets and forecasts of market growth for automated MQC testing and other of our key performance indicators are based on a number of complex assumptions and estimates, and may be inaccurate.

We estimate annual total addressable markets and forecasts of market growth for our Growth Direct platform. We have also developed a standard set of key performance indicators designed to enable us to assess the performance of our business in and across multiple markets, and to forecast future revenue. These estimates, forecasts and key performance indicators are based on a number of complex assumptions, internal and third-party estimates and market studies, and other business data, including assumptions and estimates relating to our ability to generate revenue from the expansion of our platform into new drug manufacturing areas and new industries. While we believe our assumptions and the data underlying our estimates and key performance indicators are reasonable, there are inherent challenges in measuring or forecasting such information. As a result, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates may change at any time, thereby reducing the predictive accuracy of these underlying factors and indicators. As a result, our estimates of the total addressable market and our forecasts of market growth for our current or future products may prove to be incorrect, and our key performance indicators may not reflect our actual performance. If the total addressable market or the potential market growth for our platform is smaller than we have estimated or if the key performance indicators we utilize to forecast revenue are inaccurate, it may impair our sales growth and have an adverse impact on our business, financial condition, results of operations and prospects.

New product development involves a lengthy and complex process and we may be unable to develop or commercialize products on a timely basis, or at all.

Products from our development programs will take time and considerable resources to develop, and may include improvements or changes to our systems, software and consumables. We may not be able to complete development and commercialize them on a timely basis, or at all. There can be no assurance that our development programs will produce commercial products and solutions and before we can commercialize any new products, we will need to expend significant funds in order to:

- conduct substantial research and development, which may include validation studies;
- further develop and scale our engineering and manufacturing processes to accommodate different products;
- further develop and scale our infrastructure to be able to analyze increasingly large amounts of data; and
- utilize data and analytical insights generated from existing Growth Direct platform in our research and development programs in order to advance these programs.

Our product development processes involve a high degree of risk, and these efforts may be delayed or fail for many reasons, including:

- failure of the product to perform as expected;
- higher costs than anticipated; and
- failure to reliably demonstrate the advantages of our products.

In addition, if we are unable to generate additional data and insights from our existing Growth Direct platforms, then we may not be able to advance these programs as quickly, or at all, or without significant additional investment, all of which could have a material adverse effect on our product development efforts.

Even if we are successful in developing new products, it will require us to make significant additional investments in marketing and selling resources in order to commercialize any such products. For example, we recently made generally available for commercial sale our rapid sterility application for use on the Growth Direct system, for which we have expended significant time and resources to develop. We placed our first Growth Direct rapid sterility system with an existing customer in the second quarter of 2024. However, there can be no assurance that this new sterility test will gain broad commercial acceptance or that we will scale our manufacturing capabilities to support customer demand. Furthermore, because this is a new application, we may encounter technical or other product challenges as customers adopt and implement Growth Direct rapid sterility into their workflows. We may be unsuccessful in commercializing new products that we develop, which could adversely affect our business, financial condition, results of operations and prospects.

Our customers use our Growth Direct platform as part of their quality control workflow, which is subject to regulation by the FDA and other comparable regulatory authorities.

We provide products and services used for quality-control testing in pharmaceutical product manufacturing. Our customers are subject to extensive regulations by the FDA and similar regulatory authorities in other countries, including, for example, current good manufacturing practice regulations and associated requirements to validate the methods used to manufacture their products. To meet their regulatory compliance requirements, our customers have implemented quality-control workflows to monitor for microbial growth and contamination. While our Growth Direct platform is not regulated directly by the FDA or other comparable authorities and we have not verified our Growth Direct platform for compliance with such regulations, we have designed our platform to be integrated as part of a compliant quality-control workflow. If our Growth Direct platform is unable to meet regulatory standards for compliance or we are unable to update our platform to meet new regulatory requirements, we will lose customers and our business will be adversely affected. While under our agreements with our customers we are not liable for non-compliance of our Growth Direct platform, if a customer experienced a compliance failure due to our Growth Direct platform, or that the customer attributes to our Growth Direct platform, our reputation could be harmed and our business prospects adversely affected.

If we are unable to manage our inventory and support demand for existing and future products on the Growth Direct platform, our business could suffer.

As the number of customers using the Growth Direct platform grows and our volume of installed systems increases, we will need to continue to increase our capacity for customer service and support, including maintenance services of our systems, and expand our manufacturing capabilities. As a result, we will also need to purchase additional equipment, some of which can take several months or more to procure, setup and validate, and increase our personnel levels to meet increased demand. There is no assurance that any of these measures taken with respect to scale and expansion of personnel, equipment, manufacturing or services will be successfully implemented, or that we will have adequate space, including in our manufacturing facility, to accommodate such required expansion.

Additionally, we maintain certain levels of inventory to support future product manufacturing efforts and to align production volumes with anticipated customer demand. It is important for us to manage our consumables inventory to align production volumes with customer demand. For example, if our inventory of consumables exceeds customer demand, we may be unable to sell such inventory before it expires. Similarly, if our inventory of Growth Direct systems should exceed our customer demand, then it may not be sold at a pace that keeps up with the development of our technology and may therefore become obsolete or no longer be competitive in the marketplace. We have experienced, and may in the future experience, expiry of certain limited shelf life consumables in our inventory that rendered such inventory unsellable and resulted in charges to product cost of goods sold, adversely impacting our gross margins. Conversely, failure to maintain sufficient inventory levels to support customer demand may impact our ability to meet customer demand, disrupt our customers' workflows and business operations, damage our relationships with our customers and our reputation and lead to customer dissatisfaction. Failure by us to adequately manage our inventory could adversely impact our business operations, financial condition and results of operations, including with respect to working capital and gross margins.

In addition, if we commercialize additional products in the future, we will need to incorporate new equipment, implement new technology systems and processes, and hire new personnel, possibly with supplemental or different qualifications as compared to our current personnel. Failure to manage this growth or transition could result in product delays, higher cost of product revenue, declining product quality, deteriorating customer service and slower responses to competitive challenges. A failure in any one of these areas could make it difficult for us to meet market expectations for our products and could damage our reputation and the prospects for our business.

We have limited experience in marketing and sales, and if we are unable to successfully market our products to new and existing customers, address our customers' needs or to expand our customer base, our business may be adversely affected.

We have limited experience in marketing and selling our products and we currently rely on a small team to make direct sales in countries around the world. There are significant risks involved with relying on our own marketing and sales capabilities, including our ability to design and execute effective sales processes, generate and convert sufficient sales opportunities into new customers and place additional systems with existing customers. We have recently expanded our sales organization and implemented measures designed to improve the effectiveness of our sales force, but there can be no assurance that those efforts will translate into improved commercial outcomes.

Competition for employees capable of selling capital equipment such as the Growth Direct system into the pharmaceutical industry is intense. There are significant expenses and risks involved with having our own sales and marketing team, including our ability to hire, train, retain, and appropriately incentivize a sufficient number of qualified individuals, generate sufficient sales leads and provide our sales and marketing team with adequate access to customers who may want to purchase our products, effectively manage a geographically dispersed sales and marketing team, and other unforeseen costs and expenses. We may not be able to attract and retain personnel or be able to build an efficient and effective sales organization, which could negatively impact sales and market acceptance of our products and limit our revenue growth and potential profitability. In addition, the time and cost of establishing a specialized sales, marketing and service force for a particular product or service may be difficult to justify in light of the revenue generated or projected.

We may engage distributors or other strategic partners for the sale of our products, including in jurisdictions outside of the U.S. For example, in 2025, we entered into the Distribution Agreement with MilliporeSigma. There can be no assurance that we can identify and enter into additional arrangements with distributors or other strategic partners on terms that are favorable to us or at all. In some cases, we would exert limited control over these distributors, and if their sales and marketing efforts for our products are not successful, our business would be materially and adversely affected. We may not be successful in locating, qualifying and engaging distributors with industry experience and knowledge, including that of jurisdictions outside of the U.S. Even if we are successful in identifying distributors, such distributors may engage in sales

practices that violate federal, state, local or foreign laws or our internal policies. Furthermore, with respect to distributors in non-U.S. jurisdictions, sales practices utilized by any such distributors that are locally acceptable may not comply with sales practices standards required under U.S. laws that apply to us, which could create additional compliance risk.

Any of these issues could impair our ability to successfully place our Growth Direct systems and meet our revenue expectations.

Our cost reduction effort may not result in anticipated savings, could result in total costs and expenses that are greater than expected and could disrupt our business.

In the third quarter of 2026, we implemented certain cost actions, including a reduction in our current workforce, the closure of certain open and planned positions and reductions in other non-headcount-related expenses across the business. These actions are part of our ongoing efforts to prudently manage our cash resources and are expected to result in approximately $3.0 million in cash savings for the full year 2027 and approximately $1.0 million over the balance of 2026. We recorded a charge of $0.7 million in the third quarter of 2026 related to this initiative. We may not realize, in full or in part, the anticipated benefits and cost savings from this initiative due to unforeseen difficulties, delays or unexpected costs. If we are unable to realize the expected operational efficiencies and cost savings while maintaining our business performance, our operating results and financial condition could be adversely affected. For example, reduced headcount in our research and development teams may impair our ability and efforts to develop and commercialize new or improved products. Decreased resources within our operations teams may negatively affect our ability to build our products in an efficient manner or at all, and may contribute to unfavorable trends in gross margins. Within our general and administrative teams, reductions may result in degraded support to our other business functions, including in respect of finance, legal and human resources. If future results of operations lag our expectations, we may undertake additional workforce reductions or restructuring activities. Any or all such measures could divert the attention of management, yield attrition beyond our intended reduction in workforce, reduce employee morale, or cause us to delay, limit, reduce or eliminate certain development plans, each of which could have an adverse impact on our business, operating results and financial condition. These measures may also reduce our existing customers' confidence in us, disrupt our sales processes and negatively impact our customer service operations. Our failure to adequately address any of these issues could have a material adverse effect on our business, operating results and financial condition.

We may be unable to manage our future growth effectively, which could make it difficult to execute our business strategy.

We have devoted significant efforts to streamline our business operations and refocus our personnel strategy, with the goal of achieving sustained growth in our business operations. The volatility in our growth has required significant time and attention from our management, and placed strains on our operational and manufacturing systems and processes, financial systems and internal controls and other aspects of our business. As needed, we expect to selectively increase headcount and to hire more specialized personnel in the future as we grow our business. We will need to continue to hire, train and manage additional qualified engineers, client and account services personnel, sales and marketing staff, software, manufacturing, distribution and quality assurance personnel in order to develop and launch new products, innovate and improve our existing products and successfully commercialize our platform and solutions. We may also need to hire, train and manage individuals with expertise that is separate, supplemental or different from expertise that we currently have, and accordingly we may not be successful in hiring, training and managing such individuals. If our new hires perform poorly, if we are unsuccessful in hiring, training, managing and integrating these new employees, or if we are not successful in retaining our existing employees, our business may be harmed. In addition, our compensation arrangements, such as our equity award programs, may not always be successful in attracting new employees and retaining and motivating our existing employees. We may need to issue additional equity securities to attract job candidates or issue additional securities to retain personnel. In making employment decisions, job candidates and existing personnel often consider the value of the equity awards they would receive in connection with their employment and fluctuations in our stock price, or a perception that the market price of our stock may not increase or may increase more slowly than stock prices at other companies, may make it more difficult to attract, retain, and motivate employees.

As we have grown, our employees have become more geographically dispersed. We serve customers located in multiple countries and plan to continue to expand to new countries as part of our growth strategy, which will lead to increased dispersion of our employees, including sales employees and employees who are in our service and support groups. We may face challenges integrating, developing and motivating our rapidly growing and increasingly dispersed employee base.

We may not be able to maintain the quality, reliability or robustness of our platform, or the expected turnaround times of our services and support, or to satisfy customer demand as it grows. Our ability to manage our growth properly will require us to continue to improve our operational, financial and management controls, as well as our reporting systems and procedures. To effectively manage our growth, we must continue to improve our operational and manufacturing systems and processes, our financial systems and internal controls and other aspects of our business and continue to effectively expand, train and manage our personnel. The time and resources required to improve our existing systems and procedures, implement new systems and procedures and to adequately staff such existing and new systems and procedures is uncertain, and failure to complete such activities in a timely and efficient manner could adversely affect our operations and negatively impact our business and financial results.

If we cannot compete successfully, we may be unable to increase or sustain our revenue, or achieve and sustain profitability.

We currently primarily compete with established companies that provide consumables for MQC testing and with a limited number of established and early-stage companies that have automated MQC testing systems. In addition, our customers may also elect to continue to use the traditional MQC testing method rather than our platform and may decide to stop using our platform.

Our competitors and potential competitors may enjoy a number of competitive advantages over us, including:

- longer operating histories;
- larger customer bases;
- greater brand recognition and market penetration;
- greater financial resources;
- greater technological and research and development resources;
- better system reliability, robustness and features;
- greater selling and marketing capabilities; and
- better established, larger scale and lower cost manufacturing capabilities.

As a result, our competitors and potential competitors may be able to respond more quickly to changes in customer requirements, devote greater resources to the development, promotion and sale of their platforms or systems than we can or sell their platforms or systems, or offer services competitive with our platform and services at prices designed to win significant levels of market share. We may not be able to compete effectively against these organizations.

In addition, competitors may be acquired by, receive investments from or enter into other commercial relationships with larger, well-established and well-financed companies. Certain of our competitors may be able to secure key inputs from vendors on more favorable terms, devote greater resources to marketing and promotional campaigns, adopt more aggressive pricing policies and devote substantially more resources to product development than we can. Further, competition in the automated MQC testing market, while currently limited, is growing and may continue to increase in future, and we may not be able to maintain our leading position in the industry as a result. If we are unable to compete successfully, we may be unable to increase market adoption and sales of our platform, which could prevent us from increasing our revenue or achieving profitability.

We must develop new products, adapt to rapid and significant technological change and respond to introductions of new products by competitors to remain competitive.

We sell our products in industries that are characterized by significant enhancements and evolving industry standards. As a result, our customers' needs are rapidly evolving. If we do not appropriately innovate and invest in new technologies, our products and services may become less desirable in the markets we serve, and our customers could move to new technologies offered by our competitors or decide to revert to the traditional MQC testing method. Although we believe customers in our markets display a significant amount of loyalty to their supplier of a particular product, we also believe

that because of the initial time investment required by many of our customers to reach a purchasing decision for a new product, it may be difficult to regain that customer once the customer migrates away from using our solutions to that of a competitor. Without the timely introduction of new products, services and enhancements, our offerings will likely become less competitive over time, thus harming our competitive position. In some instances, specific circumstances of particular customer(s) may require us to innovate on our products to meet those needs, and failure to do so may hinder our ability to sell our solutions to or maintain our relationships with those customer(s). Accordingly, we focus significant efforts and resources on the development and identification of new technologies, products and markets to further broaden our offerings. For example, our Growth Direct platform relies on machine learning to train its vision algorithms for the detection of microbial growth, a technological field that is undergoing immense and rapid innovation. If we are unable to capitalize on this innovation and effectively use and deploy AI and machine learning technologies and integrate them into our existing and future product offerings and services, the competitiveness of our platform in our marketplace could be undermined. To the extent we fail to timely introduce new and innovative products or services, adequately predict our customers' needs or fail to achieve market acceptance, our business may suffer and our operating results could be adversely affected.

Due to the significant resources required to enable access in new markets, we must make strategic and operational decisions to prioritize certain markets, products and services. We may expend our resources to access markets and develop products and services that do not yield meaningful revenue or we may fail to capitalize on markets, products or services that may be more profitable or with a greater potential for success.

We believe our platform has potential applications across a wide range of markets and we have targeted certain markets in which we believe our technology has significant advantages or a higher probability of success or greater revenue opportunity, such as the manufacture of cell and gene therapies. We seek to maintain a process of prioritization and resource allocation among our programs to maintain a balance between advancing near-term opportunities and exploring additional markets for our platform. However, due to the significant resources required for the development of products and services for new markets, we must make decisions on which markets to pursue and the amount of resources to allocate to each. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular markets, products or services may not lead to the development of any viable product or service and may divert resources away from better opportunities. Similarly, we may choose to pursue certain markets, which may not be as profitable as other markets that we did not pursue due to our limited resources. As a result, our business, financial condition, results of operations and prospects could be adversely impacted.

The Growth Direct platform may contain undetected errors or defects or may not otherwise meet the expectations of our customers, which means our business, financial condition, results of operations and prospects could suffer.

Our Growth Direct platform includes the Growth Direct system, proprietary consumables and our laboratory information management system ("LIMS") connection and other software. There could be undetected errors or defects despite our rigorous testing of our platform and its components, and the Growth Direct platform may otherwise not meet the expectations of our customers. Disruptions or other performance problems with our platform or with the components that comprise our platform may adversely impact our customers' manufacturing process, compliance workflow or business, harm our reputation and result in reduced revenue or increased costs, such as those associated with repairs, replacements or reacquisitions of our systems. If such challenges occur, the attention of our key personnel could be diverted, or other significant customer relations problems may arise. We may also be subject to warranty claims or breach of contract for damages related to errors or defects in our products. Additionally, we may be subject to legal claims arising from any defects or errors in our platform, and in the systems, consumables and software that comprise our platform. In the past, we have repaired, and in exceptional cases, replaced or reacquired Growth Direct systems under warranty. In addition, we have undertaken, and in the future may undertake, goodwill and customer satisfaction initiatives that involve the shipping of additional or replacement deliveries of our products, such as consumables, at no charge to customers. All of the foregoing adversely impact our gross margins and have required, and may in the future require, the expenditure of resources. Our failure to prevent or adequately address any of foregoing risks could have a material adverse effect on our business, operating results and financial condition.

Our success depends on, among other things, the market's confidence that the Growth Direct platform is capable of substantially enhancing quality control in the conduct of manufacturing activities as compared to the traditional method of MQC testing or that of competitive products, and will enable more efficient or improved drug manufacturing. Pharmaceutical companies and contract development and manufacturing organizations ("CDMOs"), are likely to be particularly sensitive to defects and errors in the use of our platform, including if our platform fails to deliver meaningful improvements in MQC testing with results at least as good as the results generated using the traditional method of MQC

testing, or new methods of automated MQC testing being developed and sold by emerging competitors. There can be no guarantee that our platform will meet the expectations or needs of these companies or CDMOs.

The complexity of our products and the amount of lead time required to deliver products to our customers have caused in the past, and may cause in the future, delays in releasing new products and workflows. In addition, we have experienced in the past, and may experience in the future, challenges with our products, such as the reliability of our systems. If there are delays in delivering our products to our customers, or if our products fail to perform as well as or better than traditional MQC testing and competitive products or fail to generate reliable results for our customers, or our products otherwise fail to meet our customers' expectations our revenue could be reduced or delayed, which could adversely affect our business, financial condition, results of operations and prospects.

These complexities also require that we train our customers to operate our Growth Direct platform, which is expensive and time consuming. Any misuse of our products, including as a result of inadequate training, could cause our products not to perform as expected or to fail to demonstrate the process advantages of our products. The training requirement may also deter some customers from utilizing our products. Any of these results could adversely affect our business, financial condition, results of operations and prospects.

Potential product liability lawsuits against us could cause us to incur substantial liabilities and limit commercialization of any products that we may develop.

The use of any product we may develop and the sale of any products exposes us to the risk of product liability claims. Product liability claims might be brought against us by pharmaceutical companies, contract organizations or others selling or otherwise coming into contact with our products. If we cannot successfully defend against product liability claims, we could incur substantial liability and costs. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- impairment of our business reputation and significant negative media attention;
- withdrawal of customers;
- significant costs to defend the litigation;
- distraction of management's attention from our primary business;
- substantial monetary awards to claimants;
- inability to commercialize a product;
- product recalls or withdrawals;
- decreased market demand for any product; and
- loss of revenue.

The product liability insurance we currently carry, and any additional product liability insurance coverage we acquire in the future, may not be sufficient to reimburse us for any expenses or losses we may suffer. In the future, we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses due to liability. A successful product liability claim, or series of claims, brought against us could cause our share price to decline and, if judgments exceed our insurance coverage, could adversely affect our results of operations and our business, including preventing or limiting the commercialization of any products we develop.

If we lose key management, cannot recruit qualified employees, directors, officers or other significant personnel or experience increases in our compensation costs, our business may be materially harmed.

We are highly dependent on our management and directors, including our Chief Executive Officer, Robert Spignesi, among others. Due to the specialized knowledge each of our officers and key employees possesses with respect to our products and services and our operations, the loss of service of any of our officers or directors could delay or prevent successful sales and the expansion of our platform. We do not carry key person life insurance on our Chief Executive

Officer or our other officers or directors. In general, the employment arrangements that we have with our executive officers do not prevent them from terminating their employment with us at any time.

In addition, our future success and growth will depend in part on the continued service of our directors, employees and management personnel and our ability to identify, hire and retain additional personnel. If we lose one or more of our executive officers or key employees, our ability to implement our business strategy successfully could be seriously harmed. Furthermore, replacing executive officers and key employees may be difficult or costly and may take an extended period of time because of the limited number of individuals in our industry with the breadth of skills and experience required to develop, market and sell our products successfully. Competition to hire from this limited pool is intense, and we may be unable to hire, train, retain or effectively incentivize these additional key personnel on acceptable terms given the competition among numerous technology companies for similar personnel. If we are unable to attract qualified personnel and retain our current employees, our ability to develop and sell our products could be limited and our business and customer relationships could be materially harmed.

We depend on our information technology ("IT") systems, and any failure of these systems could harm our business.

We depend on information technology and telecommunications systems for significant elements of our operations, including our knowledge management system, our customer reporting, our platform, advanced automation systems, and advanced application and LIMS connection software. We have installed, and expect to expand, a number of enterprise software systems that affect a broad range of business processes and functional areas, including for example, systems handling human resources, financial controls and reporting, contract management, compliance and other infrastructure operations. These implementations can be expensive and require significant time and effort. These IT and telecommunications systems support a variety of functions, including manufacturing operations, data analysis, quality control, customer service and support, billing, research and development activities, and general administrative activities.

IT and telecommunications systems are vulnerable to damage from a variety of sources, including telecommunications or network failures, malicious software, bugs or viruses, human acts and natural disasters. For example, in July 2024, many industries and businesses were disrupted globally by a software glitch associated with CrowdStrike's cybersecurity software. While we did not experience material downtime in our IT systems, similar events in the future may disrupt our operations. Moreover, despite network security and back-up measures, our servers remain potentially vulnerable to physical or electronic break-ins, computer viruses and similar disruptive problems. Any disruption or loss of IT or telecommunications systems on which critical aspects of our operations depend could have an adverse effect on our business and our reputation.

Cybersecurity incidents and data breaches, data loss and other disruptions could compromise our confidential and/or proprietary information and other sensitive information related to our business or prevent us from accessing critical information and expose us to liability, which could adversely affect our business and our reputation.

In the ordinary course of our business, we collect and store sensitive data, including personal information, intellectual property and proprietary business information owned or controlled by ourselves or our employees, customers and other parties. We manage and maintain our applications and data utilizing a combination of on-site systems and cloud-based data centers. We utilize external security and infrastructure vendors to manage parts of our data centers. These applications and data encompass a wide variety of business-critical information, including research and development information, customer information, commercial information and business and financial information. We, like all companies storing business-critical information, face a number of risks relative to protecting this critical information, including loss of access, inappropriate use or disclosure, unauthorized access or exfiltration, inappropriate modification, inappropriate destruction, and the risk of our being unable to adequately monitor and audit and modify our controls over our critical information. This risk extends to the third-party vendors and subcontractors we use to manage this sensitive data or otherwise process it on our behalf. The secure processing, storage, maintenance and transmission of this critical information are vital to our operations and business strategy, and we devote significant resources to protecting such information.

Although we take measures to protect sensitive data from unauthorized access, use or disclosure, our IT and infrastructure may still be vulnerable to, and we have in the past experienced and may continue to experience in the future, attacks by hackers or viruses or data breaches due to employee error, malfeasance or other malicious or inadvertent disruptions. We may also face increased cybersecurity risks due to our reliance on internet technology and the number of our employees who are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. Furthermore, the use of AI technologies by us and third-party vendors can also give rise to cybersecurity risks as well as intellectual property risks, including the disclosure or compromise of our confidential information or other proprietary intellectual property through the use of generative AI tools, or the ability to assert or defend ownership rights in

intellectual property created with the use of generative AI tools. Any of these effects could damage our reputation, result in the loss of valuable property and information, cause us to breach applicable laws and regulations, and adversely impact our business.

Further, attacks upon IT systems, including ransomware attacks and digital extortion, business email compromises, social engineering, including phishing attacks, denial of service attacks, computer malware, malicious codes, viruses, wrongful intrusions, wrongful conduct by insider employees or vendors, data breaches, and other malicious internet-based activity are increasing in their frequency, levels of persistence, sophistication and intensity, and are being conducted by sophisticated and organized groups and individuals with a wide range of motives, capabilities, and expertise, and may be enhanced or facilitated by AI. For example, bad actors around the world are increasingly using AI to engage in illegal activities involving the theft and misuse of personal information, confidential information and intellectual property. Furthermore, because the techniques used to obtain unauthorized access to, or to sabotage, systems change frequently and often are not recognized until launched against a victim entity, we may be unable to anticipate these techniques or implement adequate preventative measures. While we have measures in place to identify, detect and mitigate security threats and incidents, they are not failproof, so we may also experience security incidents that may remain undetected for an extended period. Any such incident could result in the compromise of our information systems, and the data stored there could be accessed, encrypted, corrupted, modified, publicly disclosed, lost or stolen. Any such incident could result in legal notifications and/or disclosures, as well as legal claims or proceedings, including for breaches of confidential information obligations with contractual counterparties, and liability under federal or state laws that protect the privacy of personal information, and regulatory penalties. Notice of cybersecurity incidents and data breaches may be required to affected individuals, customers, or other state, federal or foreign regulators, and for extensive breaches, notice may need to be made to the media or State Attorneys General. Such a notice could harm our reputation and our ability to compete. Although we have implemented security measures to prevent, detect and respond to security incidents, our data is currently accessible through multiple channels, and there is no guarantee we can protect our data from breach. Unauthorized access to our information systems, and the loss, destruction or, dissemination of data stored within them could also disrupt or halt our operations and damage our reputation, any of which could adversely affect our business.

Moreover, our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy and data security obligations. Further, although we maintain cyber liability insurance, this insurance may not provide adequate coverage against potential liabilities related to any experienced cybersecurity incident or breach.

We are currently subject to, and may in the future become subject to additional, U.S., state, federal, and foreign laws and regulations imposing obligations on how we collect, store, safeguard and process personal information. Our actual or perceived failure to comply with such obligations could harm our business. Our efforts to comply with such laws could require significant resources and expenses and also impair our efforts to maintain and expand our customer base, and thereby decrease our revenue.

We are, and may increasingly become, subject to various laws and regulations, as well as contractual obligations, relating to data privacy and security of personal information we collect and process. The regulatory environment in the U.S. and abroad related to data privacy and security is increasingly rigorous, with new and constantly changing requirements applicable to our business, and enforcement practices are likely to remain uncertain for the foreseeable future. These laws and regulations may be interpreted and applied differently over time and from jurisdiction to jurisdiction, and it is possible that they will be interpreted and applied in ways that may have a material adverse effect on our business, financial condition, results of operations and prospects.

In the United States, various federal and state laws relating to the privacy and security of personal information impose obligations on how we collect, store, use, transmit, secure, and otherwise process such data. These laws, such as Section 5 of the Federal Trade Commission Act, the California Consumer Privacy Act (“CCPA”) and numerous other U.S. state consumer privacy laws, generally provide consumers right to restrict our use of their personal information and limit our disclosure to third parties.

We expect that there will continue to be new proposed and amended laws, regulations and industry standards concerning privacy, data protection and information security in the U.S. The CCPA, as amended by the California Privacy Rights Act, for example, establishes data privacy rights for California residents and obligates covered businesses to comply with specific requirements related to data use, transparency, deletion, and opt-out of the selling or sharing of personal information. The CCPA also provides for civil penalties, and allows for a private right of action for certain types of data breaches, which may lead to increased data breach litigation risk. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to personal information than federal, international or other state laws,

and such laws may differ from each other, all of which may complicate compliance efforts. Such laws may have potentially conflicting requirements that would make compliance challenging.

More than twenty other U.S. states have passed their own comprehensive privacy laws with more expected to pass in the coming years. Such laws may add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data and could result in increased compliance costs and/or adverse changes in business data collection and use practices and policies. Some states have also either passed or proposed privacy and data protection legislation specifically protecting health-related information. The existence of varying and potentially conflicting comprehensive privacy laws in different U.S. states could make our compliance obligations more complex, may require us to expend significant resources in connection with our compliance efforts and subject us to enforcement actions or otherwise incur liability for any actual or perceived noncompliance, including litigation, enforcement actions and reputational harm leading to a loss of existing and future business.

Internationally, laws, regulations and standards in many jurisdictions apply broadly to the collection, use, retention, security, disclosure, transfer and other processing of personal information. For example, with respect to the collection and processing of personal data relating to our personnel, customers and establishments in Europe, we are subject to the EU General Data Protection Regulation ("EU GDPR"), the UK General Data Protection Regulation ("UK GDPR"), as well as applicable data protection laws in effect in the Member States of the EEA and in the UK (including the UK Data Protection Act 2018) which govern the processing of personal data in connection with (a) our offering of goods or services to/the monitoring of the behavior of individuals in the UK and EEA; or (b) the activities of any of our establishments in the UK or any EEA Member State, such as our German subsidiary. In this Quarterly Report on Form 10-Q, references to "GDPR" encompass both the EU GDPR and UK GDPR, unless otherwise specified. The GDPR is wide-ranging in scope and imposes numerous requirements on companies that process personal data, including requiring disclosures to individuals regarding data processing activities, requiring that safeguards are implemented to protect the security and confidentiality of personal data, limiting retention periods for personal data, creating mandatory data breach notification requirements in certain circumstances, and requiring that certain measures (including contractual requirements) are put in place when engaging third-party processors. The GDPR also imposes strict rules on the transfer of personal data to countries outside the EEA or the U.K., including transfers of personal data from Europe to the United States in certain circumstances. Any inability to transfer personal data from Europe to the United States in compliance with data protection laws may impede our operations and may adversely affect our business and financial position. Switzerland has also implemented data protection laws with similar obligations and triggers to the GDPR which we may be subject to in connection with our Swiss subsidiary, personnel and customers.

The complex and evolving nature of data protection laws and regulations may lead to additional compliance costs, including as a result of diverging international data privacy laws and regulations and related uncertainties. There can be no assurances that we will be successful in our efforts to comply with the multitude of U.S., state, federal, and foreign privacy and data security laws, and violations of such laws could result in regulatory investigations and significant fines, as well as civil claims including class actions, and reputational damage.

Regulators and legislators in the U.S. are increasingly scrutinizing and restricting certain personal data transfers and transactions involving foreign countries. For example, the Department of Justice Rule, implemented as of January 8, 2025, on Preventing Access to U.S. Sensitive Personal Data and Government-Related Data by Countries of Concern, or Covered Persons, prohibits data brokerage transactions involving certain sensitive personal data categories, including health data, genetic data, and biospecimens, to countries of concern, including China. The regulations also restrict certain investment agreements, employment agreements and vendor agreements involving such data and countries of concern, absent specified cybersecurity controls. Actual or alleged violations of these regulations may be punishable by criminal and/or civil sanctions, and may result in exclusion from participation in federal and state programs.

Like many companies, we use AI and machine learning technologies, including generative AI, to efficiently grow and manage our business. These technologies have increasingly been the focus of attention for lawmakers and regulators around the globe.

The use of AI tools by our employees or third parties on which we rely may increase over time and may lead to unauthorized or unintended disclosures of confidential information (including personal information or proprietary data). In addition, we may use AI outputs to inform certain decisions we make, and the outputs we rely on may be incomplete, inaccurate, or otherwise flawed, despite appearing to be accurate and reliable. Potential flaws in the AI tools that we use, or our incorrect application of them, could cause us to make decisions that unfairly bias certain individuals or classes of individuals and adversely impact their rights. As a result, we could face adverse consequences, including exposure to reputational and competitive harm, loss of business, and legal and contractual liabilities.

A growing number of legislators and regulators are adopting laws and regulations and have focused enforcement efforts on the adoption of AI, and use of such technologies in compliance with safety requirements, intellectual property and privacy laws, ethical standards and societal expectations. In addition, U.S. states and the federal government have adopted a wide variety of measures to regulate various facets of AI development, deployment, and use in recent years, and it is possible that new laws and regulations will be adopted in the near future, or that existing laws and regulations may be interpreted in ways that would affect our business and the ways in which we and our customers use our AI technologies, our financial condition and our results of operations, including as a result of the cost to comply with such laws or regulations.

Outside the U.S., lawmaking and regulation relating to AI is proceeding at a similar pace, which also may increase our compliance burden and costs in connection with our use of AI and lead to legal liability if we fail to meet evolving legal standards or if use of such technologies results in harms or other causes of action we did not predict.

We may evaluate strategic opportunities for our business, including through acquisitions, joint ventures or investments in other companies or technologies that could negatively affect our operating results, dilute our stockholders' ownership, increase our debt or cause us to incur significant expense.

As part of our business strategy, we may opportunistically pursue acquisitions of businesses and assets that we believe may be complementary or synergistic with our own, or strategic alliances and joint ventures that leverage our technology and industry experience to expand our offerings or distribution. We have no experience with acquiring other businesses or assets and limited experience with forming strategic partnerships. We may not be able to find suitable collaborators or acquisition candidates, and we may not be able to complete such transactions on favorable terms, if at all. The competition for collaborators or acquisition candidates may be intense, and the negotiation process will be time consuming and complex. If we make any acquisitions, we may not be able to integrate these acquisitions successfully into our existing business, these acquisitions may not strengthen our competitive position, the transactions may be viewed negatively by customers or investors, we may be unable to retain key employees of any acquired business, relationships with key suppliers, manufacturers or customers of any acquired business may be impaired due to changes in management and ownership, and we could assume unknown or contingent liabilities. Any future acquisitions also could result in contingent liabilities or future write-offs of intangible assets or goodwill, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. We cannot guarantee that we will be able to fully recover the costs of any acquisition. Integration of an acquired company also may disrupt ongoing operations and require management resources that we would otherwise focus on developing our existing business. We may not realize the anticipated benefits of any acquisition, technology license, strategic alliance or joint venture. We also may experience losses related to investments in other companies, which could have a material adverse effect on our business, financial condition, results of operations and prospects.

To fund any such acquisitions or joint ventures, we may choose from a number of financing alternatives that may be accompanied by drawbacks. For example, if we incur debt, we may be required to abide by restrictive covenants or grant security interests in our assets to secure such debt. If we issue equity as consideration, such issuances would dilute the ownership of our stockholders or, in the case of preferred equity, may impose preferential terms that are senior to those of our common stockholders. Additional funds may not be available on terms that are favorable to us, or at all. If the price of our Class A common stock is low or volatile, we may not be able to acquire companies or fund a joint venture project using our stock as consideration.

We may not realize the intended benefits of our strategic partnerships and other collaborations, and such relationships may introduce additional risks to our business.

We have entered and continue to seek to enter into strategic partnerships and other kinds of collaborations as part of our business strategy. While we believe that these and similar relationships are critical to our ability to innovate, expand our market reach and deliver comprehensive solutions to our customers, they involve numerous risks and uncertainties. We may not achieve the expected benefits from these types of strategic collaborations and these relationships may introduce complexities and risks into our business.

For example, in January 2025, we announced that Lonza successfully integrated our Growth Direct system with its MODA-EM module to combine paperless processes with automated microbial enumeration for pharmaceutical quality control, as discussed further under Item 1. Business – *Integration with MODA® Platform* in our Annual Report on Form 10-K. There can be no assurance that the benefits observed by Lonza will be replicated in the experiences of other

customers, or that such benefits, even if achieved by other customers, will drive further market adoption of our platform. In addition, as a large, multinational manufacturing company, Lonza may seek similar collaboration opportunities to integrate other technologies and platforms, including those of our competitors. As a result, despite the current integration of our Growth Direct system with Lonza's MODA-EM module, we may not experience increased sales of our products.

In addition, in February 2025, we entered into a Distribution and Collaboration Agreement (the "Distribution Agreement") with Millipore S.A.S., a subsidiary of the Life Science business of Merck KGaA, Darmstadt, Germany, which operates in the U.S. as MilliporeSigma, pursuant to which we granted our collaborator the co-exclusive right to distribute certain of our products, as discussed further under Item 1. Business – *Distribution and Collaboration Agreement with Millipore S.A.S.* in our Annual Report on Form 10-K. Our ability to generate sales and product revenue under this agreement is dependent on the performance and cooperation of our distributor. Our distributor may not meet its obligations, including with respect to its initial purchase commitments, experience financial difficulties, undergo adverse changes in its business or shift its focus away from selling our products. Furthermore, during the term of the agreement, we are prohibited from engaging other third parties to sell our products so long as a purchase commitment by the distributor is in place. There can be no assurance that our distributor will make additional commitments to purchase our products. The interests of our distributor may diverge from ours, and disagreements over key decisions or strategies could lead to conflict, impaired collaboration or the dissolution of the collaboration. We may not successfully manage channel conflicts with our distributor and our selling efforts to certain customers may overlap with those of our distributor, which may lead to disputes over which party should receive credit for a given sale or which party should manage the customer relationships that are created or deepened during the course of the collaboration. Our distributor is headquartered in France and, as a subsidiary of a large, multinational science and technology company, may have different corporate cultures, operational procedures and business practices, all of which can be challenging to manage. In engaging in its selling and marketing efforts, our distributor may place substantial and time-sensitive demands on the attention and resources of our employees and management, including those related to answering questions and fielding requests from its sales force and otherwise assisting our distributor with its commercial activities in respect of our products, all of which may divert the focus of our personnel.

Our distribution arrangement includes tier-based transfer pricing on the covered products, which may adversely impact the margins that we achieve on sales of our products. If our distributor achieves commercial traction with our products, we may become reliant on our distributor through increased sales to customers. In addition, as both parties begin to perform under the services agreement that we recently entered into with our distributor, we may become dependent on this distributor in engaging us to provide our services to certain customers to whom the distributor has the primary responsibility to sell and distribute those services. Similarly, if we enter into a supply agreement as contemplated by our Distribution Agreement, we may become dependent on the distributor as part of our effort to lower the costs of our products. In that event, we may suffer significant and adverse consequences to our business operations, sales, revenue, product margins and customer experience in the event our collaboration is terminated.

Additionally, while our distribution arrangement is global and covers all fields related to industrial quality control applications in the pharmaceutical, medical device, personal care, cosmetics and food and beverage spaces, we have historically focused our selling efforts to pharmaceuticals manufacturers and specifically in North America, Europe and, to a lesser extent, Asia-Pacific. There can be no assurance that our distributor will be successful in achieving market penetration of our products in additional fields or geographies. Expanding the application of our products into such additional fields and geographies may introduce additional risks, including in respect of regulatory and compliance, as we seek to navigate and comply with laws and regulations applicable to such fields and territories. Any non-compliance by us or our distributor with applicable laws and regulations could lead to legal liabilities, financial penalties and reputational damage for us.

If we are unable to effectively manage these risks and uncertainties, our relationships with current and prospective collaborators may not deliver the expected benefits, and may also introduce risks that could adversely affect our business operations, financial condition, and results of operations.

Activities associated with repair or replacement of our products, including due to warranties we provide on our Growth Direct systems and consumables, could have a material adverse effect on our business, financial condition and results of operations.

Our standard terms and conditions for customers generally provide for a one-year limited assurance warranty on Growth Direct systems, which is included in the sales price. Similarly, from time to time, we have determined, and may in the future determine, to repair, replace or otherwise remedy other products, including our consumables, at no charge to

customers. These activities may take the form of goodwill and customer satisfaction initiatives that involve the shipping of additional or replacement deliveries of our consumables. As a result, we have incurred, and may in the future incur, costs associated with our warranties and activities of these types, and these costs could have a material adverse effect on our business, financial condition and results of operations.

In connection with the foregoing activities, we establish an accrual for estimated warranty expenses based on historical information, current cost data and future forecasts. We exercise judgment in establishing these reserves, which includes determining the expected product warranty costs using estimated material, labor and other costs, as well as the expected volume of repairs or replacements that we may make. While we believe that historical experience provides a reliable basis for estimating such costs, unforeseen quality issues or component failure rates could cause actual costs to exceed such estimates. The amounts that we accrue for estimated warranty expenses adversely impact our gross margins. Our warranty activity could have a material adverse effect on our business, financial condition and results of operations.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter and our policies have limits and significant deductibles. Some of the policies we currently maintain include general liability, property, umbrella, cybersecurity, and directors' and officers' insurance.

Any additional product liability insurance coverage we acquire in the future, may not be sufficient to reimburse us for any expenses or losses we may suffer. Moreover, insurance coverage is becoming increasingly expensive and in the future we may not be able to maintain insurance coverage at a reasonable cost or in sufficient amounts to protect us against losses. A successful product liability claim or series of claims in which judgments exceed our insurance coverage could adversely affect our business, financial condition, results of operations and prospects, including preventing or limiting the commercialization of any products we develop.

Operating as a public company makes it more difficult and more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced policy limits and coverage, seek alternative insurance options or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, our board committees or as executive officers. Any significant uninsured liability may require us to pay substantial amounts, which would adversely affect our business, financial condition, results of operations and prospects.

International expansion of our business exposes us to business, regulatory, political, operational, financial and economic risks associated with doing business outside of the United States.

Our business strategy includes achieving significant and increasing sales to customers and sites outside of the U.S. As a result, we have established relationships with customers outside of the U.S. and may in the future seek to expand our international customer base. To that end, our staff is located in North America, Europe and the Asia-Pacific region, and we intend to further expand our international presence. Doing business internationally involves a number of risks, including:

- multiple, conflicting and changing laws and regulations such as privacy regulations, tax laws, export and import restrictions, tariffs, economic sanctions and embargoes, employment laws, regulatory requirements and other governmental approvals, permits and licenses;
- failure by us or our distributors to obtain approvals to conduct our business in various countries;
- differing intellectual property rights;
- complexities and difficulties in obtaining intellectual property protection, enforcing our intellectual property and defending against third-party intellectual property claims;
- difficulties in staffing and managing foreign operations;
- logistics and regulations associated with shipping systems and parts and components for systems and consumables, such as import and export controls that apply or may become applicable to our products, or

changes in such controls that impact our ability to source, manufacture and deliver products to our customers, as well as transportation delays;

- travel restrictions that limit the ability of marketing, presales, sales, services and support teams to service customers;
- financial risks, such as longer payment cycles, difficulty collecting accounts receivable, the impact of local and regional financial crises on demand and payment for our products and exposure to foreign currency exchange rate fluctuations;
- international trade disputes that have resulted or could in the future result in tariffs and other protective measures taken by the U.S. or other countries;
- economic sanctions and other trade restrictions that can change quickly and without warning can require sudden changes to business practices or relationships and can result in significant fines or penalties for non-compliance, in certain cases irrespective of the actions of our employees, vendors, or other commercial partners;
- natural disasters, the severity and frequency of which may be amplified by global climate change, political and economic instability, including wars, terrorism and political unrest, outbreak of disease, boycotts, curtailment of trade and other business restrictions; and
- regulatory and compliance risks, including severe penalties such as criminal and civil penalties, disgorgement and other remedial measures, that relate to the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act 2010 and similar anti-bribery and anti-corruption laws in other jurisdictions.

Any of these factors could significantly harm our future international expansion and operations and, consequently, our business, financial condition, results of operations and prospects. In addition, certain international markets are subject to significant political and economic uncertainty. Significant political and economic developments in international markets for which we intend to operate, or the perception that any of them could occur, creates further challenges for operating in these markets in addition to creating instability in global economic conditions.

Certain legal and political risks are also inherent in foreign operations. There is a risk that foreign governments may nationalize private enterprises in certain countries where we may operate. In certain countries or regions, terrorist activities and the response to such activities may threaten our operations more than in the United States. Social and cultural norms in certain countries may not support compliance with our corporate policies, including those that require compliance with substantive laws and regulations. Also, changes in general economic and political conditions in countries where we may operate are a risk to our financial performance and future growth. In addition, in certain geographies, we may need to rely on distributors, partners and other collaborators to penetrate those markets, and there can be no assurance that we will be able to secure relationships with such parties or that such parties will comply with legal and regulatory standards that are applicable to our business. As we operate our business globally, our success will depend, in part, on our ability to anticipate and effectively manage these and other related risks. There can be no assurance that the consequences of these and other factors relating to our international operations will not have an adverse effect on our business, financial condition or results of operations.

High inflation rates, and the potential for a change in macroeconomic conditions, could negatively impact our revenues and profitability if increases in the prices of our Growth Direct systems or a decrease in customer spending results in lower sales. In addition, if our costs increase and we are not able to pass along these price increases to our customers, our net income would be adversely affected, and the adverse impact may be material.

Increased inflation, and the potential for a change in macroeconomic conditions, 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. 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. Recently imposed and potential future tariffs may have an inflationary effect on the prices of goods and services, including those that we utilize in the production of our products and delivery of our services. In a volatile economic environment, we may be unable to raise the sales prices of our products and services at or above the rate at which our costs increase, which could/would reduce our profit margins and have a material adverse effect on our financial results and net income. We also may experience lower than expected sales and potential adverse impacts on our competitive position if there is a decrease in capital spending by our customers or they have a negative reaction to our pricing. A reduction in our revenue would be detrimental to our profitability and financial condition and could also have an adverse impact on our future growth.

In operating our business, we may experience inflationary pressures on significant cost categories including labor, materials and freight. An inflationary environment, including factors such as tight labor markets and increasing freight and materials prices, could make it more costly for us to do business. In order to meet the compensation expectations of our prospective and current employees due to inflationary factors, we may be required to increase our labor costs, including wages and employee benefits, or risk losing skilled workers to competitors. In addition, disruptions to international logistics and to the supply and cost of fuel resulting from recent conflicts in the Middle East also can contribute to changes in global shipping capacity and demand as well as the cost of raw materials and commodities such as oil (including derivative products including fuel and plastics), all of which could negatively impact our business. If we see additional pressure on our labor, materials and freight costs, we could see negative effects on our results of operations (including product costs), cash flows and overall financial condition.

Global economic and political instability and geopolitical events could adversely affect our business, financial condition or results of operations.

Our business could be adversely affected by a number of macroeconomic events. These include unstable economic and political conditions within the United States and foreign jurisdictions, including as a result of severe or prolonged economic downturn and geopolitical events, changes in U.S. federal policy that affect the geopolitical landscape and the shutdown of the federal government.

In this regard, an unstable, weak or declining economy could result in supply chain disruptions, volatile demand for our products, abrupt changes in our customers' buying patterns, limitations on our customers' access to financial resources and ability to satisfy obligations to us, or other adverse impacts to our ability to place our Growth Direct systems. The global credit and financial markets have also generally experienced severe volatility and disruptions. A severe or prolonged economic downturn, such as a global financial crisis, could result in a variety of risks to our business, including preventing us from raising additional capital when needed on acceptable terms, if at all. There can be no assurance that further deterioration in credit and financial markets and confidence in economic conditions will not occur.

Political conditions include changes to policy implemented by the U.S. Congress and presidential administrations, which have impacted and may in the future impact, among other things, the U.S. and global economy, international trade relations, unemployment, immigration, healthcare, taxation, the U.S. regulatory environment, inflation and other areas.

Geopolitical factors, such as international tensions and military conflicts, including the conflict in the Middle East involving the U.S., Iran, Israel and several Gulf States, could adversely affect our business and/or our supply chain, business partners or customers. In the event geopolitical tensions fail to abate or deteriorate further, additional governmental sanctions may be enacted adversely impacting the global economy, its banking and monetary systems, markets or customers for our products. Such political tensions could also reduce trade volume, investment, technological exchange and other economic activities between major international economies, resulting in a material adverse effect on global economic conditions and the stability of global financial markets. Any changes in political, trade, regulatory, and economic conditions, including U.S. trade policies, could have a material adverse effect on our financial condition or results of operations.

In particular, we may be vulnerable to certain inflationary effects stemming from these macroeconomic events. For example, a number of jurisdictions have imposed, and have threatened to increase, tariffs on goods shipped to and from the U.S. and other trading nations. Similarly, the conflict in the Middle East has disrupted and may continue to disrupt global supply chains, resulting in higher energy costs and prices of products derived from petroleum. As a result, these events may have an inflationary effect on the prices of goods and services, including those that we utilize in the production of our products and delivery of our services. If we are unable to manage such inflationary pressures, such as by passing along price increases to our customers or reduce product costs or operating expenses in other areas of our business, our gross margins, cash position and other elements of our results of operations may suffer.

Finally, a government shutdown could result in increased uncertainty and volatility in the global economy and financial markets which could have a material adverse effect on our business. Weak economic conditions or significant uncertainty regarding the stability of financial markets related to stock market volatility, inflation, recession, changes in tariffs or other trade restrictions, trade agreements, trade wars or governmental fiscal, monetary and tax policies, among others, could adversely impact our business, financial condition and operating results.

Our employees, consultants and collaborators may engage in misconduct or other improper activities.

We are exposed to the risk of fraud or other misconduct by our employees, consultants and collaborators. Misconduct by these parties could include intentional failures to comply with the applicable laws and regulations in the United States and abroad, report financial information or data accurately or disclose unauthorized activities to us. These laws and regulations may restrict or prohibit a wide range of pricing, discounting and other business arrangements. Such misconduct could result in legal or regulatory sanctions and cause serious harm to our reputation. It is not always possible to identify and deter misconduct, and any precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses, or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to comply with these laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, we could be subject to significant civil, criminal and administrative penalties, which could have a material adverse impact on our business. Whether or not we are successful in defending against such actions or investigations, we could incur substantial costs, including legal fees and divert the attention of management in defending ourselves against any of these claims or investigations, which could have a material adverse impact on our business.

Risks Related to Manufacturing and Supply

If our primary manufacturing facility or development facility becomes damaged or inoperable or we are required to vacate one or both facilities, our ability to conduct and pursue our manufacturing and/or development efforts would be jeopardized.

We currently conduct our primary development and manufacturing efforts at our facility located in Lowell, Massachusetts, and our primary development efforts at our facility located in Lexington, Massachusetts. Our facilities and equipment could be harmed or rendered inoperable or inaccessible by natural or man-made disasters, the severity and frequency of which may be amplified by global climate change, or other circumstances beyond our control, including fire, power loss, communications failure, war or terrorism, or another catastrophic event, such as a pandemic or similar outbreak or public health crisis, which may render it difficult or impossible for us to support our customers and develop products. The inability to manufacture our systems and consumables could develop if our Lowell, Massachusetts facility is inoperable or suffers a loss of utilization for even a short period of time and may result in the loss of customers or harm to our reputation. Disruptions in our manufacturing operations could also adversely affect our efforts to improve the gross margins of our products. Furthermore, our facilities and the equipment we use to perform our manufacturing and development could be unavailable or costly and time consuming to repair or replace. It would be difficult, time consuming and expensive to rebuild our facilities, to locate and qualify a new facility or license or transfer our proprietary technology to a third party. Even in the event we are able to find a third party to assist in manufacturing and development efforts, we may be unable to negotiate commercially reasonable terms to engage with the third party. To mitigate certain of these risks associated with the manufacture of our consumables at our Lowell, Massachusetts facility, our Lexington, Massachusetts facility has been designed to serve as a back-up consumable manufacturing facility if needed. While we believe that we could, if necessary, transfer our manufacturing capabilities to the Lexington, Massachusetts facility, there can be no assurance that we would achieve such transfer in a timely manner or at all and mitigate disruption to our overall business.

Our manufacturing operations are dependent upon third-party suppliers, including single-source suppliers, making us vulnerable to supply shortages and price fluctuations, which could harm our business.

We source the components of our Growth Direct system and consumables from third-party suppliers. We do not have supply agreements with most of our suppliers beyond purchase orders and, although we maintain an inventory of components, forecasted amounts may be inaccurate and we may experience shortages as a result of serious supply problems with these suppliers. There can be no assurance that our supply of components will not be limited, interrupted, or of satisfactory quality or continue to be available at acceptable prices. For example, we experienced disruptions to our supply chain as a result of the coronavirus pandemic and may experience additional disruptions in the future.

Certain critical components of our Growth Direct system and consumables we obtain from single suppliers and the loss of supply from any of these suppliers could materially adversely affect our business. To protect against such loss, we maintain, or are working to obtain, sufficient inventory of these components to allow us to continue to manufacture our systems and consumables during the period required to qualify a new supplier. For example, the manufacturer of the camera used in our Growth Direct system discontinued production of the camera, and we have obtained a supply we believe is sufficient to allow us to meet customer demand while qualifying a new camera supplier. While we believe we have, or will have, sufficient inventory to provide protection against changes in our sole suppliers, our estimates of the length of time required to qualify a new supplier or inventory level required to manufacture our systems and consumables during that time may be incorrect, and we may run out of inventory sooner than we anticipate. In addition, we have not obtained sufficient inventory for all of our single-source components and we may not be able to do so in the amounts we predict will be required. In addition, any change to a new supplier will require us to devote substantial time and resources, result in additional costs, and could involve a period in which our products might not be produced in a timely or consistent manner. We may also be unable to enter into agreements with new suppliers on commercially reasonable terms or at all. The occurrence of any of these events could adversely affect our business and customer relationships. In addition, loss of any critical component provided by a single-source supplier could require us to change the design of our manufacturing process based on the functions, limitations, features and specifications of the replacement components.

Several other non-critical components and materials that comprise our Growth Direct platform are currently manufactured by a single supplier or a limited number of suppliers. In many of these cases, we have not yet qualified alternate suppliers and rely upon purchase orders, rather than long-term supply agreements. A supply interruption or an increase in demand beyond our current suppliers' capabilities could harm our ability to manufacture our products unless and until new sources of supply are identified and qualified. Our reliance on these suppliers subjects us to a number of risks that could harm our business, including:

- interruption of supply resulting from modifications to or discontinuation of a supplier's operations;
- delays in product shipments resulting from uncorrected defects, reliability issues, or a supplier's variation in a component;
- a lack of long-term supply arrangements for key components with our suppliers;
- inability to obtain adequate supply in a timely manner, or to obtain adequate supply on commercially reasonable terms;
- difficulty and cost associated with locating and qualifying alternative suppliers for our components in a timely manner;
- a modification or change in a manufacturing process or part that unknowingly or unintentionally negatively impacts the operation of our products;
- production delays related to the evaluation and testing of products from alternative suppliers, and corresponding regulatory qualifications;
- delay in delivery due to our suppliers prioritizing other customer orders over ours;
- damage to our brand reputation caused by defective components produced by our suppliers;

- increased cost of our warranty program due to product repair or replacement based upon defects in components produced by our suppliers; and

- fluctuation in delivery by our suppliers due to changes in demand from us or their other customers.

Any interruption in the supply of components or materials, or our inability to obtain substitute components or materials from alternate sources at acceptable prices in a timely manner, could impair our ability to meet the demand of our customers, which would have an adverse effect on our business.

We forecast sales to determine requirements for components and materials used in our products, and if our forecasts are incorrect, we may experience delays in shipments or increased inventory costs.

To manage our operations with our third-party suppliers, we forecast anticipated product orders and material requirements to predict our inventory needs and enter into purchase orders on the basis of these requirements. Our limited historical commercial experience and recent growth may not provide us with enough data to consistently and accurately predict future demand. If our business expands and our demand for components and materials increases beyond our estimates, we or our suppliers may be unable to meet our demand. In addition, if we underestimate our component and material requirements, we may have inadequate inventory, which could interrupt, delay, or prevent delivery of our products to our customers. By contrast, if we overestimate our component and material requirements, we may have excess inventory, which would increase our expenses. Any of these occurrences would negatively affect our financial performance and business results.

Shipping is a critical part of our business and any changes in our shipping arrangements or damages or losses sustained during shipping could adversely affect our business, financial condition, results of operations and prospects.

Shipments of our products are subject to various regulations in the various countries in which we provide our products. For example, shipments of our growth media consumables may be required to comply with the shipping requirements promulgated by the U.S. Department of Transportation, the U.S. Federal Aviation Administration, the International Air Transport Association and import and export regulations applicable to our products in the European Union, Asia-Pacific and other geographies. If we are unable to comply with any of these rules or regulations, our ability to deliver our products in a timely manner may be adversely affected. In addition, even if we are able to comply with these rules and regulations, compliance can result in increased costs. In either event, our financial results and condition may be adversely affected.

We also currently rely on third-party vendors for our shipping. If we are not able to negotiate acceptable pricing and other terms with these entities or they experience performance problems or other difficulties, it could negatively impact our operating results and our customers' experience. Our products could sustain serious damage or be lost in transit. If a product is damaged in transit, including damage due to consumable temperature excursion, it may result in a substantial delay in the fulfillment of the customer's order, and depending on the type and extent of the damage and whether the incident is covered by insurance, it may result in a substantial financial loss. If our products are not delivered in a timely fashion or are damaged or lost during the delivery process, our customers could become dissatisfied and cease using our products or services, which would adversely affect our business, financial condition, results of operations and prospects.

We use biological and hazardous materials that require considerable expertise and expense for handling, storage and disposal and may result in claims against us.

We work with materials, including chemicals, biological agents and compounds that could be hazardous to human health and safety or the environment. Our operations also produce hazardous and biological waste products. Federal, state and local laws and regulations govern the use, generation, manufacture, storage, handling and disposal of these materials and wastes. We are subject to periodic inspections by federal, state and local authorities to ensure compliance with applicable laws. Compliance with applicable environmental laws and regulations is expensive, and current or future environmental laws and regulations may restrict our operations. If we do not comply with applicable regulations, we may be subject to fines and penalties. In addition, we cannot eliminate the risk of accidental injury or contamination from these materials or wastes, which could cause an interruption of our commercialization efforts, research and development programs and business operations, as well as environmental damage resulting in costly clean-up and liabilities under applicable laws and regulations. In the event of contamination or injury, we could be liable for damages or penalized with fines in an amount exceeding our resources and our operations could be suspended or otherwise adversely affected.

Furthermore, environmental laws and regulations are complex, change frequently and have tended to become more stringent. We cannot predict the impact of such changes and cannot be certain of our future compliance.

Risks Related to Our Intellectual Property

If we are unable to obtain and maintain sufficient intellectual property protection for our technology, including the Growth Direct platform, or if the scope of the intellectual property protection obtained is not sufficiently broad, our competitors could develop and commercialize products similar or identical to ours, and our ability to successfully commercialize our products may be impaired.

We rely on patent protection as well as trademark, copyright, trade secret and other intellectual property rights protection and contractual restrictions to protect our proprietary technologies, all of which provide limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. If we fail to maintain, protect or enforce our intellectual property, third parties may be able to compete more effectively against us.

Our success depends in large part on our ability to obtain and maintain protection of the intellectual property related to our products and technologies, particularly patents, in the United States and other countries. Obtaining, maintaining and enforcing patents in our industry is costly, time consuming and complex, and we may fail to do so with respect to patents on important products, services and technologies in a timely fashion, at a reasonable cost or at all, in the U.S. or in other potentially relevant jurisdictions. If we delay in filing a patent application, and a competitor files a patent application on the same or a similar technology before we do, we may face a limited ability to secure patent rights. Even if we can patent the technology, the patent may be limited in scope, and such limitation may be inadequate to protect our products, or to block competitor products that are similar or adjacent to ours. In addition, the United States Patent and Trademark Office ("USPTO") and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. There are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Therefore, these patents and applications may not be prosecuted and enforced in a manner consistent with the best interests of our business.

It is possible that none of our pending patent applications will result in issued patents in a timely fashion or at all, and even if patents are granted, they may not provide a basis for intellectual property protection of commercially viable products or services, may not provide us with any competitive advantages, or may be challenged and invalidated by third parties. It is possible that others will design around our current or future patented technologies.

The issuance of a patent is not conclusive as to its inventorship, scope, validity or enforceability. Some of our patents or patent applications may be challenged in opposition, derivation, reexamination, inter partes review, post-grant review, interference, or in court proceedings. See "*—We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful*." Any successful challenge to our patents could result in the unenforceability or invalidity of such patents, which could harm our business. In addition, in patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on certain aspects of our platform technologies. If the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop or commercialize current or future products.

Patent terms may be inadequate to protect our competitive position on our products for an adequate amount of time.

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date, subject to applicable extensions. Once expired, we may be open to competition from competitive products. If one of our products requires extended development or testing, patents protecting such products might expire before or shortly after such products are commercialized. For example, while our patents and, if issued, our patent applications have terms that will expire through 2045, certain of our earlier U.S. patents are scheduled to expire in 2032. Although we own other patents with later expiration dates that cover various improvements and consumables for the Growth Direct platform, these other patents may not provide the same protection as the earliest-filed patents. As a result, our patent portfolio may not provide us with sufficient rights to exclude others from commercializing similar or identical products to ours, which would have a material adverse effect on our business.

The United States government may exercise certain rights with regard to certain of our inventions developed using government funding.

The United States federal government retains certain rights in inventions produced with its financial assistance under the Patent and Trademark Law Amendments Act. Certain of our inventions for which we have pursued, and in some cases obtained, patent protection were developed using federal funding from the U.S. Department of Health and Human Services Biomedical Advanced Research & Development Authority. As a result, the U.S. government may have certain rights, including so-called march-in rights, to any patent rights that were funded in part by the U.S. government and any products or technology developed from such patent rights. When new technologies are developed with U.S. government funding, the U.S. government generally obtains certain rights in any resulting patents, including a nonexclusive license authorizing the U.S. government to use the invention for non-commercial purposes. These rights may permit the U.S. government to disclose our confidential information to third parties and to exercise march-in rights to use or to allow third parties to use our licensed technology. The U.S. government can exercise its march-in rights if it determines that action is necessary because we fail to achieve the practical application of government-funded technology, because action is necessary to alleviate health or safety needs, to meet requirements of federal regulations, or to give preference to U.S. industry. In addition, our rights in such inventions may be subject to certain requirements to manufacture products embodying such inventions in the United States. Any exercise by the U.S. government of such rights could harm our business, financial condition, results of operations and prospects.

If we are unable to protect the confidentiality of our trade secrets, the value of our technology could be materially adversely affected and our business could be harmed.

We rely on trade secrets and confidentiality agreements to protect our unpatented know-how, technology and other proprietary information, including parts of our technology platform, and to maintain our competitive position and we expect our reliance to increase in the near term as the terms for certain of our earliest patents expire. Any disclosure, either intentional or unintentional, by our employees, consultants or vendors, or misappropriation by third parties (such as through a cybersecurity breach) of our trade secrets or proprietary information could enable competitors to duplicate or surpass our technological achievements, thus eroding our competitive position in our market. Such risk of disclosure can be increased by our use of AI technologies and can result in misappropriation and other security incidents and breaches. From time to time, we may share trade secrets with customers, collaborators, suppliers, vendors and other third parties, which increases the possibility that a competitor will discover them or that our trade secrets will be misappropriated or disclosed.

Trade secrets and know-how can be difficult and expensive to protect. We take steps to protect our intellectual property and proprietary technology by maintaining physical and electronic security measures and by entering into agreements, including confidentiality, non-disclosure and intellectual property assignment agreements, with our employees, consultants, advisors, collaborators and customers. However, we cannot be certain that such agreements have been entered into with all relevant parties, and we cannot be certain that our trade secrets and other confidential proprietary information will not be disclosed or that competitors will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, if any of these parties breach the agreements and disclose our proprietary information, including our trade secrets, we may expend significant time and resources to assert our rights against such parties and we ultimately may not be able to obtain adequate remedies for such breaches. Such agreements may not be enforceable or may not provide meaningful protection in the event of unauthorized use or disclosure or other breaches of the agreements, and we may not be able to prevent such unauthorized disclosure, which could materially adversely impact our business and financial position.

We may not be able to protect our intellectual property rights throughout the world.

We intend to continue to expand our commercial operations in territories outside the United States, including in Europe and the Asia-Pacific region. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and we may encounter difficulties in protecting and defending such rights in foreign jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in some or all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to other parties. Furthermore, many countries limit the enforceability of patents against other parties, including government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of any patents.

We may not be able to protect and enforce our trademarks and trade names, or build name recognition in our markets of interest thereby harming our competitive position.

Our trademarks or trade names may be challenged, infringed, diluted, circumvented, declared generic or determined to be infringing on other marks. We may not be able to protect our rights in these trademarks or trade names or may be forced to stop using these names, which we need for name recognition by potential partners or customers in our markets of interest. We have not yet registered certain of our trademarks in all of our potential markets. During the trademark registration process, we may receive objections that we may be unable to overcome. In addition, third parties may be given an opportunity to oppose pending trademark applications and/or to seek the cancellation of registered trademarks. If we are unable to obtain a registered trademark or establish name recognition based on our trademarks and trade names, we may not be able to compete effectively and our business may be adversely affected.

We may be subject to claims challenging the inventorship and ownership of our patents and other intellectual property.

We may be subject to claims that former employees, collaborators or other third parties have an interest in our patents, trade secrets or other intellectual property as an inventor or by contract. Inventorship disputes may arise from conflicting views regarding the contributions of different individuals named as inventors, the effects of foreign laws where foreign nationals are involved in the development of the subject matter of the patent, conflicting obligations of third parties involved in our development activities or as a result of questions regarding co-ownership of potential joint inventions. Litigation may be necessary to defend against these and other claims challenging inventorship of patents, trade secrets or other intellectual property. Alternatively, or additionally, we may enter into agreements to clarify the scope of our rights in such intellectual property. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, important intellectual property. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management and other employees, and certain customers or partners may defer engaging with us until the particular dispute is resolved.

In addition, while it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self-executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. Any of the foregoing could harm our business, financial condition, results of operations and prospects.

We may be involved in litigation claiming that we have infringed on a third party's intellectual property, which could be time consuming and costly and may adversely affect our business, financial condition, results of operations and prospects.

We may be involved with litigation or actions at the USPTO or foreign patent offices with various third parties that claim we or our collaborators or customers using our solutions and services have infringed, misappropriated or misused other parties' intellectual property rights. We expect that the number of such claims may increase as the number of our products grows, we expand our market share and the level of competition in our markets increases. Furthermore, our use of AI technologies can also increase this risk and expose us to additional claims of misappropriation. Moreover, as the automated MQC testing industry expands and more patents are issued, the risk increases that our products may be subject to claims of infringement of third-party patent and other proprietary rights. Any infringement claim, regardless of its validity, could harm our business by, among other things, resulting in time consuming and costly litigation, diverting management's time and attention from the development of the business, requiring the payment of monetary damages, fees and expenses or royalty payments, or result in potential or existing customers delaying purchases of our products or entering into engagements with us pending resolution of the dispute.

There can be no assurance that we will prevail in any suit initiated against us by third parties, successfully settle or otherwise resolve patent infringement claims. Third parties making claims against us may be able to obtain injunctive or other relief, which could block our ability to develop, commercialize and sell products or services, and could result in the award of substantial damages against us, including treble damages, attorneys' fees, costs and expenses, if we are found to have willfully infringed. In the event of a successful claim of infringement against us, we may be required to pay damages and ongoing royalties, and obtain one or more licenses from third parties, or be prohibited from selling certain products or services. We may not be able to obtain these licenses on acceptable or commercially reasonable terms, if at all, or these

licenses may be non-exclusive, which could result in our competitors gaining access to the same intellectual property. In addition, we could encounter delays and incur significant costs, in product or service introductions while we attempt to develop alternative products or services, or redesign our products or services, to avoid infringing third party patents or proprietary rights. Defense of any lawsuit or failure to obtain any of these licenses or to develop a workaround could prevent us from commercializing products or services, and the prohibition of sale or the threat of the prohibition of sale of any of our products or services could materially affect our business and our ability to gain market acceptance for our products or services. Some of our competitors may be able to sustain the costs of complex patent litigation more effectively than we can because they have substantially greater resources. Further, even if we were successful in defending against a lawsuit, such a defense would distract our management team from our operations, which could have an adverse effect on our business. In addition, any uncertainties resulting from the initiation and continuation of any litigation could have a material adverse effect on our ability to raise the funds necessary to continue our operations or could otherwise have a material adverse effect on our business, results of operations, financial condition and prospects. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation or other legal proceedings relating to our intellectual property rights, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation or other proceedings.

In addition, our agreements with some of our customers, suppliers or other entities with whom we do business may require us to defend or indemnify these parties to the extent they become involved in infringement claims, including the types of claims described above. We could also voluntarily agree to defend or indemnify third parties in instances where we are not obligated to do so if we determine it would be important to our business relationships. If we are required or agree to defend or indemnify third parties in connection with any infringement claims, we could incur significant costs and expenses that could adversely affect our business, financial condition, results of operations and prospects.

We may become involved in lawsuits to protect or enforce our intellectual property, which could be expensive, time consuming and unsuccessful.

Third parties, including our competitors, could be infringing, misappropriating or otherwise violating our intellectual property rights. Monitoring unauthorized use of our intellectual property is difficult and costly. From time to time, we seek to analyze our competitors' products and services, and may in the future seek to enforce our rights against potential infringement, misappropriation or violation of our intellectual property. However, the steps we have taken to protect our proprietary rights may not be adequate to enforce our rights against such infringement, misappropriation or violation of our intellectual property. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Any inability to meaningfully enforce our intellectual property rights could harm our ability to compete and reduce demand for our products and services.

Litigation may be necessary for us to enforce our patent and proprietary rights or to determine the scope, coverage and validity of the proprietary rights of others. If we do not prevail in such legal proceedings, we may be required to pay damages, we may lose significant intellectual property protection for our products or services, such that competitors could copy our products or services and we could be forced to cease commercialization of certain of our products or services. Even if resolved in our favor, any award of monetary damages or other remedy we receive may not be commercially valuable.

Any litigation that may be necessary in the future could result in substantial costs and diversion of resources and could have a material adverse effect on our business, financial condition, results of operations and prospects. In any lawsuit we bring to enforce our intellectual property rights, a court may refuse to stop the other party from using the technology at issue on grounds that our intellectual property rights do not cover the technology in question. Further, in such proceedings, the defendant could counterclaim that our intellectual property is invalid or unenforceable and the court may agree, in which case we could lose valuable intellectual property rights. The outcome in any such lawsuits are unpredictable. Even if we do prevail in any future litigation related to intellectual property rights, the cost and time requirements of the litigation could negatively impact our financial results. Some of our competitors may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could compromise our ability to compete in the marketplace.

Our use of open-source software could compromise our ability to offer our services and subject us to possible litigation.

We use open-source software licensed to us by third-party authors under "open source" licenses in connection with our products and services. Use and distribution of open-source software may entail greater risks than use of third-party

commercial software, as open-source licensors generally do not provide support, warranties, indemnification or other contractual protections regarding infringement claims or the quality of the code.

Further, some open-source software licenses require users who distribute software containing open-source software to publicly disclose all or part of the source code to the licensee's software that incorporates, links or uses such open-source software, and make available to third parties for no cost, any derivative works of the open source code created by the licensee, which could include the licensee's own valuable proprietary code. While we monitor our use of open-source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms are often ambiguous. Additionally, we may from time to time face claims from third parties claiming ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of source code for the open-source software, derivative works or our proprietary source code that was developed using, or that is distributed with, such open-source software. These claims could also result in litigation and could require us to make our proprietary software source code freely available, require us to devote additional research and development resources to change or re-engineer our platform, seek costly licenses from third parties or otherwise incur additional costs and expenses, any of which could result in reputational harm and would have a negative effect on our business and operating results.

Risks Related to Our Common Stock

The market price of our Class A common stock has been and may continue to be volatile and fluctuate substantially, which could result in substantial losses for our stockholders.

The market price of our Class A common stock has been and may continue to be volatile. The stock market in general and the market for smaller technology companies in particular has experienced extreme volatility that has often been unrelated to the operating performance of particular companies. As a result of this volatility, our stockholders may not be able to sell their Class A common stock at or above the price they paid for them. The market price for our Class A common stock may be influenced by many factors, including:

- actual or anticipated fluctuations in our financial condition and operating results, including fluctuations in our quarterly and annual results;
- the introduction of new products or product enhancements by us or others in our industry;
- variances in product and system reliability;
- overall conditions in our industry and the markets in which we operate;
- disputes or other developments with respect to our or others' intellectual property rights;
- actual or anticipated changes in our operating results or growth rate as a result of our competitors' operating results;
- our ability to develop and market new and enhanced products and expand into new markets on a timely basis;
- fluctuations in the valuation of companies perceived by investors to be comparable to us;
- product liability claims or other litigation;
- announcement or expectation of additional financing effort;
- sales of our common stock by us or our stockholders;
- share price and volume fluctuations attributable to inconsistent trading volume levels of our shares;
- media exposure of our products or of those of others in our industry;
- changes in earnings estimates or recommendations by securities analysts;

- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors; and

- the other factors described in this "Risk Factors" section and elsewhere in this Quarterly Report on Form 10-Q.

If our Class A common stock is delisted from The Nasdaq Stock Market LLC, the liquidity of our Class A common stock would be adversely affected and the market price of our common stock could decrease.

The Nasdaq Stock Market LLC ("Nasdaq"), on which our Class A common stock is currently listed has minimum requirements that a company must meet in order to remain listed, including that we maintain a minimum closing bid price of $1.00 per share for our Class A common stock. Under Nasdaq Listing Rule 5550(a)(2) (the "Bid Price Requirement"), if a company fails for 30 consecutive business days to meet the $1.00 minimum closing bid price requirement, Nasdaq will send a deficiency notice to the company, advising that it has been afforded a "compliance period" of 180 calendar days to regain compliance with the applicable requirements. We have previously received notifications from Nasdaq that we were not in compliance with its minimum bid price requirements. Most recently, on November 16, 2026, we received a letter from Nasdaq notifying us that the closing bid price of our Class A common stock was below $1.00 per share for the preceding 30 consecutive trading days. The notification has no immediate effect on the listing of our common stock on Nasdaq. We have a period of 180 calendar days to regain compliance with the bid price requirement, which will expire on May 17, 2027. To regain compliance, the closing bid price of our common stock must be at least $1.00 or higher for a minimum of ten consecutive business days, though Nasdaq has the discretion to extend the ten business day period to up to 20 consecutive business days.

If we do not regain compliance by May 17, 2027, we may be eligible for an additional 180 calendar compliance period. To qualify, we would need to meet the continued listing requirement for market value of publicly held shares and all other initial listing standards for the Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of our intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. If we are not eligible or it appears to Nasdaq that we will not be able to cure the deficiency during the additional compliance period, Nasdaq will provide written notice that our common stock will be subject to delisting. We intend to monitor the closing bid price of our common stock and take such reasonable measures to regain compliance with the bid price requirement, which may include the implementation of a reverse stock split. There can be no assurance that we will be able to secure the second compliance period or regain compliance with the bid price requirement for continued listing on Nasdaq.

Even if we regain compliance with the bid price requirement, there can be no assurance that we will continue to comply with the other continued listing standards of Nasdaq. If we fail to comply with one or more other Nasdaq listing rules, our Class A common stock may also become subject to delisting as a result of such deficiencies. A delisting of our Class A common stock from Nasdaq could materially reduce the liquidity of our Class A common stock and result in a corresponding material reduction in the price of our Class A common stock. In addition, delisting could harm our ability to raise capital on terms acceptable to us, or at all, and may result in the potential loss of confidence by investors and employees and fewer business development opportunities. Further, any potential delisting of our Class A common stock from Nasdaq would also make it more difficult for our stockholders to sell their shares in the public market. Such a delisting would also constitute an event of default under our LSA as well as a breach of the covenants contained in the Merger Agreement.

Sales of a substantial number of shares of our Class A common stock in the public market, or the perception in the market that the holders of a large number of shares intend to sell shares, could depress the market price of our Class A common stock.

Except for shares of our Class A common stock that are held by our directors, officers and affiliates, which are subject to certain restrictions on resale under the Securities Act of 1933, as amended (the "Securities Act"), and the rules and regulations promulgated thereunder, all other shares of our Class A common stock listed on Nasdaq are generally freely tradable. These include shares held by stockholders, including those that hold large positions in our securities, that are not our affiliates as such term is defined under Rule 144 of the Securities Act. Sales of a substantial number of shares of our common stock by such stockholders, particularly at a time when daily trading volumes in our stock are low, has had and may continue to have the effect of depressing the trading price of our common stock. Such downward pressure in the trading price of our common stock may also be exerted by investors' expectations or perceptions that such sales could occur.

An active trading market for our Class A common stock may not be sustainable.

It is possible that an active or liquid market for our Class A common stock may not be sustainable. In the absence of an active trading market for our Class A common stock, it may be difficult for stockholders to sell our shares without depressing the market price for the shares, or at all. Furthermore, an inactive market may also impair our ability to raise capital by selling shares of our Class A common stock and may impair our ability to enter into strategic collaborations or acquire companies or products by using our shares of Class A common stock as consideration.

Our executive officers, directors and principal stockholders, if they choose to act together, have the ability to control all matters submitted to stockholders for approval.

Based on the number of shares of Class A common stock outstanding as of September 30, 2026, our executive officers, directors and stockholders who owned more than 5% of our outstanding common stock and their respective affiliates hold, in the aggregate, a majority of our outstanding voting stock. The holders of shares of our Class B common stock have the ability to convert any portion of their Class B common stock into Class A common stock. Our Class B common stock cannot be converted if, immediately following such conversion, the holder would beneficially own more than 4.9% of the issued and outstanding Class A common stock. Due to this conversion right, holders of our Class B common stock could, at any time, increase their voting control of us. As a result of their combined voting power, if our executive officers, directors and stockholders who own more than 5% of our outstanding common stock choose to act together, they would be able to control all matters submitted to our stockholders for approval that require a majority vote, as well as our management and affairs. For example, these persons, if they choose to act together, would control the election of directors, the composition of our management and approval of any merger, consolidation or sale of all or substantially all of our assets.

The dual class structure of our common stock and the option of the holders of shares of our Class B common stock to convert into shares of our Class A common stock may limit our Class A stockholders' ability to influence corporate matters.

Our Class A common stock has one vote per share, while our Class B common stock is non-voting. Nonetheless, each share of our Class B common stock may be converted at any time into one share of issued and outstanding Class A common stock at the option of its holder, subject to the limitations provided for in our restated certificate of incorporation that prohibit the conversion of our Class B common stock into shares of Class A common stock to the extent that, upon such conversion, such holder would beneficially own in excess of 4.9% of our Class A common stock. Consequently, if holders of Class B common stock exercise their option to make this conversion, such exercise will have the effect of increasing the relative voting power of those prior holders of our Class B common stock (subject to the ownership limitation described in the previous sentence) and increasing the number of outstanding shares of our voting common stock, and correspondingly decreasing the relative voting power of the current holders of our Class A common stock, which may limit our current Class A stockholders' ability to influence corporate matters.

We are an "emerging growth company," and a "smaller reporting company," and the reduced disclosure requirements applicable to us may make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and will remain an emerging growth company until December 31, 2026. For so long as we remain an emerging growth company, we are permitted and intend to rely on exemptions from certain disclosure requirements that are applicable to other public companies that are not emerging growth companies. These exemptions include:

- not being required to comply with the auditor attestation requirements in the assessment of our internal control over financial reporting;
- reduced disclosure obligations regarding executive compensation;
- exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved and from providing the pay ratio between our Chief Executive Officer and employees; and
- an exemption from compliance with the requirements of the Public Company Accounting Oversight Board regarding the communication of critical audit matters in the auditor's report on the financial statements.

We are also a "smaller reporting company" and are therefore entitled to rely on certain reduced disclosure requirements for as long as we remain a smaller reporting company, such as presenting two years of audited financial

statements in our annual Form 10-K or reduced disclosure requirements for executive compensation. This reduced disclosure in our SEC filings due to our status as a smaller reporting company may make it harder for investors to analyze our results of operations and financial prospects.

We cannot predict whether investors will find our Class A common stock less attractive if we rely on these exemptions. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock and our stock price may be reduced or more volatile. In addition, the JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This allows an emerging growth company to delay the adoption of these accounting standards until they would otherwise apply to private companies. We intend to utilize the extended transition period and, as a result, we will not be required to comply with new or revised accounting standards on the same timeline as other public companies.

If we fail to maintain effective internal control over financial reporting and effective disclosure controls and procedures, we may not be able to accurately report our financial results in a timely manner or prevent fraud, which may adversely affect investor confidence in our company.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes-Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal control over financial reporting and provide a management report on our internal controls on an annual basis. However, while we remain an emerging growth company, or following loss of that status, so long as we remain a smaller reporting company that is a non-accelerated filer, we are not required to include an attestation report on internal control over financial reporting issued by our independent registered accounting firm. If we have material weaknesses in our internal control over financial reporting, we may not detect errors on a timely basis and our consolidated financial statements may be materially misstated. We will need to maintain and enhance the systems, processes and documentation necessary to comply with Section 404 of the Sarbanes-Oxley Act as we grow, and we will require additional management and staff resources to do so.

Additionally, even if we conclude our internal control over financial reporting is effective for a given period, we may in the future identify one or more material weaknesses, in which case our management will be unable to conclude that our internal control over financial reporting is effective. Our independent registered public accounting firm will be required to issue an attestation report on the effectiveness of our internal control over financial reporting following the date we are no longer an emerging growth company and do not qualify as a non-accelerated filer. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may in the future conclude that there are material weaknesses with respect to our internal controls or the level at which our internal controls are documented, designed, implemented or reviewed.

If we are unable to conclude that our internal control over financial reporting is effective or if our auditors were to express an adverse opinion on the effectiveness of our internal control over financial reporting because we had one or more material weaknesses, investors could lose confidence in the accuracy and completeness of our financial disclosures, which could cause the price of our common stock to decline. Irrespective of compliance with Section 404, any failure of our internal control over financial reporting could have a material adverse effect on our reported operating results and harm our reputation. Internal control deficiencies could also result in a restatement of our financial results.

Our disclosure controls and procedures may not prevent or detect all errors or acts of fraud.

We are subject to the periodic reporting requirements of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). We are continuing to refine our disclosure controls and procedures to provide reasonable assurance that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management, and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected, which could have a material adverse effect on investors’ confidence in our reporting and the price of our Class A common stock.

Provisions in our restated certificate of incorporation and amended and restated bylaws and under Delaware law could make an acquisition of our company, which may be beneficial to our stockholders, more difficult and may prevent attempts by our stockholders to replace or remove our current management.

Provisions in our restated certificate of incorporation and our amended and restated bylaws may discourage, delay or prevent a merger, acquisition or other change in control of our company that stockholders may consider favorable, including transactions in which our stockholders might otherwise receive a premium for their shares. These provisions could also limit the price that investors might be willing to pay in the future for shares of our Class A common stock, thereby depressing the market price of our Class A common stock. In addition, because our board of directors is responsible for appointing the members of our management team, these provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors. Among other things, these provisions include those establishing:

- a classified board of directors with three-year staggered terms, which may delay the ability of stockholders to change the membership of a majority of our board of directors;
- no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates;
- the exclusive right of our board of directors to elect a director to fill a vacancy created by the expansion of the board of directors or the resignation, death or removal of a director, which prevents stockholders from filling vacancies on our board of directors;
- the ability of our board of directors to authorize the issuance of shares of preferred stock and to determine the terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- the ability of our board of directors to alter our bylaws without obtaining stockholder approval;
- the required approval of the holders of at least two-thirds of the shares entitled to vote at an election of directors to adopt, amend or repeal our bylaws or repeal the provisions of our restated certificate of incorporation regarding the election and removal of directors;
- the required approval of the holders of at least two-thirds of the shares entitled to vote thereon to (i) effect a reorganization, recapitalization, share exchange, share classification, consolidation, conversion or merger, (ii) sell, lease, exchange, transfer or otherwise dispose of all or substantially all of our assets, or (iii) dissolve our company or revoke a dissolution of our company;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by the chairman of the board of directors, the chief executive officer, the president or the board of directors, 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 of directors or to propose matters to be acted upon at a stockholders' meeting, 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.

We have been, and may again in the future be, subject to the actions of activist stockholders or unsolicited acquisition proposals, which could cause us to incur substantial costs, divert management's and the board's attention and resources, and have an adverse effect on our business and stock price.

From time to time, we may be subject to proposals by stockholders urging us to take certain corporate actions, such as changing the composition of our board of directors, our management team, selling our company or similar strategic initiatives. If activist stockholder initiatives ensue, our business could be adversely affected, as responding to such actions can be costly and time-consuming, disrupt our operations and divert the attention of management and our board of directors. For example, in connection with the unsolicited proposal from a stockholder to acquire all of our outstanding

common stock in June 2022, we retained the services of various advisors, including legal, financial, and communications professionals, to advise us in considering the stockholder's proposal and during our review of strategic alternatives, the costs of which negatively impacted our financial results, and we may be required to retain such services in the future, which could have a further negative impact on our financial results. In addition, perceived uncertainties as to our future direction, strategy or leadership created as a consequence of activist stockholder initiatives may result in the loss of potential business opportunities, harm our ability to attract new investors, customers, and employees, and cause our stock price to experience periods of volatility or stagnation. In addition, activist investors or other third parties may also seek to influence the transaction, including by publicly opposing the Merger, advocating for alternative transactions, or making unsolicited acquisition proposals. Any such activity could create uncertainty, divert management's attention, encourage competing offers or other challenges to the Merger, and disrupt or delay the tender offer process, potentially making completion of the Merger more difficult or less likely.

Our restated certificate of incorporation designates specific courts as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Our restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for most legal actions involving claims brought against us by stockholders; provided that, the exclusive forum provision will not apply to suits brought to enforce any liability or duty created by the Securities Act, the Exchange Act, the rules and regulations thereunder or any other claim for which the federal courts have exclusive jurisdiction; and provided further that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our restated certificate of incorporation further provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States of America shall, to the fullest extent permitted by law, be the sole and exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock shall be deemed to have notice of and to have consented to the provisions of our restated certificate of incorporation described above; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

These provisions may have the effect of discouraging lawsuits against our directors, officers, employees and agents as it may limit any stockholder's ability to bring a claim in a judicial forum that such stockholder finds favorable for disputes with us or our directors, officers, employees or agents and result in additional litigation costs in pursuing any such claims. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If a court were to find the choice of forum provision contained in our restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business, financial condition or results of operations. The choice of forum provision contained in our restated certificate of incorporation may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the federal district courts of the United States may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

Our ability to use our net operating losses ("NOLs") and research and development tax credits to offset future taxable income or income tax liabilities is subject to certain limitations.

As of December 31, 2025, we had U.S. federal and state NOLs, carryforwards of $320.9 million and $133.0 million, respectively. These NOLs begin to expire in 2038 and 2032, respectively, and may be available to offset future taxable income, if any. Additionally, we had federal NOLs of $308.1 million generated since 2018, which do not expire. The Tax Cuts and Jobs Act enacted on December 22, 2017 limits a taxpayer's ability to utilize NOL deduction in a year to 80% taxable income for federal NOL arising in tax years beginning after 2017. In addition, we had federal and state research and development tax credits of $3.2 million and $3.5 million which may be available to offset future tax liabilities. The federal credits begin to expire in 2039 and the state credits began to expire in 2025.

In general, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, a corporation that undergoes an "ownership change," generally defined as a greater than 50 percentage point change by value in its equity

ownership by one or more stockholders or groups of stockholders owning at least 5% of the corporation's stock over a rolling three-year period, is subject to limitations on its ability to utilize its pre-ownership change NOLs and tax credits to offset future taxable income or income tax liabilities for U.S. federal income tax purposes. Similar rules may apply under state tax laws. Our company has completed a Section 382 study through July 31, 2020 to assess the limitations on use of NOLs and research and development credits due to changes in control. The study determined that ownership changes materially limited the NOL carryforwards and research and development tax credits available to offset future tax liabilities and the limitations have been reflected in the amounts of NOL carryforwards, research and development tax credits, and deferred tax assets disclosed above. We have not completed a Section 382 study for post July 31, 2020 transactions which could create an additional limitation although materially all of the current federal NOL carryforwards can be carried forward indefinitely. We have in the past experienced, and we may in the future experience ownership changes, some of which are outside our control. For these reasons, we are not able to utilize a material portion of the NOLs and tax credits even if we attain profitability. For additional information on our use of NOLs, see the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Components of results of operations—Income tax expense*" and Note 12—*Income taxes* to our condensed consolidated financial statements included elsewhere in this Quarterly Report on Form 10-Q.

General risk factors

Our failure or perceived failure to achieve or maintain corporate sustainability practices that meet evolving stakeholder expectations could adversely affect us.

Our ability to achieve corporate sustainability commitments is subject to numerous factors both within and outside of our control. Our failure or perceived failure to achieve our corporate sustainability commitments or maintain corporate sustainability practices that meet stakeholder expectations or regulatory requirements could harm our reputation, adversely impact our ability to attract and retain employees or customers and expose us to increased scrutiny from the investment community, regulatory authorities and others or subject us to liability. Our reputation also may be harmed by the perceptions that our customers, employees and other stakeholders have about our action or inaction on corporate sustainability issues. In addition, the increasing prevalence of corporate sustainability laws and regulations across the jurisdictions in which we operate may increase compliance risks and costs and, together with differing views on the appropriate role of sustainability practices and disclosures, may subject us to greater stakeholder scrutiny. Any potential damage to our reputation or loss of brand equity may reduce demand for our products and services.

Because we do not anticipate paying any cash dividends on our common stock in the foreseeable future, capital appreciation, if any, would be stockholders' sole source of gain.

We have never declared or paid any cash dividends on our common stock. We currently anticipate that we will retain all available funds and future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. As a result, capital appreciation, if any, of our common stock will be the sole source of gain on an investment in our common stock for the foreseeable future.

If securities or industry analysts do not publish research or reports about our business, or if they issue an adverse or misleading opinion regarding our stock, our stock price and trading volume could decline, even if our business is doing well.

The trading market for our Class A common stock will be influenced by the research and reports that industry or securities analysts publish about us or our business. If the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, or our stock performance, or if our product development or marketing and sales results fail to meet the expectations of analysts, our stock price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various

other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

We could be subject to securities class action litigation.

In the past, securities class action litigation has often been brought against a company following a decline in the market price of its securities. This risk is especially relevant for us because early-stage technology companies have experienced significant stock price volatility in recent years. If we face such litigation, it could result in substantial costs, a diversion of management's attention and resources, and negative publicity, all of which could harm our business.

Conditions in the banking system and financial markets, including the failure of banks and financial institutions, could have an adverse effect on our operations and financial results.

Actual events involving limited liquidity, defaults, non-performance or other adverse developments that affect financial institutions, transactional counterparties or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds or other similar risks, have in the past and may in the future lead to market-wide liquidity problems. For example, on March 10 and March 12, 2023, the Federal Deposit Insurance Corporation took control and was appointed receiver of Silicon Valley Bank, Signature Bank and Silvergate Capital Corp, respectively, after each bank was unable to continue their operations. Since then, additional financial institutions have experienced similar failures and have been placed into receivership. It is possible that other banks will face similar difficulty in the future.

Although we do not maintain any deposit accounts, credit agreements or letters of credit with any financial institution currently in receivership, we are unable to predict the extent or nature of the impacts of these evolving circumstances at this time. If, for example, other banks and financial institutions enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened. While it is not possible at this time to predict the extent of the impact that the failure of these financial institutions or the high market volatility and instability of the banking sector could have on economic activity and our business in particular, the failure of other banks and financial institutions and the measures taken by governments, businesses and other organizations in response to these events could adversely impact our business, financial condition and results of operations.

Item 2. Unregistered Sales of Equity Securities, Use of Proceeds, and Issuer Purchases of Equity Securities

Recent Sales of Unregistered Securities; Purchases of Equity Securities by the Issuer or Affiliated Purchaser

None.

Use of Proceeds

Not applicable.

Issuer Repurchases of Equity Securities

Not applicable.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

(a)

The information set forth below is included herein for purposes of providing disclosures under Item 3.01 of Form 8-K.

On November 16, 2026, the Company received a notification letter from the Nasdaq Listing Qualifications Staff (the "Staff") of The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that the bid price for the Company's Class A common stock, par value $0.01 (the "common stock") had closed below $1.00 per share for the thirty (30) consecutive business days (October 5, 2026 to November 13, 2026) and that the Company therefore is not in compliance with the minimum bid price requirement for continued inclusion on the Nasdaq Stock Market under Nasdaq Listing Rule 5450(a)(1) (the "Bid Price Requirement"). The notification has no immediate effect on the listing of the Company's common stock on Nasdaq.

In accordance with Nasdaq Listing Rule 5810(c)(3)(A), the Company has a period of 180 calendar days to regain compliance with the Bid Price Requirement, which will expire on May 17, 2027 (the "Compliance Date"). To regain compliance, the closing bid price of the Company's common stock must be at least $1.00 or higher for a minimum of ten (10) consecutive business days, and in such case, the Staff will provide the Company with written confirmation that it has regained compliance with the Bid Price Requirement. The Staff has the discretion to extend the ten (10) business day period to up to twenty (20) consecutive business days pursuant to Nasdaq Listing Rule 5810(c)(3)(H).

If the Company does not regain compliance by the Compliance Date, the Company may be eligible for an additional 180 calendar compliance period. To qualify, the Company will be required to meet the continued listing requirement for
market value of publicly held shares and all other initial listing standards for The Nasdaq Capital Market, with the exception of the bid price requirement, and will need to provide written notice of its intention to cure the deficiency during the second compliance period, by effecting a reverse stock split, if necessary. If the Company is not eligible or it appears to Nasdaq that the Company will not be able to cure the deficiency during the additional compliance period, Nasdaq will provide written notice to the Company that the Company's common stock will be subject to delisting. In the event of such notification, the Company may appeal Nasdaq's determination to delist its securities. However, there can be no assurance that, if the Company receives a delisting notice and appeals the delisting determination by the Staff, such appeal would be successful.

The Company intends to monitor the closing bid price of its common stock and take such reasonable measures to regain compliance with the Bid Price Requirement. There can be no assurance that the Company will be able to regain compliance for continued listing on Nasdaq.

(b)

None.

(c) ***Director and Officer Trading Plans and Arrangements***

None of our directors or officers adopted, modified or terminated a Rule 10b5-1 trading arrangement, or adopted, modified or terminated a non-Rule 10b5-1 trading arrangement (as defined in Item 408(c) of Regulation S-K) during the quarter ended September 30, 2026.

Item 6. Exhibits

Exhibit Number	Description of Exhibit
2.1+	Agreement and Plan of Merger, dated as of November 16, 2026 by and among Merck KGaA, Darmstadt, Germany, EMD Holdings NewCo II, Inc and Rapid Micro Biosystems, Inc. (incorporated by reference to Exhibit 2.1 to the Registrant's Form 8-K(File No. 001-40952) filed on November 16, 2026)
3.1	Restated Certificate of Incorporation, as amended on May 23, 2024 (incorporated by reference to Exhibit 3.1 to the Registrant's Annual Report on Form 10-K (File No. 001-40592) filed on February 28, 2025)
3.2	Amended and Restated Bylaws (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K (File No. 001-40952) filed on July 21, 2021)
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as adopted 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*	Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document
101.SCH*	Inline XBRL Taxonomy Extension Schema Document.
101.CAL*	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF*	Inline XBRL Taxonomy Extension Definition Linkbase Document
101.LAB*	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE*	Inline XBRL Taxonomy Extension Presentation Linkbase Document
104*	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101)

* Filed herewith.

** Furnished herewith.

\+ Schedules have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Company hereby undertakes to furnish supplemental copies of any of the omitted schedules upon request by the SEC; provided, however, that the Company may request confidential treatment pursuant to Rule 24b-2 of the Securities Exchange Act of 1934 for any schedules so furnished.

SIGNATURES

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

Date: November 19, 2026

RAPID MICRO BIOSYSTEMS, INC.

By: /s/ Robert Spignesi

Robert Spignesi

President, Chief Executive Officer and Principal Operating Officer

(Principal Executive Officer and Principal Operating Officer)

By: /s/ Sean Wirtjes

Sean Wirtjes

Chief Financial Officer

(Principal Financial Officer and Principal Accounting Officer)

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO RULES 13a-14(a) OR 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,
AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert Spignesi, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rapid Micro Biosystems, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 19, 2026

By: /s/ Robert Spignesi
Name: Robert Spignesi
Title: Chief Executive Officer
(*principal executive officer*)

Exhibit 31.2

**CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO RULES 13a-14(a) OR 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Sean Wirtjes, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rapid Micro Biosystems, Inc.;

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

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

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

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

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

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

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

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

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

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

Date: November 19, 2026

By: /s/ Sean Wirtjes

Name: Sean Wirtjes

Title: Chief Financial Officer
(principal financial officer and principal accounting 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 of Rapid Micro Biosystems, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 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 19, 2026

By: /s/ Robert Spignesi

Name: Robert Spignesi

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 of Rapid Micro Biosystems, Inc. (the "Company") on Form 10-Q for the period ended September 30, 2026 (the "Report"), as filed with the Securities and Exchange Commission on the date hereof, I, the undersigned, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to the best of my knowledge, that:

(1) The Report fully complies with the requirements of Section 13(a) or Section 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 19, 2026

By: /s/ Sean Wirtjes

Name: Sean Wirtjes

Title: Chief Financial Officer
(principal financial officer and principal accounting officer)