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

FORM 8-K

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

Date of report (Date of earliest event reported): August 11, 2022

RAPID MICRO BIOSYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or organization)

001-40592
(Commission
File Number)

20-8121647
(I.R.S. Employer
Identification No.)

1001 Pawtucket Boulevard West, Suite 280
Lowell, Massachusetts 01854
(Address of principal executive offices)
(Zip Code)

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

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

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

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

Title of each class	Trading Symbols	Name of each exchange on which registered
Class A Common Stock, \$0.01 par value per share	RPID	The Nasdaq Global Select Market
Class A Preferred Stock Purchase Rights		The Nasdaq Global Select Market
Class B Preferred Stock Purchase Rights		The Nasdaq Global Select Market

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

Emerging growth company

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

Item 1.01. Entry into a Material Definitive Agreement.

On August 11, 2022, the Board of Directors of Rapid Micro Biosystems, Inc. (the “Company”) adopted a stockholder rights plan, as set forth in the Stockholder Rights Agreement, dated August 11, 2022, between the Company and Computershare Trust Company, N.A., as Rights Agent (the “Rights Agreement”). The following description of the terms of the Rights Agreement does not purport to be complete and is qualified in its entirety by reference to the Rights Agreement which is included as Exhibit 4.1 and is incorporated herein by reference.

Pursuant to the terms of the Rights Agreement, the Board of Directors declared a dividend distribution of (i) one preferred stock purchase right (a “Class A Right”) for each outstanding share of Class A Common Stock, par value \$0.01 per share, of the Company (the “Common Stock”) and (ii) one preferred stock purchase right (a “Class B Right” and together with the Class A Rights, the “Rights”) for each outstanding share of Class B Common Stock, par value \$0.01 per share, of the Company (the “Class B Common Stock”), in each case, to stockholders of record as of the close of business on August 22, 2022 (the “Record Date”). In addition, one Class A Right will automatically attach to each share of Common Stock and one Class B Right will automatically attach to each share of Class B Common Stock issued between the Record Date and the Distribution Date (as hereinafter defined). Each Class A Right entitles the registered holder thereof to purchase from the Company a unit consisting of one ten-thousandth of a share (a “Class A Unit”) of Series A Junior Participating Cumulative Preferred Stock, par value \$0.01 per share, of the Company (the “Class A Preferred Stock”) at a cash exercise price of \$26.00 per Class A Unit (the “Exercise Price”), and each Class B Right entitles the registered holder thereof to purchase from the Company a unit consisting of one ten-thousandth of a share (a “Class B Unit” and together with the Class A Units, the “Units”) of Series B Junior Participating Cumulative Preferred Stock, par value \$0.01 per share, of the Company (the “Class B Preferred Stock” and together with the Class A Preferred Stock, the “Preferred Stock”) at the Exercise Price, each subject to adjustment, under certain conditions specified in the Rights Agreement and summarized below.

Initially, the Rights are not exercisable and are attached to and trade with all shares of Common Stock outstanding as of, and issued subsequent to, the Record Date. The Rights will separate from the Common Stock and Class B Common Stock and will become exercisable upon the earlier of (i) the close of business on the tenth calendar day following the first public announcement that a person or group of affiliated or associated persons (an “Acquiring Person”) has acquired beneficial ownership of 15% or more of the outstanding shares of Common Stock, other than as a result of repurchases of stock by the Company or certain inadvertent actions by a stockholder (the date of such announcement being referred to as the “Stock Acquisition Date”), or (ii) the close of business on the tenth business day (or such later day as the Board of Directors may determine) following the commencement of a tender offer or exchange offer that could result upon its consummation in a person or group becoming an Acquiring Person (the earlier of such dates being herein referred to as the “Distribution Date”).

For purposes of the Rights Agreement, beneficial ownership is defined to include ownership of securities that are subject to a derivative transaction and acquired derivative securities. Swaps dealers unassociated with any control intent or intent to evade the purposes of the Rights Agreement are excepted from such imputed beneficial ownership.

In the event that a Stock Acquisition Date occurs, proper provision will be made so that each holder of a Right (other than an Acquiring Person or its associates or affiliates, whose Rights shall become null and void) will thereafter have the right to receive upon exercise, in lieu of a number of Units of Preferred Stock, that number of shares of Common Stock or Class B Common Stock of the Company (or, in certain circumstances, including if there are insufficient shares of Common Stock or Class B Common Stock to permit the exercise in full of the Rights, Units of Preferred Stock, other securities, cash or property, or any combination of the foregoing) having a market value of two times the Exercise Price of the Right (such right being referred to as the “Subscription Right”). In the event that, at any time following the Stock Acquisition Date, (i) the Company consolidates with, or merges with and into, any other person, and the Company is not the continuing or surviving corporation, (ii) any person consolidates with the Company, or merges with and into the Company and the Company is the continuing or surviving corporation of such merger and, in connection with such merger, all or part of the shares of Common Stock are changed into or exchanged for stock or other securities of any other person or cash or any other property, or (iii) 50% or more of the Company’s assets or earning power is sold, mortgaged or otherwise transferred, each holder of a Right (other than an Acquiring Person or its associates or affiliates, whose Rights shall become null and void) will thereafter have the right to receive, upon exercise, common stock of the acquiring company having a market value equal to two times the Exercise Price of the Right (such right being referred to as the “Merger Right”). The holder of a Right will continue to have the Merger Right whether or

not such holder has exercised the Subscription Right. Rights that are or were beneficially owned by an Acquiring Person may (under certain circumstances specified in the Rights Agreement) become null and void.

The Rights may be redeemed in whole, but not in part, at a price of \$0.01 per Right (payable in cash, Common Stock, Class B Common Stock or other consideration deemed appropriate by the Board of Directors) by the Board of Directors only until the earlier of (i) the time at which any person becomes an Acquiring Person or (ii) the expiration date of the Rights Agreement. Immediately upon the action of the Board of Directors ordering redemption of the Rights, the Rights will terminate and thereafter the only right of the holders of Rights will be to receive the redemption price.

The Rights Agreement may be amended by the Board of Directors in its sole discretion at any time prior to the time at which any person becomes an Acquiring Person. After such time the Board of Directors may, subject to certain limitations set forth in the Rights Agreement, amend the Rights Agreement only to cure any ambiguity, defect or inconsistency, to shorten or lengthen any time period, or to make changes that do not adversely affect the interests of Rights holders (excluding the interests of an Acquiring Person or its associates or affiliates).

Until a Right is exercised, the holder will have no rights as a stockholder of the Company (beyond those as an existing stockholder), including the right to vote or to receive dividends. While the distribution of the Rights will not be taxable to stockholders or to the Company, stockholders may, depending upon the circumstances, recognize taxable income in the event that the Rights become exercisable for Units, other securities of the Company, other consideration or for common stock of an acquiring company.

The Rights are not exercisable until the Distribution Date and will expire at the close of business on August 11, 2023; provided that if the Company's stockholders have not ratified the Rights Agreement by the close of business on the first day after the Company's 2023 annual meeting of stockholders (including any adjournments or postponement thereof), the Rights will expire at such time, in each case, unless previously redeemed or exchanged by the Company.

Item 2.02 Financial Statements and Exhibits.

On August 12, 2022, the Company issued a press release announcing its financial results for its second quarter ended June 30, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K.

The information furnished under this Item 2.02, including Exhibit 99.1 attached hereto, shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the "Securities Act"), or the Exchange Act, except as otherwise expressly stated in such filing.

Item 2.05. Costs Associated with Exit or Disposal Activities.

On August 11, 2022, Board of Directors of the Company approved an organizational restructuring (the "Restructuring Plan") to right-size its cost structure based on its lowered 2022 outlook. The Company will continue to invest in key growth initiatives including enhancing commercial execution and key product development programs that are expected to drive future revenue growth. The Restructuring Plan includes an approximately 20% reduction in the Company's workforce, including employees, consultants and temporary employees, which is largely focused on non-commercial functions.

As a result of the Restructuring Plan, the Company expects to record a restructuring charge of approximately \$1.5 million in the third quarter of fiscal year 2022, consisting of severance, employee benefits, outplacement and related costs, all of which are anticipated to be paid by the end of the second quarter of 2023. The Company expects the Restructuring Plan to result in approximately \$8.0 - \$9.0 million in annualized cost savings by the first quarter of 2023. These estimates of restructuring costs and annualized cost savings, as well as the timing thereof, are subject to a number of assumptions and actual results may differ.

Item 3.03. Material Modification to Rights of Security Holders.

The information in response to Item 1.01 is incorporated by reference in response to this Item 3.03.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

In connection with the organizational restructuring plan described in Item 2.05 above, on August 11, 2022, the Board of Directors of the Company approved a separation agreement to be entered into with Richard Keys (the “Separation Agreement”). Mr. Keys’ last date of employment with the Company as its Chief Commercial Officer was August 11, 2022 (the “Separation Date”). Pursuant to the Separation Agreement, Mr. Keys is entitled to receive \$339,300, which equals 0.75 times his base salary, payable over nine months following the Separation Date, plus \$60,622, which represents a pro-rata portion of his target bonus based on the Separation Date, and \$36,540, which equals the portion of his base salary he would have earned during the 30 day period following the Separation Date. Subject to Mr. Keys’ proper election to receive benefits under COBRA, the Company will also pay up to nine months of each COBRA premium payment equal to such health insurance premium cost as of the Separation Date (or until Mr. Keys becomes eligible for alternative health benefits from a subsequent employer or ineligible for COBRA, if earlier). The Separation Agreement also contains non-disparagement, cooperation and noncompetition covenants, a reaffirmation of Mr. Keys’ confidentiality and nonsolicitation obligations to the Company and a general release of claims by Mr. Keys.

The foregoing summary is not complete and is qualified in its entirety by the Separation Agreement, a copy of which the Company intends to file with the Securities and Exchange Commission (“SEC”) as an exhibit to the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2022.

Item 5.03. Amendments to Articles of Incorporation or Bylaws; Change in Fiscal Year.

In connection with the adoption of the Rights Agreement described in Item 1.01 above, the Board of Directors of the Company approved Certificates of Designations of Series A Junior Participating Cumulative Preferred Stock and Series B Junior Participating Cumulative Preferred Stock (the “Certificates of Designations”). The Certificates of Designations will be filed with the Secretary of State of the State of Delaware and will become effective on August 12, 2022. The Certificates of Designations are included as Exhibit 3.1 and Exhibit 3.2 and are incorporated herein by reference. The description of the Series A Junior Participating Cumulative Preferred Stock and Series B Junior Participating Cumulative Preferred Stock in Item 1.01 is incorporated herein by reference.

Item 7.01. Regulation FD Disclosure.

On August 12, 2022, the Company announced that its Board of Directors initiated a review of strategic alternatives and unanimously rejected an unsolicited non-binding proposal from Kennedy Lewis Investment Management LLC to acquire all of the outstanding shares of the Company for \$5.00 per share cash. A copy of the press release announcing the items described in this Current Report on Form 8-K is attached hereto as Exhibit 99.2.

The information furnished under this Item 7.01, including Exhibit 99.2 attached hereto, shall not be deemed “filed” for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act or the Exchange Act, except as otherwise expressly stated in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit No.</u>	<u>Description</u>
3.1	<u>Certificate of Designations of Series A Junior Participating Cumulative Preferred Stock of Rapid Micro Biosystems, Inc. classifying and designating the Series A Junior Participating Cumulative Preferred Stock, filed as Exhibit 3.1 to the Company’s Registration Statement on Form 8-A on August 12, 2022 and incorporated herein by reference.</u>
3.2	<u>Certificate of Designations of Series B Junior Participating Cumulative Preferred Stock of Rapid Micro Biosystems, Inc. classifying and designating the Series B Junior Participating Cumulative Preferred Stock, filed as Exhibit 3.2 to the Company’s Registration Statement on Form 8-A on August 12, 2022 and incorporated herein by reference.</u>

4.1	Stockholder Rights Agreement, dated as of August 11, 2022, between Rapid Micro Biosystems, Inc. and Computershare Trust Company, N.A., as Rights Agent, filed as Exhibit 4.1 to the Company's Registration Statement on Form 8-A on August 12, 2022 and incorporated herein by reference.
99.1*	Press Release of Rapid Micro Biosystems, Inc. dated August 12, 2022.
99.2*	Press Release of Rapid Micro Biosystems, Inc. dated August 12, 2022.
104	Cover Page Interactive Data File (formatted as inline XBRL).

*Furnished herewith

Cautionary Statement Regarding Forward-Looking Statements

This Current Report on Form 8-K includes forward-looking statements within the meaning of Section 27A of the Securities Act, and Section 21E of the Exchange Act. All statements contained in this Current Report on Form 8-K that do not relate to matters of historical fact should be considered forward-looking statements, including, but not limited to, the Board of Directors' review of strategic alternatives; the timing and anticipated results of the Company's organizational restructuring plan; the estimated charges and costs expected to be incurred in connection with such restructuring; the Company's planned investments in its growth initiatives and expectations regarding whether such investments will enhance commercial execution and product development programs to drive future revenue growth; and the projected cost savings resulting from the Company's organizational restructuring plan.

In some cases, forward-looking statements can be identified by terminology such as "outlook," "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements involve known and unknown risks, uncertainties and assumptions which may cause actual results to differ materially from any results expressed or implied by any forward-looking statement, including, but not limited to, the impact of macroeconomic volatility and COVID-19 and its variants on the Company's business and operations, including further delays in placements and validation of new systems; the Company's organizational restructuring plan, including a reduction in workforce, may not result in the anticipated savings, could result in total costs and expenses that are greater than expected and could disrupt the Company's business; the Company's significant losses since inception; the Company's ability to meet its publicly announced guidance and other expectations about its business and operating results; the Company's limited experience in marketing and sales and the effectiveness of its sales processes; the Company's need to develop new products and adapt to technological changes; the Company's ability to establish and maintain its position as a leading provider of automated microbial quality control testing; the Company's ability to maintain its manufacturing facility; risks related to third-parties; its ability to retain key management and other employees; risks related to regulatory and intellectual property matters; risks related to supply chain disruptions and the impact of inflation; risks relation to the exploration of strategic alternatives; and the other important factors outlined under the caption "Risk Factors" in the Company's Annual Report on Form 10-K filed with the SEC on March 24, 2022, as such factors may be updated from time to time in its other filings with the SEC. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it cannot guarantee future results. The Company has no obligation, and does not undertake any obligation, to update or revise any forward-looking statement made in this Current Report on Form 8-K to reflect changes since the date of this Current Report on Form 8-K, except as may be required by law.

SIGNATURES

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

RAPID MICRO BIOSYSTEMS, INC.

Date: August 12, 2022

By: /s/ Sean Wirtjes

Sean Wirtjes

Chief Financial Officer

Rapid Micro Biosystems Provides Business Update and Reports Second Quarter 2022 Financial Results

Reports second quarter 2022 commercial revenue of \$3.9 million

Lowers full year 2022 commercial revenue guidance to at least \$17.0 million

Implements organizational restructuring plan to right-size cost structure with focus on enhancing commercial execution and key product development programs to drive revenue growth

CEO Robert Spignesi to assume commercial leadership responsibilities

Announces review of strategic alternatives and rejection of Kennedy Lewis Management Proposal

LOWELL, Mass., Aug. 12, 2022 (GLOBE NEWSWIRE) -- Rapid Micro Biosystems, Inc. (Nasdaq: RPID) (the "Company"), an innovative life sciences technology company providing mission critical automation solutions to facilitate the efficient manufacturing and fast, safe release of healthcare products, today announced its financial results for the second quarter ended June 30, 2022.

Second Quarter Summary:

- Commercial revenue (combined product and service revenue) of \$3.9 million
- Recurring revenue increased 31% to \$2.5 million and represented 65% of commercial revenue compared to 33% in the prior year
- Placed two new systems and completed validation of three new customer systems
- Cash, cash equivalents and investments of \$166.9 million at June 30, 2022

"While we placed two systems in the second quarter in line with our guidance, revenue was slightly below our expectations mainly due to slower-than-expected progress on a few system validations in the second half of the quarter as well as third-party logistics delays in the final days of the quarter that pushed revenue from several significant consumable shipments into the third quarter. We expect substantially all of the impacted revenues to be recognized in the third quarter. Excluding the impact of the delays in consumables, recurring revenue grew over 40% compared to the second quarter of last year, evidencing the continued strength of our business model and customer value proposition," said Robert Spignesi, President and CEO.

"As access to customer sites and in-person engagement continued to improve gradually as we moved through the second quarter and into the third quarter, we have learned more about the challenges the pandemic created for our customers in advancing capital purchasing decisions and for us in accurately assessing the timing of sales opportunities. We have also identified opportunities to improve aspects of our sales process and sales team training. At the same time, macroeconomic uncertainty is impacting the timing of some customer purchase decisions. As a result of our post-quarter analysis, we now anticipate fewer system placements for the full year and, accordingly, we are lowering our 2022 revenue outlook."

"We are taking decisive actions to enhance our commercial execution and right-size our cost structure to maintain our ability to invest in key growth initiatives while also managing our significant cash balance and long cash runway. We are confident these actions will better position us to capitalize on the large and growing market opportunity for our Growth Direct System," said Spignesi.

Organizational Restructuring Plan

The Company is implementing an organizational restructuring plan to right-size its cost structure based on its lowered 2022 outlook. The Company will continue to invest in key growth initiatives including enhancing commercial execution and key product development programs that are expected to drive future revenue growth. The plan involves an approximately 20% reduction in the Company's workforce, which is largely focused on non-commercial functions.

In connection with the organizational restructuring plan, the Company also announced that Andy Keys is leaving his role as Chief Commercial Officer effective immediately and Mr. Spignesi is assuming commercial leadership responsibilities.

The Company expects the organizational restructuring plan to result in approximately \$8.0 - \$9.0 million in annualized cost savings by the first quarter 2023. It expects to incur restructuring charges of approximately \$1.5 million to be recognized in the third quarter of fiscal year 2022.

Second Quarter Financial Results

Total (commercial) revenue for the second quarter of 2022 was \$3.9 million, compared to commercial revenue of \$5.7 million in the second quarter of 2021. The decrease was attributable to fewer placements of Growth Direct systems and lower validation revenue due to a few customer-related delays. This was partially offset by higher recurring consumables and service contract revenue, which increased 31% to \$2.5 million and represented 65% of commercial revenue, compared to \$1.9 million and 33% of commercial revenue in the second quarter last year. The Company placed two new systems and completed validation of three new customer systems in the second quarter of 2022.

In the second quarter of 2022, the Company did not recognize any revenue from its contract with the U.S. Biomedical Advanced Research and Development Authority ("BARDA"), which was completed in the fourth quarter 2021. In the second quarter of 2021, the Company recognized \$0.4 million of non-commercial revenue related to its BARDA contract.

Total cost of commercial revenue was \$5.1 million in the second quarter of 2022, compared to \$7.4 million in the second quarter of 2021, representing a decrease of 32%. The decrease was due to lower system placements as well as increased manufacturing efficiencies in consumables, partially offset by higher consumables sales volume and higher service costs associated with higher field service and validation headcount, travel and materials to support increasing service activity.

Total operating expenses were \$12.9 million in the second quarter of 2022, compared to \$9.1 million in the second quarter of 2021. The increase was mainly due to higher expenses incurred to operate as a publicly traded company as well as higher employee-related costs due to increased investment in commercial and product development headcount.

Net loss for the second quarter of 2022 was (\$13.1) million, compared to (\$11.8) million in the second quarter of 2021. Net loss per share attributable to common shareholders for the second quarter of 2022 was (\$0.31), compared to (\$20.01) in the second quarter of 2021. The number of weighted-average common shares outstanding in the second quarter this year was materially higher than the second quarter last year because of the conversion of outstanding preferred stock to common stock in connection with the Company's initial public offering in July 2021. This difference accounts for a substantial portion of the decrease in net loss per share between the periods.

Cash, cash equivalents and investments were \$166.9 million, and the Company had no debt outstanding as of June 30, 2022.

Full Year 2022 Outlook

The Company is updating its prior full year 2022 revenue outlook to at least \$17.0 million. This assumes that the Company will place between three and five systems in the second half of the year, with most or all of those placements made in the fourth quarter. The Company's lowered guidance reflects expectations for fewer systems placements in fiscal year 2022 as it continues to ramp its commercial team and optimize its commercial execution as well as macro-economic uncertainty that is expected to persist through the second half of the year.

Review of Strategic Alternatives and Rejection of Kennedy Lewis Management Proposal

In a separate release issued this morning, the Company also announced that its Board of Directors has initiated a review of strategic alternatives and unanimously rejected an unsolicited non-binding proposal from Kennedy Lewis Investment Management LLC to acquire all of the outstanding shares of the Company for \$5.00 per share cash. For full details regarding these announcements, please refer to the Company's press release on investors.rapidmicrobio.com.

Webcast Details

The Company will host a conference call before the market opens today, August 12, 2022, at 8:30 a.m. EST to discuss its second quarter 2022 financial results. The live call is accessible on the Company's website at investors.rapidmicrobio.com and will be archived and available for replay for one year.

About Rapid Micro Biosystems

Rapid Micro Biosystems is an innovative life sciences technology company providing mission critical automation solutions to facilitate the efficient manufacturing and fast, safe release of healthcare products such as biologics, vaccines, cell and gene therapies, and sterile injectables. The Company's flagship Growth Direct system automates and modernizes the antiquated, manual microbial quality control ("MQC") testing workflows used in the largest and most complex pharmaceutical manufacturing operations across the globe. The Growth Direct system brings the quality control lab to the manufacturing floor, unlocking the power of in-line/at-the-line MQC automation to deliver faster results, greater accuracy, increased operational efficiency, better compliance with data integrity regulations, and quicker decision making, that customers rely on to ensure safe and consistent supply of important healthcare products. The Company is headquartered and has U.S. manufacturing in Lowell, Massachusetts, with global locations in Lexington, Massachusetts, Switzerland, Germany, and the Netherlands. For more information, please visit www.rapidmicrobio.com or follow the Company on Twitter at @rapidmicrobio or on LinkedIn.

Forward-Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, but not limited to, statements regarding the Company's full year 2022 revenue outlook range and expected future revenue and growth; placements of Growth Direct systems, anticipated timing of such placements and the impact on the Company's commercial revenue; its expectations regarding customers capital purchasing decisions and the Company's sales opportunities; the timing and results of the Company's organizational restructuring; the estimated charges and costs expected to be incurred in connection with such restructuring; the projected cost savings resulting from the Company's organizational restructuring; the Company's planned investments in its growth initiatives and expectations regarding whether such investments will enhance commercial execution and product development programs to drive future revenue growth; expectations regarding the Company's commercial capabilities and changes to its sales processes; the extension of the Company's cash runway and anticipated uses of capital; its Board of Directors' review of strategic alternatives; and customer interest in and adoption of the Company's Growth Direct microbial quality control platform.

In some cases, you can identify forward-looking statements by terminology such as "outlook," "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements involve known and unknown risks, uncertainties and assumptions which may cause actual results to differ materially from any results expressed or implied by any forward-looking statement, including, but not limited to, the impact of macroeconomic volatility and COVID-19 and its variants on the Company's business and operations, including further delays in placements and validation of new systems; the Company's organizational restructuring plan, including a

reduction in workforce, may not result in the anticipated savings, could result in total costs and expenses that are greater than expected and could disrupt the Company's business; the Company's significant losses since inception; the Company's ability to meet its publicly announced guidance and other expectations about its business and operating results; the Company's limited experience in marketing and sales and the effectiveness of its sales processes; the Company's need to develop new products and adapt to technological changes; the Company's ability to establish and maintain its position as a leading provider of automated microbial quality control testing; the Company's ability to maintain its manufacturing facility; risks related to third-parties; its ability to retain key management and other employees; risks related to regulatory and intellectual property matters; risks related to supply chain disruptions and the impact of inflation; risks relation to the exploration of strategic alternatives; and the other important factors outlined under the caption "Risk Factors" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 24, 2022, as such factors may be updated from time to time in its other filings with the SEC, which are available on the SEC's website at www.sec.gov and the Investor Relations page of its website at investors.rapidmicrobio.com. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it cannot guarantee future results. The Company has no obligation, and does not undertake any obligation, to update or revise any forward-looking statement made in this press release to reflect changes since the date of this press release, except as may be required by law.

Investor Contact:

Michael Beaulieu, CFA
Vice President, Investor Relations and Corporate Communications
investors@rapidmicrobio.com

Media

Jamie Moser / Lucas Pers
Joele Frank, Wilkinson Brimmer Katcher
212-355-4449

RAPID MICRO BIOSYSTEMS, INC.
Unaudited Condensed Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Revenue:				
Product revenue	\$ 2,440	\$ 4,088	\$ 5,003	\$ 7,806
Service revenue	1,420	1,606	3,017	2,673
Non-commercial revenue	—	436	—	646
Total revenue	<u>3,860</u>	<u>6,130</u>	<u>8,020</u>	<u>11,125</u>
Costs and operating expenses:				
Cost of product revenue	3,235	6,092	7,593	11,602
Cost of service revenue	1,846	1,344	3,572	2,481
Cost of non-commercial revenue	—	472	—	886
Research and development	2,965	2,337	6,490	4,485
Sales and marketing	3,484	3,122	6,940	5,397
General and administrative	6,404	3,625	12,498	6,827
Total costs and operating expenses	<u>17,934</u>	<u>16,992</u>	<u>37,093</u>	<u>31,678</u>
Loss from operations	<u>(14,074)</u>	<u>(10,862)</u>	<u>(29,073)</u>	<u>(20,553)</u>
Other income (expense):				
Interest expense	(10)	(924)	(21)	(1,856)
Change in fair value of preferred stock warrant liability	—	(35)	—	(11,483)
Other income (expense), net	381	8	484	(3)
Total other income (expense), net	<u>371</u>	<u>(951)</u>	<u>463</u>	<u>(13,342)</u>
Loss before income taxes	(13,703)	(11,813)	(28,610)	(33,895)
Income tax (benefit) expense	(613)	18	(590)	37
Net loss	<u>(13,090)</u>	<u>(11,831)</u>	<u>(28,020)</u>	<u>(33,932)</u>
Accretion of redeemable convertible preferred stock to redemption value				
	—	(1,184)	—	(1,971)
Cumulative redeemable convertible preferred stock dividends	—	(885)	—	(2,296)
Net loss attributable to common stockholders — basic and diluted	<u>\$ (13,090)</u>	<u>\$ (13,900)</u>	<u>\$ (28,020)</u>	<u>\$ (38,199)</u>
Net loss per share attributable to Class A and Class B common stockholders — basic and diluted	<u>\$ (0.31)</u>	<u>\$ (20.01)</u>	<u>\$ (0.66)</u>	<u>\$ (57.17)</u>
Weighted average common shares outstanding — basic and diluted	<u>42,494,055</u>	<u>694,698</u>	<u>42,346,607</u>	<u>668,180</u>

RAPID MICRO BIOSYSTEMS, INC.
Unaudited Condensed Consolidated Balance Sheets
(in thousands)

	<u>June 30,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 49,720	\$ 178,387
Short-term investments	94,371	15,110
Accounts receivable	4,100	5,005
Inventory	21,293	15,671
Prepaid expenses and other current assets	1,999	3,951
Total current assets	171,483	218,124
Property and equipment, net	12,649	11,304
Right-of-use assets, net	7,530	—
Long-term investments	22,816	9,966
Other long-term assets	1,381	1,491
Restricted cash	284	284
Total assets	<u>\$ 216,143</u>	<u>\$ 241,169</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 2,822	\$ 3,944
Accrued expenses and other current liabilities	5,281	10,917
Deferred revenue	3,918	3,305
Lease liabilities, short-term	729	—
Total current liabilities	12,750	18,166
Deferred rent, long term	—	813
Lease liabilities, long-term	7,728	—
Other long-term liabilities	698	1,210
Total liabilities	21,176	20,189
Total stockholders' equity	194,967	220,980
Total liabilities and stockholders' equity	<u>\$ 216,143</u>	<u>\$ 241,169</u>

RAPID MICRO BIOSYSTEMS, INC.
Unaudited Condensed Consolidated Statements of Cash Flows
(in thousands)

	Six Months Ended June 30,	
	2022	2021
Cash flows from operating activities:		
Net loss	\$ (28,020)	\$ (33,932)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	1,243	696
Stock-based compensation expense	2,241	581
Change in fair value of preferred stock warrant liability	—	11,483
Provision recorded for inventory	49	38
Noncash lease expense	549	—
Noncash interest expense	—	295
Loss (gain) on disposal of property and equipment	19	(18)
Accretion on investments	(22)	(4)
Other	(125)	—
Changes in operating assets and liabilities		
Accounts receivable	905	1,931
Inventory	(5,671)	(2,984)
Prepaid expenses and other current assets	1,952	(43)
Other long-term assets	84	(172)
Accounts payable	(1,122)	(1,894)
Accrued expenses and other current liabilities	(4,482)	1,373
Deferred revenue	613	(56)
Deferred rent, long term	—	(62)
Net cash used in operating activities	<u>(31,787)</u>	<u>(22,768)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(4,342)	(792)
Proceeds from sale of property and equipment	—	20
Purchases of investments	(117,993)	—
Maturity of investments	25,000	15,000
Net cash (used) provided by investing activities	<u>(97,335)</u>	<u>14,228</u>
Cash flows from financing activities:		
Proceeds from issuance of redeemable convertible preferred stock, net of issuance costs	—	79,743
Proceeds from issuance of Class A common stock upon stock option exercise	471	287
Proceeds from issuance of restricted Class A stock award	—	523
Payments on finance lease obligations	(16)	—
Payments of deferred offering costs	—	(1,861)
Net cash provided by financing activities	<u>455</u>	<u>78,692</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(128,667)	70,152
Cash, cash equivalents and restricted cash at beginning of period	178,671	30,179
Cash, cash equivalents and restricted cash at end of period	<u>\$ 50,004</u>	<u>\$ 100,331</u>

Rapid Micro Biosystems Announces Review of Strategic Alternatives to Maximize Shareholder Value

Rejects Unsolicited, Non-Binding Proposal from Kennedy Lewis Investment Management

Adopts Limited Duration Stockholder Rights Plan

LOWELL, Mass., Aug. 12, 2022 -- Rapid Micro Biosystems, Inc. (Nasdaq: RPID) (the "Company"), an innovative life sciences technology company providing mission critical automation solutions to facilitate the efficient manufacturing and fast, safe release of healthcare products, today announced that its Board of Directors has initiated a review of strategic alternatives to maximize shareholder value. The Board has retained Morgan Stanley & Co. LLC as its financial advisor and Goodwin Procter LLP as its legal advisor to assist in its review of a wide range of options including, among other things a sale, merger or other strategic transaction.

In addition, the Company announced that its Board of Directors has unanimously rejected an unsolicited non-binding proposal from Kennedy Lewis Investment Management LLC ("Kennedy Lewis") to acquire all of the outstanding shares of the Company for \$5.00 per share in cash. Following a comprehensive review, in consultation with its financial and legal advisors, the Board determined that the proposal is inadequate and is not in the best interest of the Company or its shareholders.

"The Company is taking decisive action to right-size its cost structure to allow continued focus on enhanced commercial execution and key product development initiatives while also managing its significant cash balance and long cash runway," said Jeffrey Schwartz, Chairperson of the Board of Directors. "As we seek to accelerate this work and best position our business for the future, the Board believes now is the right time to explore alternatives to determine the best path to maximize shareholder value. The Board is committed to exploring a range of alternatives, while simultaneously prioritizing and advancing important initiatives within the business, that we believe will enhance value for our shareholders."

There can be no assurance that the strategic alternatives process will result in the company pursuing a particular transaction or any other strategic outcome. Rapid Micro Biosystems has not set a timetable for completion of this process, and it does not intend to disclose further developments unless and until it determines that further disclosure is appropriate or necessary.

Adoption of Stockholder Rights Plan

Rapid Micro Biosystems also announced today that its Board has unanimously adopted a limited-duration stockholder rights plan (the "Rights Plan").

The Rights Plan is intended to enable all shareholders to realize the full value of their investment in the Company, and to protect the Company and its shareholders from efforts to obtain control of the Company that the Board determines are not in the best interests of the Company and its shareholders. It will also provide the Board with the appropriate time and flexibility to conduct its review of strategic alternatives and pursue the best course of action for all shareholders. The Rights Plan does not preclude the Board from engaging with parties or considering an offer that it believes recognizes the full value of the Company and is in the best interests of Rapid Micro Biosystems and its shareholders.

The Rights Plan is similar to shareholder rights plans adopted by other publicly traded companies. The rights will become exercisable if an entity, person or group acquires beneficial ownership of 15% or more of the Company's outstanding Class A common stock. In the event that the rights become exercisable due to the triggering ownership threshold being crossed, each right will entitle its holder (other than the person, entity or group triggering the Rights Plan, whose rights will become void and will not be exercisable) to receive shares of common stock of the Company having a market value equal to two times the Exercise Price.

Under the Rights Plan, any person, entity or group which currently owns more than the triggering percentage may continue to own its shares of common stock but may not acquire any additional shares of Class A common stock without triggering the Rights Plan. The Rights Plan does not contain any dead-hand, slow-hand, no-hand or similar feature that would limit the ability of a future Board of Directors to redeem the rights.

The Rights Plan will automatically expire on the day after the Company's 2023 Annual Meeting of Stockholders (the "2023 Annual Meeting"), unless approved by the Company's stockholders at the 2023 Annual Meeting, in which case it will expire in one year, on August 11, 2023.

Additional details regarding the Rights Plan are contained in a Current Report on Form 8-K to be filed by the Company on August 12, 2022 with the U.S. Securities and Exchange Commission ("SEC"). The filing will be available on the SEC's website at www.sec.gov and in the Investor Relations section of the Company's website at www.rapidmicrobio.com.

Second Quarter 2022 Financial Results

In a separate press release, Rapid Micro Biosystems today announced a business update and its financial results for the second quarter ended June 30, 2022. The Company will host a conference call today, August 12, 2022, at 8:30 a.m. EST to discuss its second quarter 2022 financial results. The live call is accessible on the Company's website at investors.rapidmicrobio.com and will be archived and available for replay for one year.

Morgan Stanley & Co. LLC is acting as Rapid Micro Biosystems' financial advisor and Goodwin Procter LLP as its legal counsel.

About Rapid Micro Biosystems

Rapid Micro Biosystems is an innovative life sciences technology company providing mission critical automation solutions to facilitate the efficient manufacturing and fast, safe release of healthcare products such as biologics, vaccines, cell and gene therapies, and sterile injectables. The Company's flagship Growth Direct system automates and modernizes the antiquated, manual microbial quality control ("MQC") testing workflows used in the largest and most complex pharmaceutical manufacturing operations across the globe. The Growth Direct system brings the quality control lab to the manufacturing floor, unlocking the power of in-line/at-the-line MQC automation to deliver faster results, greater accuracy, increased operational efficiency, better compliance with data integrity regulations, and quicker decision making, that customers rely on to ensure safe and consistent supply of important healthcare products. The Company is headquartered and has U.S. manufacturing in Lowell, Massachusetts, with global locations in Lexington, Massachusetts, Switzerland, Germany, and the

Netherlands. For more information, please visit www.rapidmicrobio.com or follow the Company on Twitter at @rapidmicrobio or on LinkedIn.

Forward Looking Statements

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, but not limited to, statements regarding the future performance of Rapid Micro Biosystems and the review of strategic alternatives; the Company's organizational restructuring plans and focus on commercial execution and product development initiatives; expectations regarding the Company's cash balance and cash runway; the effectiveness of the rights plan in providing the Board of Directors with time to make informed decisions that are in the best long-term interests of Rapid Micro Biosystems and its stockholders; the timing of expiration of the Rights Agreement; and the Company's upcoming announcement of financial results for the second quarter ended June 30, 2022.

In some cases, you can identify forward-looking statements by terminology such as "outlook," "aim," "anticipate," "assume," "believe," "contemplate," "continue," "could," "due," "estimate," "expect," "goal," "intend," "may," "objective," "plan," "predict," "potential," "positioned," "seek," "should," "target," "will," "would" and other similar expressions that are predictions of or indicate future events and future trends, or the negative of these terms or other comparable terminology, although not all forward-looking statements contain these words. Forward-looking statements involve known and unknown risks, uncertainties and assumptions which may cause actual results to differ materially from any results expressed or implied by any forward-looking statement, including, but not limited to, the impact of macro-economic volatility and COVID-19 and its variants on the Company's business and operations, including further delays in placements and validation of new systems; the Company's significant losses since inception; the Company's ability to meet its publicly announced guidance and other expectations about its business and operating results; the Company's limited experience in marketing and sales and the effectiveness of its sales processes; the Company's need to develop new products and adapt to technological changes; the Company's ability to establish and maintain its position as a leading provider of automated microbial quality control testing; the Company's ability to maintain its manufacturing facility; risks related to third-parties; its ability to retain key management and other employees; risks related to regulatory and intellectual property matters; risks related to supply chain disruptions and the impact of inflation; risks relation to the exploration of strategic alternatives; and the other important factors outlined under the caption "Risk Factors" in the Company's Annual Report on Form 10-K filed with the Securities and Exchange Commission ("SEC") on March 24, 2022, as such factors may be updated from time to time in its other filings with the SEC, which are available on the SEC's website at www.sec.gov and the Investor Relations page of its website at investors.rapidmicrobio.com. Although the Company believes that the expectations reflected in its forward-looking statements are reasonable, it cannot guarantee future results. The Company has no obligation, and does not undertake any obligation, to update or revise any forward-looking statement made in this press release to reflect changes since the date of this press release, except as may be required by law.

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