Risk Factors Comparison 2024-02-29 to 2023-03-17 Form: 10-K

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Careful consideration should be given to the following risk factors, in addition to the other information set forth in this Annual Report, including the section of this Annual Report titled " Management' s Discussion and Analysis of Financial Condition and Results of Operations " and our ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** and related ~~notes~~ **Notes** , and in other documents that we file with the SEC, in evaluating our company and our business. Investing in our securities involves a high degree of risk. If any of the events described in the following risk factors actually occur, our business, financial condition, results of operations and future growth prospects could be materially and adversely affected, and the trading price of our securities could decline. Our actual results could differ materially from those anticipated in the forward- looking statements as a result of factors that are described below and elsewhere in this Annual Report on Form 10- K. Unless the context otherwise requires, references in this section to " we ", " us ", " our, ", the " Company " and " Quantum- Si " refer to Quantum- Si Incorporated and its subsidiaries following the Business Combination, or to Legacy Quantum- Si or HighCape prior to the Business Combination, as the case may be. Risks Related to Our Financial Condition and Capital Requirements We are an early- stage life sciences technology company with a history of net losses, which we expect to continue, and we may not be able to generate meaningful revenues or achieve and sustain profitability in the future. We are an early- stage life sciences technology company and have incurred significant losses since ~~Legacy~~ Quantum- Si was formed in 2013, and expect to continue to incur losses in the future. We incurred net losses of $ **96. 0 million, $** 132. 4 million ~~,~~ **and** $ 95. 0 ~~million and $ 36. 6~~ million in the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ , respectively. As of December 31, ~~2022~~ **2023** , we had an accumulated deficit of $ ~~399~~ **495** . ~~7~~ **6** million. These losses and accumulated deficit were primarily due to the substantial investments made to develop and improve our technology. Over the next several years, we expect to continue to devote substantially all of our resources towards ~~continuing~~ development and ~~future~~ commercialization of our products and research and development efforts for additional products. These efforts may prove more costly than we currently anticipate. In December 2022, we **initiated a controlled** ~~launched~~ -- **launch of** Platinum ™ ® for RUO, and to date we have ~~not~~ generated **limited** product revenue and may never generate revenue sufficient to offset our expenses **or produce enough cash to sustain operations** ~~. In addition, as a public company, we incur significant legal, accounting, administrative, insurance and other expenses that we did not previously incur as a private company~~ . Accordingly, we cannot assure you that we will achieve profitability **or positive cash flow production** in the future or that, if we do become profitable **and cash flow positive** , we will sustain ~~profitability~~ **these levels** . We have a limited operating history, which may make it difficult to evaluate the prospects for our future viability and predict our future performance. As such, you cannot rely upon our historical operating performance to make an investment or voting decision regarding us. We recently commercialized our first product and have ~~not~~ generated **limited** revenue to date. ~~Our~~ **Even with our Platinum ® product launch, our** operations to date have been primarily limited to developing our technology and products. Our prospects must be considered in light of the uncertainties, risks, expenses, and difficulties frequently encountered by companies in their early stages of operations. We have not yet produced our products at scale, established ~~a~~ sales ~~model~~ **models** , or conducted sales and marketing activities necessary for ~~successful~~ **widespread** product commercialization. Consequently, predictions about our future success or viability are highly uncertain and may not be as accurate as they could be if we had a longer operating history or a company history of successfully developing and commercializing products. In addition, as a business with a limited operating history, we may encounter unforeseen expenses, difficulties, complications, delays and other known and unknown obstacles. We **are** ~~will eventually need to transition~~ **transitioning** from a company ~~with~~ **that previously had** a **sole** focus on research and development to a company capable of supporting commercial activities ~~as well,~~ and we may not be successful in such a transition. We have encountered in the past, and we expect to encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in emerging and rapidly changing industries. If our assumptions regarding these risks and uncertainties, which we use to plan and operate our business, are incorrect or change, or if we do not address these risks successfully, our results of operations could differ materially from our expectations, and our business, financial condition, results of operations and cash flows could be adversely affected. Our operating results may fluctuate significantly in the future, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we **or other third parties** may provide. Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to: ~~•~~ • the timing and amount of expenditures that we may incur to develop, commercialize or acquire additional products and technologies or for other purposes, such as the expansion of our facilities; ~~•~~ • changes in governmental funding of life sciences research and development or changes that impact budgets or budget cycles ~~•~~ **;** • seasonal spending patterns of our customers; ~~•~~ • the timing of when we recognize any revenues; ~~•~~ • future accounting pronouncements or changes in our accounting policies; ~~•~~ • the outcome of any future litigation or governmental investigations involving us, our industry or both ~~•~~ **;** • higher than anticipated service, replacement and warranty costs; ~~•~~ • the impact of ~~the COVID- 19~~ **past or future epidemics or** ~~pandemic~~ **pandemics** on the economy, investment in life sciences and research industries, our business operations, and resources and operations of our suppliers, distributors and potential customers; ~~an~~ **and** ~~•~~ • general industry, economic and market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors. The cumulative effects of the factors discussed above 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. This variability and unpredictability could also result in us failing to meet the expectations of industry or financial analysts or investors for any period. If we are unable to **realize our objectives associated with** ~~commercialize~~ **commercializing our** products ~~or generate revenue~~ , or if our operating results fall below the expectations of analysts or investors or below any guidance we may provide, or if any guidance we provide is below the expectations of analysts or investors, it could cause the market price of our Class A common stock to decline. We may need to raise additional capital to fund **ongoing research and development, operating activities, and** commercialization ~~plans for our products, including manufacturing, sales and marketing~~ activities ~~, expand our investments in research and development, and commercialize new products and applications~~ . Our operations have consumed substantial amounts of cash since inception. We expect to spend substantial additional amounts to **continue the** ~~commercialize~~ **commercialization of** our products and to develop new products. We expect to use ~~the~~ **our** funds **on hand** ~~we received in connection with the Business Combination~~ to further develop and commercialize our products, develop new products, and for working capital and general corporate purposes. As of December 31, ~~2022~~ **2023** , we had cash and cash equivalents and investments in marketable securities totaling $ ~~351~~ **257** . ~~3~~ **7** million. We expect our cash and cash equivalents and investments in marketable securities will be able to fund our operations for at least the next twelve months. However, this does not reflect the possibility that we may not be able to access a portion of our existing cash and cash equivalents and investments in marketable securities due to market conditions. For example, on March 10, 2023, the Federal Deposit Insurance Corporation, or the FDIC, took control and was appointed receiver of Silicon Valley Bank. If 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 cash and cash equivalents and investments in marketable securities may be threatened and could have a material adverse effect on our business and financial condition. We may require additional capital to develop and commercialize our products and to develop new products. In addition, our operating plans may change as a result of many factors that may currently be unknown to us, and we may need to seek additional funds sooner than planned. We cannot guarantee that future financing will be available in sufficient amounts or on terms acceptable to us, if at all. Moreover, the terms of any future financing may adversely affect the holdings or the rights of our stockholders and the issuance of additional securities, whether equity or debt, by us, or the possibility of such issuance, may cause the market price of our Class A common stock to decline. The incurrence of indebtedness could result in increased fixed payment obligations, and we may be required to agree to certain restrictive covenants, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. We could also be required to seek funds through arrangements with collaborative partners or otherwise at an earlier stage than otherwise would be desirable, and we may be required to relinquish rights to some of our technologies or products or otherwise agree to terms that are unfavorable to us, any of which may have a material adverse effect on our business, operating results and prospects. In addition, raising additional capital through the issuance of equity or debt securities would cause dilution to holders of our equity securities and / or increased fixed payment obligations, and may affect the rights of then- existing holders of our equity securities. Furthermore, these securities may have rights senior to those of our Class A common stock and could contain covenants that would restrict our operations and potentially impair our competitiveness, such as limitations on our ability to incur additional debt, limitations on our ability to acquire, sell or license intellectual property rights and other operating restrictions that could adversely impact our ability to conduct our business. Any of these events could significantly harm our business, financial condition and prospects. Even if we believe that we have sufficient funds for our current or future operating plans, we may seek additional capital if market conditions are favorable or if we have specific strategic considerations. Risks Related to Our Business and Industry We recently commercially launched our first product, but we may not be able to successfully commercially launch ~~our~~ **other future** products ~~as planned~~ . We recently commercially launched our first product, Platinum ~~™~~ **®** for RUO. We are following a three- phase launch plan for commercialization, which includes an early access limited release phase, the current ~~initial~~ **controlled** commercial launch phase, and a broad commercial availability phase. Our commercial launch plan may not progress as planned due to: ~~•~~ • the inability to establish the capabilities and value proposition of our products with key opinion leaders in a timely fashion; ~~•~~ • the potential need or desire to modify aspects of our products **throughout** ~~prior to entering into the second or third phases of~~ our commercial launch plan; ~~•~~ • changing industry or market conditions, customer requirements or competitor offerings over the span of our commercial launch plan; ~~•~~ • delays in building out our sales, customer support and marketing organization as needed for each of the phases of our commercial launch plan; and ~~•~~ • delays in ramping up manufacturing, either internally or through our suppliers to meet the expected demand in each of the phases of our commercial launch plan. To the extent our commercial launch plan is ~~delayed or~~ unsuccessful, our financial results will be adversely impacted. Our success depends on broad scientific and market acceptance, which we may fail to achieve. Our ability to achieve and maintain scientific and commercial market acceptance of our products depends and will depend on a number of factors. Our products are and will be subject to market forces and adoption curves common to other new technologies. The market for proteomics and genomics technologies and products is in its early stages of development ~~. If~~ **and if** widespread adoption of our products takes longer than anticipated, we will continue to experience operating losses. The success of life sciences products is due, in large part, to acceptance by the scientific community and their adoption of certain products in the applicable field of research. The life sciences scientific community is often led by a small number of early adopters and key opinion leaders who significantly influence the rest of the community through publications in peer- reviewed journals. In such journal publications, the researchers will describe not only their discoveries, but also the methods, and typically the products used, to fuel such discoveries. Mentions in peer- reviewed journal publications is a driver for the general acceptance of life sciences products, such as our products. During the early access limited release phase of our commercialization launch plan, we collaborated with a small number of key opinion leaders who are highly skilled at evaluating novel technologies and whose feedback helped us solidify our commercialization plans and processes. Ensuring that early adopters and key opinion leaders publish research

involving the use of our products during the early access limited release phase is critical to ensuring our products gain widespread scientific acceptance. In addition, continuing collaborative relationships with such key opinion leaders will be vital to maintaining any market acceptance we achieve. If too few researchers describe the use of our products, too many researchers shift to a competing product and publish research outlining their use of that product or too many researchers negatively describe the use of our products in publications, it may drive customers away from our products and it may delay our progression towards the broad commercial release phase of our commercialization plan. Other factors in achieving commercial market acceptance, include: ~~•~~ our ability to market and increase awareness of the capabilities of our products; ~~•~~ the ability of our products to demonstrate comparable performance in intended use applications broadly in the hands of customers consistent with the early access limited release phase of our commercialization plan; ~~•~~ our potential customers' willingness to adopt new products and workflows; ~~•~~ our product' s ease of use and whether it reliably provides advantages over other alternative technologies; ~~•~~ the rate of adoption of our products by academic institutions, laboratories, biopharmaceutical companies and others; ~~•~~ the prices we charge for our products; ~~•~~ our ability to develop new products and workflows and solutions for customers; ~~•~~ if competitors develop and commercialize products that perform similar functions as our products; and ~~•~~ the impact of our investments in product innovation and commercial growth. We may not be successful in addressing each of these criteria or other criteria that might affect the market acceptance of Platinum ~~™~~ ~~®~~ and any other products we commercialize. If we are unsuccessful in achieving and maintaining market acceptance of our products, our business, financial condition, results of operations and cash flows will be adversely affected. If we are unable to establish sales and marketing capabilities, we may not be successful in commercializing our products. We have limited experience as a company in sales and marketing and our ability to achieve ~~profitability~~ **revenue growth** depends on us being able to attract customers for our products. Although members of our management team have considerable industry experience, we will be required to expand our sales, marketing, distribution and customer service and support capabilities with the appropriate technical expertise ~~prior~~ to **gain market share and revenue growth** ~~the broad commercial launch of our products~~ . To perform sales, marketing, distribution, and customer service and support successfully, we will face a number of risks, including: ~~•~~ our ability to attract, retain and manage the sales, marketing and customer service and support force necessary to commercialize and gain market acceptance of our products; ~~•~~ the time and cost of establishing a specialized sales, marketing and customer service and support force; and ~~•~~ our sales, marketing and customer service and support force may be unable to initiate and execute successful commercialization activities. We may seek to enlist **certain** ~~one or more~~ third parties to assist with sales, distribution and customer service and support globally or in certain regions of the world. There is no guarantee, if we do seek to enter into such arrangements, that we will be successful in attracting desirable sales and distribution partners or that we will be able to enter into such arrangements **on an ongoing basis** on favorable terms. If our sales and marketing efforts, or those of any third- party sales and distribution partners, are not successful, our products may not gain market acceptance, which could materially impact our business operations. The size of the markets for our products may be smaller than estimated, and new market opportunities may not develop as quickly as we expect, or at all, limiting our ability to successfully sell our products. The market for proteomics and genomics technologies and products is evolving, making it difficult to predict with any accuracy the size of the markets for our current and future products. Our estimates of the total addressable market for our current and future products are based on a number of internal and third- party estimates and assumptions. In particular, our estimates are based on our expectations that researchers in the market for certain life sciences research tools and technologies will view our products as competitive alternatives to, or better options than, existing tools and technologies. We also expect researchers will recognize the ability of our products to complement, enhance and enable new applications of their current tools and technologies. We expect them to recognize the value proposition offered by our products, enough to purchase our products in addition to the tools and technologies they already own. Underlying each of these expectations are a number of estimates and assumptions that may be incorrect, including the assumptions that government or other sources of funding will continue to be available to life sciences researchers at times and in amounts necessary to allow them to purchase our products and that researchers have sufficient samples and an unmet need for performing proteomics studies at scale across thousands of samples. In addition, sales of new products into new market opportunities may take years to develop and mature and we cannot be certain that these market opportunities will develop as we expect. New life sciences technology may not be adopted until the consistency and accuracy of such technology, method or device has been proven. As a result, the sizes of the annual total addressable market for new markets and new products are even more difficult to predict. Our products are innovative new products, and while we draw comparisons between the evolution and growth of the genomics and proteomics markets, the proteomics market may develop more slowly or differently. While we believe our assumptions and the data underlying our estimates of the total addressable market for our products are reasonable, these assumptions and estimates may not be correct and the conditions supporting our assumptions or estimates, or those underlying the third- party data it has used, may change at any time, thereby reducing the accuracy of our estimates. As a result, our estimates of the total addressable market for our products may be incorrect. ~~The~~ **Epidemics, pandemics or other public health crises, including** COVID- 19 **, could** ~~pandemic and efforts to reduce its spread have~~ adversely **affect our business. Our operations could be significantly** ~~impacted, and are expected to continue to materially and~~ adversely ~~impact~~ **affected by the effects of a widespread outbreak of epidemics, pandemics** ~~our~~ **or** ~~business and operations. The~~ **other health crises, including** COVID- 19 **. We cannot accurately predict the impact of epidemics and** ~~pandemic~~ **pandemics would** ~~has had, and is expected to continue to~~ have ~~, an adverse impact~~ on our operations ~~, particularly as a result of preventive~~ and ~~precautionary measures that we, other businesses, and governments are taking. Governmental mandates related to COVID- 19 or other infectious diseases, or public health crises, have impacted, and we expect them~~ **the ability of** ~~to continue to impact, our personnel and personnel at~~ third- **parties to meet** ~~party manufacturing facilities in the United States and other~~ **their obligations under contracts or arrangements with us, including uncertainties relating to the ultimate geographic spread of epidemics and pandemics, the severity of the underlying diseases, the duration of outbreaks, and the length of travel and quarantine restrictions imposed by**

governments of affected countries ~~, and the availability or cost of materials, which would disrupt or delay our receipt of instruments, components and supplies from the third parties we rely on to, among other things, produce our products. Our suppliers have been impacted by the COVID- 19 pandemic, and we have experienced supply delays for critical hardware, instrumentation and medical and testing supplies that we use for product development, as these other components and supplies are otherwise diverted to COVID- 19- related testing and other uses. The COVID- 19 pandemic has also had an adverse effect on our ability to attract, recruit, interview and hire at the pace we would typically expect to support our rapidly expanding operations. To the extent that any governmental authority imposes additional regulatory requirements or changes existing laws, regulations, and policies that apply to our business and operations, such as additional workplace safety measures, our product development plans may be delayed, and we may incur further costs in bringing our business and operations into compliance with changing or new laws, regulations, and policies~~ . In addition, **a significant outbreak** ~~the development and commercialization~~ of ~~our products~~ **contagious diseases in the human population** could ~~be~~ **result in a widespread health crisis that could** adversely ~~affected~~ -- **affect** ~~by reductions in capacity or shutdowns of laboratories and other~~ -- **the economies and financial markets of many countries** ~~institutions as well as other impacts stemming from the COVID- 19 pandemic~~ , ~~such as reduced or delayed spending on instruments or consumables as a result~~ **resulting in** ~~of such shutdowns and~~ - **an economic downturn** ~~delays before re- opened laboratories and institutions resume previous levels of research activities~~ that **could further** ~~require new purchases of our instruments or consumables; as well as decreases in government funding of research and development; and changes in the amount of funds allocated to different areas of research, that have the effect~~ **affect** ~~of increasing the length of the funding process or~~ **our operations** ~~the impact of the COVID- 19 pandemic on our potential customers~~ and ~~their funding sources~~ **ability to finance our operations** . Environmental, social and governance matters may impact our business and reputation. Increasingly, in addition to the importance of their financial performance, companies are being judged by their performance on a variety of environmental, social and governance (" ESG ") matters, which are considered to contribute to the long- term sustainability of companies' performance. A variety of organizations measure the performance of companies on such ESG topics, and the results of these assessments are widely publicized. In addition, investment in funds that specialize in companies that perform well in such assessments are becoming increasingly popular, and major institutional investors have publicly emphasized the importance of such ESG measures to their investment decisions. Topics taken into account in such assessments include, among others, the company' s efforts and impacts on climate change and human rights, ethics and compliance with law, and the role of the company' s board of directors in supervising various sustainability issues. The severity and frequency of weather- related natural disasters has been amplified, and is expected to continue to be amplified, by global climate change. Such natural disasters have caused, and in the future may cause, damage to and / or disrupt our operations, which may result in a material adverse effect on our business and results of operations. Our suppliers, vendors and business partners also face similar risks, and any disruption to their operations could have an adverse effect on our supply and manufacturing chain. Climate change has had significant legislative and regulatory effects on a global basis, and there are expected to be additional changes to the regulations in these areas. These changes could directly increase the cost of energy, which may have an impact on the way we manufacture products or utilize energy to produce our products. In addition, any new regulations or laws in the environmental area might increase the cost of raw materials we use in our products and the cost of compliance. Other regulations in the environmental area may require us to continue to monitor and ensure proper disposal or recycling of our products. In light of investors' increased focus on ESG matters, there can be no certainty that we will manage such issues successfully, or that we will successfully meet society' s expectations as to our proper role. Any failure or perceived failure by us in this regard could have a material adverse effect on our reputation and on our business, share price, financial condition, results of operations or cash flows, including the sustainability of our business over time. Unfavorable global economic conditions could adversely affect our business, financial condition or results of operations. Our results of operations could be adversely affected by general conditions in the global economy and in the global financial markets, including changes in inflation, interest rates and overall economic conditions and uncertainties. We have experienced pricing increases from our suppliers. To the extent inflation or other factors increase our business costs, it may not be feasible to pass price increases on to our customers or offset higher costs through manufacturing efficiencies. Inflation could also adversely affect the ability of our customers to purchase our products. An economic downturn could result in a variety of risks to our business, including weakened demand for our products and our inability to raise additional capital when needed on acceptable terms, if at all. A weak or declining economy could also result in further constraints on our suppliers or cause future customers to delay making payments for our products. Any of the foregoing could harm our business and we cannot anticipate all of the ways in which the current economic climate and financial market conditions could adversely impact our business. Geopolitical conflicts could potentially affect our sales and disrupt our operations and could have a material adverse impact on ~~the Company~~ **our business** . Geopolitical conflicts, including the ongoing ~~war~~ **conflicts** in Ukraine **and Israel and Gaza** , could adversely impact our operations or those of our suppliers, manufacturers or customers. The extent to which these events impact our operations will depend on future developments, which are highly uncertain and cannot be predicted with confidence. If the uncertainty surrounding geopolitical conflicts and in the global marketplace continues, or if we, or any of our suppliers, manufacturers or customers encounter any disruptions to our or their respective operations or facilities, then we or they may be prevented or delayed from effectively operating our or their business, respectively, and the marketing and sale of our products and our financial results could be adversely affected. If we do not sustain or successfully manage our anticipated growth, our business and prospects will be harmed. Our anticipated growth will place significant strains on our management, operational and manufacturing systems and processes, sales and marketing team, financial systems and internal controls and other aspects of our business. As of December 31, ~~2022~~ **2023** , we had ~~202~~ **165** employees ~~. We expect that we will need to hire additional accounting, finance and other personnel in connection with the requirements of being a public company~~ . Our management and other personnel will need to devote a substantial amount of time towards maintaining compliance with these requirements and

effectively manage these growth activities. We may face challenges integrating, developing and motivating our rapidly growing employee base. 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. If we do not successfully manage our anticipated growth, our business, results of operations, financial condition and prospects will be harmed. ~~We are undertaking~~ **Recently and in the past, we have undergone leadership transitions and an** internal restructuring **, and we depend on** ~~activities that could result in disruptions to our business or~~ **our** ~~otherwise materially harm our results of operations~~ **key personnel and other highly qualified personnel, and if we are unable to recruit, train and retain** ~~or~~ **our** ~~financial condition~~ **personnel in the future, we may not achieve our goals** . In January **and August** 2023, we ~~announced that we~~ committed to ~~an~~ organizational ~~restructuring~~ **restructurings** designed to decrease our costs and create a more streamlined organization to support our business. ~~As a result~~ **In connection with these activities** , we ~~are terminating~~ **reduced our workforce by** approximately 12 % **and 16 %** ~~of our workforce,~~ effective in **January and August** ~~the first quarter of~~ 2023 **, respectively** . We believe this re- prioritized strategic focus is the best way to optimize our financial and other resources to advance our goal of developing and commercializing our products and services. There can be no assurance that our restructuring will achieve the cost savings, operating efficiencies or other benefits that we may initially expect. Restructuring activities may also result in a loss of continuity, accumulated knowledge and inefficiency during transitional periods and thereafter. In addition, internal restructurings can require a significant amount of time and focus from management and other employees, which may divert attention from operations. Further, our restructuring may result in unexpected expenses or liabilities and / or write- offs. If our restructuring fails to achieve some or all of the expected benefits therefrom, our cash resources may not last as long as estimated and our business, results of operations and financial condition could be materially and adversely affected. ~~We are currently undergoing a leadership transition and an internal restructuring, and we depend on our key personnel and other highly qualified personnel, and if we are unable to recruit, train and retain our personnel in the future, we may not achieve our goals. On February 8, 2022, John Stark, our then- Chief Executive Officer and member of our board of directors, stepped down from all of his positions with us. Jonathan M. Rothberg, Ph. D., the Chairman of the board of directors, was appointed by the board of directors as Interim Chief Executive Officer to succeed Mr. Stark while we searched for Mr. Stark' s replacement. On October 10, 2022, Jeffrey Hawkins joined as our Chief Executive Officer and a member of the board of directors and Dr. Rothberg stepped down from the role of Interim Chief Executive Officer.~~ Additionally, ~~in January 2023, we announced that we committed to an organizational restructuring designed to decrease~~ our ~~costs and create a more streamlined organization to support our business. As a result, we terminated approximately 12 % of our workforce, effective in the first quarter of 2023. While we have confidence in Mr. Hawkins and the rest of our team, including the board of directors, the uncertainty inherent in this ongoing leadership transition and restructuring may be difficult to manage, may cause concerns from third parties with whom we do business, and may increase the likelihood of turnover of other key officers and employees. Our~~ future success depends upon our ability to recruit, train, retain and motivate key personnel, including our senior management team, as well as our research and development team and manufacturing and sales and marketing personnel. Our senior management team ~~, including Jeffrey Hawkins, our Chief Executive Officer; Claudia Drayton, our Chief Financial Officer; Patrick Schneider, Ph. D., our President and Chief Operating Officer, Grace Johnston, our Chief Commercial Officer, Michael P. McKenna, Ph. D., our Executive Vice President, Product Development and Operations, and Christian LaPointe, Ph. D., our General Counsel and Corporate Secretary,~~ is critical to our vision, strategic direction, product development and commercialization efforts. The departure of one or more of our executive officers, senior management team members, or other key employees could be disruptive to our business until we are able to hire qualified successors. We do not maintain " key person " life insurance on our senior management team. Our continued growth and ability to successfully transition from a company primarily focused on **research and** development to commercialization depends, in part, on attracting, retaining and motivating qualified personnel, including highly- trained sales personnel with the necessary scientific background and ability to understand our products and systems at a technical level to effectively identify and sell to potential new customers. New hires require significant training and, in most cases, take significant time before they achieve full productivity. Our failure to successfully integrate these key personnel into our business could adversely affect our business. In addition, competition for qualified personnel is intense. We compete for qualified scientific and information technology personnel with other life science and information technology companies as well as academic institutions and research institutions. Some of our scientific personnel are qualified foreign nationals whose ability to live and work in the United States is contingent upon the continued availability of appropriate visas. Due to the competition for qualified personnel in our industry, we may continue to utilize foreign nationals to fill part of our recruiting needs. As a result, changes to U. S. immigration policies could restrain the flow of technical and professional talent into the United States and may inhibit our ability to hire qualified personnel. We do not maintain fixed term employment contracts with any of our employees. As a result, our employees could leave the company with little or no prior notice and may be free to work for a competitor. Due to the complex and technical nature of our products and technology and the dynamic market in which we compete, any failure to attract, train, retain and motivate qualified personnel could materially harm our business, results of operations, financial condition and prospects. We expect to be dependent upon revenue generated from the sales of our initial products from the time they are commercialized through the foreseeable future. In December 2022, we **initiated a controlled** ~~launched~~ -- **launch of** Platinum ~~™~~ ® for RUO. Prior to that, in 2021 we initiated our early access limited release to enable key thought leaders early access to our platform. If we are able to successfully commercialize our products, we expect that we will generate substantially all of our revenue from the sale of our instruments and consumables. There can be no assurance that we will be able to successfully commercialize our products, design other products that will meet the expectations of our customers or that any of our future products will become commercially viable. As technologies change in the future for life sciences research tools in general and in proteomics and genomics technologies specifically, we will be expected to upgrade or adapt our products in order to keep up with the latest technology. To date, we

have limited experience simultaneously designing, testing, manufacturing and selling products and there can be no assurance we will be able to do so. Our sales expectations are based in part on the assumption that our products will increase study sizes for our future customers and their associated purchases of our consumables. If sales of our instruments fail to materialize, so will the related consumable sales and associated revenue. In our development and commercialization plans for our products, we may forego other opportunities that may provide greater revenue or be more profitable. If our research and product development efforts do not result in commercially viable products within the anticipated timelines, or at all, our business and results of operations will be adversely affected. Any delay or failure by us to develop and release our products or product enhancements would have a substantial adverse effect on our business and results of operations. Our business will depend significantly on research and development spending by academic institutions and other research institutions, and any reduction in spending could limit demand for our products and adversely affect our business, results of operations, financial condition and prospects. We expect that substantially all of our ~~sales~~ revenue in the near term will be generated from sales of RUO protein sequencing products to academic institutions and other research institutions. Much of these customers' funding will be, in turn, provided by various state, federal and international government agencies. As a result, the demand for our products will depend upon the research and development budgets of these customers, which are impacted by factors beyond our control, such as: • decreases in government funding of research and development; • changes to programs that provide funding to research laboratories and institutions, including changes in the amount of funds allocated to different areas of research or changes that have the effect of increasing the length of the funding process; • macroeconomic conditions and the political climate; • potential changes in the regulatory environment; • differences in budgetary cycles, especially government ~~–~~or grant- funded customers, whose cycles often coincide with government fiscal year ends; • competitor product offerings or pricing; • market- driven pressures to consolidate operations and reduce costs; and • market acceptance of relatively new technologies. In addition, various state, federal and international agencies that provide grants and other funding may be subject to stringent budgetary constraints that could result in spending reductions, reduced grant making, reduced allocations or budget cutbacks, which could jeopardize the ability of these customers, or the customers to whom they provide funding, to purchase our products. A decrease in the amount of, or delay in the approval of, appropriations to National Institutes of Health (" NIH ") or other similar U. S. or international organizations, such as the Medical Research Council in the United Kingdom, could result in fewer grants benefiting life sciences research. These reductions or delays could also result in a decrease in the aggregate amount of grants awarded for life sciences research or the redirection of existing funding to other projects or priorities, any of which in turn could cause our potential customers to reduce or delay purchases of our products. If we use biological and hazardous materials in a manner that causes injury or violates laws or regulations, we could be liable for damages or subject to enforcement actions. Our research and product development activities currently require the controlled use of potentially harmful biological and hazardous materials and chemicals. We cannot eliminate the risk of accidental contamination or injury to employees or third parties from the use, storage, handling or disposal of these materials. In the event of contamination or injury, we could be held liable for any resulting damages, and any liability could exceed our resources or any applicable insurance coverage we may have. Additionally, we are subject to, on an ongoing basis, federal, state, and local laws and regulations governing the use, storage, handling, and disposal of these materials and specified waste products. We generally use third- party vendors to dispose of regulated medical waste, hazardous waste and radioactive materials that we may use during our research. The cost of compliance with these laws and regulations may become significant and could have a material adverse effect on our financial condition, results of operations and cash flows. We rely on **certain** ~~a small number of~~ contract manufacturers to manufacture and supply our instruments **, components of our instruments, and certain components of our consumable offerings** . If these manufacturers should fail or not perform satisfactorily, our ability to commercialize and supply our instruments **and consumable offerings** would be adversely affected. We rely on **certain** ~~a small number of~~ contract manufacturers to manufacture and supply our instruments **, components of our instruments, and certain components of our consumable offerings** . Since our contracts with these manufacturers do not commit them to carry inventory or make available any particular quantities, these manufacturers may give other customers' needs higher priority than ours, and we may not be able to obtain adequate supplies in a timely manner or on commercially reasonable terms. Further, if these manufacturers are unable to obtain critical components used in our instruments or supply our instruments on the timelines we require, our business and commercialization efforts would be harmed. ~~In~~ **For example, in** November ~~2021~~ **2023** , ~~we acquired one~~ **began a process** of **transitioning the manufacturing of** our ~~key suppliers in~~ **Platinum ® instrument to a new provider, and are currently executing a process to move our wafer photonics process to a new provider. Transitioning** ~~the~~ **these processes could take more time than anticipated and run into technical challenges, and may ultimately prove to be unsuccessful. If we are unable to begin manufacturing at these new contract manufacturers in a timely fashion, it will affect our ability to produce Platinum ® instruments and** semiconductor ~~chip~~ **chips** ~~assembly~~ **which would harm our research** and ~~packaging business, Majelac~~ **development efforts and commercial operations** . In the event it becomes necessary to utilize a different contract manufacturer for **our products or components of** our products, we would experience additional costs, delays and difficulties in doing so as a result of identifying and entering into an agreement with a new manufacturer as well as preparing such new manufacturer to meet the logistical requirements associated with manufacturing our instruments **and consumable offerings** , and our business would suffer. In addition, ~~once~~ **if** our products are authorized for use by the FDA as medical devices, we will need to contract with FDA- registered device establishments that are able to comply with current Good Manufacturing Practice requirements that are set forth in the QSR, unless explicitly exempted by regulation. In addition, certain of the components **and consumables** used in our instruments **and consumable offerings** are sourced from **a** limited **number,** or sole **source** suppliers. If we were to lose such **a** ~~suppliers~~ **supplier** , there can be no assurance that we will be able to identify or enter into **an** ~~agreements~~ **agreement** with **an** alternative ~~suppliers~~ **supplier** on a timely basis on acceptable terms, if at all. An interruption in our ability to sell and deliver instruments **or consumable offerings** to customers could occur if we encounter

delays or difficulties in securing these components **or consumables** , or if the quality of the components **or consumables** supplied do not meet specifications, or if we cannot then obtain an acceptable substitute. Our suppliers have also been impacted by the COVID- 19 pandemic, and **in the past,** we have experienced supply delays for critical hardware and instrumentation as a result. If any of these events occur, our business, results of operations, financial condition and prospects could be harmed. Our internal manufacturing equipment is specialized with limited vendor options and long lead times. If these pieces of equipment were to stop working and be unable to be repaired in a timely manner or at all, our ability to manufacturer our **semiconductor** chips would be adversely affected. Our internal manufacturing equipment is specialized with limited vendor options and long lead times. If these pieces of equipment were to stop working and be unable to be repaired in a timely manner or at all, our ability to manufacturer our **semiconductor** chips could be adversely affected. In the event it becomes necessary to utilize other equipment for our **semiconductor** chip manufacturing, we would experience additional costs, delays and difficulties in manufacturing our **semiconductor** chips, and our business would suffer. There can be no assurance that we would be able to obtain alternative equipment on a timely basis on acceptable terms, if at all. An interruption in our ability to manufacture our **semiconductor** chips could occur if we encounter delays or difficulties in securing this equipment or if we cannot then obtain an acceptable substitute. If any of these events occur, our business, results of operations, financial condition and prospects could be harmed. If we do not successfully develop and ~~deploy~~ **maintain** our **Platinum Analysis** ~~Quantum- Si Cloud ™ software~~ **Software** service, our commercialization efforts and therefore business and results of operations could suffer. The success of our products depends, in part, on our ability to design and deploy our **Platinum Analysis** ~~Quantum- Si Cloud ™ software~~ **Software** service in a manner that enables the integration with potential customers' systems and accommodates potential customers' needs. Without our software, the depth of the analysis provided for data generated by our system could be limited and utilization of our products could be hindered. We have and will continue to spend significant amounts of effort developing our software, and potential enhanced versions over time, to meet our potential customers' evolving needs. There is no assurance that the development or deployment of our software, or any potential enhancements, will be compelling to our customers. In addition, we may experience delays in our release dates of our software, and there can be no assurance that our software will be released according to schedule. If our software development and deployment plan does not accurately anticipate customer demands or if we fail to develop our software in a manner that satisfies customer preferences in a timely and cost- effective manner, our products may fail to gain market acceptance. ~~If we commercialize~~ **Commercializing** our products outside of the United States ~~, our international business~~ could expose us to business, regulatory, political, operational, financial, and economic risks associated with doing business outside of the United States. Engaging in international business inherently involves a number of difficulties and risks, including: ~~●~~ required compliance with existing and changing foreign regulatory requirements and laws that are or may be applicable to our business in the future, such as the ~~European Union' s General Data Protection Regulation (" GDPR ")~~ and other data privacy requirements, labor and employment regulations, anti- competition regulations, the U. K. Bribery Act of 2010 and other anti- corruption laws, regulations relating to the use of certain hazardous substances or chemicals in commercial products, and require the collection, reuse, and recycling of waste from products we manufacture; ~~●~~ required compliance with U. S. laws such as the Foreign Corrupt Practices Act, and other U. S. federal laws and regulations established by the Office of Foreign Assets Control of the U. S. Department of the Treasury; ~~●~~ export requirements and import or trade restrictions; ~~●~~ laws and business practices favoring local companies; ~~●~~ foreign currency exchange, longer payment cycles and difficulties in enforcing agreements and collecting receivables through certain foreign legal systems; ~~●~~ changes in social, economic, and political conditions or in laws, regulations and policies governing foreign trade, manufacturing, research and development, and investment both domestically as well as in the other countries and jurisdictions in which we operate and into which it may sell our products including as a result of the separation of the United Kingdom from the European Union (" Brexit "); ~~●~~ potentially adverse tax consequences, tariffs, customs charges, bureaucratic requirements, and other trade barriers; ~~●~~ difficulties and costs of staffing and managing foreign operations; and ~~●~~ difficulties protecting, maintaining, enforcing or procuring intellectual property rights. If one or more of these risks occurs, it could require us to dedicate significant resources to remedy such occurrence, and if we are unsuccessful in finding a solution, our financial results will suffer. We have limited experience producing and supplying our products, and we may be unable to consistently manufacture or source our instruments and consumables to the necessary specifications or in quantities necessary to meet demand on a timely basis and at acceptable performance and cost levels. Our products provide **a** ~~an end- to- end~~ solution with many different components that work together. As such, a quality defect in a single component can compromise the performance of the entire solution. In order to successfully generate revenue from our products, we need to supply our customers with products that meet their expectations for quality and functionality in accordance with established specifications on a timely basis. ~~Our instruments~~ **Certain of our products or components of our products** are manufactured by a third- party contract manufacturer at our facility using complex processes, sophisticated equipment and strict adherence to specifications and quality systems procedures. Given the complexity of our devices, individual units may occasionally require additional installation and service time prior to becoming available for customer use. We ~~leverage third-~~ **and our manufacturing** ~~parties~~ **partners** ~~for the production of our kits. We~~ procure certain components of our **instruments and** consumables from third- party manufacturers, which includes the commonly- available raw materials needed for manufacturing ~~our~~ **as well as** proprietary ~~kits~~ **components** . These manufacturing processes are complex. **If** ~~As we move towards commercial scale manufacturing of our kits, if~~ we are not able to repeatedly produce our kits at commercial scale or source them from third- party suppliers, or encounter unexpected difficulties in packaging our consumables, our business will be adversely impacted. ~~Likewise, we leverage third- parties for the production and packaging of our chips. These manufacturing processes are complex. As we move towards commercial scale and manufacturing of our chips, if we are not able to repeatedly produce our chips at commercial scale, or encounter unexpected difficulties in packaging our chips, our business will be adversely impacted.~~ As we continue to scale commercially and develop new products, and as our products incorporate increasingly sophisticated technology, it will be increasingly difficult to ensure

our products are produced in the necessary quantities without sacrificing quality. There is no assurance that we will be able to continue to manufacture our instruments so that we consistently achieve the product specifications and produce results with acceptable quality. Our kits, **semiconductor** chips, and other consumables have a limited shelf life, after which their performance is not ensured ~~. We have not completed accelerated stability testing for our consumables~~. Shipment of consumables that effectively expire early or shipment of defective instruments or consumables to customers may result in recalls and warranty replacements, which would increase our costs, and depending upon current inventory levels and the availability and lead time for additional inventory, could lead to availability issues. Any future design issues, unforeseen manufacturing problems, such as contamination of our or our manufacturers' facilities, equipment malfunctions, aging components, quality issues with components and materials sourced from third- party suppliers, or failures to strictly follow procedures or meet specifications, may have a material adverse effect on our brand, business, results of operations and financial condition and could result in our or our third- party manufacturers losing International Organization for Standardization (**"** ISO **"**) quality management certifications. If our third- party manufacturers fail to maintain ISO quality management certifications, customers might choose not to purchase products from us. In addition, as we commercialize our **Platinum Analysis** ~~Quantum- Si Cloud ™ software~~ **Software** service, we will also need to make corresponding improvements to other operational functions, such as our customer support, service and billing systems, compliance programs and our internal quality assurance programs. As we develop additional products, we may need to bring new equipment online, implement new systems, technology, controls and procedures and hire personnel with different qualifications. An inability to manufacture products and components that consistently meet specifications, in necessary quantities, at commercially acceptable costs and without significant delays, may have a material adverse effect on our business, results of operations, financial condition and prospects. We rely on third **-** party foundries to produce wafers, which when packaged and tested internally, lead to our supply of **semiconductor** chips. If these third **-** party foundries should fail or not perform satisfactorily, our ability to supply **semiconductor** chips would be negatively and adversely affected. We currently rely on third- party foundries for the production of wafers, and we may not be able to obtain adequate supplies in a timely manner or on commercially reasonable terms. If any of these third parties were not able to supply our wafers, our **semiconductor** chip supply would be negatively impacted and our business would be harmed. In the event it becomes necessary to utilize a different third party for the production of wafers, we would experience additional costs and significant delays, including identifying and entering into an agreement with a new foundry partner as well as preparing such new foundry partner to meet the logistical requirements associated with producing our wafers, which would further harm our business. In addition, if we were to lose such third **-** party foundries, there can be no assurance that we will be able to identify or enter into agreements with alternative foundries on a timely basis on acceptable terms, if at all. An interruption in our ability to sell and deliver **semiconductor** chips to customers could occur if we encounter delays or difficulties in securing these wafers, if the quality of the wafers supplied do not meet specifications, or if we cannot then obtain an acceptable substitute. If any of these events occur, our business and operating results could be harmed. Our products could have defects or errors, which may give rise to claims against us and adversely affect our business, financial condition, results of operations and cash flows. Our products utilize novel and complex technology and may develop or contain undetected defects or errors. Material performance problems, defects, or errors may arise, and as we commercialize our products, these risks may increase. We expect to provide warranties that our products will meet performance expectations and will be free from defects. The costs incurred in correcting any defects or errors may be substantial and could adversely affect our operating margins. In manufacturing our products, we depend upon third parties for the supply of our instruments and various components, many of which require a significant degree of technical expertise to produce. If our suppliers fail to produce our products and components to specification or provide defective products to us and our quality control tests and procedures fail to detect such errors or defects, or if we or our suppliers use defective materials or workmanship in the manufacturing process, the reliability and performance of our products will be compromised. If our products contain defects, we may experience: **-** a failure to achieve market acceptance for our products or expansion of our product sales; **-** loss of customer orders and delay in order fulfillment; **-** damage to our brand reputation; **-** loss of revenue; **-** increased warranty and customer service and support costs due to product repair or replacement; **-** product recalls or replacements; **-** inability to attract new customers; **-** diversion of resources from our manufacturing and research and development team into our service team; and **-** legal claims against us, including product liability claims, which could be costly and time consuming to defend and result in substantial damages. The life sciences technology market is highly competitive. If we fail to compete effectively, our business and results of operations will suffer. We face significant competition in the life sciences technology market. We currently compete with life sciences technology and the diagnostic companies that are supplying components, products and services that serve customers engaged in proteomics analysis. These companies include **but are not limited to:** Agilent Technologies, Bio- Rad Laboratories, Danaher, Luminex, Merck (and its subsidiary MilliporeSigma) and Thermo Fisher Scientific. We also compete with a number of emerging growth companies that have developed, or are developing, proteomic products and solutions, such as **:** Nautilus Biotechnology, Olink Proteomics, Quanterix, Seer and **Standard BioTools (including its recent acquisition of** SomaLogic **). Finally, we compete with a number of privately held companies that are developing technology that may compete with our products** . Some of our current competitors are large publicly- traded companies, or are divisions of large publicly- traded companies, and may enjoy a number of competitive advantages over us, including: **-** greater name and brand recognition; **-** greater financial and human resources; **-** broader product lines; **-** larger sales forces and more established distributor networks; **-** substantial intellectual property portfolios; **-** larger and more established customer bases and relationships; and **-** better established, larger scale and lower cost manufacturing capabilities. We also face competition from researchers developing their own products. The area in which we compete involves rapid innovation and some of our customers have in the past, and more may in the future, elect to create their own assays rather than rely on a third- party supplier such as the Company. This is particularly true for the largest research centers and laboratories that are continually testing and trying new technologies, whether from a

third- party vendor or developed internally. We will also compete for the resources our customers allocate for purchasing a wide range of products used to analyze the proteome, some of which may be additive to or complementary with our own but not directly competitive. Our products may not compete favorably, and we may not be successful in the face of increasing competition from products and technologies introduced by our existing or future competitors, companies entering our markets or developed by our customers internally. In addition, our competitors may have or may develop products or technologies that currently or in the future will enable them to produce competitive products with greater capabilities or at lower costs than ours or that are able to run comparable experiments at a lower total experiment cost. Any failure to compete effectively could materially and adversely affect our business, financial condition, results of operations and cash flows. We are party to Technology and Services Exchange Agreements by and among us and certain affiliated companies, pursuant to which the parties agreed to share personnel and certain non- core technologies. The sharing arrangements under the agreements may prevent us from fully utilizing our personnel and / or the technologies shared under the agreements. Furthermore, if these agreements were to terminate, or if we were to lose access to these technologies and services, our business could be adversely affected. We have entered into Technology and Services Exchange Agreements (the " TSEAs ") by and among us and other participant companies controlled by the Rothberg family, consisting of Butterfly Network, Inc., ~~AI~~ **OrphAI** Therapeutics, Inc., Hyperfine, Inc., 4Bionics LLC, identifeye HEALTH Inc. (f / k / a Tesseract Health, Inc.), Liminal Sciences, Inc. and Detect, Inc. The TSEA with Butterfly Network, Inc. was signed in November 2020, and the TSEA with the remaining participant companies was signed in February 2021 and became effective upon the Closing of the Business Combination. Under the TSEAs, we and the other participant companies may, in our or their discretion, permit the use of certain non- core technologies, which include any technologies, information or equipment owned or otherwise controlled by the participant company that are not specifically related to the core business area of the participant, such as software, hardware, electronics, fabrication and supplier information, vendor lists and contractor lists, with the other participant companies. The TSEAs provide that ownership of each non- core technology shared by us or another participant company will remain with the company that originally shared the non- core technology. In addition, any participant company (including us) may, in its discretion, permit its personnel to be engaged by another participant company to perform professional, technical or consulting services for such participant. Unless otherwise agreed to by us and the other participant company, all rights, title and interest in and to any inventions, works- of- authorship, idea, data or know- how invented, made, created or developed by the personnel (employees, contractors or consultants) in the course of conducting services for a participant company (" Created IP ") will be owned by the participant company for which the work was performed, and the recipient participant company grants to the party that had its personnel provide the services that resulted in the creation of the Created IP a royalty- free, perpetual, limited, worldwide, non- exclusive, sub- licensable (and with respect to software, sub- licensable in object code only) license to utilize the Created IP only in the core business field of the originating participant company, including a license to create and use derivative works based on the Created IP in the originating participant' s core business field, subject to any agreed upon restrictions. The technology and personnel- sharing arrangements under the TSEAs may prevent us from fully utilizing our personnel if such personnel are also being used by the other participant companies and may also cause our personnel to enter into agreements with or provide services to other companies that interfere with their obligations to us. Created IP under the TSEAs may be relevant to our business and created by our personnel but owned by the other participant companies. Furthermore, if the TSEAs were to terminate, or if we were to lose access to the technologies and services available pursuant to the TSEAs, our business could be adversely affected. We may acquire other companies or technologies which could divert our management' s attention, result in additional dilution to our stockholders and otherwise disrupt our operations and harm our operating results. We may in the future seek to acquire or invest in businesses, applications or technologies that we believe could complement or expand our existing or future products, enhance our technical capabilities or otherwise offer growth opportunities. The pursuit of potential acquisitions may divert the attention of management and cause us to incur various costs and expenses in identifying, investigating and pursuing suitable acquisitions, whether or not they are consummated. We may not be able to identify desirable acquisition targets or be successful in entering into an agreement with any particular target or obtain the expected benefits of any acquisition or investment. Other than the acquisition of Majelac, to date, the growth of our operations has been organic, and we have limited experience in acquiring other businesses or technologies. We may not be able to successfully integrate acquired personnel, operations and technologies, or effectively manage the combined business following an acquisition. Acquisitions could also result in dilutive issuances of equity securities, the use of our available cash, or the incurrence of debt, which could harm our operating results. In addition, if an acquired business fails to meet our expectations, our operating results, business and financial condition may suffer. We may seek to enter into strategic collaborations and licensing arrangements with third parties, but we may not be successful in establishing or maintaining such arrangements. We may seek to enter into strategic collaborations and licensing agreements with third parties to develop products, ~~including products based on our Time- DomainTM Sequencing technology,~~ such as the creation and identification of content and development of new applications. However, there is no assurance that we will be successful in doing so. Establishing collaborations and licensing arrangements is difficult and time- consuming, and discussions may not lead to collaborations or licenses on favorable terms, if at all. Even if we establish such relationships, if our partners do not prioritize and commit sufficient resources to develop and sell products, they may never result in the successful development or commercialization of products. Our ability to use net operating losses to offset future taxable income may be subject to certain limitations. As of December 31, ~~2022~~ **2023** , we had federal net operating loss carryforwards (" NOLs ") to offset future taxable income of approximately $ ~~285~~ **336** . ~~1~~ **8** million, of which $ 65. 5 million will begin to expire in 2033 if not utilized. A lack of future taxable income would adversely affect our ability to utilize these NOLs. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the " Code "), a corporation that undergoes an " ownership change " is subject to limitations on its ability to utilize its pre- change NOLs and other pre- change tax attributes (such as research tax credits) to offset post- change taxable income. For these purposes, an ownership change generally occurs where the equity ownership of

one or more stockholders or groups of stockholders who owns at least 5 % of a corporation' s stock increases its ownership by more than 50 percentage points over its lowest ownership percentage within a three- year period (calculated on a rolling basis). Our existing NOLs may be subject to limitations arising out of previous ownership changes and we may be limited as to the amount that can be utilized each year as a result of such previous ownership changes, including the Business Combination and related transactions. In addition, future changes in our stock ownership, including future offerings, as well as other changes that may be outside of our control, could result in additional ownership changes under Section 382 of the Code. Our NOLs may also be impaired under similar provisions of state law. We have recorded a full valuation allowance related to our NOLs and other deferred tax assets due to the uncertainty of the ultimate realization of the future benefits of those assets. In addition to the limitations discussed above under Sections 382 of the Code, the utilization of NOLs incurred in taxable years beginning after December 31, 2017, are subject to limitations adopted by the Tax Cuts and Jobs Act, as modified by the Coronavirus Aid, Relief, and Economic Security Act (" CARES Act "). Under the TCJA, in general, NOLs generated in taxable years beginning after December 31, 2017 may offset no more than 80 percent of such year' s taxable income and there is no ability for such NOLs to be carried back to a prior taxable year. The CARES Act modifies the TCJA with respect to the TCJA' s limitation on the deduction of NOLs and provides that NOLs arising in taxable years beginning after December 31, 2017 and before January 1, 2021, may be carried back to each of the five taxable years preceding the tax year of such loss, but NOLs arising in taxable years beginning after December 31, 2020 may not be carried back. In addition, the CARES Act eliminates the limitation on the deduction of NOLs to 80 percent of current year taxable income for taxable years beginning before January 1, 2021. As a result of such limitation, we may be required to pay federal income tax in some future year notwithstanding that we had a net loss for all years in the aggregate. If our facilities or our third- party manufacturers' facilities become unavailable or inoperable, our research and development program and commercialization launch plan could be adversely impacted and manufacturing of our instruments and consumables could be interrupted. Our ~~Guilford~~ **Branford** , Connecticut ~~,~~ facilities **primarily** house our corporate ~~,~~ **headquarters as well as** research and development **activities** ~~and quality assurance teams. In June 2021~~ , **and** we **have** ~~entered into a lease for~~ a product development and operations facility **located** in San Diego, California, ~~which commenced~~ **and a semiconductor chip manufacturing location** in ~~September 2021~~ **Garnett Valley, Pennsylvania** . In December 2021, we entered into a lease for a facility in New Haven, Connecticut, which commenced in January 2022 ~~. Additionally, in April 2022, we entered into a lease for a facility to develop a new headquarters in Branford, Connecticut and we expect to begin relocating to the new headquarters in 2023~~ . Our products are manufactured at our third- party manufacturer' s facilities in the United States and internationally, and our consumables are manufactured at various locations in the United States including **at** our ~~facility~~ **facilities** in **San Diego, California and** Garnet Valley, Pennsylvania ~~that we acquired in November 2021~~ , and internationally. Our facilities in ~~Guilford~~ **Branford** , San Diego and those of our third- party manufacturers are vulnerable to natural disasters, public health crises ~~, including the impact of the COVID- 19 pandemic,~~ and catastrophic events. If any disaster, public health crisis or catastrophic event were to occur, our ability to operate our business would be seriously, or potentially completely, impaired. If our facilities or our third- party manufacturer' s facilities become unavailable for any reason, we cannot provide assurances that we will be able to secure alternative manufacturing facilities with the necessary capabilities and equipment on acceptable terms, if at all. We may encounter particular difficulties in replacing our facilities given the specialized equipment housed within them. The inability to manufacture our instruments or consumables, combined with limited inventory of manufactured instruments and consumables, may result in the loss of future customers or harm our reputation, and we may be unable to re- establish relationships with those customers in the future. If our research and development program or commercialization program were disrupted by a disaster or catastrophe, the launch of new products and the timing of improvements to our products could be significantly delayed and could adversely impact our ability to compete with other available products and solutions. If we or our third- party manufacturer' s capabilities are impaired, we may not be able to manufacture and ship our products in a timely manner, which would adversely impact our business. Although we possess insurance for damage to our property and the disruption of our business, this insurance may not be sufficient to cover all of our potential losses and may not continue to be available to us on acceptable terms, or at all. If we experience a significant disruption in our information technology systems **, including** ~~or~~ **our** ~~breaches of data~~ **Platinum Analysis Software services, or** ~~security~~ **cybersecurity incidents** , our business could be adversely affected. We rely, and will continue to rely on, information technology systems to keep financial and employment records, facilitate our research and development initiatives, manage our manufacturing operations, maintain quality control, fulfill customer orders, maintain corporate records, communicate with staff ~~and external parties~~ **, provide our Platinum Analysis Software services** and operate other critical functions. Our information technology systems and those of our vendors and partners are potentially vulnerable to disruption due to breakdown, malicious intrusion and computer viruses or other disruptive events, including, but not limited to, natural disasters and catastrophes. Cyberattacks and other malicious internet- based activity continue to increase, and cloud- based platform providers of services have been and are expected to continue to be targeted, especially in the health care industry. Methods of attacks on information technology systems and data security breaches change frequently, are increasingly complex and sophisticated, including **deployment of harmful malware and key loggers, ransomware, a malicious website,** social engineering and phishing scams **, and other means to affect the confidentiality, integrity and availability of our technology systems and data** , and can originate from a wide variety of sources. In addition to traditional computer " hackers, " malicious code, such as viruses and worms ~~, employee theft or misuse~~ , denial- of- service attacks and sophisticated nation- state and nation- state supported actors present a constant threat, including advanced persistent threat intrusions. **Cyberattacks may also be due to employee error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and our system redundancy and other disaster recovery planning may be ineffective or inadequate in preventing or responding to any of these circumstances. Techniques used in cybersecurity attacks to obtain unauthorized access, disable or sabotage information technology systems are evolving rapidly with data breaches and other cybersecurity**

incidents becoming commonplace. Despite our efforts to create security barriers to such threats, it is virtually impossible for us to ~~entirely~~ **completely** mitigate these risks. In August 2020, we discovered ransomware on a server **and** ~~along with a ransom note seeking 50 bitcoin or approximately $ 500, 000, to restore various files encrypted by the intruder. We also discovered that our Amazon Web Services account had been breached. We~~ engaged third **-** party forensics experts and outside counsel for incident response. **We** ~~The ensuing investigation revealed that the attack resulted from an internal developer' s use of a common tool for remote access. The attack compromised several computers in our network. Our investigation found evidence of snooping within our network but concluded that no data was exfiltrated and we~~ did not pay ransom to the attacker because the documents that were encrypted by the attacker were sufficiently backed up ~~. The~~ **and the** investigation further confirmed that no employee data or other personal information was accessed ~~so the incident did not prompt regulatory or breach notification requirements~~ . We implemented a number of security enhancements as the incident unfolded and continue to implement short- and long- term security enhancements to further secure our network. ~~However, we have not finalized our information technology and data security procedures and therefore, our information technology systems may be more susceptible to cybersecurity attacks than if such security procedures were finalized. Despite any of our current or future efforts to protect against cybersecurity attacks and data security breaches, there is no guarantee that our efforts are adequate to safeguard against all such attacks and breaches. Moreover, it is possible that we may not be able to anticipate, detect, appropriately react and respond to, or implement effective preventative measures against, all cybersecurity incidents.~~ If our security measures, or those of our vendors and partners, are compromised due to any cybersecurity attacks or **incidents** ~~data security breaches~~ , including as a result of third- party action, employee or customer error, malfeasance, stolen or fraudulently obtained log- in credentials **, power outages, hardware failures, telecommunication or utility failures, catastrophes, other unforeseen events** or otherwise, our reputation could be damaged, our business may be harmed, we could become subject to litigation and we could incur significant expense and liability. If we were to experience a prolonged system disruption in our information technology systems or those of certain of our vendors and partners, it could ~~negatively impact our ability to serve our customers, which could~~ adversely impact our business **and operations** , **and could result in** financial ~~condition~~ , ~~results~~ **legal, operational or reputational harm to us, loss** of **competitive advantage or loss of consumer confidence. If our** operations **are** ~~and prospects. If operations at our facilities were~~ disrupted, it may cause a material disruption in our business if we ~~are~~ **do** not ~~capable of restoring~~ **restore** functionality in an acceptable timeframe. In addition, ~~data security~~ **cybersecurity** ~~breaches~~ **incidents** could lead to the loss of trade secrets or other intellectual property, or could lead to the ~~exposure~~ **unauthorized access or loss** of personal information, including sensitive personal information, of our employees, customers and ~~others~~ **other third parties** , any of which could have a material adverse effect on our business ~~, reputation,~~ **and result in** financial ~~condition~~ , ~~results of~~ **legal,** ~~operations~~ **operational** ~~and cash flows~~ **or reputational harm to us, loss of competitive advantage or loss of consumer confidence** . In addition, ~~data breaches~~ **cybersecurity incidents** could result in legal claims or proceedings, including class action lawsuits, regulatory investigations or actions, and other types of liability under laws that protect the privacy and security of personal information, including federal, state and foreign data protection and privacy **rules and** regulations, violations of which could result in ~~significant~~ **material** penalties and fines. In addition, although we seek to detect and investigate all ~~data security~~ **cybersecurity** incidents, ~~threat~~ **bad** actors have become increasingly proficient at operating undetected within an information system, making ~~security~~ **cybersecurity** ~~breaches and other~~ incidents ~~of~~ **involving** unauthorized access to our information technology systems and data difficult to detect and any delay in identifying such ~~breaches or~~ incidents may lead to increased harm and legal exposure of the type described above. Moreover, ~~there could~~ **we may** be **required to make** public announcements regarding any cybersecurity incidents **involving the Company** and any steps we take to respond to or remediate such incidents, and if securities analysts or investors perceive these announcements to be negative, it could, among other things, have a material adverse effect on the price of our Class A common stock. The cost of protecting against, investigating, mitigating and responding to potential breaches of information technology systems and ~~data security~~ **cybersecurity** ~~breaches~~ **incidents** and complying with applicable breach notification obligations to individuals, regulators, partners and others can be significant. As cybersecurity incidents and regulatory requirements continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any ~~information~~ security vulnerabilities. The inability to implement, maintain and upgrade adequate safeguards could have a material ~~adverse~~ effect on our business, financial condition, results of operations and ~~prospects~~ **ability to operate the business as a going concern** . While we currently maintain cybersecurity insurance, our insurance policies may not ~~be~~ **provide** adequate **coverage** to compensate us for the potential costs and other losses arising from such disruptions, failures or security ~~breaches~~ **incidents** . In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all, and it is possible that an insurer may deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could have a material adverse effect on our business, **and result in** financial ~~condition~~ , ~~results of~~ **legal,** ~~operations~~ **operational** ~~and prospects~~ **or reputational harm to us, loss of competitive advantage or loss of consumer confidence** . We could become subject to various litigation claims and legal proceedings. We, as well as certain of our directors and officers, may become subject to claims or lawsuits during the ordinary course of business. If any such claim or lawsuit was brought, regardless of the outcome, such claim or lawsuit could result in significant legal fees and expenses and could divert management' s time and other resources. If any such claims or lawsuits are successfully asserted against us, we could be liable for damages and be required to alter or cease certain of our business practices. Any of these outcomes could cause our business, financial performance and cash position to be negatively impacted. Risks Related to Government Regulation If we elect to label and promote any of our products as clinical diagnostics or medical devices, we would be required to obtain prior marketing authorization from the FDA, which would take significant time and expense and could fail to result in FDA marketing authorization of the device for the intended use or uses we believe are commercially

attractive. Our protein sequencing products are currently labeled, promoted, and sold primarily to academic and research institutions and research companies as RUO products. They are not currently designed, or intended to be used, for clinical diagnostic purposes or as medical devices. If we elect to label and market our products for use as, or in the performance of, clinical diagnostics in the United States, thereby subjecting them to FDA regulation as medical devices, we would be required to obtain pre- market authorization from the FDA, unless an exception applies. In the future, if we choose to develop and market our products for clinical or diagnostic uses in the United States, we will be required to comply with FDA' s regulations for in vitro diagnostic (" IVD ") medical devices. Complying with FDA' s medical device regulations may be expensive, time-consuming, and subject us to significant and / or unanticipated delays. There can be no guarantee that we will be able to obtain the appropriate marketing authorization for our protein sequencing products that may be developed for clinical or diagnostic intended uses in the future. We may in the future register with the FDA as a specification developer and list some of our ancillary products with the FDA as Class I general purpose laboratory equipment, subjecting us to ongoing inspections by the FDA. While this regulatory classification is exempt from certain FDA requirements, such as the need to submit a pre- market notification commonly known as a 510 (k), and some of the requirements of the FDA' s Quality System Regulations (" QSR "), those device products would be subject to mandatory general controls that apply to all classes of medical devices. In addition to establishment registration, device listing and compliance with applicable QSR, general controls include compliance with FDA regulations for labeling, reporting adverse events or malfunctions for the products, and general prohibitions against misbranding and adulteration. There can be no assurance that future products for which we may seek pre- market clearance or approval will be approved or cleared by FDA or a comparable foreign regulatory authority on a timely basis, if at all, nor can there be assurance that labeling claims will be consistent with our anticipated claims or adequate to support continued adoption of such products. Compliance with FDA or comparable foreign regulatory authority regulations will require substantial costs, and subject us to heightened scrutiny by regulators and substantial penalties for failure to comply with such requirements or the inability to market our products. The lengthy and unpredictable pre- market clearance or approval process, as well as the unpredictability of the results of any required clinical studies, may result in us failing to obtain regulatory clearance or approval to market such products, which would significantly harm our business, results of operations, reputation, and prospects. If we sought and received regulatory marketing authorization for certain of our protein sequencing products, we would be subject to ongoing FDA obligations and continued regulatory oversight and review, including the general controls listed above. In addition, we could be required to obtain a new clearance or approval before we could introduce subsequent modifications or improvements to such products. We could also be subject to additional FDA post- marketing obligations for such products, any or all of which would increase our costs and divert resources away from other projects. If we sought and received regulatory clearance or approval and are not able to maintain regulatory compliance with applicable laws, we could be prohibited from marketing our products for use as, or in the performance of, clinical diagnostics and / or could be subject to enforcement actions, including Warning Letters and adverse publicity, fines, injunctions, and civil penalties; recall or seizure of products; operating restrictions; and criminal prosecution. In addition, we could decide to seek regulatory clearance or approval for certain of our future clinical diagnostic products in countries outside of the United States. Sales of such products outside the United States will likely be subject to foreign regulatory requirements, which can vary greatly from country to country. As a result, the time required to obtain clearances or approvals outside the United States may differ from that required to obtain FDA marketing authorization and we may not be able to obtain foreign regulatory approvals on a timely basis or at all. In Europe, we would need to comply with the new Medical Device Regulation 2017 / 745 and In Vitro Diagnostic Regulation 2017 / 746, which became effective May 26, 2017, with application dates of May 26, 2021 (postponed from 2020) and May 26, 2022, respectively. This will increase the difficulty of regulatory approvals in Europe in the future. In addition, the FDA regulates exports of medical devices. Failure to comply with these regulatory requirements or obtain and maintain required approvals, clearances and certifications could impair our ability to commercialize our products for diagnostic use outside of the United States. Our RUO products could become subject to government regulation as medical devices by the FDA and other regulatory agencies even if we do not elect to seek regulatory authorization to market our products for diagnostic purposes, which would adversely impact our ability to market and sell our products and harm our business. Although our current protein sequencing products are labeled, promoted, and sold as RUO products that are therefore not regulated as IVD medical devices, the FDA or comparable agencies of other countries could disagree with our conclusion that our products are intended for RUO or deem our sales, marketing and promotional efforts as being inconsistent with the criteria for RUO products. For example, our customers may independently elect to use our RUO labeled products in their own **lab- developed tests (** " LDTs " **)** for clinical diagnostic uses, which could subject our products to government regulation, and regulatory requirements related to marketing, selling, and distribution of RUO products could change or be uncertain, even if clinical uses of our RUO products by our customers were done without our consent. FDA reviews the totality of the circumstances when it comes to evaluating whether equipment and testing components are properly labeled as RUO and takes the position that merely including a labeling statement that the product is for research purposes only will not necessarily render the device exempt from the FDA' s device regulatory requirements if the circumstances surrounding the distribution, marketing and promotional practices indicate that the manufacturer knows its products are, or intends for its products to be, used for clinical diagnostic purposes. If the FDA or other regulatory authorities assert that any of our RUO products are subject to regulatory clearance or approval, our business, financial condition, results of operations or cash flows could be adversely affected. For a number of years, the FDA has exercised its regulatory enforcement discretion not to regulate LDTs as medical devices if **the tests are** created and used within a single laboratory. However, **in October 2023,** the FDA **issued a proposed rule aimed at regulating LDTs under the current medical device framework and proposing to** ~~has~~ **phase out** ~~been reconsidering~~ its **existing** enforcement discretion policy ~~and has~~ **for this category of diagnostic tests; the public** ~~commented~~ -- **comment period ended in early December 2023. The proposal envisions** that **the LDT enforcement policy phase- out process would occur in gradual stages over a total period of four years, although**

more details are expected to be provided with the upcoming final rule. The likelihood of the FDA finalizing the proposed rule in April 2024 (as currently projected), as well as potential litigation challenging the agency' s authority to take such action, is uncertain at this time. Affected entities continue to press for a comprehensive legislative solution instead of implementation of the proposed FDA administrative action, which may be disruptive to the industry and to patient access to certain diagnostic tests, and litigation against FDA is expected to be initiated following issuance of the final rule. Separately, federal legislators have been working with stakeholders for several years on a possible bill to reform the regulation of **in vitro clinical tests including** LDTs **. For example, as drafted** ~~may be warranted because of the growth in the volume~~ and ~~complexity of testing~~ **re- introduced for consideration by the current Congress, the Verifying Accurate, Leading- edge IVCT Development Act (" VALID Act ") would codify into law the term " in vitro clinical test " (" IVCT ") to create new medical product category separate from medical** ~~services~~ **devices** ~~utilizing~~ **that includes products currently regulated as IVDs as well as** LDTs **. The VALID Act would also create a new system for labs and hospitals to use to submit their tests electronically to the FDA for approval** , ~~although~~ **which is aimed at reducing the amount of time** it ~~would most likely~~ **takes for the agency to approve such tests, and establish a new program to expedite the development of diagnostic tests that can be used to address a current unmet** need ~~to promulgate such a significant policy change via notice- and- comment rulemaking or~~ **for patients** ~~would need Congress to take legislative action~~ . Any ~~future~~ legislative or administrative rule making or **new federal** oversight of LDTs, if and when finalized, may impact the sales of our products and how customers use our products, and may require us to change our business model in order to maintain compliance with these laws. We cannot predict how these various efforts will be resolved, how Congress or the FDA will regulate LDTs in the future, or how that **modernized** regulatory system will impact our business. Changes to the current regulatory framework, including the imposition of additional or new regulations, including regulation of our products, could arise at any time during the development or marketing of our products, which may negatively affect our ability to obtain or maintain FDA or comparable regulatory approval of our products, if required. Further, sales of devices for diagnostic purposes may subject us to additional healthcare regulation and enforcement by the applicable government agencies. Such laws include, without limitation, state and federal anti- kickback or anti- referral laws, healthcare fraud and abuse laws, false claims laws, the Health Insurance Portability and Accountability Act of 1996 (" HIPAA "), the Physician Payments Sunshine Act and related transparency and manufacturer reporting laws, and other laws and regulations applicable to medical device manufacturers. Our reagents may be used by clinical laboratories to create LDTs, which could, in the future, become subject to some form of FDA regulatory requirements, which could materially and adversely affect our business and results of operations. We may in the future register with the FDA as a specification developer and list ancillary products such as customized reagents with the FDA as Class I general purpose laboratory equipment and reagents. A clinical laboratory could potentially use our custom- manufactured reagents to create what is called ~~a~~ **an** LDT. LDTs are diagnostic tests that are developed, validated and performed by a single clinical laboratory operating in compliance with the Clinical Laboratory Improvement Amendments (" CLIA "), and under the oversight of the Centers for Medicare & Medicaid Services (" CMS "). Historically, FDA has generally exercised enforcement discretion not to regulate LDTs as medical devices **, although** ~~. The FDA has~~ **as** ~~been reconsidering~~ **discussed above in October 2023 it issued a proposed rule to regulate LDTs under the current medical device framework and phase out** its **existing** enforcement discretion policy ~~in recent~~ **for LDTs. The FDA initiated this rulemaking following several** years ~~and has commented that regulation~~ of **inaction by Congress and in light of public health concerns the agency perceives to exist with certain marketed** LDTs ~~may be warranted because~~ **, in part as a result** of the growth in the volume and complexity of testing services utilizing LDTs, such as genetic testing services **over** ~~, although~~ the **past four decades** ~~agency would most likely need to promulgate such a significant policy change via notice- and- comment rulemaking or would need~~ Congress **also continues** to ~~take~~ **face pressure from stakeholders to enact a comprehensive** legislative ~~action~~ **solution to create a harmonized paradigm for oversight of LDTs by both the FDA and CMS** . Any ~~future~~ legislative or administrative rule making or **new federal** oversight of LDTs, if and when finalized, could decrease demand for our reagents by affecting how customers can use those products. Additionally, compliance with additional regulatory burdens could be time consuming and costly for our customers. We cannot predict how these various efforts will be resolved, how Congress or the FDA will regulate LDTs in the future, or how that **modernized** regulatory system will impact our business. Further, the FDA may disagree that such products are Class 1 medical devices and require us to obtain pre- market clearance or approval before we can continue to sell our reagent products to certain customers. We may be subject to certain federal, state and foreign fraud and abuse laws, health information privacy and security laws and physician payment transparency laws, which, if violated, could subject us to substantial penalties. Additionally, any challenge to or investigation into our practices under these laws could cause adverse publicity and be costly to respond to, and thus could harm our business. There are numerous U. S. federal and state, as well as foreign, laws pertaining to healthcare fraud and abuse, including anti- kickback, false claims and physician transparency laws. Our business practices and relationships with providers and hospitals are subject to scrutiny under these laws. We may also be subject to patient information privacy and security regulation by both the federal government and the states and foreign jurisdictions in which we conduct our business. The healthcare laws and regulations of concern as we develop and begin to commercialize products include: ~~•~~ the federal Anti- Kickback Statute, which prohibits, among other things, persons and entities from knowingly and willfully soliciting, offering, receiving or providing remuneration, directly or indirectly, in cash or in kind, to induce either the referral of an individual or furnishing or arranging for a good or service, for which payment may be made, in whole or in part, under federal healthcare programs, such as Medicare and Medicaid. A person or entity does not need to have actual knowledge of the statute or specific intent to violate it to have committed a violation; ~~•~~ the federal civil and criminal false claims laws, including the federal civil False Claims Act, which prohibit, among other things, individuals or entities from knowingly presenting, or causing to be presented, claims for payment from Medicare, Medicaid or other federal healthcare programs that are false or fraudulent. Private individuals can bring False Claims Act " qui tam " actions, on behalf of the government and such

individuals, commonly known as " whistleblowers, " may share in amounts paid by the entity to the government in fines or settlement. ~~•~~ the federal Civil Monetary Penalties Law, which prohibits, among other things, offering or transferring remuneration to a federal healthcare beneficiary that a person knows or should know is likely to influence the beneficiary' s decision to order or receive items or services reimbursable by the government from a particular provider or supplier; ~~•~~ HIPAA, which created additional federal criminal statutes that prohibit, among other things, executing a scheme to defraud any healthcare benefit program and making false statements relating to healthcare matters; ~~•~~ the federal Physician Sunshine Act, which requires certain manufacturers of drugs, devices, biologics and medical supplies for which payment is available under Medicare, Medicaid or the Children' s Health Insurance Program, to report annually to CMS, information related to payments and other transfers of value to physicians (defined broadly to include doctors, dentists, optometrists, podiatrists and chiropractors), teaching hospitals and certain advanced non- physician healthcare practitioners, as well as ownership interests held by physicians and their immediate family members; and ~~•~~ analogous state and foreign law equivalents of each of the above federal laws, such as anti- kickback and false claims laws, which may apply to items or services reimbursed by any third- party payor, including commercial insurers or patients. These laws and regulations, among other things, constrain our business, marketing and other promotional activities by limiting the kinds of financial arrangements we may have with hospitals, physicians or other developers or potential purchasers of our products. If our operations are found to be in violation of any of the healthcare laws or regulations described above or any other healthcare regulations that apply to us, we may be subject to penalties, including administrative, civil and criminal penalties, damages, fines, exclusion from participation in government healthcare programs, such as Medicare and Medicaid, imprisonment, contractual damages, reputational harm, disgorgement and the curtailment or restructuring of our operations. In addition, members of our management and companies with which they are affiliated or have been affiliated with in the past, have been, and may in the future be, involved in investigations, prosecutions, convictions or settlements in the healthcare industry. For example, Kevin Rakin, a member of our board of directors **(the " Board ")** , was named as a defendant in United States ex rel. Webb v. Advanced BioHealing, Inc. (" ABH "), a whistleblower suit relating to sales methods employed by sales representatives of ABH, a biotechnology company for which Mr. Rakin served as its chief executive officer. All claims in the lawsuit were dismissed with prejudice pursuant to a settlement agreement, in which Mr. Rakin expressly denied that he engaged in any wrongful conduct, and Mr. Rakin agreed to pay to the United States $ 2. 5 million. Any investigations, prosecutions, convictions or settlements involving members of our management and companies with which they are or have been affiliated may be detrimental to our reputation and could negatively affect our business, financial condition, results of operations and cash flows. We are currently subject to, and may in the future become subject to ~~additional~~ , **both** U. S. federal and state laws and regulations **as well as international laws** imposing obligations on how we collect, store and process personal information. Our actual or perceived failure to comply with such obligations could harm our business. Ensuring compliance with such laws could also impair our efforts to maintain and expand our business and future customer base, and thereby decrease our revenue. In the ordinary course of our business, we currently, and in the future will, collect, store, transfer, use or process sensitive data, including personally identifiable information of employees. The secure processing, storage, maintenance, and transmission of this critical information are vital to our operations and business strategy. We are, and may increasingly become, subject to various laws and regulations, as well as contractual obligations, relating to data privacy and security in the jurisdictions in which we operate. The regulatory environment 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 regulators, including governmental agencies like the Consumer Financial Protection Bureau and the Federal Trade Commission, have adopted, or are considering adopting, laws and regulations concerning personal information and data security. 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~~ **complicates** compliance efforts. For example, the California Consumer Privacy Act (**"** CCPA **"**), which increases privacy rights for California residents and imposes obligations on companies that process their personal information, came into effect on January 1, 2020. Among other things, the CCPA requires covered companies to provide disclosures regarding information practices to California consumers and provide such consumers new data protection and privacy rights, including the ability to opt- out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches that result in the loss of personal information. This private right of action may increase the likelihood of, and risks associated with, data breach litigation. Additionally, ~~a new privacy law,~~ the California Privacy Rights Act (**"** CPRA **"**), was approved by California voters in the election of November 3, 2020 and went into effect in January of 2023 modifying the CCPA significantly, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. In addition, **similar laws and regulations in other** U. S. **states, such as Colorado, Connecticut, New Jersey, Delaware, Utah, Virginia, Oregon, Indiana, Iowa, Tennessee, Montana, Florida** and **Texas and other** international **jurisdictions** ~~laws and regulations that~~ have been applied to protect ~~user~~ **individuals'** privacy (including laws regarding unfair and deceptive practices in the United States and GDPR in the European Union) **and** may be subject to evolving interpretations or applications. Furthermore, defending a suit **for the wrongful use or disclosure of health or personal information** , regardless of its merit, could be costly, divert management' s attention and harm our reputation. ~~In addition, laws~~ **Laws** in all 50 U. S. states require businesses to provide notice to consumers whose personal information has been disclosed as a result of a data breach. State laws are changing rapidly and there is discussion in the U. S. Congress of a new comprehensive federal data privacy law to which we would become subject if it is enacted. ~~Furthermore~~ **At the federal level** , regulations promulgated pursuant to HIPAA ~~,~~ **as amended by the Health Information Technology for Economic and**

Clinical Health Act (“ HITECH ”) establish privacy and security standards that limit the use and disclosure of individually identifiable health information (known as “ protected health information ” **when protected under HIPAA**) and require the implementation of administrative, physical and ~~technology~~ **technological** safeguards to protect the privacy and security of protected health information and ensure the confidentiality, integrity and availability of electronic protected health information. Determining HIPAA applicability to our operations as ~~they~~ **our operations** evolve, obligations under applicable privacy standards and our contractual obligations ~~can~~ **may** require complex factual and regulatory analyses and may be subject to differing or changing interpretations. Although we take measures to protect sensitive data from unauthorized access, use or disclosure, our information technology and infrastructure may be vulnerable to attacks by hackers or viruses or ~~breached~~ **accessed** due to employee error, malfeasance or other malicious or inadvertent disruptions. Any such breach **, incident** or interruption could compromise our networks and the information stored there could be accessed by unauthorized parties, manipulated, **acquired,** publicly disclosed, lost or stolen. Any such access ~~, breach~~ or other loss of information could result in legal claims or proceedings, and liability for us or our customers under **international or U. S.** federal or state laws that protect the privacy of health information, such as HIPAA, ~~as amended by the Health Information Technology for Economic and Clinical Health Act (HITECH),~~ and regulatory penalties. Notice of certain ~~breaches~~ **incidents** may be required **to be provided** to affected individuals, the Secretary of the Department of Health and Human Services, and for extensive breaches, notice may also need to be made to the media. Additionally, state law may require notice to the **applicable** state ~~Attorneys~~ **Attorney** General. Such notices could **result in financial, legal, operational or reputational** harm **to us, loss of competitive advantage** ~~our~~ **or loss of consumer confidence** ~~reputation and our ability to compete~~. We **continue to** ~~are in the process of evaluating~~ **evaluate** our compliance obligations, but do not currently have in place formal policies and procedures related to the storage, collection and processing of information, and have not conducted any internal or external data privacy audits, to ensure our compliance with all applicable data protection laws and regulations. Additionally, we do not currently have policies and procedures in place for assessing our third- party vendors’ compliance with applicable data protection laws and regulations. All of these evolving compliance and operational requirements impose significant costs, such as costs related to organizational changes, implementing additional protection technologies, training employees and engaging consultants, which are likely to increase over time. In addition, such requirements may require us to modify our data processing **and cybersecurity** practices and **any** policies **that we have implemented** , distract management or divert resources from other initiatives and projects, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Any failure or perceived failure by us or our third- party vendors, collaborators, contractors and consultants to comply with any applicable federal, state or ~~foreign~~ **international** laws and regulations relating to data privacy and security, could result in damage to our reputation, as well as proceedings or litigation by governmental agencies or other third parties, including class action ~~privacy~~ litigation in certain jurisdictions, which would subject us to significant expense, as well as ~~potentially~~ **potential** fines, sanctions, awards, penalties or judgments, all of which could have a material adverse effect on our business, financial condition, reputation, results of operations and prospects. We could be adversely affected by alleged violations of the Federal Trade Commission Act or other truth- in- advertising and consumer protection laws. Our advertising for current and future products is subject to federal truth- in- advertising laws enforced by the Federal Trade Commission (“ FTC ”), as well as comparable state consumer protection laws. Under the Federal Trade Commission Act (“ FTC Act ”), the FTC is empowered, among other things, to (a) prevent unfair methods of competition and unfair or deceptive acts or practices in or affecting commerce; (b) seek monetary redress and other relief for conduct injurious to consumers; and (c) gather and compile information and conduct investigations relating to the organization, business, practices, and management of entities engaged in commerce. The FTC has very broad enforcement authority, and failure to abide by the substantive requirements of the FTC Act and other consumer protection laws can result in administrative or judicial penalties, including civil penalties, injunctions affecting the manner in which we would be able to market services or products in the future, or criminal prosecution. In the context of performance claims for products such as our goods and services, compliance with the FTC Act includes ensuring that there is scientific data to substantiate the claims being made, that the advertising is neither false nor misleading, and that any user testimonials or endorsements we or our agents disseminate related to the goods or services comply with disclosure and other regulatory requirements. Any actual or perceived non- compliance with those laws could lead to an investigation by the FTC or a comparable state agency or could lead to allegations of misleading advertising by private plaintiffs. Any such action against us could disrupt our business operations, cause damage to our reputation, and result in material adverse effects on our business. In addition, with respect to any of our future products that are marketed as in vitro diagnostic or clinical products, FDA’ s regulations applicable to medical device products prohibit them from being promoted for uses not within the scope of a given product’ s intended use (s), among other promotional and labeling rules applicable to products subject to the Federal Food, Drug, and Cosmetic Act (“ FDCA ”). Medical product manufacturers’ use of social media platforms presents new risks. Our potential customer base for future clinical diagnostic applications of our protein sequencing technologies may be active on social media. We intend to engage through those platforms to elevate our national marketing presence, both for our RUO product offerings and any future medical device product offerings. Social media practices in the medical device and biopharmaceutical industries are evolving, which creates uncertainty and risk of **non-** ~~noncompliance~~ **compliance** with regulations applicable to our business. For example, there is a risk of inappropriate disclosure of sensitive information or negative or inaccurate posts or comments about us or our products on any social networking website. If these events were to occur or we otherwise fail to comply with any applicable regulations, we could incur liability, face restrictive regulatory actions or experience other harm to our business. Risks Related to Our Intellectual Property If we are unable to obtain and maintain and enforce sufficient intellectual property protection for our products and technology, 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 right protection and contractual restrictions to protect our proprietary products and 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 obtain, maintain and sufficiently enforce our intellectual property, third parties may be able to compete more effectively against us. In addition, we may incur substantial litigation costs in our attempts to recover damages or restrict use of our intellectual property. To the extent our intellectual property offers inadequate protection, or is found to be invalid or unenforceable, we would be exposed to a greater risk of direct competition. If our intellectual property does not provide adequate coverage against our competitors' products, our competitive position could be adversely affected, as could our business, financial condition, results of operations and prospects. Both the patent application process and the process of managing patent and other intellectual property disputes can be time- consuming and expensive. Our success depends in large part on our and our licensors' ability to obtain and maintain protection of the intellectual property we may own solely or jointly with, or license from, third parties, particularly patents, in the United States and other countries directed to our products and technologies. We apply for patents covering our products and technologies and uses thereof, as we deem appropriate. However, obtaining and enforcing patents is costly, time- consuming and complex, and we may fail to apply for patents on important products and technologies in a timely fashion or at all, or we may fail to apply for patents in potentially relevant jurisdictions. We may not be able to file and prosecute all necessary or desirable patent applications, or maintain, enforce and license any patents that may be issued from such patent applications, at a reasonable cost or in a timely manner or in all jurisdictions. It is also possible that we will fail to identify patentable aspects of our research and development output before it is too late to obtain patent protection. Moreover, we may not develop additional proprietary products, methods and technologies that are patentable. We may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain the rights to patents licensed from or to third parties. Therefore, these patents and applications may not be prosecuted, obtained and enforced by such third parties in a manner consistent with the best interests of our business. In addition, the patent position of life sciences technology companies generally is highly uncertain, involves complex legal and factual questions, and has been the subject of much litigation in recent years. Changes in either the patent laws or in interpretations of patent laws in the United States or other countries or regions may diminish the value of our intellectual property. As a result, the issuance, scope, validity, enforceability, and commercial value of our patent rights presents a reasonably limited degree of uncertainty. It is possible that some of our pending patent applications will not 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 any competitive advantages, or may be challenged, narrowed and / or invalidated by third parties. There exists some degree of uncertainty over the breadth of claims that may be allowed or enforced in our patents or in third- party patents. It is possible that third parties will attempt to design around our current or future patents such that we cannot prevent such third parties from using similar technologies and commercializing similar products to compete with us. Some of our owned or licensed patents or patent applications may be challenged at a future point in time and we may not be successful in defending any such challenges made against our patents or patent applications. Any successful third- party challenge to our patents could result in the narrowing, unenforceability or invalidity of such patents and increased competition to our business. The outcome of patent litigation or other proceedings can be uncertain, and any attempt by us to enforce our patent rights against others or to challenge the patent rights of others may not be successful, or, regardless of success, may take substantial time and result in substantial cost, and may divert our efforts and attention from other aspects of our business. Any of the foregoing events could have a material adverse effect on our business, financial condition, results of operations and cash flows. The U. S. law relating to the patentability of certain inventions in the life sciences technology industry is uncertain and rapidly changing, which may adversely impact our existing patents or our ability to obtain patents in the future. Changes in either the patent laws or interpretation of the patent laws in the United States or in other jurisdictions could increase the uncertainties and costs surrounding the prosecution of patent applications and the enforcement or defense of issued patents. For instance, under the Leahy- Smith America Invents Act (the " America Invents Act "), enacted in September 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application is entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. These changes include allowing third- party submission of prior art to the United States Patent and Trademark Office (" USPTO ") during patent prosecution and additional procedures to challenge the validity of a patent through USPTO administered post- grant proceedings, including post-grant review, inter partes review and derivation proceedings. The America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Various courts, including the U. S. Supreme Court, have rendered decisions that impact the scope of patentability of certain inventions or discoveries relating to life sciences technology. Specifically, these decisions stand for the proposition that patent claims that recite laws of nature are not themselves patentable unless those patent claims have sufficient additional features that provide practical assurance that the processes are genuine inventive applications of those laws rather than patent drafting efforts designed to monopolize the law of nature itself. What constitutes a " sufficient " additional feature is somewhat uncertain. Furthermore, in view of these decisions, since December 2014, the USPTO has published and continues to publish revised guidelines for patent examiners to apply when examining process claims for patent eligibility. In addition, U. S. Supreme Court rulings have narrowed the scope of patent protection available in certain circumstances and weakened the rights of patent owners in certain situations. In addition to some degree of uncertainty with regard to our ability to obtain patents in the future, this combination of events has created a degree of uncertainty with respect to the value of patents, once obtained. Depending on relevant laws enacted by the U. S. Congress, and decisions by the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that may have a material adverse effect on our ability to obtain new patents and to defend and enforce our existing patents and patents that we might obtain in the future. Our patent

portfolio may be negatively impacted by current uncertainties in the state of the law, new court rulings or changes in guidance or procedures issued by the USPTO or other similar patent offices around the world. From time to time, the U. S. Supreme Court, other federal courts, the U. S. Congress or the USPTO may change the standards of patentability, scope and validity of patents within the life sciences technology and any such changes, or any similar adverse changes in the patent laws of other jurisdictions, could have a negative impact on our business, financial condition, prospects and results of operations. We may not be able to protect our intellectual property rights throughout the world. The laws of some foreign countries do not offer intellectual property rights to the same extent as the laws of the United States, and we and our licensors may encounter difficulties in obtaining, enforcing and defending such rights in foreign jurisdictions. Consequently, we and our licensors may not be able to prevent third parties from practicing our or our licensors' inventions in some or all countries outside the United States, or from selling or importing products made using our or our licensors' inventions in other jurisdictions. Competitors and other third parties may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and technologies and may also export infringing products to territories where we have patent protection, but enforcement practices or laws are not as strong as those in the United States. These products may compete with our products. We and our licensors' patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. 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. Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain other countries are not as favorable as the United States in the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the misappropriation or other violations of our intellectual property rights including infringement of our patents in such countries. The legal systems in certain countries may also favor state- sponsored entities or companies headquartered in particular jurisdictions over our first- in- time patents and other intellectual property protection. The absence of harmonized intellectual property protection laws and effective enforcement makes it difficult to ensure consistent respect for patents, trade secrets, and other intellectual property rights on a worldwide basis. As a result, it is possible that we will not be able to enforce our rights against third parties that misappropriate our proprietary technology in those countries. Proceedings to enforce our or our licensors' patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put us and our licensors' patents at risk of being invalidated or interpreted narrowly and our licensors' patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We and our licensors may not prevail in any lawsuits that we or our licensors initiate, or that are initiated against us or our licensors, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our products, services and other technologies and the enforcement of intellectual property. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license. Any of the foregoing events could have a material adverse effect on our business, financial condition, results of operations and prospects. Issued patents covering our products could be found invalid or unenforceable if challenged. Our owned and licensed patents and patent applications may be subject to validity, enforceability and priority disputes. The issuance of a patent is not conclusive as to our inventorship, scope, validity or enforceability. Some of our patents or patent applications (including licensed patents and patent applications) may be challenged at a future point in time in opposition, derivation, reexamination, inter partes review, post- grant review or interference or other similar proceedings. Any successful third- party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents, which may lead to increased competition to our business, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, if we or our licensors initiate legal proceedings against a third party to enforce a patent covering our products, the defendant could counterclaim that such patent covering our products, as applicable, is invalid and / or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. There are numerous grounds upon which a third party can assert invalidity or unenforceability of a patent. Grounds for a validity challenge could be an alleged failure to meet any of several statutory requirements, including lack of novelty, obviousness or non- enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent intentionally withheld relevant information from the relevant patent office, or knowingly made a misleading statement, during prosecution. Third parties may also raise similar claims before administrative bodies in the United States or abroad, even outside the context of litigation. Such mechanisms include ex parte re- examination, inter partes review, post- grant review, derivation and equivalent proceedings in non- U. S. jurisdictions, such as opposition proceedings. Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer cover and protect our products. With respect to the validity of our patents, for example, we cannot be certain that there is no invalidating prior art of which we, our licensors, our patent counsel and the patent examiner were unaware during prosecution. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant or other third party 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 products and technologies, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, 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 intellectual property or develop or commercialize current or future products. We may not be aware of all third- party intellectual property rights potentially relating to our products. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the

United States and other jurisdictions are typically not published until approximately 18 months after filing or, in some cases, not until such patent applications issue as patents. We might not have been the first to make the inventions covered by each of our pending patent applications and we might not have been the first to file patent applications for these inventions. To determine the priority of these inventions, we may have to participate in interference proceedings, derivation proceedings or other post-grant proceedings declared by the USPTO, or other similar proceedings in non- U. S. jurisdictions that could result in substantial cost to us and the loss of valuable patent protection. The outcome of such proceedings is uncertain. No assurance can be given that other patent applications will not have priority over our patent applications. In addition, changes to the patent laws of the United States allow for various post- grant opposition proceedings that have not been extensively tested, and their outcome is therefore uncertain. Furthermore, if third parties bring these proceedings against our patents, regardless of the merit of such proceedings and regardless of whether they are successful, we could experience significant costs and our management may be distracted. Any of the foregoing events could have a material adverse effect on 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 heavily on trade secrets and confidentiality agreements to protect our unpatented know- how, technology and other proprietary information, and to maintain our competitive position. However, trade secrets and know- how can be difficult to protect. In particular, we anticipate that with respect to our technologies, these trade secrets and know- how will over time be disseminated within the industry through independent development, the publication of journal articles describing the methodology, and the movement of personnel from academic to industry scientific positions. In addition to pursuing patents on our technology, we take steps to protect our intellectual property and proprietary technology by entering into agreements, including confidentiality agreements, non- disclosure agreements and intellectual property assignment agreements, with our employees, consultants, academic institutions, corporate partners and, when needed, our advisers. 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 or other third parties will not otherwise gain access to our trade secrets or independently develop substantially equivalent information and techniques. For example, any of these parties may breach the agreements and disclose our proprietary information, including our trade secrets, and we may not be able to obtain adequate remedies for such breaches. Such agreements may not be enforceable or may not provide meaningful protection for our trade secrets or other proprietary information 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 adversely impact our ability to establish or maintain a competitive advantage in the market, and our business, financial condition, results of operations and prospects. Monitoring unauthorized disclosure is difficult, and we do not know whether the steps we have taken to prevent such disclosure are, or will be, adequate. If we were to enforce a claim that a third party had wrongfully obtained and was using our trade secrets, it would be expensive and time-consuming, it could distract our personnel, and the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. We also seek to preserve the integrity and confidentiality of our confidential proprietary information by maintaining physical security of our premises and physical and electronic security of our information technology systems, but it is possible that these security measures could be breached. If any of our confidential proprietary information were to be lawfully obtained or independently developed by a competitor or other third party, absent patent protection, we would have no right to prevent such competitor from using that technology or information to compete with us, which could harm our competitive position. Competitors or third parties could purchase our products and attempt to replicate some or all of the competitive advantages we derive from our development efforts, design around our protected technology, develop their own competitive technologies that fall outside the scope of our intellectual property rights or independently develop our technologies without reference to our trade secrets. If any of our trade secrets were to be disclosed to or independently discovered by a competitor or other third party, it could materially and adversely affect our business, financial condition, results of operations and prospects. We may be subject to claims challenging the inventorship of our patents and other intellectual property. We or our licensors may be subject to claims that former employees, collaborators or other third parties have an interest in our owned or in- licensed patents, trade secrets or other intellectual property as an inventor or co- inventor. For example, we or our licensors may have inventorship disputes arise from alleged inventors such as employees, consultants or others who are involved in developing our products, some of whom may have conflicting IP ownership obligations. In addition, counterparties to our consulting, sponsored research, software development and other agreements may assert that they have an ownership interest in intellectual property developed under such arrangements. In particular, certain software development agreements pursuant to which certain third parties have developed parts of our proprietary software may not include provisions that expressly assign to us ownership of all intellectual property developed for us by such third parties. Furthermore, certain of our sponsored research agreements pursuant to which we provide certain research services for third parties do not assign to us all intellectual property developed under such agreements. As such, we may not have the right to use all such developed intellectual property under such agreements, we may be required to obtain licenses from third parties and such licenses may not be available on commercially reasonable terms or at all, or may be non- exclusive. If we are unable to obtain such licenses and such licenses are necessary for the development, manufacture and commercialization of our products and technologies, we may need to cease the development, manufacture and commercialization of our products and technologies. Litigation may be necessary to defend against these and other claims challenging inventorship of our or our licensors' ownership of our owned or in- licensed patents, trade secrets or other intellectual property. If we or our licensors fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. In such an event, we may be required to obtain licenses from third parties and such licenses may not be available on commercially reasonable terms or at all, or may be non- exclusive. If we are unable to obtain and maintain such licenses, we may need to cease the development, manufacture and commercialization of our products and technologies. 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. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations and prospects. 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. The registered or unregistered trademarks or trade names that we own may be challenged, infringed, circumvented, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and trade names, which we need in order to build name recognition. In addition, third parties have filed, and may in the future file, for registration of trademarks similar or identical to our trademarks, thereby impeding our ability to build brand identity and possibly leading to market confusion. If such third parties were to succeed in registering or developing common law rights in any other trademarks that are similar or identical to our trademarks, and if we are not successful in challenging such rights and defending against challenges to our trademarks, we may not be able to use such trademarks to develop brand recognition of our technologies, products or services. In addition, there could be potential trade name or trademark infringement claims brought by owners of other registered trademarks or trademarks that incorporate variations of our registered or unregistered trademarks or trade names. Further, we have and may in the future enter into agreements with owners of such third - party trade names or trademarks to avoid potential trademark litigation which may limit our ability to use our trade names or trademarks in certain fields of business. Over the long term, if we are unable to establish name recognition based on our trademarks and trade names, then we may not be able to compete effectively, and our business, financial condition, results of operations and prospects may be adversely affected. Our efforts to enforce or protect our proprietary rights related to trademarks, trade secrets, domain names, copyrights or other intellectual property may be ineffective and could result in substantial costs and diversion of resources. Any of the foregoing events could have a material adverse effect on our business, financial condition, results of operations and cash flows. 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 utility patent is generally 20 years from its earliest U. S. non- provisional filing date. While extensions may be available, the life of a patent, and the protection it affords, is limited. In the United States, a patent' s term may, in certain cases, be lengthened by patent term adjustment, which compensates a patentee for administrative delays by the USPTO in examining and granting a patent or may be shortened if a patent is terminally disclaimed over a commonly owned patent or a patent naming a common inventor and having an earlier expiration date. Even if patents covering our products are obtained, once the patent life has expired, we may be open to additional competition from competitive products. If one of our products requires extended development, testing and / or regulatory review, patents protecting such products might expire before or shortly after such products are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to our products, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. We may be subject to claims that our employees, consultants or independent contractors have wrongfully used or disclosed to us alleged trade secrets of their other clients or former employers, which could subject us to costly litigation. As is common in the life sciences industry, we engage the services of consultants and independent contractors to assist us in the development of our products. Many of these consultants and independent contractors were previously employed at, or may have previously or may be currently providing consulting or other services to, universities or other technology, biotechnology or pharmaceutical companies, including our competitors or potential competitors. We may become subject to claims that we, a consultant or an independent contractor inadvertently or otherwise used or disclosed trade secrets or other information proprietary to their former employers or their former or current clients. We may similarly be subject to claims stemming from similar actions of an employee, such as one who was previously employed by another company, including a competitor or potential competitor. Litigation may be necessary to defend against these claims. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to our management team. If we are not successful, we could lose access or exclusive access to valuable intellectual property. We may become involved in lawsuits to defend against third- party claims of infringement, misappropriation or other violations of intellectual property or to protect or enforce our intellectual property, any of which could be expensive, time consuming and unsuccessful, and may prevent or delay our development and commercialization efforts. Our commercial success depends in part on our ability and the ability of future collaborators to develop, manufacture, market and sell our products and use our products and technologies without infringing, misappropriating or otherwise violating the intellectual property rights of third parties. There is a substantial amount of litigation involving patents and other intellectual property rights in the life sciences technology sector, as well as administrative proceedings for challenging patents, including interference, derivation, inter partes review, post grant review, and reexamination proceedings before the USPTO, or oppositions and other comparable proceedings in foreign jurisdictions. We may be exposed to, or threatened with, future litigation by third parties having patent or other intellectual property rights alleging that our products, manufacturing methods, software and / or technologies infringe, misappropriate or otherwise violate their intellectual property rights. Numerous issued patents and pending patent applications that are owned by third parties exist in the fields in which we are developing our products and technologies. It is not always clear to industry participants, including us, the claim scope that may be issued from pending patent applications owned by third parties or which patents cover various types of products, technologies or their methods of use or manufacture. Thus, because of the large number of patents issued and patent applications filed in our fields, there may be a risk that third parties, including our competitors, may allege they have patent rights encompassing our products, technologies or methods and that we are employing their proprietary technology without authorization. If third parties, including our competitors, believe that our products or technologies infringe, misappropriate or otherwise violate their intellectual property, such third parties may seek to enforce against us their intellectual property, including patents, by filing against us an intellectual property- related lawsuit, including a patent infringement lawsuit. Even if we believe third- party intellectual property claims are without merit, there is no assurance

that a court would find in our favor on questions of infringement, validity, enforceability, or priority. If any third parties were to assert these or any other patents against us and we are unable to successfully defend against any such assertions, we may be required, including by court order, to cease the development and commercialization of the infringing products or technology and we may be required to redesign such products and technologies so they do not infringe such patents, which may not be possible or may require substantial monetary expenditures and time. We could also be required to pay damages, which could be significant, including treble damages and attorneys' fees if we are found to have willfully infringed such patents. We could also be required to obtain a license to such patents in order to continue the development and commercialization of the infringing product or technology. However, such a license may not be available on commercially reasonable terms or at all, including because certain of these patents may be held by or exclusively licensed to our competitors. Even if such license is available, it may require substantial payments or cross- licenses under our intellectual property rights, and it may only be available on a nonexclusive basis, in which case third parties, including our competitors, could use the same licensed intellectual property to compete with us. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations or prospects. We may choose to challenge, including in connection with any allegation of patent infringement by a third party, the patentability, validity, ownership or enforceability of any third- party patent that we believe may have applicability in our field, and any other third- party patent that may at some future time possibly be asserted against us. Such challenges may be brought either in court or by requesting that the USPTO, European Patent Office (" EPO "), or other foreign patent offices review the patent claims, such as in an ex- parte reexamination, inter partes review, post- grant review proceeding or opposition proceeding. However, there can be no assurance that any such challenge by us or any third party will be successful. Even if such proceedings are successful, these proceedings are expensive and may consume our time or other resources, distract our management and technical personnel, and the costs of these opposition proceedings could be substantial. There can be no assurance that our defenses of non- infringement, invalidity or unenforceability will succeed. Third parties, including our competitors, could be infringing, misappropriating or otherwise violating our solely owned and / or in- licensed intellectual property rights. Monitoring unauthorized use of intellectual property is difficult and costly. We may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. From time to time, we seek to analyze our competitors' products and services, and may in the future seek to enforce our rights based on potential infringement, misappropriation or violation of our intellectual property. However, the steps we will take to protect our intellectual property rights may not be adequate to enforce our rights as against such infringement, misappropriation or violation of our intellectual property. Any inability to meaningfully enforce our intellectual property rights could harm our ability to compete and reduce demand for our products and technologies. Litigation proceedings may be necessary for us to enforce our patent and other intellectual property rights. In any such proceeding, a court may refuse to stop the other party from using the technology at issue on the grounds that our owned and in- licensed patents do not cover the technology in question. Further, in such a proceeding, 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, which could allow third parties to commercialize technology or products similar to ours and compete directly with us, without payment to us. Alternatively or additionally, such proceeding could result in requiring us to obtain license rights from the prevailing party in order to be able to manufacture or commercialize our products without infringing such party' s intellectual property rights, and if we are unable to obtain such a license, we may be required to cease commercialization of our products and technologies, any of which could have a material adverse effect on our business, financial condition, results of operations and prospects. The outcome in any such proceeding is unpredictable. Regardless of whether we are defending against or asserting an intellectual property- related claim in an intellectual property-related proceeding that may be necessary in the future, and regardless of outcome, substantial costs and diversion of resources may result which could have a material adverse effect on our business, financial condition, results of operations and prospects. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of our confidential information could be compromised by disclosure during this type of litigation. In addition, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our Class A common stock. Some of our competitors and other third parties may be able to sustain the costs of such litigation or proceedings more effectively than we can because of their greater financial resources and more mature and developed intellectual property portfolios. We may not have sufficient financial or other resources to adequately conduct these types of litigation or proceedings. Any of the foregoing, or any uncertainties resulting from the initiation and continuation of any litigation, could have a material adverse effect on our business, financial condition, results of operations and prospects. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar adverse effect on our business, financial condition, results of operations and prospects. Obtaining and maintaining our patent protection depends on compliance with various required procedures, document submissions, fee payments and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and / or applications will be due to be paid to the USPTO and various governmental patent agencies outside of the United States at several stages over the lifetime of the patents and / or applications. The 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. In certain circumstances, we rely on our licensors to pay these fees due to the U. S. and non- U. S. patent agencies and to take the necessary action to comply with these requirements with respect to our licensed intellectual property. In many cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, 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. In such an event, our

competitors may be able to enter the market without infringing our patents and this circumstance could have a material adverse effect on our business, financial condition, results of operations and prospects. We currently rely on licenses from third parties, and in the future may rely on additional licenses from other third parties, and if we lose any of these licenses, then we may be subjected to future litigation. We are, and may in the future become, a party to license agreements that grant us rights to use certain intellectual property, including patents and patent applications, typically in certain specified fields of use. We may need to obtain additional licenses from others to advance our research, development and commercialization activities. Our success may depend in part on the ability of our licensors and any future licensors to obtain, maintain and enforce patent protection for our licensed intellectual property. Without protection for the intellectual property we license, other companies might be able to offer substantially identical products and technologies for sale, which could materially adversely affect our competitive business position and harm our business prospects, financial condition, results of operations or cash flows. Our current license agreements impose, and future agreements may impose, various diligence, commercialization, milestone payment, royalty, insurance and other obligations on us and require us to meet development timelines, or to exercise commercially reasonable efforts to develop and commercialize licensed products, in order to maintain the licenses. If we fail to comply with these obligations, our licensor (s) may have the right to terminate our license, in which event we would not be able to develop or market products or technology covered by the licensed intellectual property. Any of the foregoing could have a material adverse effect on our competitive position, business, financial conditions, results of operations and prospects. Moreover, disputes may also arise between us and our licensors regarding intellectual property subject to a license agreement, including: ● the scope of rights granted under the license agreement and other interpretation- related issues; ● our financial or other obligations under the license agreement; ● whether, and the extent to which, our products, technology and processes infringe on intellectual property of the licensor that is not subject to the licensing agreement; ● our diligence obligations under the license agreement and what activities satisfy those diligence obligations; ● the inventorship and ownership of inventions and know- how resulting from the joint creation or use of intellectual property by our licensor (s); and ● the priority of invention of patented technology. If we do not prevail in such disputes, we may lose any or all of our rights under such license agreements, experience significant delays in the development and commercialization of our products and technologies, or incur liability for damages, any of which could have a material adverse effect on our business, financial condition, results of operations, and prospects. In addition, we may seek to obtain additional licenses from our licensor (s) and, in connection with obtaining such licenses, we may agree to amend our existing licenses in a manner that may be more favorable to the licensor (s), including by agreeing to terms that could enable third parties, including our competitors, to receive licenses to a portion of the intellectual property that is subject to our existing licenses and to compete with our products. In addition, the agreements under which we currently and in the future license intellectual property or technology from third parties are complex and certain provisions in such agreements may be susceptible to multiple interpretations. The resolution of any contract interpretation disagreement that may arise could narrow what we believe to be the scope of our rights to the relevant intellectual property or technology or increase what we believe to be our financial or other obligations under the relevant agreement, either of which could have a material adverse effect on our business, financial condition, results of operations and prospects. Moreover, if disputes over intellectual property that we have licensed prevent or impair our ability to maintain our current licensing arrangements on commercially acceptable terms, we may be unable to successfully develop and commercialize any affected products or services, which could have a material adverse effect on our business, financial condition, results of operations and prospects. Absent the license agreements, we may infringe patents subject to those agreements, and if the license agreements are terminated, we may be subject to litigation by the licensor. Litigation could result in substantial costs and distract our management. If we do not prevail, we may be required to pay damages, including treble damages, attorneys' fees or costs and expenses and royalties, which could adversely affect our ability to offer products or services, our ability to continue operations and our business, financial condition, results of operations and prospects. If we cannot license rights to use technologies on reasonable terms, we may not be able to commercialize new products in the future. We may identify third- party technology that we may need to license or acquire in order to develop or commercialize our products or technologies. However, we may be unable to secure such licenses or acquisitions. The licensing or acquisition of third- party intellectual property rights is a competitive area, and several more established companies may pursue strategies to license or acquire third- party intellectual property rights that we may consider attractive or necessary. These established companies may have a competitive advantage over us due to their size, capital resources and greater clinical development and commercialization capabilities. In addition, companies that perceive us to be a competitor may be unwilling to assign or license rights to us. We also may be unable to license or acquire third- party intellectual property rights on terms that would allow us to make an appropriate return on our investment or at all. In return for the use of a third party' s technology, we may agree to pay the licensor royalties based on sales of our products or services. Royalties are a component of cost of products or technologies and affect the margins on our products. We may also need to negotiate licenses to patents or patent applications before or after introducing a commercial product. We may not be able to obtain necessary licenses to patents or patent applications, and our business may suffer if we are unable to enter into the necessary licenses on acceptable terms or at all, if any necessary licenses are subsequently terminated, if the licensor fails to abide by the terms of the license or fails to prevent infringement by third parties, or if the licensed intellectual property rights are found to be invalid or unenforceable. Certain of our in- licensed patents are, and our future owned and in- licensed patents may be, subject to a reservation of rights by one or more third parties, including government march- in rights, that may limit our ability to exclude third parties from commercializing products similar or identical to ours. In addition, our owned and in- licensed patents may be subject to a reservation of rights by one or more third parties. For example, the U. S. government has certain rights, including march- in rights, to patent rights and technology funded by the U. S. government and licensed to us from Boreal and the University of British Columbia. When new technologies are developed with government funding, in order to secure ownership of such patent rights, the recipient of such funding is required to comply with certain government regulations, including timely disclosing the

inventions claimed in such patent rights to the U. S. government and timely electing title to such inventions. Any failure to timely elect title to such inventions may permit the U. S. government to, at any time, take title in such inventions. Additionally, the U. S. government generally obtains certain rights in any resulting patents, including a non- exclusive license authorizing the government to use the invention or to have others use the invention on its behalf. If the government decides to exercise these rights, it is not required to engage us as our contractor in connection with doing so. 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 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 practical application of the 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 government of any of the foregoing rights could have a material adverse effect on our business, financial condition, results of operations and prospects. Our products contain third- party open- source software components and failure to comply with the terms of the underlying open- source software licenses could restrict our ability to sell our products and provide third parties access to our proprietary software. Our products may contain software licensed by third parties under open- source software licenses. Use and distribution of open- source software may entail greater risks than use of third- party commercial software, as open- source software licensors generally do not provide warranties or other contractual protections regarding infringement claims or the quality of the code. Some open- source software licenses contain requirements that the licensee make its source code publicly available if the licensee creates modifications or derivative works using the open- source software, depending on the type of open- source software the licensee uses and how the licensee uses it. If we combine our proprietary software with open- source software in a certain manner, we could, under certain open- source software licenses, be required to release the source code of our proprietary software to the public for free. This would allow our competitors and other third parties to create similar products with less development effort and time and ultimately could result in a loss of our product sales and revenue, which could have a material adverse effect on our business, financial condition, results of operations and prospects. In addition, some companies that use third- party open- source software have faced claims challenging their use of such open- source software and their compliance with the terms of the applicable open- source license. We may be subject to suits by third parties claiming ownership of what they believe to be open- source software or claiming non- compliance with the applicable open- source licensing terms. Use of open- source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to compromise or attempt to compromise our technology platform and systems. Although we review our use of open- source software to avoid subjecting our proprietary software to conditions we do not intend, the terms of many open source- software licenses have not been interpreted by U. S. courts, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our products and proprietary software. Moreover, our processes for monitoring and controlling our use of open- source software in our products may not be effective. If we are held to have breached the terms of an open- source software license, we could be subject to damages, required to seek licenses from third parties to continue offering our products on terms that are not economically feasible, to re- engineer our products, to discontinue the sale of our products if re- engineering could not be accomplished on a timely basis, or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, financial condition, results of operations and prospects. Intellectual property rights do not necessarily address all potential threats. The degree of future protection afforded by our intellectual property rights is uncertain because intellectual property rights have limitations and may not adequately protect our business or permit us to maintain our competitive advantage. For example: ● others may be able to make products that are similar to products and technologies we may develop or utilize similar technology that are not covered by the claims of the patents that we own or license now or in the future; ● we, or our licensor (s), might not have been the first to make the inventions covered by the issued patent or pending patent application that we license or may own in the future; ● we, or our licensor (s), might not have been the first to file patent applications covering certain of our or their inventions; ● others may independently develop similar or alternative technologies or duplicate any of our technologies without infringing, misappropriating or otherwise violating our owned or licensed intellectual property rights; ● it is possible that our pending licensed patent applications or those that we may own in the future will not lead to issued patents; ● issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors; ● our competitors might conduct research and development activities in countries where we do not have patent rights and then use the information learned from such activities to develop competitive products for sale in our major commercial markets; ● we may not develop additional proprietary technologies that are patentable; ● the patents of others may harm our business; and ● we may choose not to file a patent for certain trade secrets or know- how, and a third party may subsequently file a patent covering such intellectual property. If any of these events occur, they could materially adversely affect our business, financial condition, results of operations and prospects. Risks Related to Our Securities and to Being a Public Company Our outstanding warrants became exercisable for our Class A common stock in September 2021, which increased the number of shares eligible for future resale in the public market and resulted in dilution to our stockholders. Following the Business Combination, there were 3, 833, 319 outstanding warrants issued in connection with the initial public offering of HighCape (the " Public Warrants ") to purchase 3, 833, 319 shares of our Class A common stock at an exercise price of $ 11. 50 per share, which warrants became exercisable on September 9, 2021 ~~, 12 months from the closing of HighCape' s initial public offering, which occurred on September 9, 2020~~ . In addition, there are 135, 000 private placement warrants (the " Private Warrants ") to purchase 135, 000 shares of our Class A common stock at an exercise price of $ 11. 50 per share. In certain circumstances, the Public Warrants and Private Warrants may be exercised on a cashless basis. To the extent such warrants are exercised, additional shares of our Class A common stock will be issued, which will result in dilution to the holders of our Class A common stock and increase the number of shares

eligible for resale in the public market. Sales of substantial numbers of such shares in the public market could adversely affect the market price of our Class A common stock, the impact of which is increased as the value of our stock price increases. Our warrants are accounted for as liabilities and changes in the value of our warrants could have a material effect on our financial results. On April 12, 2021, the Acting Director of the Division of Corporation Finance and Acting Chief Accountant of the SEC together issued a statement regarding the accounting and reporting considerations for warrants issued by special purpose acquisition companies entitled " Staff Statement on Accounting and Reporting Considerations for Warrants Issued by Special Purpose Acquisition Companies " (" SPACs ") (the " SEC Statement "). Specifically, the SEC Statement focused on certain settlement terms and provisions related to certain tender offers following a business combination, which terms are similar to those contained in the warrant agreement governing our warrants. As a result of the SEC Statement, HighCape reevaluated the accounting treatment of its Public Warrants and Private Warrants and determined to classify the warrants as derivative liabilities measured at fair value, with changes in fair value each period reported in earnings. As a result, included on our balance sheets as of December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022** are derivative liabilities related to our warrants. Accounting Standards Codification 815, Derivatives and Hedging (" ASC 815 "), provides for the remeasurement of the fair value of such derivatives at each balance sheet date, with a resulting non- cash gain or loss related to the change in the fair value being recognized in earnings in the statement of operations. As a result of the recurring fair value measurement, our ~~consolidated~~ **Consolidated** ~~financial~~ **Financial** ~~statements~~ **Statements** and results of operations may fluctuate quarterly, based on factors that are outside of our control. Due to the recurring fair value measurement, it is expected that we will recognize non- cash gains or losses on the warrants each reporting period and that the amount of such gains or losses could be material . We have in the past experienced....., results of operations or cash flows . There can be no assurance that the warrants will be in the money prior to their expiration, and they may expire worthless. The exercise price for our outstanding warrants is $ 11. 50 per share of our Class A common stock. There can be no assurance that the warrants will be in the money prior to their expiration, and as such, the warrants may expire worthless. There are currently outstanding an aggregate of 3, 968, 319 warrants to acquire shares of our Class A common stock, which comprise 135, 000 Private Warrants held by HighCape' s initial stockholders at the time of HighCape' s initial public offering and 3, 833, 319 Public Warrants. Each of our outstanding whole warrants is exercisable as of September 9, 2021, for one share of our Class A common stock in accordance with its terms. Therefore, as of December 31, ~~2022~~ **2023** , if we assume that each outstanding whole warrant is exercised and one share of HighCape Class A common stock is issued as a result of such exercise, with payment of the exercise price of $ 11. 50 per share, our fully- diluted share capital would increase by a total of 3, 968, 319 shares, with approximately $ 45. 6 million paid to us to exercise the warrants .We have in the past experienced material weaknesses in our internal control over financial reporting,and if we experience such material weaknesses in our internal control over financial reporting in the future or otherwise fail to maintain an effective system of internal controls in the future,we may not be able to report our financial condition,results of operations or cash flows accurately or in a timely manner,which may adversely affect investor confidence in us and,as a result,materially and adversely affect our business and the value of our Class A common stock.A material weakness is a deficiency,or a combination of deficiencies,in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a company' s annual or interim financial statements will not be prevented or detected and corrected on a timely basis.Effective internal controls are necessary for us to provide reliable financial reports and prevent fraud.Material weaknesses could result in material misstatements to our annual or interim financial statements that might not be prevented or detected on a timely basis,or in delayed filing of required periodic reports.If we are unable to assert that our internal control over financing reporting is effective,or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of the internal control over financial reporting,investors may lose confidence in the accuracy and completeness of our financial reporting,the market price of our Class A common stock could be adversely affected and we could become subject to litigation or investigations by Nasdaq,the SEC,or other regulatory authorities,which could require additional financial and management resources.If we identify any material weaknesses in the future,any such newly identified material weakness could limit our ability to prevent or detect a misstatement of our accounts or disclosures that could result in a material misstatement of our annual or interim financial statements.In such case,we may be unable to maintain compliance with securities law requirements regarding timely filing of periodic reports in addition to applicable stock exchange listing requirements,investors may lose confidence in our financial reporting and our stock price may decline as a result.We cannot assure you that the measures we have taken to date,or any measures that may be taken in the future,will be sufficient to avoid potential future material weaknesses.In addition,we may face potential for litigation or other disputes which may include,among others,claims invoking the federal and state securities laws,contractual claims or other claims arising from the restatement and material weaknesses in our internal control over financial reporting and the preparation of our ~~Consolidated~~ **consolidated** ~~Financial~~ **financial** ~~Statements~~ **statements** .We can provide no assurance that such litigation or dispute will not arise in the future.Any such litigation or dispute,whether successful or not,could have a material adverse effect on our business,financial condition,results of operations and cash flows.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 Exchange Act.We design our disclosure controls and procedures to reasonably assure that information we are required to disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management,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 or internal 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 errors or mistakes.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 or insufficient disclosure due to error or fraud may occur and we

may not detect them.Any failure to maintain effective internal controls and procedures over financial reporting could severely inhibit our ability to accurately report our financial condition,results of operations or cash flows . Because we are a " controlled company " within the meaning of the Nasdaq rules, our stockholders may not have certain corporate governance protections that are available to stockholders of companies that are not controlled companies. So long as more than 50 % of the voting power for the election of our directors is held by an individual, a group or another company, we will qualify as a " controlled company " within the meaning of the Nasdaq listing rules. As of ~~March 1~~ **February 20** , ~~2023~~ **2024** , Dr. Rothberg controlled ~~80~~ **79** . ~~2~~ **9** % of the voting power of our outstanding capital **stock, including our Class A common stock and Class B common** stock. As a result, we are a " controlled company " within the meaning of the Nasdaq corporate governance standards and are not subject to the requirements that would otherwise require us to have: (i) a majority of independent directors; (ii) a compensation committee comprised solely of independent directors; and (iii) director nominees selected, or recommended for our ~~board~~ **Board** ~~of director~~ ' s selection, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. Dr. Rothberg may have his interest in us diluted due to future equity issuances or his own actions in selling shares of our Class B common stock, in each case, which could result in a loss of the " controlled company " exemption under the Nasdaq listing rules. We would then be required to comply with those provisions of the Nasdaq listing requirements. The dual class structure of our common stock has the effect of concentrating voting power with our Chairman of the Board and Founder, which will limit an investor' s ability to influence the outcome of important transactions, including a change in control. Shares of our Class B common stock have 20 votes per share, while shares of our Class A common stock have one vote per share. Dr. Rothberg and his affiliates hold all of the issued and outstanding shares of our Class B common stock, and as of ~~March 1~~ **February 20** , ~~2023~~ **2024** , Dr. Rothberg and his affiliates held ~~80~~ **79** . ~~2~~ **9** % of the voting power of our capital **stock, including our Class A common stock and Class B common** stock and is able to control matters submitted to our stockholders for approval, including the election of directors, amendments to our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transactions. Dr. Rothberg may have interests that differ from yours and may vote in a way with which you disagree, and which may be adverse to your interests. This concentrated control may have the effect of delaying, preventing or deterring a change in control of us, could deprive our stockholders of an opportunity to receive a premium for their capital stock as part of a sale of us, and might ultimately affect the market price of shares of our Class A common stock. If additional shares of our Class B common stock are issued, your shares and your votes may be significantly diluted. We cannot predict the impact our dual class structure may have on the stock price of our Class A common stock. We cannot predict whether our dual class structure will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple- class share structures in certain of their indexes. Under these policies, our dual class capital structure would make us ineligible for inclusion in certain indices, and as a result, mutual funds, exchange- traded funds and other investment vehicles that attempt to passively track those indices will not be investing in our stock. It is unclear what effect, if any, these policies will have on the valuations of publicly traded companies excluded from such indices, but it is possible that they may depress valuations, as compared to similar companies that are included. As a result, the market price of shares of our Class A common stock could be adversely affected. Delaware law and provisions in our certificate of incorporation and bylaws could make a takeover proposal more difficult. Our organizational documents are governed by Delaware law. Certain provisions of Delaware law and of our certificate of incorporation and bylaws could discourage, delay, defer or prevent a merger, tender offer, proxy contest or other change of control transaction that a stockholder might consider in its best interest, including those attempts that might result in a premium over the market price for the shares of our Class A common stock held by our stockholders. These provisions provide for, among other things: ~~•~~ the ability of our ~~board~~ **Board** ~~of directors~~ to issue one or more series of preferred stock; ~~•~~ stockholder action by written consent only until the first time when Dr. Rothberg ceases to beneficially own a majority of the voting power of our capital stock; ~~•~~ certain limitations on convening special stockholder meetings; ~~•~~ advance notice for nominations of directors by stockholders and for stockholders to include matters to be considered at our annual meetings; ~~•~~ amendment of certain provisions of the organizational documents only by the affirmative vote of (i) a majority of the voting power of our capital stock so long as Dr. Rothberg beneficially owns shares representing a majority of the voting power of our capital stock and (ii) at least two- thirds of the voting power of the capital stock from and after the time that Dr. Rothberg ceases to beneficially own shares representing a majority of our voting power; and ~~•~~ a dual- class common stock structure with 20 votes per share of our Class B common stock, the result of which is that Dr. Rothberg has the ability to control the outcome of matters requiring stockholder approval, even though Dr. Rothberg owns less than a majority of the outstanding shares of our capital stock. These anti- takeover provisions as well as certain provisions of Delaware law could make it more difficult for a third party to acquire us, even if the third party' s offer may be considered beneficial by many of our stockholders. As a result, our stockholders may be limited in their ability to obtain a premium for their shares. If prospective takeovers are not consummated for any reason, we may experience negative reactions from the financial markets, including negative impacts on the price of our **Class A** common stock. These provisions could also discourage proxy contests and make it more difficult for our stockholders to elect directors of their choosing and to cause us to take other corporate actions that our stockholders desire. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings and the federal district courts as the sole and exclusive forum for other types of actions and proceedings, in each case, that may be initiated by our stockholders, which could limit our stockholders' ability to obtain what such stockholders believe to be a favorable judicial forum for disputes with us or our directors, officers or other employees. Our certificate of incorporation provides that, unless we consent to the selection of an alternative forum, any (i) derivative action or proceeding brought on behalf of us; (ii) action asserting a claim of breach of a fiduciary duty owed by, or any other wrongdoing by, any current or former director, officer or other employee or stockholder of ours; (iii) action asserting a claim against us or any director or

officer arising pursuant to any provision of the General Corporation Law of the State of Delaware (“ DGCL ”) or our certificate of incorporation or our bylaws; or (iv) action to interpret, apply, enforce, or determine the validity of any provisions in the certificate of incorporation of bylaws; or (v) action asserting a claim against us or any director or officer of ours governed by the internal affairs doctrine, shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have subject matter jurisdiction thereof, the federal district court of the State of Delaware. Subject to the foregoing, the federal district courts of the United States are the exclusive forum for the resolution of any action, suit or proceeding asserting a cause of action under the Securities Act. The exclusive forum provision does not apply to suits brought to enforce any liability or duty created by the Exchange Act. Any person or entity purchasing or otherwise acquiring an interest in any shares of our capital stock shall be deemed to have notice of and to have consented to the forum provisions in our certificate of incorporation. These choice- of- forum provisions may limit a stockholder’ s ability to bring a claim in a judicial forum that he, she or it believes to be favorable for disputes with us or our directors, officers or other employees or stockholders, which may discourage such lawsuits. We note that there is uncertainty as to whether a court would enforce these provisions and that investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for state and federal courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Alternatively, if a court were to find these provisions of our certificate of incorporation inapplicable or unenforceable with respect to one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition, results of operations and cash flows and result in a diversion of the time and resources of our management and ~~board~~ **Board** ~~of directors~~ . ITEM 1B. UNRESOLVED STAFF COMMENTS