Risk Factors Comparison 2023-08-23 to 2022-08-24 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text Moved Text Section

Set forth below are risks and uncertainties we believe are material to our investors. You should refer to the explanation of the qualifications and limitations on forward- looking statements in the section titled Information Relating to Forward- Looking Statements at the beginning of this Annual Report on Form 10- K. Economic and Industry Risks Conditions in the global economy, the particular markets we serve and the financial markets, whether brought about by material global crises or other factors, may adversely affect our business and financial results. Our business is sensitive to global economic conditions. Slower economic growth in the domestic or international markets, inflation, recession, volatility in the credit and currency markets, high levels of unemployment or underemployment, labor availability constraints, changes or anticipation of potential changes in government trade, fiscal, tax or monetary policies, government budget dynamics (particularly in the healthcare and scientific research areas), and other challenges in the global economy have in the past adversely affected, and may in the future adversely affect, the Company and its distributors, customers, and suppliers. In the past three years, COVID- 19 has had, and **may** ~~likely will~~ continue to have, an adverse impact on the global economy, including as a result of impacts associated with protective health measures that we, other businesses and governments are taking or might have to take again in the future to manage the pandemic For example, as the world has grappled with the COVID- 19 pandemic, some governments, including the People' s Republic of China, ~~have continued to impose~~ **imposed** strict " stay- at- home " orders to manage the pandemic, which ~~have~~ **has** significantly impacted the economy in that country and our business there. ~~Should~~ **While** these restrictions ~~continue in China or~~ **have now lifted,** if they ~~are~~ **were to be** imposed again **in China or** elsewhere, our business could be materially impacted. Without limiting the foregoing, we have experienced and / or may in the future experience: ● If growth in the global economy or in any of the markets we serve slows for a significant period, if there is significant deterioration in the global economy or such markets or if improvements in the global economy do not benefit the markets we serve, our business and financial results can be adversely affected. International political, compliance and business factors, including the military conflict in Ukraine and the United Kingdom' s withdrawal from the European Union, can negatively impact our operations and financial results. We engage in business globally, with approximately ~~42~~ **43** % of our sales revenue in fiscal ~~2022~~ **2023** coming from outside the U. S. Changes, potential changes or uncertainties in social, political, regulatory **,** and economic conditions or laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we or our customers operate, or governing the health care system, can adversely affect our business and financial results. For example, Congress and the U. S. administration ~~are also considering significant~~ **have sought to impose** changes to healthcare in the United States, including government negotiation / regulation of drug prices paid by government programs. Such impacts could negatively impact certain markets we serve, resulting in **an** adverse impact on our sales revenue. Political and military conflicts may disrupt our business or negatively impact global economic or business conditions. For example, Russia' s military invasion of Ukraine, and the response by the US and European countries to that invasion, have caused severe political, humanitarian and economic crises, not only in Europe but globally. Restrictions on trade, particularly involving certain foods and energy supplies, have increased prices, led to widespread inflation and otherwise aggravated the economic challenges resulting from the COVID- 19 pandemic. While we have not historically had significant business in either Russia or Ukraine, the broader impact of the conflict could negatively impact our operations and financial results ~~. Additionally, the UK' s exit from the European Union at the end of calendar year 2020 continues to create political and economic uncertainty, particularly in the UK and the EU, having disrupted the free flow of goods and people between the UK and the EU. In addition, our business could be negatively affected by new trade agreements between the UK and other countries, including the United States, and by the possible imposition of trade or other regulatory barriers in the UK. Any of these factors have affected and could continue to adversely affect customer demand, our relationships with customers and suppliers, and our business and financial results, particularly since our European headquarters and primary shipping facilities have traditionally been centered in the UK~~ . One of our strategies is to expand geographically, particularly in China, India and in developing countries, both through distribution and through direct operations. This subjects us to a number of risks, including international economic, political, and labor conditions; currency fluctuations; tax laws (including U. S. taxes on foreign subsidiaries); increased financial accounting and reporting burdens and complexities; unexpected changes in, or impositions of, legislative or regulatory requirements; failure of laws to protect intellectual property rights adequately; inadequate local infrastructure and difficulties in managing and staffing international operations; delays resulting from difficulty in obtaining export licenses for certain technology; tariffs, quotas and other trade barriers and restrictions; transportation delays; operating in locations with a higher incidence of corruption and fraudulent business practices; and other factors beyond our control, including terrorism, war, natural disasters, climate change and diseases. **In addition, geopolitical tensions with these countries could exacerbate these risks.** The application of laws and regulations impacting global transactions is often unclear and may at times conflict. Compliance with these laws and regulations may involve significant costs or require changes in our business practices that result in reduced revenue and profitability. Non- compliance could also result in fines, damages, criminal sanctions, prohibited business conduct, and damage to our reputation. We incur additional legal compliance costs associated with our global operations and could become subject to legal penalties in foreign countries if we do not comply with local laws and regulations, which may be substantially different from those in the U. S. We continue to expand our operations in countries with developing economies, where it may be common to engage in business practices that are prohibited by U. S. regulations applicable to the Company, such as the Foreign Corrupt Practices Act. Although we implement policies and procedures designed to ensure compliance with these laws, there can be no assurance that

all of our employees, contractors, and agents, as well as those companies to which we outsource certain aspects of our business operations, including those based in foreign countries where practices which violate such U. S. laws may be customary, will comply with our internal policies. Any such non- compliance, even if prohibited by our internal policies, could have an adverse effect on our business and result in significant fines or penalties. The healthcare and life sciences industries that we serve face constant pressures and changes in an effort to reduce healthcare costs or increase their predictability, all of which may adversely affect our business and financial results. Our Protein Sciences segment products are sold primarily to research scientists at pharmaceutical and biotechnology companies and at university and government research institutions. In addition to the impacts described above relating to COVID- 19, research and development spending by our customers and the availability of government research funding can fluctuate due to changes in available resources, mergers of pharmaceutical and biotechnology companies, spending priorities, general economic conditions and institutional and governmental budgetary policies. ~~We carry essentially no 17backlog of orders and changes in the level of orders received and filled daily can cause fluctuations in quarterly revenues and earnings. Our~~ **18Our Diagnostics and** Genomics ~~and Diagnostics~~ segment ~~includes~~ products **are intended primarily** for the medical diagnostics market, which relies largely on government healthcare- related policies and funding. Changes in government reimbursement for certain diagnostic tests or reductions in overall healthcare spending could negatively impact us directly or our customers and, correspondingly, our sales to them. For example, our Exosome Diagnostics business develops and sells novel exosome- based diagnostic tests. While we received public payer coverage for certain uses, we are currently seeking expanded coverage from public payors as well as coverage decisions regarding reimbursement from additional private payers. However, the process and timeline for obtaining coverage decisions is uncertain and difficult to predict. Further, reimbursement reductions due to changes in policy regarding coverage of tests or other requirements for payment (such as prior authorization, diagnosis code and other claims edits, or a physician or qualified practitioner' s signature on test requisitions) may be implemented from time to time. **Additionally, the U. S. government' s plans to manage prescription drug prices, as well as its recently announced intention to regulate lab developed tests, may impact the customers and industries we serve by increasing the cost of commercializing and / or limiting the profitability of commercialized products.** All of these payor actions and changes may have a material adverse effect on revenue and earnings associated with our diagnostics products. Acquisition and Investment RisksOur inability to complete acquisitions at our historical rate and at appropriate prices, and to make appropriate investments that support our long- term strategy, could negatively impact our growth rate and stock price. One of our key strategies is growth through acquisition of other businesses and assets. Our ability to grow revenues, earnings and cash flow at or above our historic rates depends in part upon our ability to identify and successfully acquire and integrate businesses at appropriate prices and realize anticipated synergies, and to make appropriate investments that support our long- term strategy. We may not be able to consummate acquisitions at rates similar to the past, which could adversely impact our growth rate and our stock price. Promising acquisitions and investments are difficult to identify and complete for a number of reasons, including high valuations, competition among prospective buyers or investors, the availability of affordable funding in the capital markets and the need to satisfy applicable closing conditions and obtain applicable antitrust and other regulatory approvals on acceptable terms. Changes in accounting or regulatory requirements or instability in the credit markets could also adversely impact our ability to consummate acquisitions and investments. Our acquisition of businesses, investments, joint ventures and other strategic relationships, if not properly implemented or integrated, could negatively impact our business and financial results. As part of our business strategy **,** we acquire businesses, make investments and enter into joint ventures and other strategic relationships in the ordinary course **of business** , and we also from time to time complete more significant transactions. **At** ~~We joined with two partners to establish a collaborative marketing venture, ScaleReady LLC, to address the needs of the rapidly expanding cell and gene therapy market, and subsequently announced that we had entered into an option agreement to potentially invest in and then~~ - **the beginning** ~~acquire one~~ of **this** ~~those partners, Wilson Wolf Manufacturing. More recently, subsequent to the end of our~~ fiscal year, we ~~acquired~~ **completed the acquisition of** Namocell ~~Inc.~~ , a single cell sorting and dispensing platform company **. Bio- Techne also obtained a 19. 9 % ownership stake in Wilson Wolf and will acquire the remaining ownership no later than the end of calendar year 2027. We have also continued participating in our collaborative marketing venture, ScaleReady LLC, with Wilson Wolf and another partner, and which addresses the needs of the rapidly expanding cell and gene therapy market.** While we believe these business ventures will advance our business strategies and support our growth plans, we may not be successful in managing or integrating them into our company. Acquisitions, investments, joint ventures and strategic relationships involve a number of additional financial, accounting, managerial, operational, legal, compliance and other risks and challenges, including but not limited to the following, any of which could adversely affect our business and our financial results: ● businesses, technologies, services and products that we acquire or invest in sometimes under- perform relative to our expectations and the price that we paid, fail to perform in accordance with our anticipated timetable or fail to achieve and / or sustain profitability; ● we from time to time incur or assume debt in connection with our acquisitions and investments, which can result in increased borrowing costs and interest expense and diminish our future access to the capital markets; ● acquisitions, investments, joint ventures or strategic relationships can cause our financial results to differ from our own or the investment community' s expectations in any given period, or over the long- term; ~~18~~ **19** ● acquisitions, investments, joint ventures or strategic relationships can create demands on our management, operational resources and financial and internal control systems that we may be unable to effectively address; ● we can experience difficulty in integrating cultures, personnel, operations and financial and other controls and systems and retaining key employees and customers; ● we may be unable to achieve cost savings or other synergies anticipated in connection with an acquisition, investment, joint venture or strategic relationship; ● we have assumed and may assume unknown liabilities, known contingent liabilities that become realized, known liabilities that prove greater than anticipated, internal control deficiencies or exposure to regulatory sanctions resulting from the acquired company' s or investee' s activities and the realization of any of these liabilities or deficiencies can increase our expenses, adversely affect our financial position or cause us to fail to meet our

public financial reporting obligations; ● in connection with acquisitions and joint ventures, we often enter into post- closing financial arrangements such as purchase price adjustments, earn- out obligations and indemnification obligations, which can have unpredictable financial results; and ● investing in or making loans to early- stage companies often entails a high degree of risk, and we may not always achieve the strategic, technological, financial or commercial benefits we anticipate; we may lose our investment or fail to recoup our loan; or our investment may be illiquid for a greater- than- expected period of time. We may be required to record a significant charge to earnings if our goodwill and other amortizable intangible assets or other investments become impaired, which could negatively impact our financial results or stock price. We are required under generally accepted accounting principles to test goodwill for impairment at least annually and to review our goodwill, amortizable intangible assets, and other assets acquired through merger and acquisition activity for impairment when events or changes in circumstance indicate the carrying value may not be recoverable. Factors that could lead to impairment of goodwill, amortizable intangible assets, and other assets acquired via acquisitions include significant adverse changes in the business climate and actual or projected operating results (affecting our company as a whole or affecting any particular segment) and declines in the financial condition of our business. We may be required in the future to record additional charges to earnings if our goodwill, amortizable intangible assets or other investments become impaired. Any such charge would adversely impact our financial results. In addition, the Company' s expansion strategies include collaborations and investments in joint ventures and companies developing new products related to the Company' s business. These strategies carry risks that objectives will not be achieved and future earnings will be adversely affected. Strategic and Operational RisksOur success will be dependent on recruiting and retaining highly qualified and diverse personnel and creating and maintaining a culture that successfully integrates the employees joining through acquisitions. Recruiting and retaining qualified scientific, production, sales and marketing, and management personnel representing diverse backgrounds, experiences and skill sets are critical to our success. The market for highly skilled workers and leaders in our businesses, particularly in the areas of science and technology, is extremely competitive. ~~In~~ **While retention improved in** fiscal ~~2022~~ **2023**, a number of our businesses and departments **continued to face recruitment and retention challenges, and** faced labor availability constraints and inflationary costs ~~. In general, we have been experiencing turnover at higher rates than usual and have had some difficulties filling certain positions. In particular, we operate in several geographic locations where competition for talent is strong, making employee retention even more challenging. For example, some of our fastest growing businesses are located in California and Massachusetts, both of which in the last several years have had low unemployment and a particularly competitive environment for finding and retaining talent~~. Our growth by acquisition also creates challenges in retaining employees. As we integrate past and future acquisitions and evolve our corporate culture to incorporate ~~the~~ new workforces, some employees may not find such integration or cultural changes appealing. Finally, as the geographies in which we operate recover from the recent ~~19pandemic~~ -- **pandemic** and we return employees who had been working from home back to our sites, we may not be able to retain people who prefer continuing to work from home full time. The failure to attract and retain such personnel could adversely affect our business. ~~Our~~ **20Our** growth depends in part on the timely development and commercialization of new and enhanced products and services that meet our customers' needs. Our growth can also be negatively impacted if our customers do not grow as anticipated. We generally sell our products and services in industries that are characterized by rapid technological change, frequent new product introductions and new market entrants and competitors. If we do not develop innovative new and enhanced products and services on a timely basis, our offerings will become obsolete over time and our business and financial results will suffer. Our success will depend on several factors, including our ability to: ● correctly identify and / or predict customer needs and preferences; ● allocate our research funding to products with higher growth prospects; ● anticipate and respond to our competitors' development of new products and technological innovations; ● differentiate our offerings from our competitors' offerings and avoid our products from becoming commodities; ● innovate and develop new technologies and applications, and acquire or obtain rights to third- party technologies that may have valuable applications in the markets we serve; ● obtain adequate intellectual property rights with respect to key technologies; ● successfully commercialize new technologies in a timely manner, price them competitively and cost- effectively manufacture and deliver sufficient volumes of new products of appropriate quality on time; ● obtain necessary regulatory approvals of appropriate scope (including with respect to certain diagnostic medical device products by demonstrating satisfactory clinical results where applicable, as well as achieving third- party reimbursement); and ● stimulate customer demand for and convince customers to adopt new technologies. If we fail to accurately predict future customer needs and preferences or fail to produce viable technologies, we may invest heavily in research and development of products that do not lead to significant revenue, which would adversely affect our business and financial results. Even when we successfully innovate and develop new and enhanced products, we often incur substantial costs in doing so, and our profitability may suffer. We face intense competition, and if we are unable to compete effectively, we may experience decreased demand and decreased market share or need to reduce prices to remain competitive. We face intense competition across most of our product lines. Competitors include companies ranging from start- up companies, which may be able to more quickly respond to customers' needs, to large multinational companies, which may have greater financial, marketing, operational, and research and development resources than us. In addition, consolidation trends in the pharmaceutical, biotechnology and diagnostics industries have served to create fewer customer accounts and to concentrate purchasing decisions for some customers, resulting in increased pricing pressure on us. Moreover, customers may believe that consolidated businesses are better able to compete as sole source vendors, and therefore prefer to purchase from such businesses. The entry into the market by manufacturers in countries in Asia and other low- cost manufacturing locations is also creating increased pricing and competitive pressures, particularly in developing markets. In order to compete effectively, we must retain longstanding relationships with major customers and continue to grow our business by establishing relationships with new customers, continually developing new products and services to maintain and expand our brand recognition and leadership position in various product and service categories and penetrating new ~~20markets~~ -- **markets**, including high- growth markets. Our ability to compete can also be

impacted by changing customer preferences and requirements (for example increased demand for more environmentally-friendly products and supplier practices). Our failure to compete effectively and / or pricing pressures resulting from competition may adversely impact our business and financial results, and our expansion into new markets may result in greater- than-expected risks, liabilities and expenses. ~~A~~ **21A** significant disruption in, or breach of security of, our information technology systems or data, or violation of data privacy laws, could result in damage to our reputation, data integrity and / or subject us to costs, fines, or lawsuits under data privacy or other laws or contractual requirements. The integrity and protection of our own data, and that of our customers and employees, is critical to our business. We rely on information technology systems, some of which are provided and / or managed by third parties, to process, transmit and store electronic information (including sensitive data such as confidential business information and personally identifiable data relating to employees, customers, other business partners and patients), and to manage or support a variety of critical business processes and activities (such as receiving and fulfilling orders, billing, collecting and making payments, shipping products, providing services and support to customers and fulfilling contractual obligations). These systems, products and services (including those we acquire through business acquisitions) can be damaged, disrupted or shut down due to attacks by computer hackers, computer viruses, ransomware, human error or malfeasance, power outages, hardware failures, telecommunication or utility failures, catastrophes or other unforeseen events, and in any such circumstances our system redundancy and other disaster recovery planning may be ineffective or inadequate. Attacks can also target hardware, software and information installed, stored or transmitted in our products after such products have been purchased and incorporated into third- party products, facilities or infrastructure. Security breaches of systems provided or enabled by us, regardless of whether the breach is attributable to a vulnerability in our products or services, or security breaches of third party systems we rely on to process, store or transmit electronic information, can result in the misappropriation, destruction or unauthorized disclosure of confidential information or personal data belonging to us or to our employees, partners, customers, patients or suppliers. These attacks, breaches, misappropriations and other disruptions and damage can interrupt our operations or the operations of our customers and partners, delay production and shipments, result in theft of our and our customers' intellectual property and trade secrets, result in disclosure of personally identifiable information, damage customer, patient, business partner and employee relationships and our reputation and result in defective products or services, legal claims and proceedings, liability and penalties under privacy laws and increased costs for security and remediation, in each case resulting in an adverse effect on our business and financial results. In addition, our information technology systems require an ongoing commitment of significant resources to maintain and enhance existing systems and develop or integrate new systems to keep pace with continuing changes in information processing technology, evolving legal and regulatory standards, evolving customer expectations, changes in the techniques used to obtain unauthorized access to data and information systems, and the information technology needs associated with our changing products and services. There can be no assurance that we will be able to successfully maintain, enhance and upgrade our systems as necessary to effectively address these requirements. If we are unable to maintain reliable information technology systems or appropriate controls with respect to global data privacy and security requirements and prevent data breaches, we may suffer regulatory consequences in addition to business consequences. As a global organization, we are subject to data privacy and security laws, regulations, and customer- imposed controls in numerous jurisdictions as a result of having access to and processing confidential, personal and / or sensitive data in the course of our business. For example, in the United States, a small number of our businesses are subject to HIPAA. Entities that violate HIPAA due to a breach of unsecured patient health information, or that arise from a complaint about privacy practices or an audit by the HHS, may be subject to significant civil, criminal and administrative fines and penalties and / or additional reporting and oversight obligations if required to enter into a resolution agreement and corrective action plan with HHS to settle allegations of HIPAA non- compliance. Individual states regulate data breach and security requirements **,** and multiple governmental bodies assert authority over aspects of the protection of personal privacy. Most notably, in the last several years, some states, including California, Virginia, Utah, Colorado and Connecticut, have passed broad privacy legislation that could result in more material impacts as ~~new~~ **implementing** regulations are issued. European laws require us to have an approved legal mechanism to transfer personal data out of Europe. Failure to comply with the requirements of GDPR and the applicable national data protection laws of the EU member states may result in ~~significant~~ fines **of up to € 20 million or up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher,** and other administrative penalties. Several other countries such as China and Russia have passed, and other countries are considering passing, laws that require personal data relating to their citizens to be maintained on local servers and impose additional data transfer restrictions. Government enforcement actions can be costly and interrupt the ~~21regular~~ -- **regular** operation of our business, and data breaches or violations of data privacy laws can result in fines, reputational damage and civil lawsuits, any of which may adversely affect our business, reputation and financial results. ~~If~~ **22If** we suffer loss to our supply chains, distribution systems or information technology systems due to catastrophe or other events, our operations could be seriously harmed. Our supply chains, distribution systems and information technology systems may be subject to catastrophic loss due to fire, flood, earthquake, hurricane, power shortage or outage, public health crisis (including epidemics and pandemics) and the reaction thereto, war, terrorism, riot or other ~~natural or~~ man- made **or natural** disasters, such as the COVID-19 pandemic. If any of these supply chains or systems were to experience a catastrophic loss, it could disrupt our operations, delay production and shipments, result in defective products or services, diminish demand, damage customer relationships and our reputation and result in legal exposure and significant repair or replacement expenses. The third- party insurance coverage that we maintain varies from time to time in both type and amount depending on cost, availability and our decisions regarding risk retention, and may be unavailable or insufficient to protect us against such losses. The manufacture of many of our products is a complex process, and if we directly or indirectly encounter problems manufacturing products, our business and financial results could suffer. The manufacture of many of our products is a complex process, due in part to strict regulatory requirements for some of our products. Problems can arise during manufacturing for a variety of reasons, including equipment malfunction,

failure to follow specific protocols and procedures, problems with reliable sourcing of raw materials or components, natural disasters and environmental factors, and if not discovered before the product is released to market can result in recalls and product liability exposure. Because of the quality requirements of some of our customers as well as stringent regulations of the FDA and similar agencies regarding the manufacture of certain of our products, alternative manufacturing or sourcing is not always available on a timely basis to replace such production capacity. Any of these manufacturing problems could result in significant adverse impacts to our business and financial results. If we cannot adjust our manufacturing capacity or the purchases required for our manufacturing activities to reflect changes in market conditions ~~and~~ **or** customer demand, our business and financial results may suffer. In addition, our reliance upon sole or limited sources of supply for certain materials, components and services can cause production interruptions, delays and inefficiencies. We purchase materials, components and equipment from third parties for use in many of our manufacturing operations. Our profitability could be adversely impacted if we are unable to adjust our purchases to reflect changes in customer demand and market fluctuations, including those caused by seasonality or cyclicality. During a market upturn, suppliers from time to time extend lead times, limit supplies or increase prices. If we cannot purchase sufficient products at competitive prices and quality and on a timely enough basis to meet increasing demand, we may not be able to satisfy market demand, product shipments may be delayed, our costs may increase, or we may breach our contractual commitments and incur liabilities. Conversely, in order to secure supplies for the production of products, we sometimes enter into noncancelable purchase commitments with vendors, which can impact our ability to adjust our inventory to reflect declining market demands. If demand for our products is less than we expect, we may experience additional excess and obsolete inventories and be forced to incur additional charges and our business and financial results may suffer. In addition, some of our businesses purchase certain requirements from sole or limited source suppliers for reasons of quality assurance, regulatory requirements, cost effectiveness, availability or uniqueness of design. If these or other suppliers encounter financial, operating or other difficulties or if our relationship with them changes, we might not be able to quickly establish or qualify replacement sources of supply. The supply chains for our businesses can also be disrupted by supplier capacity constraints, bankruptcy or exiting of the business for other reasons, decreased availability of key raw materials or commodities and external events such as natural disasters, pandemic health issues, war, terrorist actions, governmental actions (such as trade protectionism) and legislative or regulatory changes. Any of these factors can result in production interruptions, delays, extended lead times and inefficiencies. Because we cannot always immediately adapt our production capacity and related cost structures to changing market conditions, at times our manufacturing capacity exceeds or falls short of our production requirements. Any or all of these problems can result in the loss of customers, provide an opportunity for competing products to gain market acceptance and otherwise adversely affect our business and financial results. ~~22The~~ **23The** Company relies heavily on internal manufacturing and related operations to produce, package and distribute its products which, if disrupted, could materially impair our business operations. Our business could be adversely affected by disruptions at our sites. The Company' s internal quality control, packaging and distribution operations support the majority of the Company' s sales. Since certain Company products must comply with FDA regulations and because in all instances, the Company creates value for its customers through the development of high- quality products, any significant decline in quality or disruption of operations for any reason could adversely affect sales and customer relationships, and therefore adversely affect the business. While we have taken certain steps to manage these operational risks, the Company' s future sales growth and earnings may be adversely affected by perceived disruption risks or actual disruptions. We rely upon our manufacturing operations to produce many of the products we sell and our warehouse facilities to store products, pending sale. Any significant disruption of those operations for any reason, such as strikes or other labor unrest, power interruptions, fire, hurricanes or other events beyond our control could adversely affect our sales and customer relationships and therefore adversely affect our business. We have significant operations in California, near major earthquake faults, which make us susceptible to earthquake risk. Although most of our raw materials are available from a number of potential suppliers, our operations also depend upon our ability to obtain raw materials at reasonable prices. If we are unable to obtain the materials we need at a reasonable price, we may not be able to produce certain of our products or we may not be able to produce certain of these products at a marketable price, which could have an adverse effect on our results of operations. Climate change, or legal or regulatory measures to address climate change, may negatively affect us. Climate change resulting from increased concentrations of carbon dioxide and other greenhouse gases in the atmosphere could present risks to our operations. For example, we have significant operations in California, where serious drought has made water less available and more costly and has increased the risk of wildfires. Changes in climate patterns leading to extreme heat waves or unusual cold weather at some of our locations can lead to increased energy usage and costs, or otherwise adversely impact our facilities and operations and disrupt our supply chains and distribution systems. Concern over climate change can also result in new or additional legal or regulatory requirements designed to reduce greenhouse gas emissions or mitigate the effects of climate change on the environment. Any such new or additional legal or regulatory requirements may increase the costs associated with, or disrupt, sourcing, manufacturing and distribution of our products, which may adversely affect our business and financial results. In addition, any failure to adequately address stakeholder expectations with respect to environmental, social and governance (" ESG ") matters may result in the loss of business, adverse reputational impacts, diluted market valuations and challenges in attracting and retaining customers and talented employees. In addition, our adoption of certain standards or mandated compliance to certain requirements could necessitate additional investments that could impact our profitability. Defects ~~and~~ **,** unanticipated use **of,** or inadequate disclosure with respect to our products, or allegations thereof, can adversely affect our business and financial results. Certain of our products and services are sold for use in diagnostics. For those products and services in particular, manufacturing or design defects in, unanticipated use of, safety or quality issues (or the perception of such issues) with respect to, " off label " use of, or inadequate disclosure of risks relating to the use of products and services that we make or sell (including items that we source from third- parties) can lead to personal injury, death, and / or property damage and adversely affect our business and financial results. These events can lead to recalls or

safety alerts, result in the removal of a product or service from the market and result in product liability or similar claims being brought against us. Recalls, removals and product liability and similar claims (regardless of their validity or ultimate outcome) result in significant costs, as well as negative publicity and damage to our reputation that could reduce demand for our products and services. Our business can also be affected by studies of the utilization, safety and efficacy of medical device products and components that are conducted by industry participants, government agencies and others. Any of the above can result in the discontinuation of marketing of such products in one or more countries and give rise to claims for damages from persons who believe they have been injured as a result of product issues, including claims by individuals or groups seeking to represent a class. ~~23Because~~ **24Because** we rely heavily on third- party package- delivery services, a significant disruption in these services or significant increases in prices may disrupt our ability to ship products, increase our costs and lower our profitability. Most of our reagent products need to be stored and shipped at certain cold temperatures. Consequently, we ship a significant portion of our products to our customers by express mail or air delivery through package delivery companies, such as FedEx in the U. S. and DHL in Europe. If one or more of these third- party package- delivery providers were to experience a major work stoppage, preventing our products from being delivered in a timely fashion or causing us to incur additional shipping costs we could not pass on to our customers, our costs could increase and our relationships with certain of our customers could be adversely affected. In addition, if one or more of these third- party package- delivery providers were to increase prices, and we were not able to find comparable alternatives or make adjustments in our delivery network, our profitability could be adversely affected. Intellectual Property RisksWe are dependent on maintaining our intellectual property rights. If we are unable to adequately protect our intellectual property, or if third parties infringe our intellectual property rights, we may suffer competitive injury or expend significant resources enforcing our rights. Many of the markets we serve are technology- driven, and as a result intellectual property rights play a significant role in product development and differentiation. We own numerous patents, trademarks, copyrights, trade secrets and other intellectual property and licenses to intellectual property owned by others, which in aggregate are important to our business. The intellectual property rights that we obtain, however, are not always sufficiently broad and do not always provide us a significant competitive advantage, and patents may not be issued for pending or future patent applications owned by or licensed to us. In addition, the steps that we and our licensors have taken to maintain and protect our intellectual property do not always prevent it from being challenged, invalidated, circumvented, designed around or becoming subject to compulsory licensing. In some circumstances, enforcement is not available to us because an infringer has a dominant intellectual property position or for other business reasons. We also rely on nondisclosure and noncompetition agreements with employees, consultants and other parties to protect, in part, trade secrets and other proprietary rights. There can be no assurance that these agreements adequately protect our trade secrets and other proprietary rights and will not be breached, that we will have adequate remedies for any breach, that others will not independently develop substantially equivalent proprietary information or that third parties will not otherwise gain access to our trade secrets or other proprietary rights. These risks are particularly pronounced in countries in which we do business that do not have levels of protection of corporate proprietary information, intellectual property, technology and other assets comparable to the United States. We operate globally, with manufacturing operations in China and the UK, and approximately ~~42~~ **43** % of our revenue in fiscal ~~2022~~ **2023** was from outside the United States. The laws, regulations and enforcement mechanisms in other countries may in some cases be less protective of our intellectual property rights. Our failure to obtain or maintain intellectual property rights that convey competitive advantage, adequately protect our intellectual property or detect or prevent circumvention or unauthorized use of such property and the cost of enforcing our intellectual property rights can adversely impact our business and financial results. We may be involved in disputes to determine the scope, coverage and validity of others' proprietary rights, or to defend against third- party claims of intellectual property infringement, any of which could be time- intensive and costly and may adversely impact our business. Our success depends in part on our ability to operate without infringing the proprietary rights of others, and to obtain licenses where necessary or appropriate. We have obtained and continue to negotiate licenses to produce a number of products claimed to be owned by others. Since we have not conducted a patent infringement study for each of our products, it is possible that some of our products may unintentionally infringe patents of third parties. We have been and may in the future be sued by third parties alleging that we are infringing their intellectual property rights. These lawsuits are expensive, take significant time, and divert management' s focus from other business concerns. If we are found to be infringing the intellectual property of others, we could be required to cease certain activities, alter ~~24our~~ **25our** products or processes or pay licensing fees. This could cause unexpected costs and delays which may have a material adverse effect on us. If we are unable to obtain a required license on acceptable terms, or unable to design around any third party patent, we may be unable to sell some of our products and services, which could result in reduced revenue. In addition, if we do not prevail, a court may find damages or award other remedies in favor of the opposing party in any of these suits, which may adversely affect our earnings. Financial and Tax RisksWe have entered into and drawn on a revolving credit facility, and we may incur additional debt in the future. The burden of this additional debt could adversely affect us, make us more vulnerable to adverse economic or industry conditions, and prevent us from funding our expansion strategy. We currently have a Credit Agreement that provides for a revolving credit facility of $ ~~600~~ **1** ~~million~~ **billion** , which can be increased by an additional $ ~~200~~ **400** million subject to certain conditions ~~, and a term loan of $ 250 million~~ . Borrowings under the Credit Agreement bear interest at a variable rate. As of August ~~19~~ **18** , ~~2022~~ **2023** , the Company had drawn $ ~~346~~ **490** million under the Credit Agreement. The terms of the Credit Agreement and the burden of the indebtedness incurred thereunder could have negative consequences for us, such as: ● limiting our ability to obtain additional financing to fund our working capital, capital expenditures, debt service requirements, expansion strategy, or other needs; ● increasing our vulnerability to, and reducing our flexibility in planning for, adverse changes in economic, industry and competitive conditions; and ● increasing our vulnerability to increases in interest rates. The Credit Agreement also contains negative covenants that limit our ability to engage in specified types of transactions. These covenants limit our ability to, among other things, sell, lease or transfer any properties or assets, with certain exceptions; and enter into certain merger, consolidation

or other reorganization transactions, with certain exceptions. A breach of any of these covenants could result in an event of default under our credit facility. Upon the occurrence of an event of default, the lender could elect to declare all amounts outstanding under such facility to be immediately due and payable and terminate all commitments to extend further credit. In addition, the Company would be subject to additional restrictions if an event of default exists under the Credit Agreement, such as a prohibition on the payment of cash dividends. Our business and financial results can be adversely affected by foreign currency exchange rates, changes in our tax rates and tax liabilities and assessments (including as a result of changes in tax laws). International markets contribute a substantial portion of our revenues, and we intend to continue expanding our presence in these regions. The exposure to fluctuations in currency exchange rates takes on different forms. International revenues and costs are subject to the risk that fluctuations in exchange rates could adversely affect our reported revenues and profitability when translated into U. S. dollars for financial reporting purposes. These fluctuations could also adversely affect the demand for products and services provided by us. As a multinational corporation, our businesses occasionally invoice third- party customers in currencies other than the one in which they primarily do business (the" functional currency"). Movements in the invoiced currency relative to the functional currency could adversely impact our cash flows and our results of operations. As our international sales grow, exposure to fluctuations in currency exchange rates could have a larger effect on our financial results. In fiscal ~~2022~~ **2023** , currency translation had an unfavorable effect of $ **21** ~~12. 5~~ million on revenues due to the strengthening of the U. S. dollar relative to other currencies in which the company sells products and services. As a global company, we are subject to taxation in numerous countries, states and other jurisdictions. In particular, we are affected by the impact of changes to tax laws or related authoritative interpretations in the United States, including tax reform under the Tax Cuts and Jobs Act which became effective in late 2017, which included broad and complex changes ~~25to~~ **26to** the United States tax code. Interpretations, assumptions and guidance regarding the Tax Act that have been issued subsequently have had a material impact on our effective tax rate, and we anticipate that there may be additional changes to the U. S. tax code ~~in the future~~ **under a new Administration** . In preparing our financial results, we record the amount of tax that is payable in each of the countries, states and other jurisdictions in which we operate. Our future effective tax rate, however, may be lower or higher than experienced in the past due to numerous factors, including a change in the mix of our profitability from country to country, changes in accounting for income taxes and recently enacted and future changes in tax laws in jurisdictions in which we operate. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations, which could have an adverse effect on our business, results of operations and cash flows. Dividends on our common stock could be reduced or eliminated in the future. For many years, our Board has declared quarterly dividends. In the future, our Board may determine to reduce or eliminate our common stock dividend in order to fund investments for growth, repurchase shares or conserve capital resources. Legal, Regulatory, Compliance and Reputational RisksOur business is subject to extensive regulation; failure to comply with these regulations could adversely affect our business and financial results. As referenced in more detail above, we and our customers must comply with a wide array of federal, state, local and international regulations, in such areas as medical device, healthcare, import and export, anticorruption, and privacy. We develop, configure and market our products to meet customer needs created by those regulations. Any significant change in regulations could reduce demand for our products or increase our expenses. For example, many of our instruments are marketed to the pharmaceutical industry for use in discovering and developing drugs and diagnostic products. Changes in the U. S. FDA' s regulation of drug or medical device products **, such as managing the price of certain prescription drugs or potentially increasing regulatory scrutiny of lab developed tests,** could have an adverse effect on the demand for these products. We have agreements relating to the sale of our products to government entities in the U. S. and elsewhere and, as a result, we are subject to various statutes and regulations that apply to companies doing business with the government (~~approximately 2~~ **less than 3** % of our fiscal ~~2022~~ **2023** sales were made to the U. S. federal government). The laws governing government contracts differ from the laws governing private contracts and government contracts may contain pricing terms and conditions that are not applicable to private contracts. We are also subject to investigation for compliance with the regulations governing government contracts. A failure to comply with these regulations could result in suspension of these contracts, criminal, civil and administrative penalties or debarment. We are subject to various local, state, federal, foreign and transnational laws and regulations, which include the operating and security standards of the U. S. FDA, the U. S. Drug Enforcement Agency (the DEA), the U. S. Department of Health and Human Services (the DHHS), and other comparable agencies and, in the future, any changes to such laws and regulations could adversely affect us. In particular, we are subject to laws and regulations concerning current good manufacturing practices. Our subsidiaries may be required to register for permits and / or licenses with, and may be required to comply with the laws and regulations of, the DEA, the FDA, the DHHS, foreign agencies and / or comparable state agencies as well as certain accrediting bodies depending upon the type of operations and location of product distribution, manufacturing and sale. The manufacture, distribution and marketing of many of our products and services, including medical devices and pharma services, are subject to extensive ongoing regulation by the FDA, the DEA, and other equivalent local, state, federal and non- U. S. regulatory authorities. In addition, we are subject to inspections by these regulatory authorities. For example,the EU has adopted the In Vitro Diagnostic Regulation (the " EU IVDR "),which imposes stricter requirements for the marketing and sale of in vitro diagnostic medical devices,including in the area of clinical evaluation requirements,quality systems and post- market surveillance.Manufacturers of in vitro diagnostics medical devices that have been marketed and sold under the prior regulatory regime now have to comply with some of the new EU IVDR requirements,while the effective date of other requirements have been delayed.Complying with EU IVDR,the regulation applicable to the Company,may require material modifications to our quality management systems,additional resources in certain functions,updates to technical files and additional clinical data in some cases,among other ~~27changes~~ -- **changes** .Failure by us or by our customers to comply with ~~the~~ **27the** requirements of the EU IVDR,or other requirements imposed by these or similar regulatory authorities,including without limitation,remediating any inspectional observations to the satisfaction of these regulatory authorities,could result in warning

letters,product recalls or seizures,monetary sanctions,injunctions to halt manufacture and distribution,restrictions on our operations,civil or criminal sanctions,or withdrawal of existing or denial of pending approvals,including those relating to products or facilities.In addition,such a failure could expose us to contractual or product liability claims,contractual claims from our customers,including claims for reimbursement for lost or damaged active pharmaceutical ingredients,as well as ongoing remediation and increased compliance costs,any or all of which could be significant. We are the sole manufacturer of a number of products for many of our customers and a negative regulatory event could impact our customers' ability to provide products to their customers. We are also subject to a variety of federal, state, local and international laws and regulations that govern, among other things, the importation and exportation of products, the handling, transportation and manufacture of substances that could be classified as hazardous, and our business practices in the U. S. and abroad such as anti- competition laws. Any noncompliance by us with applicable laws and regulations or the failure to maintain, renew or obtain necessary permits ~~26and --~~ **and** licenses could result in criminal, civil and administrative penalties and could have an adverse effect on our results of operations. Significant developments or changes in U. S. laws or policies, including changes in U. S. trade policies and tariffs and the reaction of other countries thereto, can have an adverse effect on our business and financial results. Significant developments or changes in U. S. laws and policies (including as a result of changes in party control of Congress or decisions from the U. S. Supreme Court), such as laws and policies governing foreign trade, manufacturing, and development and investment in the territories and countries where we or our customers operate, or governing the health care system and drug prices, can adversely affect our business and financial results. For example, the previous U. S. administration increased tariffs on certain goods imported into the United States and trade tensions between the United States and China escalated, with each country imposing significant, additional tariffs on a wide range of goods imported from the other country. That trade tension has not diminished under the current U. S. administration. The U. S. and China could impose other types of restrictions such as limitations on government procurement or technology export restrictions, which could affect our access to markets. These factors have adversely affected, and in the future could further adversely affect, our business and financial results. Our business and financial results can be impaired by improper conduct by any of our employees, agents or business partners. We cannot provide assurance that our internal controls and compliance systems, including our Code of Ethics and Business Conduct, protect us from unauthorized acts committed by employees, agents or business partners of ours (or of businesses we acquire or partner with) that violate U. S. and / or non- U. S. laws, including the laws governing payments to government officials, bribery, fraud, kickbacks and false claims, pricing, sales and marketing practices, conflicts of interest, competition, employment practices and workplace behavior, export and import compliance, economic and trade sanctions, money laundering and data privacy. In particular, the U. S. Foreign Corrupt Practices Act, the UK Bribery Act and similar anti- bribery laws in other jurisdictions generally prohibit companies and their intermediaries from making improper payments to government officials for the purpose of obtaining or retaining business, and we operate in many parts of the world that have experienced governmental corruption to some degree. Any such improper actions or allegations of such acts could damage our reputation and subject us to civil or criminal investigations in the United States and in other jurisdictions and related shareholder lawsuits, could lead to substantial civil and criminal, monetary and non- monetary penalties and could cause us to incur significant legal and investigatory fees. In addition, the government may seek to hold us liable for violations committed by companies in which we invest or that we acquire. We also rely on our suppliers to adhere to our supplier code of conduct, and material violations of such code of conduct could occur that could have a material effect on our business and financial results. ~~Certain~~ **28Certain** of our businesses are subject to extensive regulation by the U. S. FDA and by comparable agencies of other countries, as well as laws regulating fraud and abuse in the healthcare industry and the privacy and security of health information. Failure to comply with those regulations could adversely affect our business and financial results. ~~As stated above, certain~~ **Certain** of our products are medical devices, diagnostics tests and other products that are subject to regulation by the U. S. FDA or state CLIA regulations, by other federal and state governmental agencies, by comparable agencies of other countries and regions and by regulations governing hazardous materials and drugs- of abuse (or the manufacture and sale of products containing any such materials). The global regulatory environment has become increasingly stringent and unpredictable. Several countries that did not have regulatory requirements for medical devices have established such requirements in recent years, and other countries have expanded, or plan to expand, their existing regulations, including implementation of IVDR regulations in Europe. For example, the EU has adopted..... all of which could be significant. Failure to meet these requirements adversely impacts our business and financial results in the applicable geographies. Government authorities may conclude that our business practices do not comply with current or future statutes, regulations, agency guidance or case law. Failure to obtain required regulatory clearances before marketing our products (or before implementing modifications to or promoting additional indications or uses of our products), other violations of laws or regulations, failure to remediate inspectional observations to the satisfaction of these regulatory authorities, real or perceived efficacy or safety concerns or trends of adverse events with respect to our products (even after obtaining clearance for distribution) and unfavorable or inconsistent clinical data from existing or future clinical trials can lead to FDA Form 483 Inspectional Observations, warning letters, notices to customers, declining sales, loss of customers, loss of market share, remediation and increased compliance costs, recalls, seizures of adulterated or misbranded products, fines, expenses, injunctions, civil penalties, criminal penalties, consent decrees, administrative detentions, refusals to permit importations, partial or total shutdown of production facilities or the implementation of operating restrictions, narrowing of permitted uses for a product, refusal of the government to grant 510 (k) clearance, suspension or withdrawal of approvals, pre-market notification rescissions and other adverse effects. Further, defending against any such actions can be costly and time-consuming and may require significant personnel resources. Therefore, even if we are successful in defending against any such actions brought against us, our business may be impaired. Ensuring that our internal operations and business arrangements with third parties comply with applicable laws and regulations also involves substantial costs. More specifically, as a healthcare provider, the Company' s Exosome Diagnostics' ExoDx Prostate business is subject to extensive regulation at the federal, state,

and local levels in the U. S. and other countries where it operates. The Company' s failure to meet governmental requirements under these regulations, including those relating to billing practices and financial relationships with physicians, hospitals, and health systems, could lead to civil and criminal penalties, exclusion from participation in Medicare and Medicaid, and possibly prohibitions or restrictions on the use of its laboratories. While the Company believes that it is in material compliance with all statutory and regulatory requirements, there is a risk that government authorities might take a contrary position. Such occurrences, regardless of their outcome, could damage the Company' s reputation and adversely affect important business relationships it has with third parties. Failure to comply with privacy and security laws and regulations could result in fines, penalties and damage to the Company' s reputation and have a material adverse effect upon the Company' s business, a risk that has been elevated with ~~the~~ **recent** ~~acquisition~~ **acquisitions** ~~of Exosome Diagnostics, whose laboratory testing service is a healthcare provider~~ that ~~obtains and uses~~ - **use** protected health information **and utilize healthcare providers for laboratory resting services** . If the Company does not comply with existing or new laws and regulations related to protecting the privacy and security of personal or health information, it could be subject to monetary fines, civil penalties or criminal sanctions. In the U. S., the Health Insurance Portability and Accountability Act of 1996 (HIPAA) privacy and security regulations, including the expanded requirements under U. S. Health Information Technology for Economic and Clinical Health Act (HITECH), establish comprehensive standards with respect to the use and disclosure of protected health information (PHI) by covered entities, in addition to setting standards to protect the confidentiality, integrity and security of PHI. HIPAA restricts the Company' s ability to use or disclose PHI, without patient authorization, for purposes other than payment, treatment or healthcare operations (as defined by HIPAA), except for disclosures for various public policy purposes and other permitted purposes outlined in the privacy regulations. If the laboratory operations for the Company' s business use or disclose PHI improperly under these privacy regulations, they may incur significant fines and other penalties for wrongful use or disclosure of PHI in violation of the privacy and security regulations, including potential civil and criminal fines and penalties. ~~28~~ **29**