Risk Factors Comparison 2024-02-15 to 2023-02-16 Form: 10-K

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Our business is subject to a number of risks, including risks that may prevent us from achieving our business objectives or may adversely affect our business, financial condition, results of operations, cash flows and prospects. These risks are discussed more fully below and include, but are not limited to, risks related to: Risks related to our business and industry: • Fluctuations in our operating results due to a variety of factors; • Our ability to generate sufficient revenue, to **attain** ~~become free~~ cash ~~flow~~ **flows** ~~positive~~ **from operating activities in excess of our capital investment requirements** and to achieve and maintain profitability; • Our ability to **compete effectively; • Our ability to increase penetration into our existing customer segments and to maintain and increase the effectiveness of our commercial organization; • The size of the market for our solutions; • Our ability to** generate revenue from recently introduced **or recently announced** products **; • The timing of our introduction of new products or new product capabilities, including any delays related to such introductions** ; • Our dependency on research and development spending by research institutions; • Our ~~ability to compete effectively~~ **dependency on revenue generated from the sale of our Chromium solutions; • Doing business internationally, including in China and elsewhere in the Asia- Pacific region** ; • Our ability and the ability of our partners to ship and manufacture products to the necessary specifications and quantities, and within necessary timeframes, to meet demand; • The ability of suppliers to meet our needs and the needs of our customers; • Our products are specialized, complex and difficult to manufacture and we could experience production problems, including in sourcing raw materials and undetected errors and defects in our solutions; • Our ability to ~~increase penetration into our existing markets; • Our ability to~~ develop new products and enhance the capabilities of our existing products; • Our ~~dependency on revenue generated from the sale of our Chromium solutions; • Our~~ ability to effectively manage product transitions and forecast customer demand, including for ~~our Chromium X Series~~ **both existing and newly introduced products** ; **and** • The success of our products in achieving and sustaining scientific ~~acceptance~~ **acceptances** ~~; • Doing business internationally, including in China; and • The COVID- 19 pandemic and its impact on our customers and suppliers as well as on our operations, including supply chain disruptions, logistics, shipping and other distribution disruptions and labor shortages~~ . Risks related to our regulatory environment and taxation: • Our products could become subject to more onerous government regulation; • **Compliance with existing or** ~~Enhanced~~ **enhanced** trade tariffs, import restrictions, export restrictions, Chinese regulations or other trade barriers; • Changes in tax laws or regulations that are applied adversely to us or our customers; and • Ethical, legal, privacy and social concerns or governmental restrictions surrounding the use of the genomic and **multiomic** ~~multi- omic~~ information and gene editing. Risks related to our intellectual property, information technology and data security: • Our success will depend on our ability to obtain, maintain and protect our intellectual property rights; and • Our dependence on certain intellectual property rights that are licensed to us. Risks related to litigation and our intellectual property: • Our potential involvement in lawsuits in connection with intellectual property rights; and • Our ability to effectively protect and enforce our intellectual property rights. Risks related to ownership of our Class A common stock: • The multi- class structure of our common stock; and • The requirement of our bylaws that the State of Delaware is the exclusive forum for substantially all disputes between us and our shareholders. General risks: • Our ability to meet our publicly announced guidance or other expectations about our business; and • The volatility of the market price of our Class A common stock. The summary risk factors described above should be read together with the text of the full risk factors below in this section entitled " Risk Factors " and the other information set forth in this Annual Report on Form 10- K, including our consolidated financial statements and the related notes, as well as in other documents that we file with the SEC. The risks summarized above or described in full below are not the only risks that we face. Additional risks and uncertainties not precisely known to us or that we currently deem to be immaterial may also materially adversely affect our business, financial condition, results of operations and future growth prospects. Our operating results have in the past fluctuated significantly and may continue to 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 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: • **fluctuations in** ~~the level of~~ demand for our products, which may vary significantly ~~and result in excess capacity expenses~~ , our ability to accurately forecast ~~such~~ demand **,** and our ability to increase penetration ~~in~~ **with** our existing ~~markets~~ **customers** and **to** expand ~~into~~ **to** new ~~markets~~ **customers** ; • **changes in** general market conditions and other factors, including factors unrelated to our operating performance or the ~~operating~~ performance of our competitors; • the success of our recently introduced **and recently announced** products and new versions of existing products, and our ability to generate revenue for such products, and the introduction of ~~other~~ new products or product enhancements by us or others in our industry **including the timing of such introductions** ; • risks related to our business **and demand for our products** in China **and elsewhere in the Asia- Pacific region** , including ~~potential impacts of COVID- 19,~~ competition or other factors **; • the timing and magnitude of our price changes; • changes in volume and product mix, particularly from products with lower gross margins than other products that we sell, or changes in costs related to our instruments and consumables, including products which incur royalty payment obligations at higher rates than other products we sell** ; • changes in governmental funding of life sciences research and development or other changes that impact budgets, budget cycles or seasonal or other spending patterns of our customers; • changes in **the competitive environment, including new** product ~~mix~~ **introductions** ~~, particularly from newly~~ -- **new** ~~introduced~~ **versions of existing** products with ~~lower gross margins~~ **additional capabilities and features or pricing changes** ; • ~~the volume and mix of our instrument~~ -- **investment** ~~and consumable sales~~

decisions we make with respect to the allocation of ~~or~~ **our resources, including regarding product development** ~~changes in the manufacturing or sales costs related to our~~ **or** ~~instruments and consumables~~ **to support our commercial organization** ; • differences in purchasing patterns across our customer base ~~, including potential differences~~ **or across our three platforms and variances** in consumables spending **for each** ~~between early adopters~~ of our **platforms** ~~solutions and more recent customers and variances in rates of increase of consumables spending following new instrument purchases, some of which may be compounded by impacts of the COVID- 19 pandemic; • the timing of our price increases~~ ; • our ability and the ability of our partners to successfully manufacture our instruments and consumables in necessary quantities at necessary quality, including due to the impacts of supply chain disruptions, logistics, shipping and other distribution disruptions and labor shortages; • ~~shortages, delays, production problems, distribution and quality issues with the materials we purchase for manufacturing, which could impact our ability to manufacture and ship our instruments, consumables and related components; • our inability or the inability of our customers to source our products or necessary equipment, components and materials used in our products or in conjunction with our products because of issues with suppliers, including supply chain disruptions, logistics, shipping and other distribution disruptions and labor shortages; •~~ the timing and amount of expenditures that we may incur to acquire, develop or commercialize additional products and technologies or for other purposes; • **shortages, delays, production problems, distribution and quality issues with the materials we purchase for manufacturing, which could impact our ability to manufacture and ship our instruments, consumables and related components; • our inability or the inability of our customers to source our products or necessary equipment, components and materials used in our products or in conjunction with our products because of issues with suppliers, including supply chain disruptions, logistics, shipping and other distribution disruptions and labor shortages; • excess capacity expenses and higher inventory write- downs; •** our dependence and the dependence of our customers on single source and sole source suppliers for some of the equipment, components and materials used in our products or in conjunction with our products; • the effects of inflation on us or our customers, manufacturers and suppliers, including increases in the cost of labor and materials ~~; • our ability to successfully integrate personnel, technology and other assets that we acquire into our company; • difficulties encountered by our commercial carriers in delivering our instruments or consumables, whether as a result of external factors such as weather, customs or import processes, transportation bottlenecks, port lockdowns or slowdowns or fuel shortages or internal issues such as labor disputes or difficulties hiring and retaining adequate staffing~~ ; • higher than anticipated warranty costs; • the timing and amount of expenditures (including success fees) related to litigation, as well as the outcomes of and related rulings in the litigation and administrative proceedings which may vary substantially from quarter to quarter; • the outcome of any current or future litigation or governmental investigations involving us or other third parties; • changes in customer payment timing trends including potential increases in the days sales outstanding (DSO); • ~~future accounting pronouncements~~ **expenses related to** ~~or~~ **our facilities and real estate** ~~changes in our accounting policies~~ ; • ~~expenses related~~ **our ability** to **successfully integrate personnel, technology and other assets that we acquire into our company; • difficulties encountered by our commercial carriers in delivering our instruments** ~~our~~ **or consumables** ~~facilities and real estate portfolio~~ , ~~including construction projects~~ **whether as a result of external factors such as weather, customs or import processes, transportation bottlenecks, port lockdowns or slowdowns or fuel shortages or internal issues such as labor disputes or difficulties hiring and retaining adequate staffing** ; • disruptions in customers' on- going experiments or interruptions in the ability of our customers to complete research projects ~~, including as a result of the COVID- 19 pandemic~~ ; • reductions in or other difficulties relating to staffing, capacity, shutdowns or slowdowns of laboratories and other institutions, such as reduced or delayed spending on instruments or consumables due to reductions in or other difficulties relating to staffing, capacity, shutdowns or slowdowns of laboratories and other institutions in which our instruments and solutions are used; • **our reputation or public perception of us; •** the impacts of geopolitical issues, infectious disease, epidemics or pandemics ~~such as COVID- 19 outbreaks and resurgences~~ on our business operations and on the business operations of our customers, manufacturers and suppliers; and • the other factors described in this " Risk Factors " section. 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. Investors should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors ~~for~~ **at** any ~~period~~ **time** . If our revenue or operating results fall below the expectations of analysts or investors or below any guidance we may provide, or if the guidance we provide is below the expectations of analysts or investors, the price of our Class A common stock could decline substantially. Such a stock price decline could occur even when we have met or exceeded any previously publicly stated guidance we may provide. Our **device has** been proven.As a result,the sizes of the annual total addressable market for new products ~~and applications~~ are even more difficult to predict.While we believe our assumptions and the data underlying our estimates of the total annual addressable market for our solutions 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 we have used,may change at any time,thereby reducing the accuracy of our estimates.As a result,our estimates of the annual total addressable market for our solutions may be incorrect.The business currently depends significantly on research and development spending by research institutions, a reduction in which could limit demand for our products and materially and adversely affect our business and operating results. In the near term, we expect that a large portion of our revenue will continue to be derived from sales of Chromium, Visium and Xenium products, including our instruments and consumables, to research institutions. As a result, the demand for our products will depend upon **research priorities and** purchasing patterns of these customers, the ability of such customers to adequately staff, access and utilize labs and conduct research, the research and development budgets of these customers and the ability of such customers to receive funding for research, all of which are impacted by factors beyond our control, such as: • ~~decreases in funding of research and development; •~~ changes in our customers' research priorities; • **decreases in funding of research and development; •** macroeconomic

conditions; • **risks related to our business in China and elsewhere in the Asia- Pacific region, including macroeconomic conditions, local competition or other factors: •** scientists' and customers' opinions of the utility of **our** ~~recently introduced~~ products or services; • competitor product offerings or pricing; • ~~risks related to our business in China, including potential impacts from COVID- 19, local competitors or other factors: •~~ changes in, availability of or interruptions to funding or other incentives for our customers, including VAT and import tax exemptions available or potentially available to certain of our customers in China, including administrative or other delays in funding or incentive award processes, changes in the amount of funds or other incentives allocated to different areas of research, changes that have the effect of increasing the length of the funding or incentive award process ~~, or the impact of the COVID- 19 pandemic or a resurgence of COVID- 19 on our customers and potential customers and their sources of funding or other incentives~~ ; • our inability or the inability of our customers to source products or necessary equipment, components and materials used in our products or in conjunction with our products because of issues with suppliers or distribution networks ~~, including those that may arise from a resurgence of COVID- 19~~ , including supply chain disruptions, logistics, shipping and other distribution disruptions and labor shortages; • citation of new products or services in published research; • changes in the regulatory environment; • differences in budgetary cycles; • market- driven pressures to consolidate operations and reduce costs; • reductions in or other difficulties relating to staffing, capacity, slowdowns or shutdowns of laboratories or other institutions in which our solutions are used ~~, including those that may arise from a resurgence of COVID- 19~~ , including reduced or delayed spending on instruments or consumables due to reductions in or other difficulties relating to staffing, capacity, slowdowns or shutdowns of laboratories or other institutions in which our solutions are used; and • market acceptance of relatively new technologies, such as ours. 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. For example, congressional appropriations to the National Institutes of Health (the " NIH ") have generally increased year- over- year in recent years, but the NIH also experiences occasional year- over- year decreases in appropriations. ~~In addition, funding for life sciences research has increased more slowly during the past several years compared to previous years and has actually declined in some countries.~~ There is no guarantee that NIH appropriations will not decrease in the future. A decrease in the amount of, or delay in the approval of, appropriations to NIH or other similar United States 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 customers and potential customers to reduce or delay purchases of our products. Our operating results may fluctuate substantially due to any such reductions and delays. Any decrease in our customers' budgets or expenditures, or in the size, scope or frequency of their capital or operating expenditures ~~, including impacts stemming from the COVID- 19 pandemic,~~ could materially and adversely affect our business, operating results and financial condition. Our customers may encounter problems in hiring and retaining the personnel needed to utilize our products or train others to use our products, which could result in decreased demand for our products and could materially and adversely affect our business, operating results and financial condition. Additionally, the research of our customers often requires long uninterrupted studies performed on a consistent basis over time. Reductions in or other difficulties relating to staffing, capacity, lab slowdowns or shutdowns or interruptions in the ability of our customers to complete research projects ~~, including reductions in staffing, capacity, slowdowns or shutdowns or interruptions stemming from a resurgence of COVID- 19,~~ could be particularly damaging to these studies, our customers and our business. ~~Our industry is highly competitive. If we fail to compete effectively, our business and operating results will suffer.~~ We ~~face~~ **are** ~~significant~~ **significantly** ~~competition~~ **dependent upon revenue generated from the sale of our Chromium solutions, and in particular our Single Cell Gene Expression solutions** . We currently ~~compete~~ **generate the majority of our revenue from the sale of our instruments and consumables for our Chromium platform. There can be no assurance that we will be able to sustain or increase the success we have achieved** with ~~both established and early- stage companies that have introduced products for, among other things, genomics analysis, single cell analysis, spatial analysis and in situ analysis. There are additional companies, including both early stage and established, that have indicated that they are designing, manufacturing and marketing products to compete with us or~~ **our Chromium solutions** ~~that they intend to do so in the future. Some of these companies may have substantially greater financial and other resources than we do, including larger research and development staff or larger, more established marketing, distribution, service and sales organizations~~ . In addition, ~~they may have greater name recognition than~~ we ~~do. Other competitors are in the process of developing novel technologies for the life sciences market which~~ may ~~lead~~ **not be able** to **design future Chromium** products that ~~rival~~ **will meet the needs of** ~~or~~ **our** ~~replace~~ **customers** ~~our~~ **or become and remain commercially successful. Our expectations are based on the continued success of our existing solutions and the future success of new** products **and new versions of existing products that we launch. If our Chromium solutions decrease or do not increase in line with our expectations, our revenue and financial results could be materially and adversely impacted. Doing business internationally creates operational and financial risks for our business** . We ~~expect~~ **currently serve thousands of researchers in many countries and plan to continue to expand to** new **international jurisdictions as part** ~~competitors to emerge and the intensity~~ of ~~competition~~ **our growth strategy. For the years ended December 31, 2023 and 2022, approximately 40 % and 45 %, respectively, of our revenue was generated from sales** to ~~increase~~ **customers located outside of North America** . We ~~also face competition~~ **believe that a significant portion of our future revenue will come** from **international sources** ~~researchers developing their own solutions~~ . ~~The area~~ **We sell directly** in **North America** ~~which we compete involves rapid innovation~~ and ~~some~~ **certain regions** of ~~our customers~~ **Europe and** have ~~in the past, and more may in the future, elect to create their own platform or assays rather than rely on~~ a **significant portion of our sales and customer service personnel in the United States. We sell our products through** third- party ~~supplier such as ourselves~~ **distributors in**

Asia, certain regions of Europe, Oceania, Central America, South America, the Middle East and Africa . ~~This is particularly true~~ **As a result, we or our distribution partners may be subject to additional regulations. Conducting operations on an international scale requires close coordination of activities across multiple jurisdictions and time zones. If we fail to coordinate and manage these activities effectively, our business, financial condition or results of operations could be materially and adversely affected and failure to comply with laws and regulations applicable to business operations in foreign jurisdictions may also subject us to significant liabilities and other penalties. International operations entail a variety of other risks, including, without limitation: • variances in demand** for **our products across regions** ~~the largest research centers and labs who are continually testing and trying new technologies~~ , ~~whether from a~~ **including in China and elsewhere in the Asia- Pacific region; • challenges in staffing and managing foreign operations, including executing our commercial goals and our dependence on our distributors in certain regions; • currency fluctuations; • potentially longer sales cycles and more time required to engage and educate customers on the benefits of our products outside of the United States; • complexities associated with managing** third- party ~~vendor~~ **contract manufacturers and suppliers located outside of the United States; • United States and foreign government trade restrictions, including those which may impose restrictions on the importation, exportation, re- exportation, sale, shipment** or ~~developed internally. We also compete~~ **other transfer of programming, technology, components and / or services to foreign persons or entities; • reduced protection** for ~~the resources~~ **intellectual property rights in some countries and practical difficulties of enforcing intellectual property** ~~our~~ **or** other legal rights abroad;• changes in diplomatic and trade relationships,including new tariffs,trade protection measures,import or export licensing requirements,trade embargoes and other trade barriers;• tariffs or other restrictions imposed by the United States on goods from other countries and tariffs or other restrictions imposed by other countries on United States goods,or increases in existing tariffs;• deterioration of political relations between the United States and China,the United States and Russia or other nations or political organizations,which could have a material adverse effect on our sales and operations in these countries;• ~~challenges in staffing and managing foreign operations;•~~ the potential need for localized software,documentation and post- sales support ~~;• complexities associated with managing third- party contract manufacturers and suppliers located outside of the United States~~ ;• changes in social,political and economic conditions or in laws,regulations and policies governing foreign trade,manufacturing,development and investment both domestically as well as in the other countries and jurisdictions into which we sell our products,including as a result of the United Kingdom' s exit from the European Union;• difficulties in obtaining export licenses or in overcoming other trade barriers and restrictions resulting in delivery delays or our inability to manufacture or sell our products in certain countries;• natural disasters,infectious diseases,conflict,geopolitical turmoil,war,civil unrest,epidemics ~~or~~ , pandemics ~~such as COVID- 19 outbreaks or resurgences~~ or major catastrophic events; **• increased financial accounting and reporting burdens and complexities;• higher levels of credit risk and payment fraud and longer payment cycles associated with,and increased difficulty of payment collections from certain international** customers ~~allocate~~ **; and • significant taxes** ~~for~~ **or** ~~purchasing~~ **other burdens of complying with** a **variety** ~~wide range~~ of **foreign laws** ~~products used to analyze biological systems~~ , ~~some of which~~ **including laws relating to privacy and data protection such as the European Union General Data Protection Regulation (" GDPR "). In conducting our international operations, we** are ~~additive~~ **subject** to **United States laws relating to** ~~or~~ **our** ~~complementary~~ **international activities, such as the Foreign Corrupt Practices Act of 1977, as well as foreign laws relating to our activities in other countries, such as the United Kingdom Bribery Act of 2010. Additionally, our business must be conducted in compliance** with **applicable economic and trade sanctions laws and regulations, such as those administered and enforced by the U. S. Department of Treasury' s Office of Foreign Assets Control, the U. S. Department of State, the U. S. Department of Commerce, the United Nations Security Council and other relevant sanctions authorities. These laws generally prohibit, unless authorized by the relevant authority** ~~our~~ **or** ~~own~~ **otherwise exempt from the regulations, the conduct of business with persons, countries, regions, and governments that are targeted by " sanctions, " including** but not ~~directly~~ **limited to persons** listed on the United States Department of Commerce' s List of Denied Persons and the United States Department of Treasury' s Specially Designated Nationals and Blocked Persons List,and the areas subject to trade embargoes by the United States (currently,Cuba,Iran,Syria,North Korea,and the Crimea region of Ukraine).Our global operations expose us to the risk of violating,or being accused of violating,these laws and regulations.Failure to comply may subject us to reputational harm,claims or significant financial and / or other penalties in the United States and / or foreign countries that could materially and adversely impact our operations or financial condition,including criminal fines,imprisonment,civil fines,disgorgement of profits,injunctions and debarment from government contracts,as well as other remedial measures.Investigations of alleged violations can be expensive and disruptive.These risks have become increasingly prevalent as we have expanded our sales into countries that are generally recognized as having a higher risk of corruption and sanctions risks. ~~For instance,we continue to sell our products through a distributor to research institutions in Russia.~~ As a result of the crisis in Ukraine both the United States and the European Union have implemented sanctions against certain Russian individuals and entities. ~~Our~~ **While at this time we no longer do** business in Russia **,our previous business there** could expose us to risks that could adversely affect our business,financial condition,results of operations,cash flows or the market price of our securities,including tariffs,economic sanctions and import- export restrictions. ~~Current geopolitical instability in Russia and Ukraine and related sanctions,including by the U.S.government,against certain companies and individuals may hinder our ability to conduct business with potential or existing distributors,end- users and vendors in these countries.While we believe that existing sanctions currently do not preclude us from conducting business with our current end- users,distributors or vendors in Russia,the sanctions may be expanded in the future to restrict us from engaging with them or our supplier agreements or purchase orders,due to the Ukraine crisis,may include terms and conditions that require that we limit or refrain from conducting business in Russia.~~ Violations of complex foreign and United States laws and regulations could result in fines **and penalties,criminal sanctions against us,our officers or our employees,prohibitions on the conduct of our business and on**

our ability to offer our products and services in one or more countries,and could also materially affect our brand,our international growth efforts,our ability to attract and retain employees,our business and our operating results.Even if we implement policies or procedures designed to ensure compliance with these laws and regulations,there can be no assurance that our distribution partners,our employees,contractors or agents will not violate our policies and subject us to potential claims or penalties.Our business in China subjects us to unique commercial,operational, competitive **and regulatory risks. Weakening economic conditions in China, our dependence on local distributors and other third parties to commercialize our products in China, local competition and trade tensions between the United States and China, among other factors, have in the past resulted, and may again result, in difficulty generating revenue for sales of our products in China. For example, we believe that in the past certain of our distributors in China held excess inventory of certain of our products, in part due to fluctuations in customer purchasing patterns in China due to COVID- 19, which we believe resulted in lower than anticipated sales of our products to our distributors in China in 2023 as such distributors sold off such excess inventory. Excess inventory held by our distributors, in China or elsewhere, may negatively impact our revenues in the future** . Our **ability to sell our** products **in China** may ~~not compete favorably or~~ be **negatively impacted** ~~successful in the face of increasing competition from products and technologies introduced~~ by ~~our existing competitors~~ **evolving laws and regulations in the U. S. and China. Certain risks and uncertainties of doing business in China are solely within the control of the Chinese government** , ~~companies entering~~ **and Chinese law regulates the scope of** our **investments and business conducted within China. The Chinese government may adopt new regulations that may impact entities operating in China, potentially with little advance notice. In order to maintain access to the Chinese** ~~markets~~ **market** ~~or developed by~~ **, we may be required to comply with significant technical and other regulatory requirements, at times with short notice. These actions may increase the cost of doing business in China** ~~our~~ **or** ~~customers internally~~ **limit how we may do business in China, which could materially and adversely affect our business** . In addition, **we** ~~our competitors may~~ have **suppliers and manufacturing in Taiwan. As a result,** ~~or~~ **our business could be materially and negatively impacted by adverse changes in China- Taiwan relations. Accordingly, further deterioration in military, political and economic relations between China and Taiwan, as** ~~will~~ **well** ~~in~~ **as the ongoing geopolitical and economic uncertainty between the U. S. and China and** ~~the~~ **other** ~~future develop~~ **geopolitical risks with respect to China and Taiwan, may cause disruptions in our ability to source** products **from China Taiwan, including which may, directly** or **indirectly, harm** ~~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 and operating results~~ . We may be unable to consistently manufacture our instruments and consumables to the necessary specifications or in quantities necessary to meet demand at an acceptable cost or at an acceptable performance level. Our products are integrated solutions with many different components that work together. As such, a quality defect in a single component can compromise the performance of the entire solution. Certain of our consumables are manufactured at our Pleasanton, California ~~and~~ **,** Singapore **, Taiwan and other** facilities using complex processes, sophisticated equipment and strict adherence to specifications and quality systems procedures. Our Chromium and Visium CytAssist instruments are manufactured by our third- party manufacturers at their facilities. In order to successfully generate revenue from our products, we need to manufacture products that meet our specifications before we allow them to be shipped and to supply our customers with products that meet their expectations for quality and functionality in accordance with established specifications. In order to ensure we are able to meet these expectations, our Pleasanton, California **and Singapore** manufacturing facilities, as well as the facilities of our third- party manufacturers, have obtained International Organization for Standardization (" ISO ") quality management certifications and employ other quality control measures. On occasion, our customers have experienced quality control and manufacturing defects and may again in the future. ~~For example, a manufacturing defect in certain of our legacy Chromium Controllers resulted in an unacceptable level of LCD screen failures and we launched a free replacement program in 2018 to allow customers to replace affected LCD screens as a result. In addition, in the first half of 2023 we plan to move certain of our operations currently located in leased facilities in Pleasanton to a newly constructed facility located in Pleasanton which we own. We may experience operational delays or difficulties as a result of transitioning operations to our new facility, including if our equipment and materials are harmed or rendered inoperable as a result of the move, which could adversely affect our business, financial condition and results of operations.~~ Additionally, as we continue to grow and introduce 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 and in the necessary timeframes. There is no assurance that we or our third- party manufacturers will be able to continue to manufacture our products so that they consistently achieve the product specifications, quality and volumes that meet our requirements or our customers' expectations. Certain of the raw materials we use and certain of our consumables have a shelf life, after which their performance is not ensured. Expiring raw materials could increase our operational costs and cause delays in manufacturing adequate volumes of our products within the timeframes required. Shipments 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 third- party manufacturer' s 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, financial condition and operating results and could result in us or our third- party manufacturers losing ISO quality management certifications. If we or our third- party manufacturers fail to manufacture products without defects that meet our specifications or maintain ISO quality management certifications, our customers might choose not to purchase products from us. Furthermore, we or our third- party manufacturers may not be able to increase

manufacturing to meet anticipated demand or may experience downtime. In addition, as we **have increased, and expect in the future we will** increase **,** manufacturing capacity, we ~~will~~ **have needed, and in the future may need,** also ~~need~~ to make corresponding improvements to other operational functions, such as our customer service and billing systems, compliance programs and our internal quality assurance programs. We ~~will~~ **have needed and expect in the future** also **to** need additional equipment, manufacturing and warehouse space and trained personnel to process higher volumes of products. We cannot assure you that ~~any~~ **such** increases in scale, related improvements and quality assurance will be successfully implemented or that equipment, manufacturing and warehouse space and appropriate personnel will be available **or that they will realize their intended benefits** . 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. Our ability to increase our manufacturing capacity at our Pleasanton, California ~~and ,~~ Singapore **, Taiwan and other** locations is complicated by the use of our proprietary equipment that is not readily available from third- party manufacturers. The risk of manufacturing defects or quality control issues is generally higher for new products, whether produced by us or a third- party manufacturer, products that are transitioned from one manufacturer to another, particularly if manufacturing is transitioned or initiated with a manufacturer we have not worked with in the past, and products that are transferred from one manufacturing facility to another. Our current product roadmap calls for the introduction of new ~~instruments~~ **products** and ~~consumables~~ **new versions of existing products** , which may require that we utilize manufacturers with which we have little or no prior manufacturing experience and the risk of manufacturing defects or quality control issues could increase as a result. The expansion of our manufacturing capabilities **has increased and in the future** could increase the risk of manufacturing defects or quality control issues in the consumables we manufacture. We and our third- party manufacturers may not be able to launch new **products or new versions of existing** products on time, transition manufacturing of existing products to new manufacturers, transition our manufacturing capabilities to a new location or transition manufacturing of any additional consumables in- house without manufacturing defects **or other issues** . An inability to manufacture products and components that consistently meet specifications, in necessary quantities and at commercially acceptable costs will have a negative impact and may have a material adverse effect on our business, financial condition and results of operations. We and our customers are dependent on single source and sole source suppliers for some of the equipment, components and materials used in our products and in conjunction with our products and the loss of any of these suppliers could harm our business. We do not have long- term contracts with our suppliers for **many** ~~the significant majority~~ of the services, equipment, materials and components we use for the manufacture and delivery of our products. We also rely on single suppliers for certain equipment, materials and components. In many cases we do not have long term contracts with these suppliers, and even in the cases where we do, ~~the~~ **some such** contracts include significant qualifications that would make it extremely difficult for us to force the supplier to provide us with their services, equipment, materials or components should they choose not to do so. We are therefore subject to the risk that these third- party suppliers will not be able or willing to continue to provide us with equipment, materials and components that meet our needs, specifications, quality standards and delivery schedules. Factors that could impact our suppliers' willingness and ability to continue to provide us with the required equipment, materials and components include shortages, alternative priorities, logistics, shipping or other distribution difficulties, disruption at or affecting our suppliers' facilities, such as difficulties hiring and retaining adequate staffing, work stoppages or natural disasters, infectious disease, epidemics or pandemics ~~such as COVID- 19 outbreaks and resurgences~~ , adverse weather or other conditions that affect their supply, the financial condition of our suppliers, **disagreements, disputes or** deterioration in our relationships with these suppliers or the decision by such suppliers to introduce products that compete directly with our solutions. If we are not able to obtain equipment, materials and components that meet our needs, specifications, quality standards and delivery schedule on satisfactory terms, our business will be harmed. Any increase in equipment, material and component costs or decrease in availability could reduce our sales, harm our gross margins or prevent us from timely delivering our products to our customers. For example, we depend on a limited number of suppliers for enzymes and amplification mixes used in our consumables. In some cases, these manufacturers are the sole source of certain necessary enzymes and reagents. We do not have long- term contracts with ~~most~~ **many** of these sole source suppliers. Lead times for some of these components can be several months or more and in the past have been, and in the future could be again, extended due to ~~a resurgence of the COVID- 19 pandemic,~~ supply chain disruptions, labor shortages or other factors. In the event that demand increases, a manufacturing ' lot' does not meet our specifications ~~or ,~~ we fail to forecast and place purchase orders sufficiently in advance ~~,~~ **or other issues surface in our supply chain** this could result in a material shortage. Some of the components and formulations are proprietary to our vendors, thereby making second sourcing and development of a replacement difficult. Furthermore, such vendors may have intellectual property rights that could prevent us from sourcing such reagents from other vendors. Some vendors could choose to use their enzymes, amplification mixes or other components to create products that directly compete with our consumables and end our current supplier- customer relationship. If enzymes and reagents become unavailable from our current suppliers and we are unable to find acceptable substitutes for these suppliers, we may be required to produce them internally or change our product designs. **While we make the majority of our equipment in- house,** We have not qualified secondary sources for all equipment, materials or components that we source through a single supplier and qualification of a secondary supplier may not prevent future supply issues. Labor shortages, logistics, shipping or other distribution operations difficulties or disruption in the supply of equipment, materials or components could impair our ability to sell our products and meet customer demand, and also could delay the launch of new products, any of which could harm our business and results of operations. If we were to have to change suppliers, the new supplier may not be able to provide us equipment, materials or components in a timely manner and in adequate quantities that are consistent with our quality standards and on satisfactory pricing terms. In addition, alternative sources of supply may not be available for equipment or materials. While we have taken steps to mitigate potential supply chain and transportation infrastructure system issues, ~~including those which may result from a resurgence of COVID- 19,~~ the impact of supply chain disruptions, logistics, shipping and other

distribution disruptions, labor shortages or other factors may exacerbate the risks described in this risk factor and could cause certain of our suppliers to reduce their ability to meet our or our customers' needs, be unable to operate temporarily or even go out of business permanently. The realization of any of these risks could prevent us from producing, selling or delivering our products, reduce our sales and harm our gross margins or permanently cause a change in one or more of our products that may not be accepted by our customers or cause us to eliminate that product altogether. In addition, our suppliers or customers may face difficulties in procuring or delivering, or in some cases may be unable to procure or deliver, the equipment, materials or components from their own suppliers necessary to supply us with products, equipment, components or materials or conduct experiments using our solutions. For example: • competition for shipping and air transport in the past impacted, and in the future may impact, our ability to timely deliver products to our customers; • energy shortages and other issues in the past impacted, and in the future may impact, factory production of upstream components utilized by us or our suppliers; • shortages of non- 10x sequencing consumables in the past impacted, and in the future may impact, the workflows of our customers and their ability to complete their experiments; • ~~the storage and distribution of COVID- 19 vaccinations in the past impacted, and in the future may impact, the availability of cold storage for components and materials used by us and our customers in connection with our products; •~~ plastic component shortages, including of pipette tips utilized by our customers to complete their experiments, in the past impacted, and in the future may impact, the availability of plastic components used by us and our customers in connection with our products; • shortages of certain chemicals, oils and beads utilized in our microfluidic chips in the past impacted, and in the future may impact, our ability to carry a buffer of inventory to safeguard against continuous significant shortages of such materials; ~~and~~ • semiconductor chip shortages in the past impacted, and in the future may impact, the availability of semiconductor chips utilized in our instruments and in the manufacture of certain of **our products; and • the storage and distribution of vaccines in the past impacted, and in the future may impact, the availability of cold storage for components and materials used by us and our customers in connection with** our products. Our instruments, consumables and related components are specialized, complex and difficult to manufacture. We could experience production problems that impact our ability to manufacture and ship our instruments, consumables and related components, which would materially and adversely affect our business, financial condition and results of operations. The manufacturing processes we and our third- party manufacturers use to produce our instruments, consumables and related components are specialized and highly complex and require high- quality components. We may have quality variations, supply issues, backorders, delays, shortages or production difficulties of needed components and may require components that are difficult to obtain or manufacture in necessary quantities and at necessary quality, in a timely manner or in accordance with regulatory requirements. Such issues, issues with our manufacturing processes or the manufacturing processes of our third- party manufacturers, shipping issues, inaccurate demand forecasts or other production issues could result in our inability to produce our products in sufficient volumes **and at sufficient quality** to meet demand, supply our products to our customers **and for our research and development needs** , backorders, insufficient inventory, excess inventory, shipping delays, product deficiencies or other operational failures. For example, in the past the COVID- 19 pandemic disrupted air, sea and other travel in the United States and globally. Similar disruptions in the future could reduce or eliminate our ability to receive components or supply our customers. Many other factors could cause production or shipping delays or interruptions, including difficulties in transporting materials, equipment, raw material or other shortages, raw material failures, spoilage, equipment malfunctions, facility contamination, labor problems, natural disasters, infectious disease, conflict, war, civil unrest, epidemics or pandemics ~~such as COVID- 19 outbreaks and resurgences~~ , disruption in utility services, terrorist activities or circumstances beyond our control. Additionally, we and our third- party manufacturers may encounter problems in hiring and retaining the experienced specialized personnel needed to develop and operate our manufacturing processes or the manufacturing processes of our third- party manufacturers, which could result in backorders, shortages, delays in our production or difficulties in maintaining compliance with applicable regulatory requirements. These issues, or any other problems with the production or timely manufacture and shipment of our instruments, consumables and related components, could materially harm our business, financial condition and results of operations. Certain disruptions in supply of, and changes in the competitive environment for, raw materials integral to the manufacturing of our products may adversely affect our profitability. We use a broad range of materials and supplies, including metals, chemicals and electronic components, in our products. A significant disruption in the supply of materials could decrease production and shipping levels, materially increase our operating costs and materially adversely affect our profit margins. Shortages of materials or interruptions in production and transportation systems, labor strikes, work stoppages, infectious disease, epidemics or pandemics ~~such as COVID- 19 outbreaks and resurgences~~ , geopolitical issues, conflict, war, civil unrest, acts of terrorism or other interruptions to or difficulties in the employment of labor or transportation that adversely impact equipment, materials and components we require for the production of our products, may adversely affect our ability to maintain production of our products and generate revenue. In addition, a significant prolonged increase in inflation could negatively impact the cost of materials and components **. Even if in some cases we are able to pass some or all such cost increases to customers by increasing the selling prices of our products, higher product prices may also result in a reduction in sales volumes** . Unforeseen end- of- life or unavailability of certain components, such as enzymes, could force us to purchase materials on the spot market at higher cost or require us to modify our product specifications to accommodate replacement components which could be costly or delay product shipments. If we were to experience a significant disruption in the supply of, or prolonged shortage of, critical components from any of our suppliers and could not procure the components from other sources, we would be unable to manufacture our products and to ship such products to our customers in a timely fashion, which would adversely affect our sales, margins and customer relations. We rely exclusively on commercial carriers to..... of such components or assembled products. Undetected errors or defects in our solutions could harm our reputation and decrease market acceptance of our solutions. Our instruments and consumables, as well as the software that accompanies them, may contain undetected errors or defects due to design, manufacturing, delivery or other issues. Disruptions or other performance problems with our products or software may adversely

impact our customers' research or business, harm our reputation and result in reduced revenue or increased costs associated with product repairs or replacements. If that occurs, we may also incur significant costs, the attention of our key personnel could be diverted or other significant customer relations problems may arise. We may also be subject to warranty claims or breach of contract for damages related to errors or defects in our solutions ~~. We are significantly dependent upon revenue generated from the sale of our Chromium solutions, and in particular our Single Cell Gene Expression solutions. We currently generate our revenue from the sale of our instruments and our proprietary microfluidic chips, slides, reagents and other consumables for our Chromium, Visium and Xenium platforms, which we refer to as " consumables. " Historically we have been dependent upon revenue generated from sales of our Chromium solutions, particularly our Single Cell Gene Expression consumables. There can be no assurance that we will be able to design future products, particularly non- Chromium solutions, that will meet the expectations of our customers or that our future products will become commercially successful. Our sales expectations are based in part on the continued success of our existing solutions and the future success of new products we launch. If our new products fail to achieve sufficient market acceptance or sales of our existing products decrease, our consumables revenue could be materially and adversely impacted~~ . Our failure to effectively manage product transitions or accurately forecast customer demand could result in excess or obsolete inventory and resulting charges. Because the market for our products is characterized by rapid technological advances, we frequently introduce new products with improved ease- of- use, improved performance or additional features and functionality. At times, we ~~pre- announce~~ **preannounce** products and services, in some cases before such products and services have been fully developed or tested, and risk failing to meet expectations when and if such products and services become available. The risks associated with the introduction of new products include the difficulties of predicting customer demand and effectively managing inventory levels to ensure adequate supply of the new product and avoiding excess supply of the legacy product, including legacy versions of our instruments which are supplanted by new versions. In addition, in the past supply chain disruptions, logistics, shipping and other distribution disruptions and labor shortages have made it more difficult to predict customer demand and effectively manage inventory levels for our instruments and consumables and at times the risk that we will not be able to source the necessary equipment, components and materials to manufacture our products led us, and may again lead us, to carry higher inventory. Further, differences in purchasing patterns across our customer base ~~; including potential differences in consumables spending between early adopters of our solutions and more recent customers and variances in rates of increase of consumables spending following new instrument purchases,~~ could negatively impact our ability to accurately forecast demand. We may strategically enter into non- cancelable commitments with vendors to purchase materials for our products in advance of demand to take advantage of favorable pricing, address concerns about the availability of future supplies or build safety stock to help ensure customer shipments are not delayed should we experience higher than anticipated demand for materials with long lead times. During periods of decreased demand, which in the past have occurred and which may occur again, these non- cancelable commitments could ~~prevent our~~ **result in additional inventory-** related ~~costs from decreasing in proportion to decreases in demand~~ **charges which may adversely impact our financial results and condition** . If our existing and new products fail to achieve and sustain sufficient scientific acceptance, we will not generate expected revenue and our prospects may be harmed. The life sciences scientific community is comprised **in part** of a small number of early adopters and key opinion leaders who significantly influence the rest of the community. The success of life sciences products is due, in large part, to acceptance by the scientific community and their adoption of certain products as best practice in the applicable field of research. The current system of academic and scientific research views publishing in a peer- reviewed journal as a measure of success. 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 good barometer for the general acceptance of our products as best practices. Ensuring that early adopters and key opinion leaders publish research involving the use of our products is ~~critical~~ **important** to ensuring our products gain widespread acceptance and market growth. Continuing to maintain good relationships with such key opinion leaders is vital to growing our market. The number of times our products were mentioned in peer- reviewed publications has increased significantly **since launching our first product** in **2015** ~~recent years~~ . During this time, our revenue has also increased significantly. Our products may not continue to be mentioned in peer- reviewed articles with ~~any~~ frequency. Any new **products or new versions of existing** products that we introduce in the future may not be mentioned in peer- reviewed articles. 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 or usability of our products in publications, it may drive existing and potential customers away from our products, which could harm our operating results. If we do not sustain or successfully manage our growth and anticipated growth, our business and prospects will be harmed. We have historically experienced rapid growth and **we expect that** future growth will place significant strains on our management, operational and manufacturing systems and processes, financial systems and internal controls and other aspects of our business. For example, we consummated two acquisitions **in** each ~~in~~ **of** 2018 and 2020 ~~and~~ **,** one ~~more~~ in ~~January~~ 2021 **and another in 2023** , and we intend to continue to make investments that meet management' s criteria to expand or add key technologies that we believe will facilitate the commercialization of new products **or new versions of existing products** in the future. **We** ~~In addition, we~~ intend to launch additional new products and new versions of existing products in the near future. Further development and commercialization of our current and future products are key elements of our growth strategy. Developing and launching new products and innovating and improving our existing products have required us to hire and retain additional scientific, sales and marketing, software, manufacturing, distribution and quality assurance personnel. As a result, we have experienced rapid headcount growth from 110 employees as of December 31, 2015 to 1, ~~243~~ **259** employees as of December 31, ~~2022~~ **2023** . As we have grown, our employees have become more geographically dispersed. We may face challenges integrating, developing and motivating our rapidly growing and increasingly dispersed employee base, including as a result of certain of our employees working remotely. In addition, certain members of our management have not previously worked together for an extended period of time, do not

have experience managing a public company or do not have experience managing a global business, which may affect how they manage our growth. 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. As our organization continues to grow, and we are required to implement more complex organizational management structures, we may find it increasingly difficult to maintain the benefits of our corporate culture, including our ability to quickly develop and launch new and innovative products. If we do not successfully manage our anticipated growth, our business, results of operations and growth prospects will be harmed. ~~The size of the~~ **Our limited operating history and rapid revenue growth** ~~market~~ -- **make** ~~for our solutions may be smaller than estimated and new opportunities may not develop as quickly as we expect, or at all, limiting our ability to successfully sell our solutions. The demand for genomics products is new and evolving, making~~ it difficult to ~~predict~~ **evaluate our future prospects and the risks and challenges we may encounter. We launched our first product in mid- 2015 and have historically experienced rapid revenue growth. In addition, we operate in highly competitive markets characterized by rapid technological advances and our business has, and we expect it to continue, to evolve over time to remain competitive. Our limited operating history, evolving business and rapid growth make it difficult to evaluate our future prospects and the risks and challenges we may encounter and may increase the risk that we will not continue to grow at or near historical rates. If we fail to address the risks and difficulties that we face, including those described elsewhere in this " Risk Factors " section, our business, financial condition and results of operations could be adversely affected. We have encountered in the past, and will encounter in the future, risks and uncertainties frequently experienced by growing companies** with ~~any accuracy~~ **limited operating histories in rapidly changing industries. If our assumptions regarding** ~~the~~ **these** ~~total potential demand~~ **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 and results of operations could be materially and adversely affected. We have incurred significant losses since inception, we expect to incur losses in the future and we may not be able to generate sufficient revenue to achieve and maintain cash flows from operating activities in excess of our capital investment requirements or profitability. We have incurred significant losses since we were formed in 2012 and expect to incur losses in the future. We incurred net losses of $ 255. 1 million and $ 166. 0 million** for ~~our current~~ **the years ended December 31, 2023 and 2022, respectively. As of December 31, 2023, we had** ~~and~~ - **an accumulated deficit** ~~future solutions. Our estimates~~ of **$ 1** ~~the annual total addressable market for our current and future solutions are based on a number of internal and third- party estimates and assumptions~~ . **3 billion. We expect** ~~In particular, our estimates are based on our expectations~~ that ~~: (a) researchers seeking life sciences research tools and technologies will view our solutions as competitive alternatives to, or~~ **our losses** better options than, such existing tools..... 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~~ - **the near term as we continue** to **invest significantly in research and development and the commercialization of both** ~~purchase our solutions. In addition, our growth strategy involves launching~~ new ~~solutions~~ **products** and ~~expanding sales~~ **improved versions** of existing **products** ~~solutions into new areas in which we have limited or no experience, such as the sale of our solutions to biopharmaceutical customers~~ . We also expect ~~to pursue additional opportunities~~ that **our operating expenses** will ~~further expand~~ **continue to increase as we grow our business. To date, we have financed our operations principally from the sale of convertible preferred stock, stock option exercises and purchases under our 2019 Employee Stock Purchase Plan, the sale of Class A common stock in our initial public offering (" IPO") and our September 2020 follow- on offering, revenue from sales of our products and the incurrence of indebtedness. There can be no assurance that our revenue and gross profit will increase sufficiently such that our net losses decline,** ~~our~~ - **or** ~~opportunity, including new potential applications~~ **we attain cash flows from operating activities in excess** of **our capital investment requirements on a sustained basis** ~~our~~ - **or** ~~single cell~~ **attain profitability** , ~~spatial and in situ technologies~~ in the future. **Further,** ~~Sales of new or~~ **our** ~~existing solutions into new opportunities may take~~ **limited operating history and rapid revenue growth over the last** several years **make it difficult** to **effectively plan for and model future growth and operating expenses. Our ability to achieve or sustain profitability is based on numerous factors, many of which are beyond our control, including general economic, industry and market conditions, customer purchasing decisions, the impact of market acceptance of our products, future product** ~~develop~~ **development , our market penetration** and ~~mature~~ **margins** and **current and future litigation. Additionally, inflationary pressures could adversely impact our financial results. Our operating costs have increased, and may continue to increase, due to the recent growth in inflation. We may not fully offset these cost increases by raising prices for our instruments and consumables, which could result in downward pressure on our margins. Further, our customers may choose to reduce their business with us if** we ~~cannot~~ **increase our pricing. Additionally, changes in our product mix may negatively affect our gross margins. We may never** be **able to generate** ~~certain that these opportunities will develop as we expect. For example, new life sciences technology is often not adopted until a~~ sufficient ~~amount of research conducted using such technology has been published in peer- reviewed publications. Because there can be a considerable delay between the launch of a new life sciences product and publication of research using such product, new life sciences products do not generally contribute a meaningful amount of~~ revenue **to achieve or sustain cash flows from operating activities** in **excess of our capital investment requirements or profitability and our recent and historical growth should** ~~the year they are introduced. In certain situations, new life sciences technology, even if sufficiently covered in peer- reviewed publications, may~~ not be **considered indicative** ~~adopted until the consistency and accuracy~~ of ~~such technology, method or~~ **our** device has been proven. As a..... our solutions may be incorrect. The future **performance. Our failure to achieve or maintain** growth ~~of our current and future solutions depends on many factors beyond our control~~ , **cash flows from** ~~including recognition and acceptance of our solutions by the scientific community as best practice and the growth, prevalence and costs of competing products and solutions. Such recognition and acceptance~~

~~may not occur in the near term, or at all. If demand for our current and future solutions are smaller than estimated or do not develop as we expect, our growth may be limited and our business, financial condition and operational~~ **operating** ~~results may be adversely affected~~ **activities in excess of our capital investment requirements or profitability could negatively impact the value of our Class A common stock** . We depend on our key personnel and other highly qualified personnel, and if we are unable to recruit, train, retain and ensure the health and safety of our personnel, we may not achieve our goals. Our future success depends on our ability to recruit, train, retain and motivate key personnel, including our senior management, research and development, manufacturing and sales, customer service and marketing personnel. In particular, Dr. Saxonov, our Chief Executive Officer and one of our co- founders, and Dr. Hindson, our Chief Scientific Officer, President and one of our co- founders, are critical to our vision, strategic direction, culture and products. Competition for qualified personnel is intense, particularly in the San Francisco Bay Area. As we grow, we may continue to make changes to our management team, which could make it difficult to execute on our business plans and strategies. New hires ~~also~~ **, including executive hires such as a future new Chief Commercial Officer, often** require significant training and, in most cases, take significant time before they achieve full productivity. Our failure to successfully integrate our personnel into our business could adversely affect our business. Additionally, some of our employees work remotely and because of the challenges of working remotely, including collaborating with and managing employees, it may take significant time before our teams can achieve full productivity, if at all, and it may take significantly longer for new hires to achieve full productivity, if at all. We do not maintain key person life insurance for any of our employees. Additionally, we have not entered into fixed term contracts with almost any of our employees and as a result, almost any of our employees could leave our company with little or no prior notice which could harm our business. Many of our scientific personnel **in the United States** are qualified foreign nationals whose ability to live and work in the United States is contingent upon the continued availability of appropriate visas. **We** ~~Due to the competition for qualified personnel in the San Francisco Bay Area, we~~ expect to continue to rely on foreign nationals to fill part of our recruiting needs. As a result, changes to United States immigration policies could restrain the flow of technical and professional talent into the United States and may inhibit our ability to hire qualified personnel. Additionally, our current or future employees may be negatively affected by delays, disruptions or changes in United States immigration policies. Past United States administrations have made restricting immigration and reforming the work visa process a priority and these efforts may adversely affect our ability to find qualified personnel. Our continued growth depends, in part, on attracting, retaining and motivating highly trained sales personnel **, including individuals** with the necessary scientific background and ability to understand our systems at a technical level to effectively identify and sell to potential new customers. In addition, the continued development of complementary software tools, such as our analysis tools and visualization software, requires us to compete for highly trained software engineers in the San Francisco Bay Area **and elsewhere** and for highly trained customer service personnel globally. We also compete for computational biologists and qualified scientific personnel with other life sciences companies, academic institutions and research institutions. This competition affects both our ability to retain key employees and hire new ones. In August 2022 we conducted a reduction in force in order to decrease costs and maintain a streamlined organization to support the business **and in December 2023, we committed to a restructuring plan related to the closure of one of our research and development facilities** . In order to be successful and build our framework for future growth, we must continue to execute and deliver on our initiatives with fewer employees and losses of intellectual capital. We must also attract, retain, train and motivate key employees including highly qualified management, scientific, manufacturing, sales, marketing and other personnel who are critical to our business. Additionally, we compete with both companies that may have greater financial resources than we do and early stage companies that promise short- term growth opportunities. We may not be able to attract, retain, train or motivate qualified employees in the future and our inability to do so could materially harm our operating results and growth prospects. If our facilities or our third- party manufacturers' facilities become unavailable or inoperable, our research and development programs could be adversely impacted and manufacturing of our instruments and consumables could be interrupted. ~~The~~ **Much, and in some cases all, of the** manufacturing process for our instruments takes place at our third- party manufacturers' facilities. **Many** ~~The majority~~ of our consumables are manufactured at our facilities in Pleasanton, California ~~and~~ **,** Singapore **, Taiwan or other of our facilities** using proprietary equipment. Certain raw materials, such as oligonucleotides and enzymes, are custom manufactured by outside partners. We periodically review the manufacturing capacity of our consumables and we expect to **continue to** manufacture an increasing amount of consumables in- house. Our Pleasanton facilities also house the majority of our research and development and quality assurance teams. Our Chromium ~~and~~ **,** Visium CytAssist **and Xenium** instruments are manufactured by our partners at their facilities **, while we perform optical and final assembly, instrument integration and testing of our Xenium instrument in- house** . The facilities and the equipment we and our third- party manufacturers use to manufacture our instruments and consumables and that we use in our research and development programs would be costly to replace and could require substantial lead times to repair or replace. Our facilities ~~in Pleasanton and Singapore~~ are vulnerable to natural disasters and catastrophic events. For example, our Pleasanton facilities are located near earthquake fault zones and are vulnerable to damage from earthquakes. Our facilities are vulnerable to other types of disasters, including fires, floods, infectious disease, epidemics or pandemics ~~such as COVID- 19 outbreaks and resurgences~~ , power loss, conflict, war, civil unrest, communications failures and similar events. If any disaster or catastrophic event were to occur, our ability to operate our business would be seriously, or potentially completely, impaired. If our facilities or any of our third- party manufacturers' facilities become unavailable or understaffed for any reason, ~~including due to the resurgence of COVID- 19,~~ 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. ~~Further, while we are an essential business that continued operations under previously required governmental shelter- in- place measures meant to combat the COVID- 19 pandemic, there is no guarantee that we will be able to continue operations at our Pleasanton facilities or other facilities if new shelter- in- place or other restrictive measures are implemented in the future.~~ Additionally, potential issues with our ability to hire staff or the health and safety of our

manufacturing staff ~~, including as a result of a resurgence of COVID- 19,~~ could decrease the effectiveness of our manufacturing operations and adversely affect our business and operating results ~~. We may encounter particular difficulties in replacing or counterbalancing any unavailability of our Pleasanton staff or facilities given the specialized skills of our team and the specialized equipment housed within our facilities~~ . The inability to manufacture our instruments and / or consumables, combined with potential limited inventory of manufactured instruments and consumables, may result in the loss of customers or harm our reputation, and we may be unable to reestablish relationships with those customers in the future. Because certain of our consumables and the raw materials we use to manufacture consumables ~~at our Pleasanton facilities~~ are perishable and must be kept in temperature controlled storage, the loss of power to our facilities, mechanical or other issues with our storage facilities or other events that impact our temperature controlled storage could result in the loss of some or all of such consumables and raw materials and we may not be able to replace them without disruption to our customers or at all. A substantial percentage of our ~~direct sales~~ revenue comes from sales to academic institutions, whose research often requires long uninterrupted studies performed on a consistent basis over time; thus interruptions in our ability to supply consumables could be particularly damaging to these studies and our reputation. In addition, the budgetary planning and approval process for academic research programs can be lengthy and begin well in advance of the planned purchase of our instrument and / or consumables. If our products become unavailable during the planning process, researchers may use alternative products. If our research and development programs were disrupted by a disaster or catastrophe or for other reasons, the launch of new products and the timing of improvements to existing products could be significantly delayed and could adversely impact our ability to compete with other available products and solutions. If our or our third- party manufacturers' 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 **, may not cover every potential type of loss event (including earthquakes as we do not carry earthquake insurance coverage)** and may not continue to be available to us on acceptable terms, or at all. **We rely exclusively on commercial carriers to transport our products, including perishable consumables, to our customers in a timely and cost-efficient manner and if delivery of our products is disrupted, our business will be harmed.** Our ~~limited operating history~~ **business depends on our ability to quickly** and ~~rapid~~ reliably deliver our products and in particular,our consumables,to our customers.The majority of our consumables are perishable and must be kept below certain temperatures.As such,we ship our refrigerated consumables on dry ice and only ship such consumables on certain days of the week to reach customers on a timely basis.Disruptions in the delivery of our products,whether due to hiring difficulties or labor disruptions,fuel shortages,dry ice shortages,bad weather,natural disasters,infectious disease,conflict,war,civil unrest,epidemics or pandemics ~~such as COVID- 19 outbreaks and resurgences~~ ,terrorist acts or threats or for other reasons could result in delivery delays or our customers receiving consumables that are not fit for usage,and if used,could result in inaccurate results or ruined experiments.For example,certain of our customers were negatively impacted by a process breakdown in our logistics cold- chain that resulted in product spoilage which delayed **purchases by affected customers,negatively impacting our** revenue ~~growth make~~ **in 2022. While we work with customers to replace any consumables impacted by delivery disruptions, our reputation and our business may be adversely impacted if customers receive consumables that are not** ~~it~~ **fit for usage** ~~difficult to evaluate our future prospects and the risks and challenges we may encounter. We launched our first product in mid- 2015 and have historically experienced rapid revenue growth~~ . In addition, **if** we **are unable** ~~operate in highly competitive markets characterized by rapid technological advances and our business has, and we expect it~~ to continue ~~,~~ to ~~evolve over time to remain competitive. Our limited~~ **obtain delivery services on commercially reasonable terms, our** operating ~~history, evolving business and rapid growth make it difficult to evaluate our future prospects and the risks and challenges we may encounter and may increase the risk that we will not continue to grow at or near historical rates. If we fail to address the risks and difficulties that we face, including those described elsewhere in this " Risk Factors " section, our business, financial condition and~~ results **may** ~~of operations could~~ be adversely affected. ~~We~~ **In addition, in the past both shipping and air transport** have ~~encountered~~ **been negatively impacted** in ~~the past,~~ **terms of speed** and **capacity** ~~will encounter in the future, risks and uncertainties frequently experienced by growing companies with limited operating histories in rapidly changing industries~~ . If ~~our assumptions regarding these risks and uncertainties, which~~ we **cannot supply** ~~use to plan and operate our business, are incorrect or~~ **our** ~~change,~~ **products to** ~~or~~ **our customers in a timely manner, our customers may delay or cancel their orders. Furthermore, even if we have inventory,** if we do not ~~address~~ **have adequate inventory of products in** ~~these~~ -- **the** ~~risks successfully~~ **geographic regions in which they are ordered** , **we may not be able to deliver products to our customers in a timely manner and customers may delay** ~~our~~ -- **or cancel their orders. Should we or our commercial carriers encounter difficulties in delivering our instruments or consumables to customers, it could adversely impact our ability to recognize revenue for those products and accordingly adversely affect our financial** results **for that period** ~~of operations could differ materially from our expectations~~ and **such impact** ~~our business, financial condition and results of operations~~ could be ~~materially and adversely affected~~ **particularly acute at the end of any financial quarter** . Costs ~~, delays~~ or other factors related to our facilities and real estate ~~portfolio~~ could adversely impact our business. We may **decide to reduce** ~~expand our facilities in Pleasanton, California and in other locations where we operate or~~ **our** ~~may operate in the future. For example, we are currently completing construction of a new facility on land we own located in Pleasanton, California. We believe that maintaining our existing facilities and opening new facilities is necessary to maintain and expand our operations. Our ability to maintain our existing facilities, build out new or existing facilities and open new operating facilities depends on our ability to identify attractive locations, negotiate leases, subleases,~~ real estate **commitments** ~~purchase agreements or other agreements on acceptable terms, identify and obtain adequate utility and water sources and comply with environmental regulations, zoning laws and other similar factors. We may not maintain the level of cash flow or access financing opportunities necessary to support our real estate strategy. Our facilities projects may increase demands on our operational, financial, managerial and administrative resources. We may also decide to reduce our real estate~~

~~portfolio~~ but be unable to do so **. For example, in 2023 we vacated some of our leased office space located in Pleasanton, California comprising of approximately 43, 000 square feet for the remaining lease term through 2026 and entered into agreements to sublease some of the vacated office space** . Our real estate leases, which generally obligate us for long periods, subject us to potential financial risk. **Our** ~~For example, our~~ real estate strategy may **have committed, and may in the future** commit **,** us to leases or other agreements or arrangements requiring us to incur costs for facilities we later determine are unnecessary for our business. While we have the right to terminate or sublease some of our leases under specified conditions, we may not be able to terminate or sublease certain of our leases if or when we would like to do so **or we may incur substantial costs to terminate or sublease such leases. In some cases, we have been unsuccessful, and in the future again may be unsuccessful, in terminating or subleasing certain of our leases even if we have determined the facilities subject to these leases are unnecessary for our business and we have incurred, and may in the future incur, costs for such facilities despite not fully utilizing them** . If we decide or are required to permanently vacate facilities we lease, we are typically required to continue to perform obligations under the applicable leases, which generally include, among other obligations, paying rent and certain expenses for the balance of the lease term, and the performance of any of these obligations may be significant. When we assign leases or sublease to third parties, or if we vacate facilities we lease, we can remain liable on the lease obligations for the balance of the term and we could be contingently liable if the assignee does not perform their obligations to us or third parties. Additionally, if we may decide to sublease certain of our facilities to third parties, we may be unable to find suitable sublease arrangements for leased facilities that we do not wish to occupy ourselves. **In the past we have expanded, and in the future we may expand, our facilities in the locations where we operate or may operate in the future. For example, in 2023 we completed construction of a new facility on land we own located in Pleasanton, California. We believe that maintaining our existing facilities is necessary to maintain our operations and that, in the future, new facilities may be necessary to support our business. Our ability to maintain our existing facilities, build out new or existing facilities and open new operating facilities depends on our ability to identify attractive locations, negotiate leases, subleases, real estate purchase agreements or other agreements on acceptable terms, identify and obtain adequate utility and water sources and comply with environmental regulations, zoning laws and other similar factors. We may not maintain the level of cash flow or access financing opportunities necessary to support our real estate strategy. Our facilities projects may increase demands on our operational, financial, managerial and administrative resources.** Costs ~~,~~ ~~delays~~ or other factors related to our facilities and real estate ~~portfolio~~ ensuing from these and other risks related to our **facilities and** real estate ~~portfolio~~ may adversely impact our business results and financial condition. If we fail to offer high- quality customer service, our business and reputation could suffer. We differentiate ourselves from our competition **in part** through our commitment to an exceptional customer experience. Accordingly, high- quality customer service is important for the growth of our business and any failure to maintain such standards of customer service, or a related market perception, could affect our ability to sell products to existing and prospective customers. Additionally, we believe our customer service team has a positive influence on recurring consumables revenue. Providing an exceptional customer experience requires significant time and resources from our customer service team, and failure to manage our customer service organization adequately or impacts on our ability to provide an exceptional customer experience may adversely impact our business results and financial condition. Customers utilize our service teams and online content for help with a variety of topics, including how to use our products efficiently, how to integrate our products into existing workflows, how to determine which of our other products may be needed for a given experiment and how to resolve technical, analysis and operational issues if and when they arise. As we introduce new products and enhance existing products, we expect utilization of our customer service teams to increase. In particular, the introduction of new or improved products that utilize different workflows or variations on existing workflows may require additional customer service efforts to ensure customers use such products correctly and efficiently. While we have developed significant resources for remote training, including an extensive library of online videos, we may need to rely more on these resources for future customer training or we may experience increased expenses to enhance our online and remote solutions. If our customers do not adopt these resources, we may be required to increase the staffing of our customer service team, which would increase our costs. Also, as our business scales, we may need to engage third- party customer service providers, which could increase our costs and negatively impact the quality of the customer experience if such third parties are unable to provide service levels equivalent to ours. The number of our customers has grown significantly and such growth, as well as any future growth, will put additional pressure on our customer service organization. We may be unable to hire qualified staff quickly enough or to the extent necessary to accommodate increases in demand. In addition, as we continue to grow our operations and reach a global customer base, we need to be able to provide efficient customer service that meets our customers' needs globally at scale. In geographies where we sell through distributors, we rely on those distributors to provide customer service. If these third- party distributors do not provide a high- quality customer experience, our business operations and reputation may suffer. Our management uses certain key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions and such metrics may not accurately reflect all of the aspects of our business needed to make such evaluations and decisions, in particular as our business continues to grow. In addition to our consolidated financial results, our management regularly reviews a number of operating and financial metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. We believe that these metrics are representative of our current business; however, these metrics may not accurately reflect all aspects of our business and we anticipate that these metrics may change or may be substituted for additional or different metrics as our business grows and as we introduce new products. If our management fails to review other relevant information or change or substitute the key business metrics they review as our business grows and we introduce new products, their ability to accurately formulate financial projections and make strategic decisions may be compromised and our business, financial results and future growth prospects may be adversely impacted. ~~We have incurred significant losses since~~

~~inception, we expect to incur losses in the future and we may not be able to generate sufficient revenue to achieve and maintain positive free cash flow or profitability. We have incurred significant losses since we were formed in 2012 and expect to incur losses in the future. We incurred net losses of $ 166. 0 million and $ 58. 2 million for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, we had an accumulated deficit of $ 1. 0 billion. We expect that our losses will continue in the near term as we continue to invest significantly in research and development and the commercialization of both new products and improved versions of existing products. We also expect that our operating expenses will continue to increase as we grow our business. To date, we have financed our operations principally from the sale of convertible preferred stock, stock option exercises and purchases under our 2019 Employee Stock Purchase Plan, the sale of Class A common stock in our initial public offering (" IPO") and our September 2020 follow- on offering, revenue from sales of our products and the incurrence of indebtedness. There can be no assurance that our revenue and gross profit will increase sufficiently such that our net losses decline, or we become free cash flow positive or attain profitability, in the future. Further, our limited operating history and rapid revenue growth over the last several years make it difficult to effectively plan for and model future growth and operating expenses. Our ability to achieve or sustain profitability is based on numerous factors, many of which are beyond our control, including general economic, industry and market conditions, customer purchasing decisions, the impact of market acceptance of our products, future product development, our market penetration and margins and current and future litigation. Additionally, inflationary pressures could adversely impact our financial results. Our operating costs have increased, and may continue to increase, due to the recent growth in inflation. We may not fully offset these cost increases by raising prices for our instruments and consumables, which could result in downward pressure on our margins. Further, our clients may choose to reduce their business with us if we increase our pricing. Additionally, changes in our product mix may negatively affect our gross margins. We may never be able to generate sufficient revenue to achieve or sustain positive free cash flow or profitability and our recent and historical growth should not be considered indicative of our future performance. Our failure to achieve or maintain growth, positive free cash flow or profitability could negatively impact the value of our Class A common stock.~~ Investments and acquisitions could disrupt our business, cause dilution to our stockholders and otherwise harm our business. ~~In 2018~~ **Over the years** , we **have** acquired **technologies** ~~Epinomics, Inc., an~~ **and associated intellectual property rights across** ~~epigenetics company based in California, and Spatial Transcriptomics Holdings AB,~~ a **broad range of emerging areas within biology** ~~spatial analysis company based in Sweden. In 2020, we acquired CartaNA, an~~ **and life sciences** ~~in situ company based in Sweden and ReadCoor, an in situ company based in Massachusetts. In January 2021, we acquired Tetramer Shop, a reagent company based in Denmark~~ . We believe we are successfully integrating the technologies **we have** acquired ~~from those companies~~ into our business, but the long- term success of these acquisitions is not guaranteed. We regularly review investment, acquisition and technology licensing opportunities, and we may invest in or acquire additional real estate or additional businesses and legal entities to add specialized employees, products or technologies as well as pursue technology licenses or investments in complementary businesses. Our previous acquisitions and any future transactions could be material to our financial condition and operating results and expose us to many risks, including: • increases in our expenses and reductions in our cash available for operations and other uses; • difficulties integrating acquired personnel, technologies and operations into our existing business; • failure to realize anticipated benefits or synergies from such a transaction; • unanticipated costs of or legal exposure related to complying with existing and future laws and regulations, including land use, environmental or antitrust-related laws and regulations; • disruption in our relationships with customers, distributors, manufacturers, suppliers or other third parties as a result of such a transaction; • unanticipated liabilities related to acquired real estate or companies, including liabilities related to acquired intellectual property or litigation relating thereto; • diversion of management time and focus from operating our business; • possible write- offs or impairment charges relating to acquired businesses; and • potential higher taxes if our tax positions relating to certain acquisitions were challenged. Foreign acquisitions, such as our acquisitions of Spatial Transcriptomics Holdings AB, CartaNA AB and Tetramer Shop involve unique risks in addition to those mentioned above, including those related to integration of operations across different cultures and languages, currency risks and the particular economic, political and regulatory risks associated with specific countries. Even if we identify a strategic transaction that we wish to pursue, we may be prohibited from consummating such transaction due to the terms of future indebtedness we may incur or due to circumstances outside our control **including regulatory approval considerations** . Future investments, acquisitions or dispositions could result in potentially dilutive issuances of our equity securities, the incurrence of debt, contingent liabilities or amortization expenses or write- offs of goodwill, any of which could harm our financial condition. We cannot predict the number, timing or size of future investments, acquisitions or dispositions or the effect that any such transactions might have on our operating results. Seasonality may cause fluctuations in our revenue and results of operations. We operate on a December 31st year end and believe that there are significant seasonal factors which may cause sales of our products to vary on a quarterly or yearly basis and increase the magnitude of quarterly or annual fluctuations in our operating results. We believe that this seasonality results from a number of factors, including the procurement and budgeting cycles of many of our customers, especially government- or grant- funded customers, whose cycles often coincide with government fiscal year ends. Furthermore, the academic budgetary cycle similarly requires grantees to ‘ use or lose’ their grant funding, which seems to be tied disproportionately to the end of the calendar year, driving sales higher during the fourth quarter. Similarly, our biopharmaceutical customers typically have calendar year fiscal years which also result in a disproportionate amount of their purchasing activity occurring during our fourth quarter. Our international customers also have different purchasing patterns due to procurement or budgeting cycles, holidays or other factors which may result in a disproportionate amount of their purchasing activity occurring in specific periods. These factors have contributed, and may contribute in the future, to substantial fluctuations in our quarterly operating results. Because of these fluctuations, it is possible that in some quarters our operating results will fall below the expectations of securities analysts or investors. If that happens, the market price of our Class A common stock would likely decrease. These fluctuations, among other factors, also mean that our operating results in any particular period may not be

relied upon as an indication of future performance. Seasonal or cyclical variations in our sales have in the past, and may in the future, become more or less pronounced over time, and have in the past materially affected, and may in the future materially affect, our business, financial condition, results of operations and prospects. Other fluctuations, including spikes in customer demand for our products in demand for our products, may make it harder for us to distribute our products in a timely manner. Our reliance on distributors for sales of our products in certain geographies outside of the United States could limit or prevent us from selling our products and impact our revenue. We sell our products through third- party distributors in Asia, certain regions of Europe, Oceania, **Central America,** South America, the Middle East and Africa. We intend to continue to grow our business internationally and to do so we must attract additional distributors and retain existing distributors to maximize the commercial opportunity for our products. There is no guarantee that we will be successful in attracting or retaining desirable sales and distribution partners, that such partners will agree to our terms and conditions of sale or that we will be able to enter into such arrangements on favorable terms. **Additionally, excess inventory held by our distributors may reduce or delay purchases by such distributors. For example, we believe that in the past certain of our distributors in China held excess inventory of certain of our products, in part due to fluctuations in customer** Our distribution relationships are non- exclusive. As such, our distributors may not commit the necessary resources to market our products to the level of our expectations or may choose to favor marketing the products of our competitors. ~~Further, the ability of our distributors to sell and distribute our products in the past has been, and in the future may be, impacted by the COVID- 19 pandemic.~~ If current or future distributors do not or are unable to perform adequately or if we are unable to enter into effective arrangements with distributors in particular geographic areas, our revenues could be significantly impacted. Additionally, our business, financial condition and results of operations could be materially and adversely affected if we are unsuccessful in selling directly to customers who previously purchased our products from third- party distributors **or if our efforts in certain regions to sell directly to certain customers previously served by our distributors negatively impacts our relationships with and the performance of our distributors in such regions or elsewhere** . Uncertain economic or social conditions may adversely impact demand for our products or cause our customers, vendors and suppliers to suffer financial hardship, which could adversely impact our business. Our business could be negatively impacted by reduced demand for our products related to one or more significant local, regional or global economic or social disruptions. These disruptions have included and may in the future include a slow- down, recession or inflationary pressures in the general economy, reduced market growth rates, tighter credit markets for us, our suppliers, vendors or customers, a significant shift in government policies, significant social unrest, or the deterioration of economic relations between countries or regions. Additionally, these and other economic conditions may cause our suppliers, distributors, contractors or other third- party suppliers or manufacturers to suffer financial or operational difficulties that they cannot overcome, resulting in their inability to provide us with the materials and services we need, in which case our business and results of operations could be adversely affected. Inflationary pressures, and changes in foreign currency exchange rates, interest rates and market value of our investments, including marketable securities, could have a significant effect on results. We, our suppliers and our customers are exposed to inflationary pressure and a variety of market risks, including the effects of increases in energy and raw material prices, foreign currency exchange rates and interest rates. Such risks are inherently unpredictable and difficult to mitigate. As a result, significant increases in energy and raw material prices, foreign currency exchange rates or interest rates as well as increased material, freight, logistics, and similar costs could have an adverse effect on our financial condition or results of operations. For example, interest rates have increased significantly as central banks in developed countries attempt to subdue inflation while government deficits and debt remain at high levels in many global markets. Higher government deficits and debt, tighter monetary policy and potentially higher interest rates may drive a higher cost of capital for our business. Doing business internationally creates operational and financial.....- 19 could compound this risk. Our results of operations could be materially adversely affected by fluctuations in foreign currency exchange rates. Historically, most of our revenue has been denominated in U. S. dollars, although we have sold our products and services in local currency outside of the United States, principally the euro. For the years ended December 31, **2023 and** 2022 ~~and 2021~~ , approximately **23 % and** 18 ~~% and 17~~ %, respectively, of our sales were denominated in currencies other than U. S. dollars. Our expenses are generally denominated in the currencies in which our operations are located. As our operations in countries outside of the United States grow, our results of operations and cash flows will become increasingly subject to fluctuations due to changes in foreign currency exchange rates, which could harm our business in the future. During periods of economic crises ~~, such as fallout from the COVID- 19 pandemic~~ , foreign currencies may be devalued significantly against the U. S. dollar, reducing our margins. In addition, because we conduct business in currencies other than U. S. dollars, but report our results of operations in U. S. dollars, we also face remeasurement exposure to fluctuations in currency exchange rates, which could hinder our ability to predict our future results and earnings and could materially impact revenue and our results of operations. We do not currently maintain a program to hedge foreign currency exposures **and even if in the future we do implement a program to hedge such exposures, we may not be successful in mitigating the effects of fluctuations in foreign currency exchange rates** . Due to our exposure to currencies other than U. S. dollars, an increase in the value of certain currencies against the U. S. dollar could increase our costs by increasing labor and other costs that are denominated in local currency. There can be no assurance that any future hedging activities which are designed to partially offset this impact, will be successful. In addition, our currency hedging activities, if any, in the future, could themselves be subject to risk. These could include risks related to counterparty performance under future hedging contracts and risks related to currency fluctuations. If we fail to maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act of 2002, as amended (" SOX "), and the rules and regulations of the applicable listing standards of the Nasdaq Global Select Market (" Nasdaq "). We expect that the requirements of these rules and regulations will continue to increase our legal, accounting and financial compliance costs, make some activities more difficult, time- consuming

and costly, and place significant strain on our personnel, systems and resources. SOX requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. We are continuing to develop and refine our disclosure controls and other procedures that are designed to ensure that information required to be disclosed by us in the reports that we file with the SEC is accurately recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and that information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. We are also continuing to improve our internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, we have expended, and anticipate that we will continue to expend, significant resources including accounting- related costs and significant management oversight. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our results of operations or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting also could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our Class A common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq. We cannot provide any assurance that significant deficiencies or material weaknesses in our internal controls over financial reporting will not be identified in the future. If we fail to remediate any significant deficiencies or material weaknesses that may be identified in the future or encounter problems or delays in the implementation of internal controls over financial reporting, we may be unable to conclude that our internal controls over financial reporting are effective. Any failure to develop or maintain effective controls or any difficulties encountered in our implementation of our internal controls over financial reporting could result in material misstatements that are not prevented or detected on a timely basis, which could potentially subject us to sanctions or investigations by the SEC or other regulatory authorities. We are required to have an audit of the effectiveness of our internal control over financial reporting. Even if our management concludes that our internal control over financial reporting is effective, our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our internal control over financial reporting is documented, designed or operating. Any failure to maintain effective disclosure controls and internal control over financial reporting could materially and adversely affect our business, results of operations and financial condition and could cause a decline in the trading price of our Class A common stock. The continuing impact of" Brexit" may have a negative effect on our business. Following a national referendum and subsequent legislation, the United Kingdom formally withdrew from the European Union, commonly referred to as " Brexit ~~,~~" and ratified a trade and cooperation agreement governing its future relationship with the European Union **(" EU ")** . Among other things, the agreement, which became effective in 2021, addresses trade, economic arrangements, law enforcement, judicial cooperation and governance. Because the agreement merely sets forth a framework in many respects that requires complex additional bilateral negotiations between the United Kingdom and the European Union, **and does not for example provide for the wholesale mutual recognition of product certification,** significant uncertainty remains about ~~how~~ the ~~precise terms~~ **practical impacts** of the **new** relationship ~~between the parties will differ from the terms before withdrawal~~ . Brexit has had, and may continue to have, a significant adverse effect on global economic conditions and the stability of global financial markets, and could significantly reduce global market liquidity and restrict the ability of key market participants to operate in certain financial markets. The illegal distribution and sale by third parties of counterfeit or unfit versions of our products or stolen products could have a negative impact on our reputation and business. Third parties might illegally distribute and sell counterfeit or unfit versions of our products, which do not meet our rigorous manufacturing, distribution and quality standards. As we expand our business internationally, we expect to encounter counterfeit versions of our products, ~~particularly~~ **including** our consumables. A researcher who receives and uses counterfeit consumables could obtain erroneous results, experience failed experiments or potentially damage his or her instrument. Our reputation and business could suffer harm as a result of counterfeit products sold under our brand name. ~~In addition, inventory~~ **Inventory** that is stolen from warehouses, plants or while in- transit, and that is subsequently improperly stored and sold through unauthorized channels, could adversely impact our customers' experiments, our reputation and our business. The investment of marketable securities is subject to risks which may cause losses and affect the liquidity of these investments. From time to time, we have and may invest portions of excess cash and cash equivalents in marketable securities. We have and may invest in liquid, investment- grade marketable securities such as corporate bonds, commercial paper, asset- backed securities, U. S. treasury securities, money market funds, and other cash equivalents. We currently, and expect to continue, to follow an established investment policy and set of guidelines to monitor and help mitigate our exposure to liquidity and credit risks which set forth credit quality standards and limit our exposure to any one issuer as well as our maximum exposure to various asset classes. However, these investments are subject to general credit, liquidity, market and interest rate risks. We may realize losses in the fair value of these investments, which could include a complete loss of these investments, which would have a negative effect on our consolidated financial statements. In addition, should our investments cease paying or reduce the amount of interest paid to us, our interest income would decrease. Indebtedness may impair our financial and operating flexibility. We may incur indebtedness in the future. The debt instruments governing such indebtedness could contain restrictive provisions. If we incur debt, a portion of our cash flows ~~will~~ **would likely** be needed to satisfy our debt service obligations. In the event that additional financing is required, we may not be able to raise it on terms acceptable to us or at all. As a result, we would be more vulnerable to general adverse economic, industry and capital

markets conditions in addition to the risks associated with indebtedness described in this risk factor. Our products could become subject to more onerous regulation by the U. S. Food and Drug Administration (" FDA ") or other regulatory agencies in the future, which could increase our costs and delay or prevent commercialization of our products, thereby materially and adversely affecting our business, financial condition, results of operations and prospects. We make certain of our products available to customers as research- use- only (" RUO ") products. RUO products are regulated by the FDA as medical devices, and include in vitro diagnostic products in the laboratory research phase of development that are being shipped or delivered for an investigation that is not subject to the FDA' s investigational device exemption requirements. Although medical devices are subject to stringent FDA oversight, products that are intended for RUO and are labeled as RUO are exempt from compliance with most FDA requirements, including premarket clearance or approval, manufacturing requirements, and others. A product labeled RUO but which is actually intended for clinical diagnostic use may be viewed by the FDA as adulterated and misbranded under the Federal Food, Drug, and Cosmetic Act (" FDC Act "), and subject to FDA enforcement action. In the ~~European Union (" EU ")~~, under Regulation (EU) No 2017 / 746 (" EU IVDR "), RUO products which are intended to be used for research purposes, without any medical objective, are not regarded as devices for performance evaluation used in diagnostic procedures. More importantly, the EU IVDR expressly provides that products intended for RUO are excluded from the scope of the Regulation. A material intended for RUO, without any medical purpose or objective, is therefore not considered as an in vitro diagnostic medical device (" IVD ") and is not subject to compliance with IVD requirements. However, depending on the type of RUO products in question, requirements to market some products may be tighter under the EU IVDR such as for laboratory developed tests. Depending on the product in question, other regulations may be applicable to the RUO products. The FDA has indicated that when determining the intended use of a product labeled RUO, the FDA will consider the totality of the circumstances surrounding distribution and use of the product, including how the product is marketed and to whom. The FDA and foreign authorities could disagree with our assessment that our products are properly marketed as RUOs, or could conclude that products labeled as RUO are actually intended for clinical diagnostic use, and could take enforcement action against us, including requiring us to stop distribution of our products until we are in compliance with applicable regulations, which would reduce our revenue, increase our costs and adversely affect our business, prospects, results of operations and financial condition. In the event that the FDA or foreign authorities requires us to obtain marketing authorization or certification of our RUO products in the future, there can be no assurance that these authorities will grant any clearance, approval or certification requested by us in a timely manner, or at all. We may also in the future decide to develop products that are intended for clinical or diagnostic uses. In the United States, before we can market a new medical device, or a new use of, new claim for or significant modification to an existing product, we must first receive either clearance under Section 510 (k) of the FDC Act, or approval of a premarket approval application from the FDA, unless an exemption applies. In the EU, there is currently no premarket government review of medical devices (including IVDs). However, the EU requires that all IVDs placed on the market in the EU must meet general ~~and ,~~ safety **and performance** requirements of the EU IVDR including the requirement that an IVD must be designed and manufactured in such a way that, during normal conditions of use, it is suitable for its intended purpose. IVDs must be safe and effective and must not compromise the clinical condition or safety of patients, or the safety and health of users and – where applicable – other persons, provided that any risks which may be associated with their use constitute acceptable risks when weighed against the benefits to the patient and are compatible with a high level of protection of health and safety, taking into account the generally acknowledged state of the art. Compliance with general ~~and ,~~ safety **and performance** requirements ~~of~~ **laid down in Annex I to** the EU IVDR is a prerequisite for European conformity marking (" CE mark ") without which IVDs cannot be marketed or sold in the EU. The EU regulatory landscape concerning IVDs recently evolved. On May 26, 2022, the EU IVDR became applicable, and repealed and replaced the EU IVDD. Unlike the EU IVDD, the EU IVDR is directly applicable in all EU member states without the need for member states to implement into national law. This aims at reducing the risk of discrepancies in interpretation across the different European markets. The EU IVDR may impose increased compliance obligations for us if we decide to market products for clinical or diagnostic uses and impact our development plans. **The EU IVDR does not apply in Great Britain (England, Scotland and Wales) since it came into effect after the United Kingdom' s departure from the EU, and consequently, the regulatory framework for IVDs in Great Britain continues to be largely based on the requirements of the EU IVDD as implemented by national law. However under the terms of the Northern Ireland Protocol the EU IVDR does apply in Northern Ireland. The Medicines and Healthcare products Regulatory Agency (" MHRA ") has confirmed that it will introduce changes to the legislation applicable in Great Britain, and has stated that it expects the core elements of the new regime to apply from July 2025. Until the final legislation and accompanying guidance has been published there will remain uncertainty as to the future IVD regulatory requirements in Great Britain.** In addition, the process of obtaining approval or clearance from the FDA or certification from notified bodies in the EU or approved bodies in the United Kingdom for new products, or with respect to enhancements or modifications to existing products, could take a significant period of time, require the expenditure of substantial resources, involve rigorous pre- clinical and clinical testing, require changes to products or result in limitations on the indicated uses of products. There can be no assurance that we will receive the required approvals, clearances or certifications for any new products or for modifications to our existing products on a timely basis or that any approval, clearance or certification will not be subsequently withdrawn or conditioned upon extensive post- market study requirements. Moreover, even if we receive FDA clearance or approval or certification from foreign bodies of new products or modifications to existing products, we will be required to comply with extensive regulations relating to the development, research, clearance, approval, certification, distribution, marketing, advertising and promotion, manufacture, adverse event reporting, recordkeeping, import and export of such products, which may substantially increase our operating costs and have a material impact on our business, profits and results of operations. Failure to comply with applicable regulations could jeopardize our ability to sell our products and result in enforcement actions such as: warning letters, fines, injunctions, civil penalties, termination of distribution, recalls or seizures of

products, delays in the introduction of products into the market, total or partial suspension of production, refusal to grant future clearances, approvals or certifications, withdrawals or suspensions of existing clearances, approvals or certifications, resulting in prohibitions on sales of our products, and in the most serious cases, criminal penalties. Occurrence of any of the foregoing could harm our reputation, business, financial condition, results of operations and prospects. Enhanced trade tariffs, import restrictions, export restrictions, Chinese regulations or other trade barriers may materially harm our business. We are continuing to expand our international operations as part of our growth strategy and have experienced an increasing concentration of sales in certain regions outside the United States, ~~especially~~ **including** in the Asia- Pacific region. For the years ended December 31, **2023 and** 2022 ~~and 2021~~, sales outside of North America constituted approximately **40 % and** 45 ~~% and 46~~ %, respectively, of our sales revenue and our largest markets outside of North America were China and Germany. There is currently significant uncertainty about the future relationship between the United States and various other countries, most significantly China, with respect to trade policies, treaties, government regulations and tariffs. Additionally, our business may be adversely impacted by retaliatory trade measures taken by China or other countries. Such measures could include restrictions on our ability to sell or import our instruments and / or consumables into certain countries or have the effect of increasing the prices of our instruments and / or consumables. Although the United States and China signed an interim trade agreement in January 2020 (the " Phase One deal "), the parties are continuing to negotiate a trade agreement. At this time, it is unknown whether the Phase One deal will last, whether there will be sufficient progress on Phases Two and Three to lead to a further reduction in U. S.- China trade tensions and what effect the ultimate trade agreement will have on our business. There are also pressures on the U. S. Administration to retaliate against China over China' s inability to prevent COVID- 19 from spreading outside of the country' s borders and China' s actions in Hong Kong, which could lead to additional U. S., Chinese and other tariffs, or a resumption of trade hostilities, exposing us to increased tariffs in the U. S. and Chinese markets. Therefore, it is possible further tariffs may be imposed that could cover imports of the export or sale of our instruments and / or consumables, or our business may be adversely impacted by retaliatory trade measures taken by China or other countries, which could materially harm our business, financial condition and results of operations. The nature of the dispute between the United States and China is evolving and additional products such as ours could become subject to tariffs, which could adversely affect the marketability of our products and our results of operations. Further, the continued threats of tariffs, trade restrictions and trade barriers could have a generally disruptive impact on the global economy and, therefore, negatively impact our sales. Given the relatively fluid regulatory environment in China and the United States and uncertainty how the United States or foreign governments will act with respect to tariffs, international trade agreements and policies, there could be additional tax or other regulatory changes in the future. Any such changes could directly and adversely impact our financial results and results of operations. In recent years, the United States government has a renewed focus on export control matters. For example, the Export Control Reform Act of 2018 and regulatory guidance thereunder have imposed additional controls and may result in the imposition of further additional controls, on the export of certain " emerging and foundational technologies. " Our current and future products may be subject to these heightened regulations, which could increase our compliance costs. The imposition of new, or changes in existing, tariffs, trade restrictions, trade barriers, export controls or retaliatory trade measures taken by other countries could adversely impact our business, financial condition and results of operations. **We are subject to risks related to taxation in multiple jurisdictions and** ~~Changes~~ **changes** in tax laws or regulations that are applied adversely to us or our customers may have a material adverse effect on our business, cash flow, financial condition or results of operations **.We are subject** to income taxes in both the United States and foreign jurisdictions.Significant judgments based on interpretations of existing tax laws or regulations are required in determining our provision for income taxes.Our effective income tax rate could be adversely affected by various factors,including,but not limited to,changes in the mix of earnings in tax jurisdictions with different statutory tax rates,changes in the valuation of deferred tax assets and liabilities ~~,changes in existing tax policies,laws,regulations or rates~~ ,changes in the level of non- deductible expenses (including share- based compensation),changes in the location of our operations,changes in our future levels of research and development spending,changes in tax benefits from share based compensation,mergers and acquisitions or the result of examinations by various tax authorities.Although we believe our tax estimates are reasonable,if the United States Internal Revenue Service or **any** other taxing authority disagrees with the positions taken on our tax returns,we could have additional tax liability,including interest and penalties.If material,payment of such additional amounts upon final adjudication of any disputes could have a material impact on **our results of operations and financial position** . New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time, which could ~~affect the tax treatment of our domestic and foreign earnings. Any new taxes could~~ adversely affect our domestic and international business operations and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, **beginning in 2022,** the Tax Cuts and Jobs Act of 2017 (the ~~"~~ **"** TCJA ~~"~~ **"**) requires U. S. research and experimental expenditures to be capitalized and amortized ratably over a five- year period. Any such expenditures attributable to research conducted outside the United States must be capitalized and amortized over a 15- year period ~~. The TCJA also imposes limitations on the deductibility of interest and the use of NOL carryforwards, among other significant changes to corporate taxation of business activities outside the United States~~ . In addition, the Inflation Reduction Act of 2022 recently became law and imposes a minimum tax on certain corporations with book income of at least $ 1 billion, subject to certain adjustments, and a 1 % excise tax on certain stock buybacks and similar corporate actions. ~~Finally~~ **While certain other draft legislation has been proposed in the U. S., the likelihood of any proposed changes to the tax law being enacted or implemented is unclear, and we are currently unable to predict whether such changes will occur. If any such changes are implemented, we are currently unable to predict the ultimate impact on our business and therefore there can be no assurance our business will not be adversely affected. In addition** , the Organization for Economic Co- Operation and Development has released guidance and blueprints covering various topics, including a global minimum effective tax rate **of 15 %** on certain corporate groups known as " Pillar Two," and rules governing

transfer pricing, country- by- country reporting ~~,~~ and definitional changes to permanent establishment that could ultimately impact our tax liabilities as those guidance and blueprints are potentially implemented in various jurisdictions. **For example, on December 12, 2022, the European Union member states agreed to implement the " Pillar Two " global corporate minimum tax rate as of January 1, 2024. In addition, various other countries where we do business have implemented or plan to implement the " Pillar Two " global corporate minimum tax rate in 2024 and are also actively considering changes to their tax laws to adopt certain parts of the OECD' s proposals. The enactment of this and similar legislation could significantly increase our tax obligations in many countries where we do business.** Our ability to use net operating losses to offset future taxable income may be subject to certain limitations. **Our ability to utilize our** ~~As of December 31, 2022, we had federal~~ net operating loss carryforwards ~~(" NOLs ") of $ 717. 0 million~~ and ~~federal tax~~ **research and development** credit ~~carryforwards of $ 59. 0 million. Our federal NOLs generated after January 1, 2018, which total $ 708. 5 million are carried forward indefinitely, while all of our other federal NOLs and tax credit carryforwards expire beginning in 2033. As of December 31, 2022, we had state NOLs of $ 375. 7 million, which expire beginning in 2033. In addition, we had state tax credit carryforwards of $ 46. 6 million, which carry forward indefinitely. Our ability to utilize such~~ carryforwards for income tax savings is subject to certain conditions and may be subject to certain limitations in the future due to ownership changes as described below. As such, there can be no assurance that we will be able to utilize such carryforwards. We have experienced a history of losses and a lack of future taxable income would adversely affect our ability to utilize ~~these NOLs~~ **our net operating loss carryforwards** and research and development credit carryforwards. Under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended (the " Code "), if a corporation undergoes an " ownership change, " the corporation' s ability to use its pre- change net operating loss carryforwards and other pre- change **tax** attributes, such as research tax credits, to offset its post- change income may be limited. In general, an " ownership change " will occur if there is a cumulative change in our ownership by **certain significant** ~~" 5 %~~ shareholders ~~"~~ that exceeds 50 percentage points over a rolling three- year period. Similar rules may apply under state tax laws. **A portion** ~~We completed a study through October 31, 2022 to determine whether an ownership change had occurred under Section 382 or 383~~ of ~~the Code, and we determined that an ownership change occurred in 2013. As a result,~~ our net operating ~~losses~~ -- **loss carryforwards and other tax attributes** ~~generated through November 1, 2013~~ may be subject to limitation under Section 382 of the Code ~~. In addition, certain attributes attributable to ReadCoor are subject to annual limitations~~ as a result of **previous** ~~our acquisition of ReadCoor, which constituted an~~ ownership ~~change~~ **changes and** ~~of ReadCoor. Such~~ **such** limitations may result in expiration of a portion of our net operating loss carryforwards or other tax attributes before utilization. Our ability to use net operating loss carryforwards, research and development credit carryforwards and other tax attributes to reduce future taxable income and liabilities may be further limited as a result of future changes in stock ownership. As a result, if we earn net taxable income, our ability to use our pre- change net operating loss carryforwards or other pre- change tax attributes to offset United States federal and state taxable income may ~~still~~ be subject to limitations, which could potentially result in increased future tax liability to us. We are subject to risks related to..... results of operations and financial position. Ethical, legal, privacy and social concerns or governmental restrictions surrounding the use of the genomic and **multiomic** ~~multi- omic~~ information and gene editing could reduce demand for our products. While we do not make gene sequencing or gene editing products, our products are used to better understand genomic information that could further gene editing endeavors. For example, our Chromium Single Cell Gene Expression solution allows users to examine cells that have been genetically perturbed using clustered regularly interspaced short palindromic repeats (" CRISPR ") gene editing technology. Advances in genome editing or gene therapy, such as CRISPR Cas9 technology have been subject to negative publicity and increased regulatory scrutiny, in part due to the underlying ethical, legal, privacy and social concerns regarding the use or potential misuse of such technology. Governmental authorities could, for safety, social or other purposes, call for limits on or regulation of technologies and products used in the genome editing or gene therapy fields. Such concerns or governmental restrictions could limit the use of our products. Because the science and technology of genome editing or gene therapy is incredibly complex, any regulations or restrictions placed on such technology or aimed at curtailing its usage could, intentionally or inadvertently, limit or restrict the usage of our products. Any such restrictions or any reduction in usage of our products as a result of concerns regarding the usage of genome editing technology could have a material adverse effect on our business, financial condition and results of operations. Our success will depend on our ability to obtain, maintain and protect our intellectual property rights. Our success and ability to compete depends in part on our ability to obtain, maintain and enforce issued patents, trademarks and other intellectual property rights and proprietary technology in the United States and elsewhere. If we cannot adequately obtain, maintain and enforce our intellectual property rights and proprietary technology, competitors may be able to use our technologies or the goodwill we have acquired in the marketplace and erode or negate any competitive advantage we may have and our ability to compete, which could harm our business and ability to achieve profitability and / or cause us to incur significant expenses. We rely on a combination of contractual provisions, confidentiality procedures and patent, trademark, copyright, trade secret and other intellectual property laws to protect the proprietary aspects of our products, brands, technologies, trade secrets, know- how and data. These legal measures afford only limited protection, and competitors or others may gain access to or use our intellectual property rights and proprietary information. **In addition, patents have a limited lifespan. In the United States, for example, the natural expiration of a utility patent is generally 20 years from the earliest effective non- provisional filing date.** Our success will depend, in part, on preserving our trade secrets, maintaining the security of our data and know- how and obtaining, maintaining and enforcing other intellectual property rights. We may not be able to obtain, maintain and / or enforce our intellectual property or other proprietary rights necessary to our business or in a form that provides us with a competitive advantage. Failure to obtain, maintain and / or enforce intellectual property rights necessary to our business and failure to protect, monitor and control the use of our intellectual property rights could negatively impact our ability to compete and cause us to incur significant expenses. The intellectual property laws and other statutory and contractual arrangements in the United States and other jurisdictions we depend upon may not provide sufficient protection in

the future to prevent the infringement, use, violation or misappropriation of our patents, trademarks, data, technology and other intellectual property rights by others, and may not provide an adequate remedy if our intellectual property rights are infringed, misappropriated or otherwise violated by others. We rely in part on our portfolio of issued patents and pending patent applications in the United States and other countries to protect our intellectual property and competitive position. However, it is also possible that we may fail to identify patentable aspects of inventions made in the course of the development, manufacture and commercialization activities conducted by or on behalf of us before it is too late to obtain patent protection on such inventions. If we fail to timely file for patent protection in any jurisdiction, we may be precluded from doing so at a later date. Although we enter into non- disclosure and confidentiality agreements with parties who have access to patentable aspects of our research and development output, such as our employees, corporate collaborators, outside scientific collaborators, suppliers, consultants, advisors and other third parties, any of these parties may breach the agreements and disclose such output before a patent application is filed, thereby jeopardizing our ability to seek patent protection. Furthermore, 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 18 months after filing, or in some cases not at all. Therefore, we cannot be certain that we were the first to make the inventions claimed in any of our patents or pending patent applications, or that we were the first to file for patent protection of such inventions. Moreover, should we become a licensee of a third party' s patents or patent applications, depending on the terms of any future in- licenses to which we may become a party, we may not have the right to control the preparation, filing and prosecution of patent applications, or to maintain or enforce the patents, covering technology in- licensed from third parties. Therefore, these patents and patent applications may not be prosecuted, maintained and / or enforced in a manner consistent with the best interests of our business. While we generally apply for patents in those countries where we intend to make, have made, use, import, offer for sale or sell our products, we may not accurately predict all of the countries where patent protection will ultimately be desirable. Furthermore, the issuance of a patent does not give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from importing, manufacturing and / or commercializing our own products or services, or otherwise practicing our own technology. Any of these outcomes could impair our ability to prevent competition from third parties, which may have an adverse impact on our business. The patent positions of companies, including our patent position, may involve complex legal and factual questions that have been the subject of much litigation in recent years, and, therefore, the scope of any patent claims that we have or may obtain cannot be predicted with certainty. Accordingly, we cannot provide any assurances about which of our patent applications will issue, the breadth of any resulting patent, whether any of the issued patents will be found to be infringed, invalid or unenforceable or will be threatened or challenged by third parties, that any of our issued patents have, or that any of our currently pending or future patent applications that mature into issued patents will include, claims with a scope sufficient to protect our products, services or technology. Our pending and future patent applications may not result in the issuance of patents or, if issued, may not issue in a form that will be advantageous to us. The coverage claimed in a patent application can be significantly reduced before the patent is issued, and its scope can be reinterpreted after issuance. We cannot offer any assurances that the breadth of our issued patents will be sufficient to stop a competitor from developing, manufacturing and commercializing a product or technologies in a non-infringing manner that would be competitive with one or more of our products or technologies, or otherwise provide us with any competitive advantage. Furthermore, any successful challenge to these patents or any other patents owned by or licensed to us after patent issuance could deprive us of rights necessary for our commercial success. Further, there can be no assurance that we will have adequate resources to enforce our patents. ~~Patents have a limited lifespan. In the United States, the natural expiration of a utility patent is generally 20 years from the earliest effective non- provisional filing date.~~ Though an issued patent is presumed valid and enforceable, its issuance is not conclusive as to its validity or its enforceability and it may not provide us with adequate proprietary protection or competitive advantages against competitors with similar products or services. Patents, if issued, may be challenged, deemed unenforceable, invalidated, narrowed or circumvented. Proceedings challenging our patents or patent applications could result in either loss of the patent, or denial of the patent application or loss or reduction in the scope of one or more of the claims of the patent or patent application. Any successful challenge to our patents and patent applications could deprive us of exclusive rights necessary for our commercial success. In addition, defending such challenges in such proceedings may be costly. Thus, any patents that we may own may not provide the anticipated level of, or any, protection against competitors. Furthermore, an adverse decision may result in a third party receiving a patent right sought by us, which in turn could affect our ability to develop, manufacture or commercialize our products or technologies. Some of our patents and patent applications may in the future be co- owned with third parties. If we are unable to obtain an exclusive license to any such third- party co- owners' interest in such patents or patent applications, such co- owners may be able to license their rights to other third parties, including our competitors, and our competitors could market competing products, services and technology. In addition, we may need the cooperation of any such co- owners of our patents in order to enforce such patents against third parties, and such cooperation may not be provided to us. The degree of future protection for our proprietary rights is uncertain, and we cannot ensure that: • others will not develop, manufacture and / or commercialize similar or alternative products or technologies that do not infringe our patents; • any patents issued to us will provide a basis for an exclusive market for our commercially viable products or technologies , will provide us with any competitive advantages or will not be challenged by third parties; • any of our challenged patents will be found to ultimately be valid and enforceable; • any of our patents, or any of our pending patent applications, if issued, will include claims having a scope sufficient to protect our products or services; • any of our pending patent applications will issue as patents; • we will be able to successfully manufacture and commercialize our products on a substantial scale before relevant patents we may have expire; • we were the first to make the inventions covered by each of our patents and pending patent applications; • we were the first to file patent applications for these inventions; • we will develop additional proprietary technologies or products that are separately patentable; or • our commercial activities or products will not infringe upon the patents of others. If we cannot successfully enforce our intellectual property rights, the

commercial value of our products and technologies will be adversely affected and our competitive position may be harmed. Third parties, including our competitors, may currently, or in the future, infringe, misappropriate or otherwise violate our issued patents or other intellectual property rights, and we may file lawsuits or initiate other proceedings to protect or enforce our patents or other intellectual property rights, which could be expensive, time- consuming and unsuccessful. We regularly monitor for unauthorized use of our intellectual property rights and, from time to time, analyze whether to seek **to** enforce our rights against potential infringement, misappropriation or violation of our intellectual property rights. However, the steps we have taken, and are taking, to protect our proprietary rights may not be adequate to enforce our rights as against such infringement, misappropriation or violation of our intellectual property rights. In certain circumstances it may not be practicable or cost-effective for us to enforce our intellectual property rights fully, particularly in certain developing countries or where the initiation of a claim might harm our business relationships. We may also be hindered or prevented from enforcing our rights with respect to a government entity or instrumentality because of the doctrine of sovereign immunity. Our ability to enforce our patent or other intellectual property rights depends on our ability to detect infringement. It may be difficult to detect infringers who do not advertise the components or methods that are used in connection with their products or technologies. Moreover, it may be difficult or impossible to obtain evidence of infringement in a competitor' s or potential competitor' s product or technologies. Thus, we may not be able to detect unauthorized use of, or take appropriate steps to enforce, our intellectual property rights. Any inability to meaningfully enforce our intellectual property rights could harm our ability to compete and reduce demand for our products and technologies. We have in the past and may in the future become, involved in lawsuits to protect or enforce our intellectual property rights. An adverse result in any litigation proceeding could harm our business. In any lawsuit we bring to enforce our intellectual property rights, a court may refuse to stop the other party from using the technology at issue on grounds that our intellectual property rights do not cover the technology in question. Any claims we assert against perceived infringers could also provoke these parties to assert counterclaims against us alleging that we infringe, misappropriate or otherwise violate their intellectual property rights. If we initiate legal proceedings against a third party to enforce a patent covering a product or technology, the defendant could counterclaim that such patent is invalid or unenforceable. In patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are common, and 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 patentable subject matter, novelty, obviousness, or non- enablement. Grounds for an unenforceability assertion could be an allegation that someone connected with prosecution of the patent withheld relevant information from USPTO, or made a misleading statement, during prosecution. Mechanisms for such challenges include re- examination, post- grant review, inter partes review, interference proceedings, derivation proceedings, and equivalent proceedings in foreign jurisdictions (e. g., opposition proceedings). In a patent or other intellectual property infringement proceeding, a court may decide that a patent or other intellectual property right of ours is invalid or unenforceable, in whole or in part, construe the patent' s claims or other intellectual property narrowly or refuse to stop the other party from using the technology at issue on the grounds that our patents or other intellectual property do not cover the technology in question. Furthermore, even if our patents or other intellectual property rights are found to be valid and infringed, a court may refuse to grant injunctive relief against the infringer and instead grant us monetary damages and / or ongoing royalties. Such monetary compensation may be insufficient to adequately offset the damage to our business caused by the infringer' s competition in the market. An adverse result in any litigation or administrative proceeding could put one or more of our patents or other intellectual property rights at risk of being invalidated or interpreted narrowly, which could adversely affect our competitive business position, financial condition and results of operations. Moreover, even if we are successful in any litigation, we may incur significant expense in connection with such proceedings, and the amount of any monetary damages may be inadequate to compensate us for damage as a result of the infringement and the proceedings. We may be subject to claims challenging the inventorship or ownership of our patents and other intellectual property rights. We may also be subject to claims that our former employees, contractors or collaborators, or other third parties have an ownership interest in our current or future patents, patent applications, or other intellectual property rights, including as an inventor or co- inventor. We may be subject to ownership or inventorship disputes in the future arising, for example, from conflicting obligations of employees, consultants or others who were or are involved in developing our products or services. Although it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property rights to execute agreements assigning such intellectual property rights to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property rights that we regard as our own, and we cannot be certain that our agreements with such parties will be upheld in the face of a potential challenge, or that they will not be breached, for which we may not have an adequate remedy. The assignment of intellectual property rights may not be self- executing, or the assignment agreements may be breached, and litigation may be necessary to defend against these and other claims challenging inventorship or ownership. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, valuable intellectual property rights, and other owners may be able to license their rights to other third parties, including our competitors. Such an outcome could have a material adverse effect on our business. 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. Additionally, we may be subject to claims from third parties challenging ownership interest in or inventorship of intellectual property rights we regard as our own, based on claims that our agreements with employees or consultants obligating them to assign their intellectual property rights to us are ineffective or in conflict with prior or competing contractual obligations to assign inventions and intellectual property rights to another employer, to a former employer, or to another person or entity. Litigation may be necessary to defend against such claims, and it may be necessary or we may desire to obtain a license to such third party' s intellectual property rights to settle any such claim; however, there can be no assurance that we would be able to obtain such license on commercially reasonable terms, if at all. If

our defense to those claims fails, in addition to paying monetary damages or a settlement payment, a court could prohibit us from using technologies, features or other intellectual property rights that are essential to our products or technologies, if such technologies or features are found to incorporate or be derived from the trade secrets or other proprietary information of another person or entity, including another or former employers. An inability to incorporate technologies, features or other intellectual property rights that are important or essential to our products or services could have a material adverse effect on our business, financial condition, results of operations, and competitive position, and may prevent us from developing, manufacturing and / or commercializing our products or technologies. In addition, we may lose valuable intellectual property rights or personnel. Even if we are successful in defending against these claims, litigation could result in substantial costs and could be a distraction to management and our employees. Any litigation or the threat thereof may adversely affect our ability to hire employees or contract with independent sales representatives. A loss of key personnel or their work product could hamper or prevent our ability to develop, manufacture and / or commercialize our products or services, which could materially and adversely affect our business, financial condition and results of operations. We depend on certain intellectual property rights that are licensed to us. We may be unsuccessful in licensing or acquiring intellectual property rights from third parties that may be necessary to develop, manufacture and / or commercialize our current and / or future products or technologies. Various proprietary technologies that are used in a substantial majority of our consumables are protected by intellectual property rights that we in-license from third parties. Our rights to use such intellectual property rights in our business are subject to the continuation of and our compliance with the terms of the license agreements between us and each of our licensors. A third party may hold intellectual property rights, including patent rights, that are important or necessary to the development, manufacture and / or commercialization of our current and / or future products or technologies, in which case we would need to acquire or obtain a license to such intellectual property rights from such third party. A third party that perceives us to be a competitor may be unwilling to assign or license its intellectual property rights to us. In addition, the licensing or acquisition of third- party intellectual property rights is a competitive area, and other companies may also pursue similar strategies to license or acquire such third party' s intellectual property rights. Some of these companies may ~~be established and may~~ have a competitive advantage over us due to their size, capital resources and greater development, manufacturing and commercialization capabilities. We also may be unable to license or acquire third party intellectual property rights on commercially reasonable terms that would allow us to make an appropriate return on our investment, or we may be unable to obtain any such license or acquisition at all. If we are unable to successfully ~~obtain rights to~~ **license or acquire** necessary third- party intellectual property rights, we may not be able to develop, manufacture or commercialize our current and / or future products or technologies, which could have a material adverse effect on our business, financial condition and results of operations. If we fail to execute invention assignment agreements with our employees and contractors involved in the development of intellectual property rights or are unable to protect the confidentiality of our trade secrets, the value of our products and technologies and our business and competitive position could be harmed. In addition to patent protection, we also rely on other intellectual property rights, including protection of copyright, trade secrets, know- how and / or other proprietary information that is not patentable or that we elect not to patent. However, trade secrets can be difficult to protect, and some courts are less willing or unwilling to protect trade secrets. To maintain the confidentiality of our trade secrets and proprietary information, we rely heavily on confidentiality provisions that we have in contracts with our employees, consultants, collaborators and other third parties. We generally enter into confidentiality and invention assignment agreements with our employees, consultants and third parties upon their commencement of a relationship with us. However, we cannot guarantee that we have entered into such agreements with each party that may have or have had access to our trade secrets or proprietary technology and processes and we may not enter into such agreements with all employees, consultants and third parties who have been involved in the development of our intellectual property rights. Although we generally require all of our employees, consultants, advisors and any third parties who have access to our proprietary know- how, information, or technology to enter into confidentiality agreements, we cannot provide any assurances that all such agreements have been duly executed. In addition, despite the protections we do place on our intellectual property or other proprietary rights, monitoring unauthorized use and disclosure of our intellectual property rights by employees, consultants and other third parties who have access to such intellectual property or other proprietary rights is difficult, and we do not know whether the steps we have taken to protect our intellectual property or other proprietary rights will be adequate. Therefore, we may not be able to prevent the unauthorized disclosure or use of our technical knowledge or other trade secrets by such employees, consultants, advisors or third parties, despite the existence generally of these confidentiality restrictions. These agreements may not provide meaningful protection against the unauthorized use or disclosure of our trade secrets, know- how or other proprietary information in the event the unwanted use is outside the scope of the provisions of the contracts or in the event of any unauthorized use, misappropriation, or disclosure of such trade secrets, know- how ~~,~~ or other proprietary information **that we fail to detect** . There can be no assurances that such employees, consultants, advisors or third parties will not breach their agreements with us, that we will have adequate remedies for any breach, or that our trade secrets will not otherwise become known or independently developed by third parties, including our competitors. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor, we would have no right to prevent them, or those to whom they communicate it, from using that technology or information to compete with us. If any of our trade secrets were to be disclosed to or independently developed by a competitor, our competitive position would be harmed. The exposure of our trade secrets and other proprietary information would impair our competitive advantages and could have a material adverse effect on our business, financial condition and results of operations. In particular, a failure to protect our proprietary rights may allow competitors to copy our technology, which could adversely affect our pricing and market share. Costly and time- consuming litigation could be necessary to enforce and determine the scope of our trade secret rights and related confidentiality and nondisclosure provisions **, and outcomes are unpredictable** . Further, it is possible that others will independently develop the same or similar technology, products or services or otherwise obtain access to our unpatented technology, and in such cases, we

could not assert any trade secret rights against such parties. If we fail to obtain or maintain trade secret protection, or if our competitors obtain our trade secrets or independently develop technology or products similar to ours, our competitive market position could be materially and adversely affected. In addition, some courts are less willing or unwilling to protect trade secrets and agreement terms that address non- competition are difficult to enforce in many jurisdictions and might not be enforceable in certain cases. In addition to contractual measures, we try to protect the confidential nature of our proprietary information by maintaining physical security of our premises and electronic security of our information technology systems. Such security measures may not, for example, in the case of misappropriation of a trade secret by an employee, consultant or other third party with authorized access, provide adequate protection for our proprietary information. Our security measures may not prevent an employee, consultant or other third party from misappropriating our trade secrets and providing them to a competitor, and recourse we take against such misconduct may not provide an adequate remedy to protect our interests fully. Unauthorized parties may also attempt to copy or reverse engineer certain aspects of our products or services that we consider proprietary. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret can be difficult, expensive and time-consuming, and the outcome is unpredictable. Further, we may not be able to obtain adequate remedies for any breach. While we use commonly accepted security measures, trade secret violations are often a matter of state law in the United States, and the criteria for protection of trade secrets can vary among different jurisdictions. If the steps we have taken to maintain our trade secrets are deemed inadequate, we may have insufficient recourse against third parties for misappropriating the trade secret. In addition, trade secrets may be independently developed by others in a manner that could prevent legal recourse by us. If any of our intellectual property rights or confidential or proprietary information, such as our trade secrets, were to be disclosed or misappropriated, or if any such information was independently developed by a competitor, it could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects. We may be subject to claims that we or our employees have misappropriated the intellectual property rights of a third party, including trade secrets or know- how, or are in breach of non- competition or non- solicitation agreements with our competitors. We may be subject to claims that our employees or consultants have wrongfully used for our benefit or disclosed to us confidential information **, including trade secrets or know- how,** of third parties. Many of our employees and consultants were previously employed at or engaged by other medical device companies, including our competitors or potential competitors. Some of these employees and consultants may have executed confidential information non- disclosure and inventions assignment agreements and non-competition agreements in connection with such previous employment or engagements. Although we try to ensure that our employees and consultants do not use the intellectual property rights, proprietary information, know- how or trade secrets of others in their work for us, we may be subject to claims that we or these individuals have, inadvertently or otherwise, misappropriated the intellectual property rights or disclosed the alleged trade secrets or other proprietary information, of these former employers **, clients** or ~~customers~~ **other third parties** . To the extent that our employees or consultants use intellectual property rights or proprietary information owned by others in their work for us, disputes may arise as to the rights in any related or resulting know- how and inventions. Litigation may be necessary to defend against these claims. There is no guarantee of success in defending these claims, and even if we are successful, litigation could result in substantial cost and be a distraction to our management and other employees. Obtaining and maintaining patent protection depends on compliance with various procedural, document submission, fee payment and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non- compliance with these requirements. The U. S. Patent and Trademark Office, or USPTO, and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. In addition, periodic maintenance fees, renewal fees, annuity fees and various other government fees on issued patents often must be paid to the USPTO and foreign patent agencies over the lifetime of the patent and / or applications and any patent rights we may obtain in the future. While an unintentional lapse of a patent or patent application can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, 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. Non- compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non- payment of fees and failure to properly legalize and submit formal documents. If we **or our patent licensors** fail to maintain the patents and patent applications covering our products ~~or ,~~ services **or technology** , we may not be able to stop a competitor from marketing products ~~or ,~~ services **or technologies** that are the same as or similar to our products ~~or ,~~ services ~~,~~ **or technologies** which would have a material adverse effect on our business, financial condition and results of operations. Changes in patent law could diminish the value of our patents in general, thereby impairing our ability to protect our current and future products **, services** or technologies, and could increase the uncertainties and costs surrounding the prosecution of our patent applications and the enforcement or defense of our current or future patents. Our ability to obtain patents and the breadth of any patents obtained is uncertain in part because, to date, some legal principles remain unresolved, and there has not been a consistent policy regarding the breadth or interpretation of claims allowed in patents in the United States and other countries. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may diminish the value of our intellectual property rights or narrow the scope of our patent protection, which in turn could diminish the commercial value of our products ~~and~~ **,** services **and technologies** . Patent reform legislation may pass in the future that could lead to additional uncertainties and increased costs surrounding the prosecution, enforcement and defense of our patents and applications. Furthermore, the U. S. Supreme Court and the U. S. Court of Appeals for the Federal Circuit have made, and will likely continue to make, changes in how the patent laws of the United States are interpreted. The United States Supreme Court has ruled on several patent cases in recent years, either narrowing the scope of patent protection available in certain circumstances or weakening the rights of patent owners in certain situations. In addition to increasing uncertainty with regard to our ability to obtain patents in the future, this combination of events has created uncertainty with

respect to the value of patents, once obtained. Depending on actions by the United States Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that would weaken our ability to obtain new patents or to enforce patents that we own or that we might obtain or license in the future. An inability to obtain, enforce, and defend patents covering our proprietary technologies would materially and adversely affect our business prospects and financial condition. For example, various courts, including the U. S. Supreme Court, have rendered decisions that impact the scope of patentability of certain inventions or discoveries relating to the life sciences. Specifically, these decisions stand for the proposition that patent claims that recite laws of nature (for example, the relationships between gene expression levels and the likelihood of risk of recurrence of cancer) 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 uncertain. Furthermore, in view of these decisions, in December 2014 **,** the USPTO ~~,~~ published revised guidelines for patent examiners to apply when examining process claims for patent eligibility. This guidance was updated by the USPTO in July 2015 and additional illustrative examples provided in May 2016. The USPTO provided additional guidance on examination procedures pertaining to subject matter eligibility in April 2018 and June 2018. The guidance indicates that claims directed to a law of nature, a natural phenomenon or an abstract idea that do not meet the eligibility requirements should be rejected as non-statutory, patent ineligible subject matter; however, method of treatment claims that practically apply natural relationships should be considered patent eligible. We cannot assure you that our patent portfolio will not be negatively impacted by the current uncertain state of the law, new court rulings or changes in guidance or procedures issued by the USPTO. 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 and validity of patents within the life sciences and any such changes could have a negative impact on our business. Similarly, foreign courts have made, and will likely continue to make, changes in how the patent laws in their respective jurisdictions are interpreted. Changes in patent laws and regulations in other countries or jurisdictions, changes in the governmental bodies that enforce them, or changes in how the relevant governmental authority enforces patent laws or regulations may weaken our ability to obtain new patents or to enforce patents that we own or may obtain in the future. Further, the laws of some foreign countries do not protect proprietary rights to the same extent or in the same manner as the laws of the United States. In addition, any protection afforded by foreign patents may be more limited than that provided under U. S. patent and intellectual property laws. We may encounter significant problems in enforcing and defending our intellectual property both in the United States and abroad. For example, if the issuance in a given country of a patent covering an invention is not followed by the issuance in other countries of patents covering the same invention, or if any judicial interpretation of the validity, enforceability or scope of the claims or the written description or enablement in a patent issued in one country is not similar to the interpretation given to the corresponding patent issued in other countries, our ability to protect our intellectual property rights in those countries may be limited. Changes in either patent laws or in interpretations of patent laws in the United States and other countries may materially diminish the value of our intellectual property rights or narrow the scope of our patent protection. We cannot predict future changes in the interpretation of patent laws or changes to patent laws that might be enacted into law by U. S. and foreign legislative bodies. Those changes may materially affect our patents or patent applications and our ability to obtain additional patent protection in the future. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, results of operations and prospects **. In June 2023, the European Unitary Patent system and the European Unified Patent Court (" UPC ") were launched. European patent applications now have the option, upon grant of a patent, of becoming a Unitary Patent which is subject to the jurisdiction of the UPC. In addition, conventional European patents, both already granted at the time the new system began and granted thereafter, are subject to the jurisdiction of the UPC, unless actively opted out. This was a significant change in European patent practice, and deciding whether to opt- in or opt- out of Unitary Patent practice entail strategic and cost considerations. The UPC provides third parties with a new forum to centrally revoke our European patents and makes it possible for a third party to obtain pan- European injunctions against us. It will be several years before we will understand the scope of patent rights that will be recognized and the strength of patent remedies that will be provided by the UPC. While we have the right to opt our patents out of the UPC over the first seven years of the court' s existence, doing so may preclude us from realizing the benefits of the UPC. Moreover, the decision whether to opt- in or opt- out of Unitary Patent status will require coordinating with co- applicants, if any, adding complexity to any such decision** . The legal systems in certain countries may also favor state- sponsored or companies headquartered in particular jurisdictions over our first- in- time patents and other intellectual property protection. We are aware of incidents where such entities have stolen the intellectual property of domestic companies in order to create competing products and we believe we may face such circumstances ourselves in the future. For example, through its " Annual Special 301 Report on Intellectual Property, " the Office of the United States Trade Representative (" USTR ") has been reporting on the adequacy and effectiveness of intellectual property protection in a number of foreign countries that are U. S. trading partners and their protection and enforcement of intellectual property rights. A number of countries in which both we and our distributors operate have been identified in the reports as being on the Priority Watch List. Placement of a country on the Priority Watch List indicates that particular problems exist in that country with respect to intellectual property protection, enforcement, or market access for persons relying on intellectual property rights. Countries placed on the Priority Watch List are the focus of increased bilateral attention concerning the specific problem areas. It is possible that we will not be able to enforce our intellectual property rights against third parties that misappropriate our proprietary technology in those countries. Intellectual property rights do not necessarily address all potential threats to our competitive advantage. 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 independently develop, manufacture and commercialize **products, services or**

technologies ~~or products~~ that are similar to ~~,~~ or are alternatives or duplicates of any of our **products, services or** technologies ~~or products~~ without infringing, misappropriating or otherwise violating our intellectual property rights; • issued patents that we hold rights to may be held invalid or unenforceable, including as a result of legal challenges by our competitors; • it is possible that our pending patent applications or those that we may own in the future will not lead to issued patents **or even when they issue, the scope of the claims may be narrowed** ; • 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, manufacture and commercialize competitive products **, services** or technologies for sale in our major commercial markets; • we, or current or future **licensors or** collaborators, 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 current or future **licensors or** collaborators, might not have been the first to file patent applications covering certain of our or their inventions; • we may not develop additional proprietary technologies that are patentable; • the ~~patents~~ **intellectual property rights** of others may harm our business; and • we may choose not to seek patent protection for some of our proprietary technology to maintain certain trade secrets or know- how, and a third party may subsequently file a patent covering such trade secrets or know- how. If our trademarks and trade names are not adequately protected, we may not be able to build name recognition in our markets of interest and our competitive position may be harmed. Our trademarks could be challenged, invalidated, infringed, and circumvented by third parties, and our trademarks could also be diluted, declared generic or found to be infringing on other marks. If any of the foregoing occurs, we could be forced to re- brand our products **, services** or technologies, resulting in loss of brand recognition and requiring us to devote resources to advertising and marketing new brands, and suffer other competitive harm. Third parties may also adopt trademarks similar to ours, which could harm our brand identity and lead to market confusion. Further, there can be no assurance that competitors will not infringe our trademarks or that we will have adequate resources to enforce our trademarks. At times, competitors may adopt trade names or trademarks similar to ours, thereby impeding our ability to build brand identity and possibly leading to market confusion. Certain of our current or future trademarks may become so well known by the public that their use becomes generic and they lose trademark protection. 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. Any of the foregoing could have a material adverse effect on our competitive position, business, financial condition, operating results and prospects. We rely on our trademarks, trade names and brand names, such as our 10X, 10X GENOMICS, CHROMIUM, VISIUM and XENIUM marks, to distinguish our products **, services** and technologies from the products **, services** and technologies of our competitors, and have registered or applied to register many of these trademarks in the United States and certain countries outside the United States, however, we have not yet registered all of our trademarks in all of our current and potential markets. There can be no assurance that our trademark applications will be approved for registration. During trademark registration proceedings, we may receive rejections. Although we are given an opportunity to respond to those rejections, we may be unable to overcome such rejections. In addition, in proceedings before the USPTO and comparable agencies in many foreign jurisdictions, third parties may also oppose our trademark applications and may seek to cancel trademark registrations or otherwise challenge our use of the trademarks. Opposition or cancellation proceedings may be filed against our trademark filings in these agencies, and such filings may not survive such proceedings. While we may be able to continue the use of our trademarks in the event registration is not available, particularly in the United States, where trademark rights are acquired based on use and not registration, third parties may be able to enjoin the continued use of our trademarks if such parties are able to successfully claim infringement in court. In addition, opposition or cancellation proceedings may be filed against our trademark applications and registrations and our trademarks may not survive such proceedings. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties than we otherwise would. Our trademarks or trade names may be infringed, circumvented, declared generic or determined to be violating or infringing on other marks. Our solutions 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. Our solutions contain software tools 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 such 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 make available the source code of certain of our proprietary software to the public for free. This could allow our competitors to create similar products with less development effort and time and ultimately could result in a loss of product sales and revenue. 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 we 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 typically review our use of open source software to avoid subjecting our solutions to conditions we do not intend, the terms of many open source software licenses have not been interpreted by United States 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 solutions. Moreover, our processes for monitoring and controlling our use of open source software in our solutions may not be effective. If we are held to have breached the terms of an open source software license, we could be required to seek licenses from third parties to continue offering our solutions on terms that are not economically feasible, to re- engineer our solutions, to discontinue the sale of our solutions if re- engineering

could not be accomplished on a timely basis, to pay statutory or other damages to the license holder or to make generally available, in source code form, our proprietary code, any of which could adversely affect our business, operating results and financial condition. We collect, process, store, share, disclose and use personal information and other data, which subjects us to governmental regulations and other legal obligations related to privacy and security, and our actual or perceived failure to comply with such obligations could harm our business. We collect, process, store, transmit, disclose and use information from our employees, customers and others, including personal information and other data, some of which may be sensitive in nature. There are numerous federal, state and foreign laws and regulations regarding data protection, privacy and security. We strive to comply with applicable laws, our posted policies and legal contractual obligations relating to privacy and data protection. However, the scope of these laws is changing, is subject to differing interpretations, may be costly to comply with and may be inconsistent among countries and jurisdictions or conflict with other rules. Our business, including our ability to operate and expand internationally, could be adversely affected if legislation or regulations are adopted, interpreted or implemented in a manner that is inconsistent with our current business practices and that require changes to these practices. The global data protection landscape is rapidly evolving and new laws and regulations are constantly being enacted such as China' s" Personal Information Protection Law" and Singapore' s" Personal Data Protection Act ~~,~~ **.** " ~~and violations~~ **Violations** of existing and new laws and regulations may subject companies to significant penalties and fines, government investigations and / or enforcement actions, private litigation and other claims. Our operations abroad may also be subject to increased scrutiny or attention from data protection authorities. For example, in Europe, the ~~European Union General Data Protection Regulation (“~~ GDPR ~~”)~~ went into effect in May 2018 and imposes stringent requirements for processing personal data of individuals within the European Economic Area (" EEA"). The processing of sensitive personal data, such as physical health conditions, may impose heightened compliance burdens under the GDPR and is a topic of active interest among foreign regulators. In addition, the GDPR provides for breach reporting requirements, more robust regulatory enforcement and greater penalties for noncompliance than previous data protection laws, including fines of up to € 20 million or 4 % of a noncompliant company’ s global annual revenue for the preceding financial year, whichever is greater. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries outside the EEA that have not been found to provide adequate protection to such personal data, including the United States ~~; in July 2020~~ **, and the efficacy and longevity of current transfer mechanisms between the EEA and the United States remains uncertain. Case law from** , the Court of Justice of the **EU** ~~European Union~~ (“ CJEU ”) ~~limited how organizations could lawfully transfer personal data from the EU / EEA to the United States~~ **states that reliance** ~~by invalidating the EU / U. S. Privacy Shield for purposes of international transfers and imposing further restrictions~~ on the ~~use of~~ standard contractual clauses ~~(“~~ **, or** SCCs ~~-~~ ~~”). In March 2022, the US and EU announced~~ a ~~new regulatory regime intended to replace~~ **standard form of contract approved by** the ~~invalidated~~ **European Commission as an adequate personal data transfer mechanism- alone may not necessarily be sufficient in all circumstances and that transfers must be assessed on a case- by- case basis. On July 10, 2023, the European Commission adopted its Adequacy Decision in** ~~regulations --~~ **relation to the** ~~; however, this~~ new EU- US Data Privacy Framework **(“ DPF ”), rendering the DPF effective** ~~has~~ - **as** ~~not been implemented beyond an executive order signed by President Biden on October 7, 2022 on Enhancing Safeguards for United States Signals Intelligence Activities. European court and regulatory decisions subsequent to the CJEU decision of July 16, 2020 have taken~~ a ~~restrictive approach~~ **GDPR transfer mechanism** to **U. S. entities self- certified under the DPF. We expect the existing legal complexity and uncertainty regarding** international **personal** data transfers **to continue** . As supervisory authorities issue further guidance on personal data export mechanisms, including circumstances where the SCCs cannot be used, and / or start taking enforcement action, we could suffer additional costs, complaints and / or regulatory investigations or fines, and / or if we are otherwise unable to transfer personal data between and among countries and regions in which we operate, it could affect the manner in which we provide our services, the geographical location or segregation of our relevant systems and operations, and could adversely affect our financial results. Since the beginning of 2021, we have also been subject to the UK data protection regime, which imposes separate but similar obligations to those under the GDPR and comparable penalties, including fines of up to £ 17. 5 million or 4 % of a noncompliant company’ s global annual revenue for the preceding financial year, whichever is greater. **On October 12, 2023, the UK Extension to the DPF came into effect (as approved by the UK Government), as a data transfer mechanism from the UK to U. S. entities self- certified under the DPF.** Other foreign jurisdictions, such as China and Russia, are increasingly implementing or developing their own privacy regimes with complex and onerous compliance obligations and robust regulatory enforcement powers. As we continue to expand into other foreign countries and jurisdictions, we may be subject to additional laws and regulations that may affect how we conduct business. In the United States, California enacted the California Consumer Privacy Act of 2018 ~~, as amended~~ (the" CCPA"), which came into effect on January 1, 2020 and limits and imposes requirements on how we may collect and use personal information and provides for civil penalties for violations and a private right of action for data breaches. Further, the California Privacy Rights Act (the" CPRA"), generally went into effect in January 2023 **. It** ~~and, modifies and~~ expands the CCPA and established a new California Privacy Protection Agency **authorized to issue substantive regulations, which could result in increased privacy and information security enforcement** . In addition to applying to businesses that buy and sell personal information **,** the CPRA applies to businesses that buy, sell or share personal information and sets forth a new category of" sensitive personal information" that includes ~~,~~ genetic data; biometric or health information; and sex life or sexual orientation information. In addition to the modifications that enhance individuals' rights under the CCPA, the CPRA added five more rights, including the authority for the State to regulate the requirement for businesses to conduct risk assessments and cybersecurity audits. There is still a significant amount of uncertainty with respect to the CPRA' s three- year compliance roll- out and the impact it will have on us and others in our industry, however, we expect to incur increased compliance costs and may be subject to increased potential liability in the event we fail to comply. Similar laws have passed in ~~Virginia, Colorado, Connecticut and Utah, and have been proposed in~~ other states and **are continuing to be proposed** at the **state and** federal level, reflecting a trend toward

more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging. Furthermore, the Federal Trade Commission (" FTC ") **has authority to initiate enforcement actions against entities that mislead customers about HIPAA compliance, make deceptive statements about privacy and data sharing in privacy policies, fail to limit third- party use of personal health information, fail to implement policies to protect personal health information or engage in other unfair practices that harm customers or that may violate Section 5 (a) of the FTC Act. The FTC** and many state Attorneys General **also** continue to enforce federal and state consumer protection laws against companies for online collection, use, dissemination and security practices that appear to be unfair or deceptive. For example, according to the FTC, failing to take appropriate steps to keep consumers' personal information secure can constitute unfair acts or practices in or affecting commerce in violation of Section 5 (a) of the **FTC** ~~Federal Trade Commission~~ Act. The FTC expects a company' s data security measures to be reasonable and appropriate in light of the sensitivity and volume of consumer information it holds, the size and complexity of its business, and the cost of available tools to improve security and reduce vulnerabilities. Any failure or perceived failure by us or our vendors or partners to comply with these laws and regulations, our privacy and notice policies, our privacy- related obligations to employees, customers or other third parties or privacy or security- related legal obligations, or any actual or perceived compromise of security that results in the unauthorized access to or disclosure, alteration, theft, loss, transfer or use of personal or other information, including personally identifiable information or other sensitive data, may result in governmental enforcement actions, fines and penalties, litigation or public statements critical of us by consumer advocacy groups or others and could cause our customers, partners or others to lose trust in us, which could have an adverse effect on our business. If we or our critical third- party providers experience a significant disruption in our information technology systems or breaches of data security, our business could be adversely affected. We **collect and maintain information in digital form that is necessary to conduct our business, and we are increasingly dependent on information technology systems and infrastructure to operate our business. In the ordinary course of our business, we collect, store and transmit large amounts of confidential information, including intellectual property, proprietary business information, preclinical and clinical trial data, health-related information and personal information of our customers, employees and other related third parties (collectively, " Confidential Information "). It is critical that we do so in a secure manner to maintain the confidentiality and integrity of such Confidential Information. We** rely on information technology systems to keep financial 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 and operate other critical functions. We operate some of these systems but we also rely on third- party providers for a range of software, products and services that are critical to our operations and business. Both our and our third- party providers' information technology systems are vulnerable to attack, damage or disruption due to breakdown, malicious intrusion, computer viruses ~~, worms~~ , malware (e. g. ransomware) or other disruptive events, including but not limited to, natural disasters and catastrophes. In addition, malicious code (such as viruses, worms and ransomware), bugs or vulnerabilities in our code, employee theft or misuse, human error, social engineering and phishing scams, denial- of- service attacks and sophisticated nation- state and nation- state supported attacks (including advanced persistent threat intrusions), are all increasingly common threats to companies like us. Despite significant efforts to create security barriers to such threats, it is impossible for us to entirely mitigate these risks. If our security measures are compromised as a result of third- party action, employee or customer error, malfeasance, stolen or fraudulently obtained log- in credentials or otherwise, our reputation could be damaged, our business may be harmed and we could incur significant liability. If we were to experience a prolonged system disruption in our information technology systems or those of certain of our vendors, it could negatively impact our ability to serve our customers, which could adversely impact our business. If operations at our facilities were disrupted, it may cause a material disruption in our business if we are not capable of restoring functionality on an acceptable timeframe. ~~In addition, in the ordinary course of business, we and certain of our third- party providers collect, store, and process sensitive and confidential information including personal data.~~ An attack or security incident that exposes ~~personal data, or sensitive or confidential~~ **Confidential** ~~information~~ **Information** to unauthorized persons could lead to the loss of trade secrets or other intellectual property, or could lead to the exposure of personal data of our employees, customers and others, any of which could have a material adverse effect on our business, reputation, financial condition and results of operations. Concerns regarding data privacy and security may cause some of our customers to stop using our platform for Cloud Services or other product solutions. This discontinuance in use could substantially harm our business, operating results and growth prospects. In addition, any access, disclosure, loss or unauthorized use of information or data could result in legal claims or proceedings, 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 regulations, violations of which could result in significant penalties and fines. In addition, although we seek to detect and investigate all data security incidents, security breaches and other incidents of unauthorized access to our information technology systems and data can be 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. We have not always been able in the past and may be unable in the future to anticipate or prevent techniques used to obtain unauthorized access or to compromise our systems because the techniques used change frequently and are generally not detected until after an incident has occurred. We may also face increased cybersecurity risks due to our reliance on internet technology when our employees are working remotely, which may create additional opportunities for cybercriminals to exploit vulnerabilities. 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 and threat actors are increasingly utilizing tools and techniques designed to evade controls, to avoid detection and even to obfuscate or remove forensic evidence. We have experienced cyberattacks and other security incidents and expect to continue to experience such events. For example, in March 2020, we experienced a ransomware attack in which cybercriminals were able to access our information technology systems.

While we isolated the source of the attack and restored normal operations with no material day- to- day impact to us or our ability to access our data, we believe ~~confidential~~ **Confidential** ~~information~~ **Information** was stolen. We believe the ransomware attack could lead to the disclosure of our trade secrets or other intellectual property, or could lead to the exposure of personal information of our employees. The release of any of this information could **, but is not reasonably likely to,** have a material adverse effect on our business, ~~reputation~~ **operations** , **business strategy, results of operations or** financial condition ~~and results of operations~~ . In addition, the March 2020 ransomware attack **has not, but it is possible that it** could **,** result in legal claims or proceedings, 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 regulations, violations of which could **, but is not reasonably likely to,** result in significant judgements against us, penalties and fines. The cost of investigating, mitigating, responding to and remediating potential data security breaches and complying with applicable breach notification obligations to individuals, regulators, partners and others, including the March 2020 ransomware attack, could be significant. Our insurance policies may not be adequate to compensate us for the potential costs and other losses arising from cybersecurity- related disruptions, failures, attacks or breaches. In addition, such insurance may not be available to us in the future on economically reasonable terms, or at all. Further, defending a suit, regardless of its merit, could be costly, divert management attention and harm our reputation. Threats involving the misuse or access of our network, systems, and information by our current or former employees, contractors, vendors, or partners, whether intentional or unintentional, also pose a risk to the security of our network, systems, information and data. For example, we are subject to the risk that employees may inadvertently share ~~confidential~~ **Confidential** ~~information~~ **Information** with unintended third parties, or that departing employees may take, or create their own information based on, our ~~confidential~~ **Confidential** ~~information~~ **Information** upon leaving the company. In addition, any such insiders may be the victims of social engineering attacks that enable third parties to access our network, systems, and information using an authorized person' s credentials. We and our network, systems, and information are also vulnerable to malicious acts by insiders, including leaking, modifying, or deleting ~~confidential~~ **Confidential** ~~information~~ **Information** , or performing other acts that could materially interfere with our operations and business. While we provide regular training to our employees regarding cybersecurity threats and best practices, we cannot ensure that such training or other efforts will prevent unauthorized access to or sabotage of our network, systems, and information. While we implement security measures designed to reduce these risks, there is no guarantee these measures will be adequate to safeguard all systems and networks. Any failure to maintain performance, reliability, security and availability of our systems and networks may result in accidental or unlawful destruction, damage, loss, unavailability, alteration, impairment, misuse, unauthorized disclosure of, or unauthorized access to our data, including personal or proprietary information. We rely on on- premise, co- located and third- party data centers and platforms to host our website and other online services, as well as for research and development purposes and any interruptions of service or failures may impair and harm our business. Our proprietary software is a crucial component of our solutions, as our software allows our end users to visualize genomic and **multiomic** ~~multi- omic~~ information provided by our instruments and reagents. Our software is generally downloadable free of charge from our website for installation and use by end users on their computer systems. Our website is hosted with various third- party service providers located in the United States. We rely on on- premises, co- located and third- party infrastructure in the San Francisco Bay Area and other regions in the United States to perform computationally demanding analysis tasks for our research and development programs and for other business purposes. In the event of any technical problems that may arise in connection with our on- premise, co- located or third- party data centers, we could experience interruptions in our ability to provide products and services to our customers or in our internal functions, including research and development, which rely on such services. Interruptions or failures may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, worms, ransomware, security attacks, fraud, spikes in customer usage and denial of service issues. Interruptions or failures in our operations or services may reduce our revenue, result in the loss of customers, adversely affect our ability to attract new customers or harm our reputation. Significant interruptions to our research and development programs could cause us to delay the introduction of new products or improvements to existing products, which could adversely impact our business, our results of operations and the competitiveness of our products. Our current solutions are capable of generating large datasets, the analysis of which can be time consuming without access to a high- performance computing system. The visualization of such data can also be computationally intensive. As we iterate and improve our products and as the related technologies advance, our continued growth may require an ability to provide our customers with direct access to a high- performance computing system and / or alternative means of obtaining our software. As a result, we expect our reliance on internal and third- party data centers to increase in the future. Further, as we rely on third- party and public- cloud infrastructure, we will depend in part on third- party security measures to protect against unauthorized access, cyberattacks and the mishandling of customer data. In addition, failures to meet customers' expectations with respect to security and confidentiality of their data and information could damage our reputation and affect our ability to retain customers, attract new customers and grow our business. In addition, a cybersecurity event could result in significant increases in costs, including costs for remediating the effects of such an event, lost revenue due to a decrease in customer trust and network downtime; increases in insurance coverage costs due to cybersecurity incidents; and damages to our reputation because of any such incident. We are subject to certain manufacturing restrictions related to licensed intellectual property rights that were developed with the financial assistance of United States government grants. Under the Bayh- Dole Act, the federal government retains a " nonexclusive, nontransferable, irrevocable, paid- up license " in inventions produced with its financial assistance (" Government Funded Inventions ") for its own benefit. The Bayh- Dole Act provides federal agencies with march- in rights (" March- In Rights "), which allows a government agency, in specified circumstances, to require the patent owner or successors in title to the patent directed to such Government Funded Inventions (" Patent Owner ") to grant a " nonexclusive, partially exclusive, or exclusive license " to a " responsible applicant or applicants, " which if exercised, would allow such government agency to require such

Patent Owner to grant a non- exclusive, partially exclusive or exclusive license in any field of use to a third- party designated by such agency. The Bayh- Dole Act also provides that the Patent Owner manufacture products embodying the respective Government Funded Inventions domestically in accordance with certain requirements. If this domestic manufacturing requirement is not met, the government agency that funded the relevant grant is entitled to exercise March- In Rights. We are subject to the Bayh- Dole Act with respect to certain licensed technologies that were developed with United States government grants. Such licensed technologies are used, for example, in a substantial majority of our consumables. Further, we cannot be sure that if we acquired intellectual property rights in the future it will be free from government rights or regulations pursuant to the Bayh- Dole Act. If we own, co- own or **in-** license ~~in technology~~ **Government Funded Inventions** that ~~is~~ **are** critical to our business ~~that is developed in whole or in part with federal funds subject to the Bayh- Dole Act~~ , our ability to enforce or otherwise exploit patents covering such technology may be adversely affected. Further, the exercise of March- In ~~rights~~ **Rights** , the requirement that we grant additional licenses to third parties, or the termination of our license of the relevant technologies could materially adversely affect our business, operations and financial condition. The restrictions of the Bayh- Dole Act may also limit our ability to manufacture our products in ~~geographies~~ **locations** where it may be **otherwise** more ~~economically~~ favorable **for us** to do so **,** which could limit our ability to respond to competitive developments or otherwise adversely affect our results of operations. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations. We may become a party to intellectual property litigation or administrative proceedings that could be expensive, time- consuming, unsuccessful, and could interfere with our ability to develop, manufacture and commercialize our products or technologies. Our commercial success depends, in part, on our ability to develop, manufacture or commercialize our products and technologies without infringing, misappropriating or otherwise violating the proprietary rights and intellectual property of third parties. Our industry has been characterized by extensive litigation regarding patents, trademarks, trade secrets, and other intellectual property rights, and companies in the industry have used intellectual property litigation to gain a competitive advantage. While we take steps to ensure that we do not infringe upon, misappropriate or otherwise violate the intellectual property rights of others, there may be other more pertinent rights of which we are presently unaware. Third parties may initiate, and have in the past initiated, legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights. The outcome of such proceedings are uncertain and could have a negative impact on the success of our business. It is possible that U. S. and foreign patents and pending patent applications controlled by third parties may be alleged to cover our products and technologies, or that we may be accused of misappropriating third parties' trade secrets or infringing third parties' trademarks. We have in the past, and may in the future become party to, or be threatened with, adversarial proceedings or litigation regarding intellectual property rights with respect to our products or technologies, including interference proceedings, post grant review and inter partes review before the USPTO or equivalent foreign regulatory authority. Furthermore, we may also become involved in other proceedings, such as reexamination, derivation or opposition proceedings before the USPTO or other jurisdictional body relating to our intellectual property rights or the intellectual property rights of others. Third parties may assert infringement claims against us based on existing patents or patents that may be granted in the future, regardless of their merit. Because patent applications can take many years to issue and because publication schedules for pending applications vary by jurisdiction, there may be applications now pending of which we are unaware and which may result in issued patents, which our current or future products or services infringe. Also, because the claims of published patent applications can change between publication and patent grant, there may be published patent applications that may ultimately issue with claims that we infringe. There is a risk that third parties may choose to engage in litigation with us to enforce or to otherwise assert their patent rights against us. Even if we believe such claims are without merit, a court of competent jurisdiction could hold that these third- party patents are valid and enforceable, and infringed by the use of our products and / or technologies, which could have a negative impact on the commercial success of our current and any future products or technologies. If we were to challenge the validity of any such third- party U. S. patent in federal court, we would need to overcome a presumption of validity. As this burden is a high one requiring us to present clear and convincing evidence as to the invalidity of any such U. S. patent claim, there is no assurance that a court of competent jurisdiction would invalidate the claims of any such U. S. patent. We will have similar burdens to overcome in foreign courts in order to successfully challenge a third- party claim of patent infringement. Our defense of any litigation or interference proceedings may fail and, even if successful, defending such claims brought against us would cause us to incur substantial expenses **and distract our management and other employees** . If such claims are successfully asserted against us, **we** ~~they may result in substantial costs and distract our management and other employees and~~ could ~~cause us~~ **be forced** to pay substantial damages. Further, if a patent infringement or other intellectual property rights- related lawsuit were brought against us, we could be forced, including by court order, to cease developing, manufacturing and / or commercializing the infringing product or technologies. In addition, we could be found liable for monetary damages, including treble damages and attorneys' fees, if we are found to have willfully infringed a patent or other intellectual property right. Although patent, trademark, trade secret, and other intellectual property disputes have often been settled through licensing or similar arrangements, costs associated with such arrangements may be substantial and could include ongoing royalties. We may not be able to obtain licenses on commercially reasonable terms, or at all, in which event our business would be materially and adversely affected. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors and other third parties gaining access to the same intellectual property. Ultimately, if we are unable to obtain such licenses or make any necessary changes to our products or services, we could be forced to cease some aspect of our business operations, which could harm our business significantly. A finding of infringement ~~,~~ or an unfavorable interference or derivation proceedings outcome could prevent us from developing, manufacturing and / or commercializing our products or technologies, or force us to cease some or all of our business operations, which could materially harm our business. Claims that we have misappropriated the confidential information or trade secrets of third parties could have a similar negative impact on our business, financial condition, results of operations and prospects. We

may not have sufficient financial or other resources to conduct such litigation or proceedings adequately. Some of our competitors may be able to sustain the costs of litigation or administrative proceedings more effectively than we can because of greater financial resources and more mature and developed intellectual property portfolios. We could encounter delays in product introductions while we attempt to develop alternative products or technologies. If third parties assert infringement, misappropriation or other claims against our customers, these claims may require us to initiate or defend protracted and costly litigation on behalf of our customers, regardless of the merits of these claims. If any of these claims succeed or settle, we may be forced to pay damages or settlement payments on behalf of our customers or may be required to obtain licenses for the products they use. If we cannot obtain all necessary licenses on commercially reasonable terms, our customers may be forced to stop using our products or technologies. ~~Additionally, our products include components that we purchase from suppliers and may include design components that are outside of our direct control.~~ Our competitors, many of which have substantially greater resources and have made substantial investments in patent portfolios, trade secrets, trademarks, and competing technologies, may have applied for or obtained, or may in the future apply for or obtain, patents or trademarks that will prevent, limit or otherwise interfere with our ability to make, use, sell and / or export our products or to use our technologies or product names. As the number of competitors in our market grows and the number of patents issued in this area increases, the possibility of patent infringement claims against us may increase. Moreover, individuals and groups that are non- practicing entities, commonly referred to as " patent trolls, " purchase patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters, notices or " invitations to license, " or may be the subject of claims that our products and business operations infringe, misappropriate or otherwise violate the intellectual property rights of others. ~~The defense of these~~ **These** matters can be time- consuming, costly to defend in litigation, divert management' s attention and resources, damage our reputation and brand and cause us to incur significant expenses or make substantial payments. **Additionally** ~~In addition~~ , **we purchase product components, including hardware and software, from** suppliers ~~from whom we purchase hardware~~ **, and the design of these components may be outside of** ~~or~~ **our** ~~software~~ **direct control. These suppliers** may not indemnify us in the event that ~~such hardware or software is accused of infringing~~ a third party **alleges the use** ~~' s patent or trademark or~~ of **such components infringes its intellectual property rights** ~~misappropriating a third party' s trade secret~~ . Any lawsuits relating to intellectual property rights could subject us to significant liability for damages and invalidate our intellectual property. Any potential intellectual property litigation also could force us to do one or more of the following: • stop developing, making, selling or using products or technologies that allegedly infringe, misappropriate or otherwise violate the asserted intellectual property right; • pay substantial damages or royalties to the party whose intellectual property rights we may be found to be infringing, misappropriating or otherwise violating; • redesign those products, services or technologies that contain the allegedly infringing intellectual property, which could be costly, disruptive and infeasible; and attempt to obtain a license to the relevant intellectual property rights from third parties, which may not be available on commercially reasonable terms or at all, or from third parties who may attempt to license rights that they do not have; • lose the opportunity to license our intellectual property rights to others or to collect royalty payments based upon successful protection and assertion of our intellectual property rights against others; • incur significant legal expenses; or • pay the attorney' s fees and costs of litigation to the party whose intellectual property rights we may be found to be infringing, misappropriating or otherwise violating. 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 re- examination, post grant review, inter partes review and equivalent proceedings in foreign jurisdictions (for example, opposition proceedings). Such proceedings could result in revocation of or amendment to our patents in such a way that they no longer cover our products or technologies. With respect to the validity question, for example, we cannot be certain that there is no invalidating prior art, of which we, our patent counsel, and the patent examiner were unaware during prosecution. If a third party were to prevail on a legal assertion of invalidity and / or unenforceability, we may lose at least part, and perhaps all, of the patent protection on our products or technologies. Such a loss of patent protection would have a material adverse impact on our business, financial condition, results of operations, and prospects. 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 litigation. There could also be public announcements of the results of hearing, motions, or other interim developments. If securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of shares of our common stock. Even if we ultimately prevail, a court may decide not to grant an injunction against further infringing activity and instead award only monetary damages, which may not be an adequate remedy. Furthermore, the monetary cost of such litigation and the diversion of the attention of our management could outweigh any benefit we receive as a result of the proceedings. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on our business. Any of the foregoing may cause us to incur substantial costs, and could place a significant strain on our financial resources, divert the attention of management from our core business and harm our reputation. We are involved in lawsuits to protect, enforce or defend our patents and other intellectual property rights, which are expensive, time consuming and could ultimately be unsuccessful. ~~Nanostring~~ **NanoString** On May 6, 2021, we filed suit against ~~Nanostring~~ **NanoString** Technologies, Inc. (~~"~~ **"** ~~Nanostring~~ **NanoString** ~~"~~ **"**) in the U. S. District Court for the District of Delaware alleging that ~~Nanostring~~ **NanoString** ~~'~~ **'** s GeoMx Digital Spatial Profiler and associated instruments and reagents infringe U. S. Patent Nos. 10, 472, 669, 10, 662, 467, 10, 961, 566, 10, 983, 113 and 10, 996, 219 (the ~~"~~ **"** GeoMx Action ~~"~~ **"**). On May 19, 2021, we filed an amended complaint additionally alleging that the GeoMx products infringe U. S. Patent Nos. 11, 001, 878 and 11, 008, 607. On May 4, 2022, we filed an amended complaint in the GeoMx Action additionally alleging that the GeoMx products infringe U. S. Patent No. 11, 293, 917 and withdrawing our ~~claim~~ **claims** of infringement of U. S. Patent No. 10, 662, 467. **We are seeking, among other relief, injunctive relief and unspecified damages (including attorneys' fees) in relation to** ~~Nanostring~~ **NanoString ' s making, using, selling, offering to sell, exporting and / or importing in the United**

States the GeoMx Digital Spatial Profiler and associated instruments and reagents. NanoString filed its answer to the GeoMx Action on May 18, 2022. ~~Discovery is in progress.~~ A Markman hearing **was held on February 17, 2023 and the Court issued its claim construction order on February 28, 2023. On September 7, 2023, the Court issued an order granting our motion for summary judgment that the asserted patents are not invalid for indefiniteness and denying NanoString' s motion for summary judgment that the asserted patents are invalid for indefiniteness and lack of written description. On November 17, 2023, a jury found that NanoString willfully infringed the asserted patents and that the asserted patents are valid. The jury awarded us more than $ 31 million in damages, consisting of approximately $ 25 million in lost profits and approximately $ 6 million in royalties. Post- trial motions, including our motions for a permanent injunction, ongoing royalties, enhanced damages, attorneys' fees and pre- and post- judgment interest, are pending. NanoString filed for bankruptcy protection under Chapter 11 of the United States Bankruptcy Code in the U. S. bankruptcy court in Delaware on February 4, 2024, and the Court' s consideration of these post- trial motions** is **currently stayed due to the bankruptcy filing** ~~scheduled for February 2023 and trial is scheduled for November 2023~~. On February 28, 2022, we filed a second suit against ~~Nanostring~~ **NanoString** in the U. S. District Court for the District of Delaware alleging that ~~Nanostring~~ **NanoString** ~~'~~**'** s CosMx Spatial Molecular Imager and associated instruments, reagents and services infringe U. S. Patent Nos. 10, 227, 639 and 11, 021, 737 (the ~~"~~**"** CosMx Action ~~"~~**"**). On May 12, 2022, we filed an amended complaint in the CosMx Action additionally alleging that the CosMx products **additionally** infringe U. S. Patent Nos. 11, 293, 051, 11, 293, 052 and 11, 293, 054. ~~Nanostring~~ **NanoString** filed its answer to the CosMx Action on May 26, 2022. **On March 1, 2023, we filed a second amended complaint additionally alleging that the CosMx products infringe U. S. Patent No. 11, 542, 554. We are seeking, among other relief, injunctive relief and unspecified damages (including attorneys' fees) in relation to NanoString' s making, using, selling, offering to sell, exporting and / or importing in the United States the CosMx Spatial Molecular Imager and associated instruments, reagents and services. NanoString filed its answer to the second amended complaint on March 22, 2023.** Discovery is in progress. A Markman hearing **was held on January 10, 2024, and the Court issued its claim construction order on February 1, 2024. Trial** is scheduled for ~~July~~ **September** ~~2023~~ **2024** ~~and trial~~ **. This litigation** is ~~scheduled for June 2024~~ **currently stayed due to NanoString' s bankruptcy filing** . On August 16, 2022, ~~Nanostring~~ **NanoString** filed a counterclaim in the CosMx Action alleging that our Visium products infringe U. S. Patent No. 11, 377, 689 **(the " 689 patent ")** . We filed our answer to ~~Nanostring~~ **NanoString** ' s counterclaim in the CosMx Action on August 30, 2022. On November 23, 2022, we moved to sever claims relating to NanoString' s assertion of **the** ~~U. S. Patent No. 11, 377,~~ 689 **patent** and consolidate those claims with the patent case NanoString filed against us on October 20, 2022 (discussed below). On January 24, 2023, the Court granted our motion. On **May 1, 2023, NanoString filed a motion in the CosMx Action to add antitrust, unfair competition, tort, and contract counterclaims. NanoString seeks, among other relief, injunction relief (including that we grant NanoString a license to the patents that we asserted against NanoString in the CosMx Action) and unspecified damages (including attorneys' fees). On July 10, 2023, the Court denied NanoString' s motion for leave to add a contract counterclaim but otherwise granted the motion for leave to amend. On May 24, 2023, NanoString filed a motion to bifurcate its amended counterclaims and a motion for expedited discovery. On June 6, 2023, the Court denied NanoString' s motion to bifurcate and granted its motion for expedited discovery. We believe NanoString' s claims are meritless and intend to vigorously defend ourselves. On** October 20, 2022, ~~Nanostring~~ **NanoString** filed suit against us in the U. S. District Court for the District of Delaware alleging that our Visium products infringe U. S. Patent No. 11, 473, 142 **(" the 142 patent ")** , a continuation of **the** ~~U. S. Patent No. 11, 377,~~ 689 **patent** (the ~~"~~**"** ~~Nanostring~~ **NanoString** Action ~~"~~**"**) **. NanoString seeks, among other relief, injunctive relief and unspecified damages (including attorneys' fees) in relation to NanoString' s making, using, selling, offering to sell, exporting and / or importing in the United States Visium products and associated instruments, reagents and services** . On January 24, 2023, the Court severed ~~Nanostring~~ **NanoString** ' s claims with respect to **the** ~~U. S. Patent No. 11, 377,~~ 689 **patent** from the CosMx Action and consolidated those claims with this action. **NanoString filed an amended complaint on January 27, 2023. We filed an answer to the NanoString Action on February 10, 2023.** Discovery is in progress ~~; no case~~ **. A Markman hearing was held on January 10, 2024, and the Court issued its claim construction order on February 1, 2024. Trial is** ~~schedule~~ **scheduled** ~~has been set~~ **for December 2024** . We believe ~~Nanostring~~ **NanoString** ~~'~~**'** s ~~claim~~ **claims** in the ~~Nanostring~~ **NanoString** Action ~~is~~ **are** meritless and ~~we~~ intend to vigorously defend ourselves. On **August 16 and September 25, 2023, we filed petitions for inter partes review (" IPR ") of the 689 patent and the 142 patent, respectively. On February 1, 2024, IPR was instituted for the 689 patent. An institution decision for the IPR against the 142 patent is expected in April 2024. On** March 9, 2022, we filed suit in the Munich Regional Court in Germany alleging that ~~Nanostring~~ **NanoString** ~~'~~**'** s CosMx Spatial Molecular Imager and associated instruments, reagents and services infringe EP Patent No. 2794928B1 (the ~~"~~**" EP** 928 ~~Patent~~ **patent** ~~"~~**"**) (the ~~"~~**"** Germany CosMx Action ~~"~~**"**) ~~. Nanostring filed its statement of defense to the Germany CosMx Action on August 26, 2022~~ . A hearing on infringement ~~is scheduled~~ **was held on March 23, 2023. On May 17, 2023, the Munich Regional Court found that the CosMx products infringe the EP 928 patent and issued a permanent injunction requiring NanoString to stop selling and supplying CosMx instruments and reagents** for ~~March~~ **RNA detection in Germany. The injunction took effect on June 1,** 2023 **. On May 25, 2023, NanoString filed** ~~and~~ **an appeal of the Germany CosMx Action in the Munich Higher Regional Court. A hearing date has not yet been set for this appeal. On October 30, 2023, NanoString requested that the Higher Regional Court temporarily stay enforcement of the injunction pending the appeal. On December 20, 2023, the Higher Regional Court granted NanoString' s request conditioned upon NanoString posting** a ~~decision is expected around May 2023~~ **2. 3 million Euro security deposit. To date, NanoString has not posted this security deposit** . On July 29, 2022, ~~Nanostring~~ **NanoString** filed a nullity action with the German Federal Patent Court challenging the validity of the **EP** 928 ~~Patent~~ **patent** . On February 10, 2023, the Federal Patent Court issued a preliminary opinion upholding the validity of certain claims of the **EP** 928 ~~Patent~~ **patent** directed to in situ analysis. A hearing

on validity is scheduled before the Federal Patent Court in May 2024 **. On June 1, 2023, we filed requests for preliminary injunctions in the Munich Local Division of the Unified Patent Court (“ UPC ”) alleging that NanoString' s CosMx Spatial Molecular Imager and associated instruments, reagents and services for RNA detection infringe the EP 928 patent and EP Patent No. 4108782 (the “ EP 782 patent ”). Hearings were held for the EP 782 and EP 928 patents on September 5 and September 19, respectively. On September 19, 2023, the UPC granted our request for the EP 782 patent and issued a preliminary injunction requiring NanoString to stop selling and supplying CosMx instruments and reagents for RNA detection in all 17 UPC member states. On October 10, 2023, the UPC denied our preliminary injunction request for the EP 928 patent. On October 2, 2023, NanoString filed an appeal of the preliminary injunction for the EP 782 patent in the UPC Court of Appeals. A hearing was held before the UPC Court of Appeals on December 18, 2023,** and a decision is ~~expected around~~ **pending. On August 31 and September 18, 2023 we filed main requests in the Munich Local Division of the UPC alleging that NanoString' s CosMx Spatial Molecular Imager and associated instruments, reagents and services for RNA detection infringe the EP 782 and EP 928 patents, respectively. No hearings have yet been set for** ~~the~~ **these** ~~end~~ **main requests. On July 18, 2023, NanoString filed an opposition in the European Patent Office challenging the validity** of **the EP 782 patent. No schedule has yet been set for this opposition. On July 27, 2023, NanoString filed a revocation action in the Munich Central Division of the UPC challenging the validity of the EP 928 patent. A hearing in the revocation action is scheduled on April 17,** 2024. **On January 30, 2024, NanoString filed a petition for IPR of U. S. Patent No. 11, 542, 554, which is asserted by us against NanoString in the CosMx Action. The impact of NanoString’ s bankruptcy filing on our actions against NanoString outside of the U. S. District Court for the District of Delaware is not yet fully resolved.** Vizgen ~~In~~ **On** May **3,** 2022, we filed suit against Vizgen, Inc. (**"** ~~“~~ Vizgen **"** ~~”~~) in the U. S. District Court for the District of Delaware alleging that Vizgen’ s MERSCOPE Platform and workflow and **/ or** Vizgen’ s Lab Services program, including associated instruments and reagents, infringe U. S. Patent Nos. 11, 021, 737, 11, 293, 051, 11, 293, 052, 11, 293, 054 and 11, 299, 767. **We seek, among other relief, injunction relief and unspecified damages (including attorneys’ fees) in relation to Vizgen’ s making using, selling, offering to sell, exporting and / or importing in the United States the MERSCOPE Platform and workflow and / or Vizgen’ s Lab Services program, including associated instruments and reagents.** On July 25, 2022, Vizgen filed a motion to dismiss our claims for willful and indirect infringement, which the Court denied on September 19, 2022. Discovery is in progress. A Markman hearing **was held on January 10, 2024, and the Court issued its claim construction order on February 1, 2024. Trial** is scheduled for **October** ~~July 2023 and trial is scheduled for July~~ 2024. On August 30, 2022, Vizgen filed its answer and counterclaims alleging that our Xenium product infringes U. S. Patent No. 11, 098, 303 **(the “ 303 patent ”). Vizgen seeks, among other relief, injunction relief and unspecified damages (including attorneys’ fees) in relation to our making, using, selling, offering to sell, exporting and / or importing in the United States Xenium products, including associated instruments and reagents** . Vizgen also filed counterclaims alleging that we tortiously interfered with Vizgen **’** ~~’~~ s contractual and business relationship with Harvard and that we engaged in unfair practices under Massachusetts state law. On October 27, 2022, we filed a partial answer and motion to dismiss the infringement counterclaim and the tort counterclaims. On February 2, 2023, our motion to dismiss was denied. We believe Vizgen’ s claims are meritless and intend to vigorously defend ourselves **. On March 15, 2023, we filed an amended complaint additionally alleging that the MERSCOPE Platform and workflow and Vizgen’ s Lab Services program infringe U. S. Patent No. 11, 549, 136 and withdrawing our claim of infringement of U. S. Patent No. 11, 293, 054. On April 17, 2023, Vizgen filed its answer adding amended counterclaims including antitrust, unfair competition, tort, and contract counterclaims. Vizgen seeks, among other relief, injunctive relief (including that we grant Vizgen a license to the patents that we asserted against Vizgen) and unspecified damages (including attorneys’ fees). On May 18, 2023, we filed a motion to dismiss Vizgen’ s amended counterclaims. On July 10, 2023, the Court granted our motion to dismiss Vizgen’ s contract counterclaim but otherwise denied our motion to dismiss. We believe Vizgen’ s claims are meritless and intend to vigorously defend ourselves. On June 1, 2023, we filed suit in the Hamburg Local Division of the UPC alleging that Vizgen’ s MERSCOPE products infringe the EP782 patent. We seek, among other relief, injunction relief and unspecified damages (including attorneys’ fees) in relation to Vizgen’ s MERSCOPE products in all 17 UPC member states. A hearing has not yet been set. On August 30, 2023, we filed a petition for IPR of the 303 patent. An institution decision is expected by March 2023** . Parse On August 24, 2022, we filed suit against Parse Biosciences, Inc. (" Parse") in the U. S. District Court for the District of Delaware alleging that Parse’ s Evercode Whole Transcriptomics **products** and ATAC- seq products infringe U. S. Patent Nos. 10, 155, 981 **(the “ 981 patent ”)** , 10, 697, 013 **(the “ 013 patent ”)** , 10, 240, 197 **(the “ 197 patent ”)** , 10, 150, 995, 10, 619, 207, and 10, 738, 357 **. We seek, among other relief, injunction relief and unspecified damages (including attorneys’ fees) in relation to Parse’ s making using, selling, offering to sell, exporting and / or importing in the United States Parse’ s Evercode Whole Transcriptomics products and ATAC- seq products** . On October 17, 2022, Parse filed a motion to dismiss alleging that the asserted claims are directed to patent ineligible subject matter. The Court held a hearing on the motion to dismiss on November 22, 2022, and supplemental briefing was submitted on December 15, 2022. **On September 14, 2023, the Court denied the motion. Parse filed its answer on October 6, 2023. Discovery is in progress.** A ~~ruling~~ **Markman hearing is scheduled for February 2024, and trial is scheduled for December 2024. Between April 20 and June 21, 2023, Parse filed petitions for IPR of all of the patents asserted. On October 13, 2023, IPR was instituted** on the **981 patent. The PTAB denied institution of Parse’ s petitions for IPR on the other five asserted patents. On January 2 and 5, 2024, Parse filed rehearing requests with the PTAB for the 197 and 013 patents, respectively. On November 6, 2023, Parse filed a** motion to **stay the Delaware action pending the IPRs. On December 21, 2023, the court denied Parse’ s motion to stay. On February 5, 2024, the PTAB instituted IPRs for the 197 and 013 patents on Parse’ s requests for rehearing. On February 8, 2024, Parse filed a renewed motion to stay. Curio On December 1, 2023, we filed suit against Curio Bioscience, Inc. (“ Curio ”) in the U. S. District Court for**

the District of Delaware alleging that the Curio Seeker Spatial Mapping Kit and associated products and services infringe U. S. Patent Nos. 10, 480, 022, 10, 662, 468, 11, 001, 879, 11, 549, 138, and 11, 761, 030. On February 1, 2024, Curio filed a motion to dismiss ~~is expected around March 2023~~ **alleging that the asserted claims are directed to patent ineligible subject matter** . ~~Discovery~~ **A case schedule** has not yet ~~commenced~~ **been set. On December 4, 2023, we filed a request for a preliminary injunction in the Dusseldorf Local Division of the UPC alleging that the Curio Seeker Spatial Mapping Kit** and ~~no case schedule~~ **associated products and services infringe EP Patent No. 2697391 (the " EP 391 patent "). A hearing for the preliminary injunction request** has been set **for March 26, 2024** . In addition to the litigation discussed above, we may in the future be a party to other litigation or legal proceedings to protect, enforce or defend our patents or other intellectual property, which, if resolved adversely to us, could invalidate or render unenforceable our intellectual property or generally preclude us from restraining, enjoining or otherwise seeking to exclude competitors from commercializing products using technology developed or used by us. For example, our patents and any patents which we in- license may be challenged, narrowed, invalidated or circumvented. If patents we own or license are invalidated or otherwise limited, other companies may be better able to develop products that compete with ours, which would adversely affect our competitive position, business prospects, results of operations and financial condition. The following are examples of litigation and other adversarial proceedings or disputes that we could become a party to involving our patents or patents licensed to us: • we have initiated, and in the future may initiate, litigation or other proceedings against third parties to enforce our patent rights; • third parties have initiated, and in the future may initiate, litigation or other proceedings seeking to invalidate patents owned by or licensed to us or to obtain a declaratory judgment that their product or technology does not infringe our patents or patents licensed to us or that such patents are invalid or unenforceable; • third parties have initiated, and in the future may initiate, oppositions, IPRs, post grant reviews or reexamination proceedings challenging the validity or scope of our patent rights, requiring us and / or licensors to participate in such proceedings to defend the validity and scope of our patents; • there are, and in the future may be, more challenges or disputes regarding inventorship or ownership of patents currently identified as being owned by or licensed to us; or • at our initiation or at the initiation of a third- party, the USPTO may initiate an interference between patents or patent applications owned by or licensed to us and those of our competitors, requiring us and / or licensors to participate in an interference proceeding to determine the priority of invention, which could jeopardize our patent rights. Furthermore, many of our employees were previously employed at universities or other life sciences companies, including our competitors or potential competitors. We or our employees may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers without consent. Although no such claims are currently pending, litigation may be necessary to defend against such claims if they arise in the future. If we fail to successfully defend such claims, in addition to paying monetary damages, we may be subject to injunctive relief and lose valuable intellectual property rights. A loss of key research personnel work product could hamper or prevent our ability to commercialize certain potential products, which could severely harm our business. Even if we are successful in defending against these claims, litigation could result in substantial costs and be a distraction to management ~~. If we are unable to protect our intellectual property effectively, our business would be harmed. We rely on patent protection as well as trademark, copyright, trade secret and other intellectual property rights protection and contractual restrictions to protect our proprietary technologies, all of which provide limited protection and may not adequately protect our rights or permit us to gain or keep any competitive advantage. Worldwide we own or exclusively license over 700 issued or allowed patents and more than 1, 050 pending patent applications as of December 31, 2022. We also license additional patents on a non- exclusive and / or territory restricted basis. We continue to file new patent applications to attempt to obtain further legal protection of the full range of our technologies. If we fail to protect our intellectual property, third parties may be able to compete more effectively against us and we may incur substantial litigation costs in our attempts to recover or restrict the use of our intellectual property. It is our general policy not to out- license our patents but to protect our sole right to own and practice our patents. Our success depends in part on obtaining patent protection for our products and processes, preserving trade secrets, patents, copyrights and trademarks, operating without infringing the proprietary rights of third parties and acquiring licenses for technology or products. We may exercise our business judgment and choose to relinquish rights in trade secrets by filing applications that disclose and describe our inventions and certain trade secrets when we seek patent protection for certain of our products and technology. Our currently pending or future patent applications may not result in issued patents and we cannot predict how long it will take for such patents to be issued. Further, in some cases, we have only filed provisional patent applications on certain aspects of our products and technologies and each of these provisional patent applications is not eligible to become an issued patent until, among other things, we file a non- provisional patent application within 12 months of the filing date of the applicable provisional patent application. Such provisional patents may not become issued patents for a variety of reasons, including our failure to file a non- provisional patent application within the permitted timeframe or a decision that doing so no longer makes business or financial sense. Publications of discoveries in scientific literature often lag behind the actual discoveries and patent applications in the United States and other jurisdictions are typically not published until 18 months after filing or in some cases not at all. Therefore, we cannot know with certainty whether we were the first to make the inventions claimed in our owned or licensed patents or pending patent applications, or that we were the first to file for patent protection of such inventions. As a result, the issuance, scope, validity, enforceability and commercial value of our patent rights are highly uncertain, despite the importance of seeking patent protection in our industry. Further, other parties may challenge patents issued to us and courts or regulatory agencies may not hold our patents to be valid or enforceable. We may not be successful in defending challenges made against our patents and patent applications, even if we spend significant resources defending such challenges. Any successful third- party challenge to our patents could result in the unenforceability or invalidity of such patents and could deprive us of the ability to prevent others from using the technologies claimed in such issued patents. Changes in either the patent laws or in interpretations of patent laws in the United States or other countries may diminish the value of our intellectual property. We cannot predict the breadth of~~

claims that may be allowed or enforced in our patents or in third- party patents. In addition to pursuing patents on our technology, we take steps to protect our intellectual property and proprietary technology by entering into confidentiality agreements and intellectual property assignment agreements with our employees, consultants, corporate partners and, when needed, our advisors. 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. 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 illegally obtained and was using our trade secrets, it would be expensive and time consuming and the outcome would be unpredictable. We also seek trademark registration to protect key trademarks such as our 10X, 10X GENOMICS, CHROMIUM, VISIUM and XENIUM marks, however, we have not yet registered all of our trademarks in all of our current and potential markets. If we apply to register these trademarks, our applications may not be allowed for registration and our registered trademarks may not be maintained or enforced. In addition, opposition or cancellation proceedings may be filed against our trademark applications and registrations and our trademarks may not survive such proceedings. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties than we otherwise would. With respect to all categories of intellectual property protection, our competitors could purchase our products and attempt to replicate some or all of the competitive advantages we derive from our development efforts, willfully infringe our intellectual property rights, design around our protected technology or develop their own competitive technologies that fall outside of our intellectual property rights. In addition, competitors may develop their own versions of our products in countries where we did not apply for patents, where our patents have not issued or where our intellectual property rights are not recognized and compete with us in those countries and markets. The laws of some countries do not protect intellectual property rights to the same extent as the laws of the United States and many companies have encountered significant problems in protecting and defending such rights in foreign jurisdictions. The legal systems of certain countries, particularly certain developing countries, do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biotechnology, which could make it difficult for us to stop the infringement of our patents. The legal systems in certain countries may also favor state- sponsored or companies headquartered in particular jurisdictions over our first- in- time patents and other intellectual property protection. We are aware of incidents where such entities have stolen the intellectual property of domestic companies in order to create competing products and we believe we may face such circumstances ourselves in the future. In the Office of the United States Trade Representative (" USTR ") annual " Special 301 " Report released in 2019, the adequacy and effectiveness of intellectual property protection in a number of foreign countries were analyzed. A number of countries in which both we and our distributors operate are identified in the report as being on the Priority Watch List. In China, for instance, the USTR noted a range of IP- related concerns, including a need to " strengthen IP protection and enforcement, including as to trade secret theft, online piracy and counterfeiting, the high- volume manufacture and export of counterfeit goods, and impediments to pharmaceutical innovation. " The absence of harmonized intellectual property protection laws and effective enforcement makes it difficult to ensure consistent respect for patent, trade secret, 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. The U. S. law relating to the patentability of certain inventions in the life sciences is uncertain and rapidly changing, which may adversely impact our existing patents or our ability to obtain patents in the future. Various courts, including the U. S. Supreme Court, have rendered decisions that impact the scope of patentability of certain inventions or discoveries relating to the life sciences. Specifically, these decisions stand for the proposition that patent claims that recite laws of nature (for example, the relationships between gene expression levels and the likelihood of risk of recurrence of cancer) 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 uncertain. Furthermore, in view of these decisions, in December 2014 the USPTO, published revised guidelines for patent examiners to apply when examining process claims for patent eligibility. This guidance was updated by the USPTO in July 2015 and additional illustrative examples provided in May 2016. The USPTO provided additional guidance on examination procedures pertaining to subject matter eligibility in April 2018 and June 2018. The guidance indicates that claims directed to a law of nature, a natural phenomenon or an abstract idea that do not meet the eligibility requirements should be rejected as non- statutory, patent ineligible subject matter; however, method of treatment claims that practically apply natural relationships should be considered patent eligible. We cannot assure you that our patent portfolio will not be negatively impacted by the current uncertain state of the law, new court rulings or changes in guidance or procedures issued by the USPTO. 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 and validity of patents within the life sciences and any such changes could have a negative impact on our business . Sales of a substantial number of shares of our Class A common stock by our existing stockholders could cause the price of our Class A common stock to decline. Sales of a substantial number of shares of our Class A common stock in the public market could occur at any time. We have registered all shares of Class A common stock that we may issue under our equity compensation and employee stock purchase plans. These shares can be freely sold in the public market upon issuance and, if applicable, vesting, subject to our insider trading policy, where applicable, and applicable securities laws including volume limitations applicable to affiliates under Rule 144 and Rule 701. Sales of Class A common stock in the public market may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the trading price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock. The multi- class structure of our common stock has the effect of concentrating voting control with those stockholders who held our capital stock prior to the completion of our IPO, including our co- founders, and may depress the trading price of our Class A common stock. Our Class A common stock has one vote per

share and our Class B common stock has ten votes per share, except as otherwise required by law. Because of the ten- to- one voting ratio between our Class B common stock and Class A common stock, the holders of our Class B common stock collectively control a majority of the combined voting power of our common stock and therefore are able to control all matters submitted to our stockholders for approval **, other than matters that require a supermajority for approval** . This concentrated control is expected to limit or preclude Class A stockholders' ability to influence **certain** corporate matters ~~for the foreseeable future, including the election of directors, amendments of our organizational documents and any merger, consolidation, sale of all or substantially all of our assets or other major corporate transaction~~ requiring stockholder approval. In addition, this may prevent or discourage unsolicited acquisition proposals or offers for our capital stock that an investor may feel is in her or his best interest as one of our stockholders. Future transfers by holders of Class B common stock will generally result in those shares converting to Class A common stock, subject to limited exceptions, such as certain transfers effected for estate planning purposes where sole dispositive power and exclusive voting control with respect to the shares of Class B common stock is retained by the transferring holder and transfers between our co- founders. In addition, each outstanding share of Class B common stock held by a stockholder who is a natural person, or held by the permitted entities of such stockholder (as described in our amended and restated certificate of incorporation), will convert automatically into one share of Class A common stock upon the death of such natural person. In the event of the death or permanent and total disability of a co- founder, shares of Class B common stock held by such co- founder or his permitted entities will convert to Class A common stock, provided that the conversion will be deferred for nine months, or up to 18 months if approved by a majority of our independent directors, following his death or permanent and total disability. Transfers between our co- founders are permitted transfers and will not result in conversion of the shares of Class B common stock that are transferred. The conversion of Class B common stock to Class A common stock has had, and is expected to continue to have, the effect, over time, of increasing the relative voting power of those individual holders of Class B common stock who retain their shares in the long term. To date, such conversions have had the effect of increasing the relative voting power of our co- founders and certain of our directors and is expected to continue to have such an effect if our co- founders and such directors retain their shares in the long term. Delaware law and provisions in our amended and restated certificate of incorporation and amended and restated bylaws might discourage, delay or prevent a change in control of our company or changes in our management and, therefore, depress the trading price of our Class A common stock. Our status as a Delaware corporation and the anti- takeover provisions of the Delaware General Corporation Law may discourage, delay or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our restated certificate of incorporation and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following: • any transaction that would result in a change in control of our company requires the approval of a majority of our outstanding Class B common stock voting as a separate class; • our multi- class common stock structure provides our holders of Class B common stock with the ability to significantly influence the outcome of matters requiring stockholder approval, even if they own significantly less than a majority of the shares of our outstanding Class A common stock and Class B common stock; • our board of directors is classified into three classes of directors with staggered three- year terms and directors are only able to be removed from office for cause by the affirmative vote of holders of at least two- thirds of the voting power of our then outstanding capital stock; • certain amendments to our amended and restated certificate of incorporation require the approval of stockholders holding two- thirds of the voting power of our then outstanding capital stock; • any stockholder- proposed amendment to our amended and restated bylaws requires the approval of stockholders holding two- thirds of the voting power of our then outstanding capital stock; • our stockholders are only able to take action at a meeting of stockholders and are not able to take action by written consent for any matter; • our stockholders are able to act by written consent only if the action is first recommended or approved by the board of directors; • vacancies on our board of directors are able to be filled only by our board of directors and not by stockholders; • only our chairman of the board of directors, chief executive officer or a majority of the board of directors are authorized to call a special meeting of stockholders; • certain litigation against us can only be brought in Delaware; • our restated certificate of incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued, without the approval of the holders of our capital stock; and • advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders. These anti- takeover defenses could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock and could also affect the price that some investors are willing to pay for our Class A common stock. Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees. Our amended and restated bylaws provide that, unless we consent in writing to the selection of an alternative forum, (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, stockholders or employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, our certificate of incorporation or our amended and restated bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware 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. Our amended and restated bylaws further provide that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States are the exclusive forum for the resolution of any claims under the Securities Act or

any successor thereto. Nothing in our amended and restated bylaws precludes stockholders that assert claims under the Exchange Act, or any successor thereto, from bringing such claims in state or federal court, subject to applicable law. Any person or entity purchasing or otherwise acquiring or holding any interest in any of our securities shall be deemed to have notice of and consented to the foregoing forum selection provisions. These exclusive- forum provisions may limit a stockholder' s ability to bring a claim in a judicial forum of such stockholder' s choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees and may result in increased costs for investors to bring a claim. If a court were to find the exclusive- forum provisions in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations. General risk factors We may fail to meet our publicly announced guidance or other expectations about our business, which could cause our stock price to decline. In the past we have provided, and in the future we may provide, guidance and other expectations regarding our expected financial and business performance. Correctly identifying key factors affecting business conditions and predicting future events is inherently an uncertain process, and our guidance or the other expectations we set may not ultimately be accurate and has in the past been inaccurate in certain respects. For example, in February 2022 we announced our expectations regarding full year 2022 revenue, which we revised in August 2022 to reflect lower expected revenue for full year 2022. In August 2022, we announced our goal to **attain** ~~be free~~ cash ~~flow~~ **flows** ~~positive~~ **from operating activities in excess of our capital investment requirements** by the end of 2023. ~~We~~ **While we achieved this goal for the quarter ended December 31, 2023, we** may not be able to ~~achieve this goal~~ **maintain such cash flows from operating activities in excess of our capital investment requirements on a sustained basis, including** if we do not generate sufficient revenue or achieve our gross margin targets, if we acquire businesses or technologies **(or complete expenditures related to previous acquisitions)** , if our spending is higher than anticipated or due to many other factors. If our guidance varies from actual results or if we fail to meet other expectations regarding our business ~~, including our previously announced objective to become free cash flow positive by the end of 2023~~ , the market value of our common stock could decline significantly. The market price of our Class A common stock may be volatile, which could result in substantial losses for investors. The trading price of our Class A common stock has been and may continue to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. In addition to the factors discussed in this " Risk Factors " section and elsewhere in this report, these factors include: • the timing of our launch of future products and degree to which the launch and commercialization thereof meets the expectations of securities analysts and investors; • changes in the structure or funding of research at academic and research laboratories and institutions, including changes that would affect their ability to purchase our instruments or consumables; • the success of existing or new competitive businesses or technologies; • announcements about new research programs or products of our competitors; • general economic, industry and market conditions; • volatility and variations in market conditions in the life sciences sector generally, or the genomics sector specifically; • whether our financial results meet our publicly announced expectations or the expectations of securities analysts or investors; • actual or anticipated changes in our estimates as to our financial results or development timelines, variations in our financial results or those of companies that are perceived to be similar to us or changes in estimates or recommendations by securities analysts, if any, that cover our Class A common stock or companies that are perceived to be similar to us; • investor perceptions of us or our industry; • the level of expenses related to any of our research and development programs or products; • litigation and governmental investigations involving us, our industry or both; • the outcomes of and related rulings in the litigation and administrative proceedings in which we are currently or may in the future become involved; • developments or disputes concerning patent applications, issued patents or other proprietary rights; • the recruitment or departure of key personnel; • regulatory or legal developments in the United States and other countries; • the announcement or expectation of additional financing efforts; • stock- based compensation expense; • the failure or discontinuation of any of our product development and research programs; • sales of our Class A common stock or Class B common stock by us, our insiders or other stockholders; • natural disasters, infectious diseases, conflict, war, civil unrest, epidemics or pandemics such as COVID- 19 outbreaks or resurgences or major catastrophic events; and In recent years, stock markets in general, and the market for life sciences technology companies in particular (including companies in the genomics, biotechnology, diagnostics and related sectors), have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to changes in the operating performance of the companies whose stock is experiencing those price and volume fluctuations. Broad market and industry factors may seriously affect the market price of our Class A common stock, regardless of our actual operating performance. Volatility in our stock price also impacts the value of our equity compensation, which affects our ability to recruit and retain employees. In the past, when the market price of a stock has been volatile, securities litigation has often been brought against that company. Because of the potential volatility of our stock price, we may become the target of securities litigation in the future. Securities litigation could result in substantial costs and divert management' s attention and resources from our business. We have currently obtained only director and officer liability coverage (commonly referred to as " Side A " coverage). This means that while our directors and officers have direct insurance coverage for acts which the company is not legally required or permitted to indemnify them, the company itself does not have coverage for amounts incurred in defending, among other things, stockholder derivative or securities class action lawsuits or in the event of certain investigative actions, for amounts it must pay as a result of such suits or amounts it must pay to indemnify our directors or officers. We are in essence self- insuring for these costs. Any costs incurred in connection with such litigation could have a material adverse effect on our business, financial condition and results of operations. Securities analysts may not publish favorable research or reports about our business or may publish no information at all, which could cause our stock price or trading volume to decline. The trading market of our common stock is influenced to some extent by the research and reports that industry or financial analysts publish about us and our business. We do not control these analysts. The analysts who publish information about our common stock may have had relatively little experience with us or our industry, which could affect their

ability to accurately forecast our results and could make it more likely that we fail to meet their estimates. If any of the analysts who cover us provide inaccurate or unfavorable research or issue an adverse opinion regarding our stock price, our stock price could decline. If one or more of these analysts cease coverage of us or fail to publish reports covering us regularly, we could lose visibility in the market, which in turn could cause our stock price or trading volume to decline. If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock. For example, the market price of our common stock declined after our financial results for the quarter ended June 30, 2022 fell short of the expectations of securities analysts and investors. The preparation of financial statements in conformity with generally accepted accounting principles in the United States (" GAAP") requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. If our assumptions change or if actual circumstances differ from our assumptions, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock. ~~If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our operating results could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. If our assumptions underlying our estimates and judgements relating to our critical accounting policies change or if actual circumstances differ from our assumptions, estimates or judgements, our operating results may be adversely affected and could fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.~~ We have incurred and will continue to incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance initiatives and corporate governance practices, including maintaining an effective system of internal controls over financial reporting. We have incurred and will continue to incur significant legal, accounting and other expenses because the Dodd- Frank Wall Street Reform and Consumer Protection Act, SOX, the listing requirements of Nasdaq and other applicable federal and Delaware rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. Our management and other personnel are required to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs and have made some activities more time- consuming and costly. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. The impact of these requirements also could make it more difficult for us to attract and retain qualified persons to serve on our board of directors, our board committees or as executive officers. Moreover, these rules and regulations often are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. The rules and regulations applicable to us as a public company and recent trends in the insurance market have made it more expensive for us to obtain director and officer liability insurance. We have currently obtained only director and officer liability coverage (commonly referred to as " Side A " coverage). This means that while our directors and officers have direct insurance coverage for acts which the company is not legally required or permitted to indemnify them, the company itself does not have coverage for amounts incurred in defending, among other things, stockholder derivative or securities class action lawsuits or in the event of certain investigative actions, for amounts it must pay as a result of such suits or amounts it must pay to indemnify our directors or officers. We are in essence self- insuring for these costs. Any costs incurred in connection with such litigation could have a material adverse effect on our business, financial condition and results of operations. In August 2021, the SEC announced that it had approved Nasdaq' s proposed rule change to advance board diversity and enhance transparency of board diversity statistics through new listing requirements. Under these ~~new~~ listing rules, Nasdaq- listed companies are required, subject to certain exceptions, to annually disclose diversity statistics regarding their directors' voluntary self- identified characteristics and include on their boards of directors at least two " Diverse " directors or publicly disclose why their boards do not include such " Diverse " directors. Under the phase- in period for these ~~new~~ listing rules, for companies listed on the Nasdaq Global Select Market, this disclosure requirement regarding the existence of at least one " Diverse " director applies starting on the later of August 7, 2023, or the date that the company files its proxy statement for its annual shareholder meeting during 2023, and regarding the existence of at least two " Diverse " directors applies starting on the later of August 6, 2025, or the date that the company files its proxy statement for its annual shareholder meeting during 2025. Under the proposed rule, a " Diverse " director is someone who self- identifies either as (i) female, (ii) Black or African American, Hispanic or Latinx, Asian, Native American or Alaska Native, Native Hawaiian or Pacific Islander, or two or more races or ethnicities, or (iii) lesbian, gay, bisexual, transgender or a member of the queer community. Our board of directors currently includes two female directors, and three directors from an " underrepresented community. " However, if our current or future female or other " Diverse " directors no longer serve on our board of directors prior to the applicable dates ~~under the phase- in period~~ for the new Nasdaq listing rules, we could be out of compliance with the ~~new~~ Nasdaq listing rules. We cannot assure that we can recruit, attract and / or retain qualified members of the board and meet

gender and diversity requirements under Nasdaq listing rules, which may expose us to financial penalties and adversely affect our reputation.