

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

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2025
OR

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

For the transition period from _____ to _____
Commission file number: 001-39815

908 DEVICES INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)
44 3rd Avenue, Burlington, MA
(Address of principal executive offices)

45-4524096
(I.R.S. Employer
Identification No.)
01803
(Zip Code)

Registrant's telephone number, including area code: (857) 254-1500

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.001 per share	MASS	The Nasdaq Global Market

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

None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer
Non-accelerated filer

Accelerated filer
Smaller reporting company
Emerging growth company

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

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The aggregate market value of common stock held by non-affiliates of the registrant as of June 30, 2025, the last business day of the most recently completed second fiscal quarter, was \$194.9 million. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

As of March 4, 2026, the registrant had 37,379,953 shares of common stock, par value \$0.001 per share, outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement for its 2026 Annual Meeting of Stockholders, which the registrant intends to file with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended December 31, 2025, are incorporated by reference into Part II and Part III of this Annual Report on Form 10-K.

**908 Devices Inc.
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We own various trademark registrations and applications, and unregistered trademarks, including MX908, ThreatID, ProtectIR, XplorIR, VipIR, 908 Devices and our corporate logo. All other trade names, trademarks and service marks of other companies appearing in this Annual Report on Form 10-K are the property of their respective holders. Solely for convenience, the trademarks and trade names in this Annual Report on Form 10-K may be referred to without the ®,™ or RTM symbols, but such references should not be construed as any indicator that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto. We do not intend to use or display other companies’ trademarks and trade names to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

SUMMARY OF RISK FACTORS

The following is a summary of the principal risks described below in Part I, Item 1A “Risk Factors” in this Annual Report on Form 10-K. We believe that the risks described in the “Risk Factors” section are material to investors, but other factors not presently known to us or that we currently believe are immaterial may also adversely affect us. The following summary should not be considered an exhaustive summary of the material risks facing us, and it should be read in conjunction with the “Risk Factors” section and the other information contained in this Annual Report on Form 10-K.

Risks related to macroeconomic conditions

- Uncertainties in global economic conditions or a decline in economic conditions, such as recession, economic downturn, and/or inflationary conditions in the U.S. and other regions of the world in which we do business could impact customer spending patterns and materially and adversely affect our financial condition and operating results.

Risks related to our business and industry

- We have a history of net losses and may not be able to achieve profitability for any period in the future or sustain cash flow from operating activities.
- Our operating results may fluctuate significantly from period-to-period and may fall below expectations in any particular period, which could adversely affect the market price of our common stock.
- We have experienced growth of our business in recent years, and our inability to manage this growth could have a material adverse effect on our business, the quality of our products and services and our ability to retain key personnel.
- We must develop new products, as well as enhancements to existing products, and adapt to rapid and significant technological change to remain competitive.
- We need to continue to build and develop our sales, marketing and customer service organization, and to engage with domestic and international channel partners to support our planned growth.
- We face intense and growing competition from leading technology companies as well as from emerging companies. Our inability to compete effectively with any or all of these competitors could affect our ability to achieve our anticipated market penetration and achieve or sustain profitability.
- Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense, which contribute to the unpredictability and variability of our financial performance and may adversely affect our profitability.
- We may need additional capital in the future, which may not be available to us, and if it is available, may dilute your ownership of our common stock and have a material adverse effect on our business, operating results and financial condition.
- If we experience a significant disruption in our information technology systems or breaches of data security, our business could be adversely affected.

Risks related to sales of products to the U.S. Government

- A significant portion of our business depends on sales to the public sector, and our failure to receive and maintain government contracts or changes in the contracting or fiscal policies of the public sector could have a material adverse effect on our business.
- U.S. government programs are limited by budgetary constraints and political considerations and are subject to uncertain future funding levels that could result in the termination of programs.

Risks related to litigation and our intellectual property

- We rely on in-bound licenses granted to us from third parties. If we lose these rights, our business may be materially adversely affected, our ability to develop improvements to our existing products and to develop new products may be negatively and substantially impacted, and if disputes arise, we may be subjected to future litigation as well as the potential loss of or limitations on our ability to develop and commercialize products and technology covered by these license agreements.

Risks related to ownership of our common stock

- If securities or industry analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of our common stock could decline.
- The market price of our common stock has been volatile and could continue to be volatile.
- Our actual operating results may differ significantly from any operating guidance we may provide.
- Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur, could depress the market price of our common stock.

General risk factors

- We have in the past, and may again in the future, engage in acquisitions that could disrupt our business, cause dilution to our stockholders and harm our financial condition and operating results.

PART I

Except where the context otherwise requires or where otherwise indicated, the terms “908 Devices,” “we,” “us,” “our,” “our company,” “the company,” and “our business” refer to 908 Devices Inc. and its consolidated subsidiaries.

Item 1. Business.

Analysis at the Speed of Life

We are making chemical analysis simple, smart and speedy with our purpose-built handheld devices that empower people to take swift action in life-altering applications.

Company Overview

We have developed an innovative suite of purpose-built handheld devices for point-of-need chemical analysis. Leveraging mass spectrometry, or Mass Spec, and optical spectroscopy, analytics and machine learning technologies, we make devices that are significantly smaller and more accessible than conventional laboratory instruments. Our devices are used at the point-of-need to interrogate unknown and invisible materials and provide quick, actionable answers to directly address some of the most critical problems in vital health, safety and defense tech applications, addressing the fentanyl and illicit drug crisis, toxic carcinogen exposure, and global security threats. The term “products” or “devices” used in this “Business” section each refer to the MX908, ThreatID, ProtectIR, XplorIR, and VipIR.

We create simplified measurement devices that our customers can use as accurate tools where-and-when their work needs to be done, rather than overly complex and centralized analytical instrumentation. We believe the insights and answers our devices provide accelerate workflows, reduce costs, and offer transformational opportunities for our end users.

Since the launch of our first device in 2014, we have sold more than 3,700 handheld devices to over 700 customers, including numerous domestic and foreign government agencies.

Front-line workers rely upon our Mass Spec handheld devices to combat the opioid crisis and to detect counterfeit pharmaceuticals and illicit materials in the air or on surfaces at levels as low as 1,000 times below their lethal dose.

Mass Spec is the gold-standard analytical technology for laboratory-based molecular analysis and can identify and quantify sample components via molecular weight measurements. Mass Spec is highly regarded for its ability to provide an extraordinarily detailed analysis of a wide variety of samples -- from small molecules to large complex proteins. While Mass Spec is an extremely powerful analytical tool, conventional Mass Spec instruments are very large, expensive, and highly complex, which has profoundly bottlenecked market opportunities and relegated them to the equivalent of mainframe computers in central facilities. We are reimagining where Mass Spec technology can be used if it is sufficiently small in size, low in cost, and simple to operate.

Our proprietary Mass Spec platform relies on extreme miniaturization of the core of Mass Spec -- the ion trap and its vacuum system. Using semiconductor microfabrication techniques, we design and produce components that are more than a thousand-fold smaller in volume when compared with most laboratory Mass Spec instruments and costs only dollars to manufacture. The vacuum system alone in a typical laboratory instrument weighs hundreds of pounds and requires several hundred watts of power, 24 hours per day, 365 days per year. Our miniaturized vacuum system weighs less than a pound, and our Mass Spec in total requires less power than a 20-watt LED light bulb. These landmark proprietary advances have enabled the first truly handheld Mass Spec devices.

With our acquisition of CAM2 Technologies, LLC (d/b/a RedWave Technology) (“RedWave”), in April 2024, we obtained vibrational spectroscopy technologies, which identify and characterize a broad range of sample types, including liquids, solids and gases. These optical spectroscopy technologies complement Mass Spec, as they are widely recognized

for their broad-based bulk chemical identification capabilities, while our Mass Spec platform delivers unparalleled sensitivity and specificity for detecting and identifying targeted trace chemical substances.

Lastly, it is imperative that a point-of-need solution is operable by the widest possible user base. We have an industry-leading engineering organization comprised of software, hardware, optical and chemical engineers with collective experience supporting dozens of commercial product launches and earning numerous research and innovation awards. The team applies advanced automation, machine learning, and domain expertise to both control the hardware in our devices and interpret the rich and complex data generated by them. This enables us to deliver actionable answers quickly to maximize customer value in critical-to-life applications where minutes matter.

We fundamentally believe that the technology platform we have built and the investments we are making will allow people to answer chemical questions in times and places that were previously inconceivable. Given the market opportunity, we expect to face substantial competition from large established manufacturers of laboratory-based instruments and from new entrants. However, our proprietary innovations have enabled us to deliver the first truly handheld mass spectrometry devices, and together with our complementary optical spectroscopy platform, we believe we are strongly positioned to compete effectively.

Our Strengths

We believe the following competitive strengths provide us the ability to provide real-time answers at the point of need in vital health, safety and defense-tech applications:

- ***Our proprietary microscale Mass Spec platform leverages well established, gold-standard technology.*** Mass Spec is already ubiquitous in the laboratory. Users do not need to take a risk on a completely unknown technology. We bring laboratory-grade capability to handhelds. We have developed a proprietary Mass Spec platform and approach that allow us to move the capabilities of conventional Mass Spec beyond the central laboratory. Our proprietary High-Pressure Mass Spec, or HPMS, technology enables us to produce significantly smaller, purpose-built Mass Spec devices that are better suited for use in point-of-need settings, in contrast to conventional mainframe Mass Spec solutions. The combination of HPMS, our proprietary data analytics, and machine-learning technology provides the foundations of an adaptable platform that can serve a growing number of new and adjacent applications and markets.
- ***Point-of-need technologies disrupting conventional lab-based chemical analysis.*** Leveraging our technology platform, we have developed a portfolio of handheld devices that are reinventing how and where lab-grade chemical analysis is conducted by accessing a variety of point-of-need market segments that were historically considered impossible. Our products are small, purpose-built devices that avoid the typical size and complexity issues related to conventional analytical laboratory instruments while also offering real-time, actionable answers to new classes of users. As we continue to expand the capabilities of our technology platform, we believe our devices will continue to penetrate new and adjacent applications and markets.
- ***Highly attractive business model validated by rapidly growing installed base of devices.*** We have over 700 customers, including major government institutions, the Department of Homeland Security, the U.S. Army and the U.S. Air Force and other international, federal and state agencies. These customers have validated our platform through the collective purchase of more than 3,700 devices and the training of over 18,000 users. As we continue to grow and service our installed base, we expect to increase our recurring revenue derived from the sale of consumables, accessories, and support services.
- ***Talented team with significant domain expertise.*** We are a technology driven company that has built vertically integrated capabilities to design, manufacture, and commercialize our products. We are led by a dedicated and highly experienced senior management team with significant industry experience and proven ability to deliver novel products. Each member of our senior management team has more than 20 years of relevant experience. Members of our technical team have been collectively responsible for numerous commercial product launches prior to joining the company. The team possesses deep expertise in Mass Spec, spectroscopy, system design and

engineering, usability and ergonomics, thermal and mechanical engineering, software development, and artificial intelligence. We had 43 full-time employees dedicated to research and development as of December 31, 2025. Of these, approximately 49% have advanced degrees in science and engineering.

Our Growth Strategy

We are making chemical analysis simple, smart and speedy by incorporating our microscale Mass Spec, optical spectroscopy, and analytics and machine learning technology platform into handheld devices that provide users with robust answers at the point of need. Our growth strategy includes the following key elements:

- ***A continued focus on simplicity, speed, convenience and cost increases measurement consumption.*** We are a technology-driven company with significant core expertise in engineering, hard sciences and data analytics and a proven track record of delivering products that delight our customers by making things easy. We believe a relentless focus on these fundamentals drives consumption of consumables.
- ***Drive enterprise adoption in our seeded accounts.*** We intend to continue to aggressively invest in and support our field applications team to accelerate the development of post-sale partnerships with customers and to drive broader adoption across the organization. We will focus on building upon our track record of leveraging our customers' success in trials and pilots into enterprise-wide adoption of both devices and consumables. As an example, it is typical for government organizations to conduct a one week or longer trial prior to purchase to test our technology in their real-world setting. A trial generally results in budgeting for a pilot that can range in size from ten to more than 50 units. During the pilot, we support our customers closely to ensure their success. Data is compiled throughout to assist our customer in making a larger enterprise-wide justification, purchase and deployment. It is our belief that investment pre- and post-sale with prospects that have the potential for enterprise adoption creates a predictable pipeline of opportunity for our devices and their entrenchment as they become the organizational standard for our customers.
- ***Grow the installed base through expansion of commercial channels.*** Since the commercial launch of our first handheld, the installed base of our handheld devices has grown to more than 3,700 devices. With our handheld device installations taking root in the United States, we will focus on expanding our global commercial channels to better serve the health, safety and defense tech markets. We look to expand both our direct channel in the United States and our international reach, including growing our network of international channel partners. We look to have local application and support specialists and sales managers supporting our channel partners.

Our Technology

Our Technology Platform

We have developed a core technology platform designed to bring Mass Spec and optical spectroscopy out of the confines of central laboratories and to the point-of-need with high-fidelity handheld devices. We believe that providing simple, smart, and speedy devices that provide robust answers when and where people need them gives rise to:

- an expanded and more diverse set of users;
- more frequent measurements; and
- new use cases that were previously untenable.

These results are possible as our handheld devices are designed for extreme convenience and speed, requiring minimal training and maintenance. Our platform is centered around using proprietary microscale Mass Spec, and optical

spectroscopy to characterize species at the molecular level, with integrated machine learning and analytics to automatically provide answers regarding identity, and quantity. The core elements of our technology platform include:

- Complementary analytical technologies, including Mass Spec and optical spectroscopy, purpose built for point-of-need applications; and
- Analytics and machine learning technology, which provides actionable answers versus raw data.

Analytical Technology Platform for Chemical Analysis at the Point-of-Need

Our analytical technology hardware platform consists of both mass spectrometry and optical spectroscopy.

Mass Spectrometry

Mass Spec is the gold-standard analytical technique for molecular analysis. This technology is highly regarded for its ability to provide an extraordinarily detailed analysis of a wide variety of molecular samples -- from small molecule chemicals to large complex proteins. Mass Spec instruments identify the components of samples via highly detailed mass-to-charge (m/z) measurements, and in some cases, can quantify those components. Together with its associated front-end separation technologies, Mass Spec can resolve and analyze the most complex of samples with high fidelity.

However, while Mass Spec is an extremely powerful analytical technique, the capabilities of conventional Mass Spec instruments are largely relegated to centralized laboratory settings due to their size, complexity, and high price. Given the inherent limitations of conventional mainframe Mass Spec instruments, we believe there is a compelling opportunity for handheld Mass Spec devices.

A key component of our technology is our proprietary microscale ion trap, which we estimate is 1,000 times smaller than those in conventional laboratory Mass Spec instruments. These microfabricated traps are able to operate a million times closer to atmospheric pressures than conventional Mass Spec instruments. This HPMS approach results in devices with dramatically smaller size and lower cost-of-goods through a reduction of vacuum pump requirements and power consumption, and an overall simplification of the hardware topology.



Conventional laboratory Mass Spec



Our Mass Spec

HPMS allows us to build ultracompact, high-fidelity measurement devices that are purpose-built for specific applications and deployable at the point-of-need. HPMS allows us to circumvent the complexities associated with the conventional and much larger, general-purpose, central laboratory Mass Spec instruments.

Our technology operates at size and cost scales that are multiple orders of magnitude smaller than conventional mainframe laboratory instruments. And while large, expensive, high maintenance vacuum systems have been a historical requirement for Mass Spec, our HPMS approach is capable of running with extreme efficiency on very small, robust, low-cost scroll pumps of our own proprietary designs. Our technology requires significantly less power than a 20-watt light bulb, allowing for up to 100x lower power consumption when compared to a competing product. The flexibility afforded by our approach provides access to existing and new market segments that were previously inconceivable for conventional Mass Spec instruments.

Optical Spectroscopy

Our optical technology complements our Mass Spec and is centered around two key vibrational spectroscopy techniques, the primary being Fourier Transform Infrared Spectroscopy, known simply as FTIR, and the second being Raman spectroscopy.

FTIR is an optical technology which measures the chemical composition of a sample. The spectral data is acquired using an interferometer detecting all wavelengths simultaneously, which results in fast acquisition times and very high signal-to-noise ratios. FTIR is an established analytical technology for chemical analysis of solids, liquids and gases. It is highly regarded for its specific substance identification abilities across a broad range of bulk materials. Our FTIR portfolio consists of purpose-built handheld devices that can rapidly identify tens of thousands of bulk chemical substances at the point-of-need. This technology can measure unknown powders and liquids using an attenuated total reflectance interface, and gases using absorption across a gas cell. FTIR, while broadly applicable, is of limited utility for aqueous solutions and samples within packaging, such as glass and plastics. Another optical variant, Raman spectroscopy has been incorporated into our technology platform to address and complement. Raman uses laser light to probe the vibrational bonds of a sample through translucent materials and to detect and analyze the resulting scattered molecular profile. This profile and that obtained using FTIR serves as “fingerprint” patterns that can be used for precise material identification.

Analytics and Machine Learning Technology Provide Actionable Answers, Not Just Raw Data

The second crucial element of our technology platform is holistic device design with embedded analytics and machine learning. Our development team designs devices for a specific purpose, rather than for a wide scope of often disparate needs. Conventional lab instrumentation manufacturers focus their attention on canonical analytical specifications such as “instrument resolution” or “detection limit” or “data rate” in the hopes of appealing to a wide range of laboratory specialist needs. Our devices are designed to do a job quickly, easily, and cost effectively. Achieving that aim requires very sophisticated autonomous and adaptive control systems and the machine learning engine to interpret the data and produce a clear, accurate result.



Our devices are designed to provide fast, statistically rigorous answers by providing autonomous control systems and applying rigorous machine learning and analytics methods.

Control/optimization: Our devices need to manage themselves autonomously for maximum value to the customer. They can manage themselves by adapting to environmental factors like elevation, humidity, temperature, and vibration, and by optimizing themselves for the analytical objectives of the user, such as looking for traces of potent drug substances or sniffing for airborne hazards. This ability to automatically control the system reduces or eliminates the user's responsibility and opportunity for error in set up, optimization, and troubleshooting. Our product's screen shown above looks very simple, but the embedded analytics and machine learning system controls and optimizes more than a hundred parameters continuously in real-time.

Machine learning/embedded analytics: The integrated analysis of our platform's data is also critical to our customers' success. Conventional platforms may give the user basic tools to view data, and some limited analysis functionality, but they fall far short of completing the analysis loop. "Out of the box" machine and statistical learning methods are not really applicable to complex analytical sensor data and real-life molecular systems. Our data team has a commercial track record of embedding a "scientist in the box" with highly customized statistical and machine learning methods for our platforms to complete the customer experience. Several examples of these elements are highlighted below in the "Our Products" section.

Our Products

We were founded on a vision to deliver high quality chemical analysis to a broad set of users at the point-of-need. We offer handheld devices, each of which are capable of providing quick, high-fidelity and actionable results. These aspects are important to our customers, who previously have had to wait days or even weeks for a thorough analysis conducted in a laboratory. Our devices are changing this paradigm and providing laboratory-like results at the point-of-need.



The 908 Devices product suite includes (from left to right): XplorIR, ThreatID, MX908, VipIR, and ProtectIR Devices

MX908

Launched in June 2017, MX908 is a handheld, battery-powered, Mass Spec device designed for rapid analysis of solid, liquid, vapor and aerosol materials of unknown identity. It is an agile, multi-purpose device utilized by a wide spectrum of user segments for a variety of field applications such as chemical, explosive, priority drug and HazMat operations, detecting materials at the trace level.

We have sold more than 3,100 MX908s into every U.S. state and across five continents. More than 14,000 operators, including in numerous domestic and foreign government agencies, have been trained to use the MX908.

When a civilian or military first responder, customs agent, or front-line worker is presented with residue on a package, a powder in the emergency room, pills at a border crossing, an apparent overdosing individual, or a mass casualty event, immediate actionable information is needed. The U.S. opioid crisis in particular is driving demand for broadly capable point-of-need measurement devices that can detect a multitude of hazards at trace quantities.

The MX908 detects trace quantities of more than 160 named dangerous materials, including fentanyl and its many derivatives, explosives, and hazardous chemical agents with sensitivity comparable to existing field-based technologies, but with much higher specificity. This allows users to conduct rapid field analysis for a broad range of unknown substances at trace levels that would typically lead to confusion and false positives in other instruments. The device is also able to identify a far greater number of substances than other trace technologies and with one million times the dynamic range of those other handheld or mobile technologies. Compared to a leading transportable Mass Spec product, the MX908 is up to 15x faster, up to 10x smaller and up to 2x cheaper. The MX908 is able to start up in less than a minute, completing analysis of gas and vapor materials in less than ten seconds, and solids, liquids, and aerosols in less than a minute.

The MX908 was designed to operate in harsh outdoor environments such as pervasive rain and dust, and scorching to freezing temperatures in a nimble 4.3 kg (approximately 10 lb) handheld form factor. Our systems also undergo extensive mechanical shock, drop, vibration, and environmental testing as part of the development and certification process.

Designed with the non-technical user in mind, the user interface on the MX908 requires no Mass Spec knowledge for navigation, operation or interpretation of results. The MX908 user interface is very mission driven. These mission modes provide a categorization of functionality, allow the device to guide operators through proper procedures with visual cues, and present results in a manner most relevant for that operational intent. The mission modes also allow the software to optimize the hardware operation of the MX908 to maximize sensitivity and specificity for a given class of chemicals, much as a laboratory chemist would do by changing the settings on their conventional Mass Spec.

The MX908's machine-learning software, enabled by our proprietary technology platform, serves as a critical element of the device. For example, one of the challenges associated with analyzing fentanyl derivatives is that there are potentially thousands of pharmacologically-active variants for this same compound. However, MX908 is pre-programmed to evaluate against the dozen most common fentanyl variants and is then able to utilize a machine learning classifier to look for characteristic mass fragment loss patterns that are suggestive of the more than 2,000 fentanyl analogs.

Since introducing the MX908, we have continued to expand the device's capability through mission add-ons such as offering an Aerosol Module accessory to detect and identify aerosolized chemical hazards, adding targets to allow responders to identify additional priority drug substances, and providing a Bluetooth capability that enables seamless data transfer and accelerates support in the field. We also offer the MX908 Beacon accessory, which is a remote area monitoring system secured in a rugged case that can detect and identify aerosolized and vapor threats. The MX908 Beacon accessory leverages the MX908 and Aerosol Module combined with a cloud-based solution to enable remote identification of toxic chemical hazards. All these added capabilities are aimed to address gaps in responders' workflows, increase engagement, and drive utilization.

XplorIR

The XplorIR is a handheld device that uses FTIR spectroscopy to identify, quantify and track gases and vapors. The device can rapidly detect and identify 5,600+ unknown gas and vapor chemical hazards in seconds and quantify nearly 5,000 airborne chemicals in under a minute. It then continually monitors and updates chemical composition every four seconds. The XplorIR can automatically and accurately identify multiple components simultaneously at the part-per-million level. Once detected, the XplorIR continually monitors and updates chemical composition every four seconds. The XplorIR provides mission-critical information for fire departments, HAZMAT teams and other first responders, enabling them to make swift decisions around remediation efforts and to ensure public safety.

A headless variant of XplorIR, called InterceptIR, can be integrated onto a variety of robotic platforms, including robotic canines, wheeled vehicles and unmanned autonomous vehicles and drones. The device rapidly detects and identifies 5,600+ gas and vapor chemical hazards. It is used primarily to screen large areas and inaccessible spaces.

ThreatID

The ThreatID is a portable FTIR device that rapidly detects and identifies 28,000+ unknown gas, vapor, powder and liquid chemical hazards. The device can seamlessly transition from gas/vapor sampling to powder and liquid sampling in seconds, with no tools required. The ThreatID is designed to be easily operated and no alignment, calibration or configuration is required. The rugged diamond attenuated total reflection ("ATR") sample interfaces provide reliable measurement in harsh environments. The device's interactive, on-screen prompts guide emergency and military responders through the sampling. Like all our FTIR products, once samples have been collected, and a Wi-Fi connection is established, the results can be uploaded to our Team Leader mobile app for remote personnel to assist in making rapid, informed decisions based on a clear understanding of the chemical hazards.

ProtectIR

The ProtectIR is a handheld FTIR device that can identify 23,000+ solid and liquid chemical hazards. The device is compact, lightweight and rugged as it is specifically designed for field use. ProtectIR enables hazmat response teams, military, and first responders to analyze bulk substances in seconds and requires minimal user inputs.

VipIR

The VipIR is a handheld 3-in-1 analyzer that integrates FTIR, Raman spectroscopy and Smart Spectral Processing (SSP), a proprietary algorithm, to provide a single result from just one sample. The VipIR is designed to simplify bulk chemical analysis workflows, is ideal for identifying complex mixtures, and is purpose-built for customs and border organizations and Hazmat response teams. With an expansive library of 39,000+ chemical spectra, the device can identify a wide range of solid and liquid substances, including drugs, explosives, toxic chemicals and other unknown chemicals. The device also incorporates several sampling methods, including a single interface for FTIR, Raman and SSP; an integrated Raman probe; and an integrated vial holder. The VipIR has built-in Wi-Fi and cellular connectivity for fast data uploads, streamlined reporting and fleet management via the 908 Devices' Team Leader app.

Consumables and Services

Our MX908 and FTIR devices come with a standard warranty for up to one year from purchase. Our customers also can purchase extended warranty service plans, which include hardware repair and replacement coverage, technical support, and software updates. We designed our handheld devices to be intuitive and easy-to-use, as it is critical to our customers to know that their device is operating as intended. The annual and extended warranty service plans provide the customer the ability to contact us to assist in validating their results given the severity and context of the situations in which our devices operate. Our technical support, also known as our Reachback program, allows any participating device users to email, text, or call a 908 Devices Scientific Support Team member to receive support 24 hours per day, 365 days per year to ensure their device is working as intended. The Scientific Support Team is staffed by M.Sc. and Ph.D. chemists and forensic scientists expert in the operation of our handheld devices and other field analytical technologies. Our extended warranty service plans are sold with multiyear commitments, which allows us to deepen our relationship with customers and provides us with an upfront payment, a predictable recurring revenue stream, and an opportunity to offer additional future services.

For simplicity and convenience, we also sell single-use swab samplers for our MX908 device or the analysis of liquid and solid materials. These swab samplers are most heavily used today by customers who are evaluating drug substances. However, we designed the MX908 so that it does not require swab samplers or any other consumables for a number of other applications. Our customers value the low-logistics tail of our MX908.

Customers

We sell our products worldwide through an experienced direct sales force as well as through domestic and international channel partners. Our customers are primarily in the government market and to a lesser extent, the life sciences market. Primary users of our handheld devices include law enforcement, military and civilian first responders, and customs and border protection personnel.

Manufacturing and Supply

Our manufacturing strategy is primarily focused on in-house assembly and test of our products, with outsourcing to domestic contract manufacturers where it is cost and capital favorable. Our primary in-house manufacturing facility is located in Danbury, Connecticut, and is where both our Mass Spec and optical devices are manufactured. The manufacturing activity is supported by our precision machining facilities in Stamford, Connecticut and Georgetown, Massachusetts. All facilities are ISO 9001:2015 certified.

Devices

Our devices are manufactured, tested and shipped from our Danbury manufacturing facility. Several custom components are fabricated by third party suppliers, including printed circuit boards and cables, and some metal and plastic mechanical components. The assembly of technology-sensitive components such as our proprietary vacuum pumps, ion trap/ionization module, and FTIR interferometer modules are completed in-house.

Currently, our Danbury manufacturing facility with existing staffing level can support the production of approximately 1,000 Mass Spec devices and 1,000 optical devices per year, and has additional capacity available, with the appropriate staffing to manufacture up to a total of 5,000 combined devices. In the event that third party demand for our products outpaces our current manufacturing capacity, we believe there are numerous domestic and international contract manufacturers that could be qualified to manufacture our products.

We are continuously evaluating and updating our supply chain to ensure our ability to respond to customer demand for our products. For example, in addition to our internal precision machining capability, we have relationships with a number of machine shops and electronics suppliers that can provide components for our devices, including components currently provided by a single source. We also have supply agreements in place for critical and/or single-sourced subassemblies such as our Raman spectrometer module. We plan to continue the diversification of our supply chain as we scale. We use our annual demand planning to assess initial device needs for each year, and we update and reassess those estimates as needed, including with respect to the levels of inventory that we believe will be required to support anticipated customer demand.

Consumables

The MX908 incorporates a number of non-proprietary consumables that are commercial-off-the-shelf available and sourced from a number of reputable suppliers. Sampling swabs that are used for the analysis of liquid and solid materials in the MX908 are currently single-sourced. While we believe that alternatives are available, it would take time to identify and validate replacement swab samples, which could compromise our ability to supply these to our MX908 customers on a timely basis.

Sales and Marketing

We distribute our devices and consumables via direct field sales and support organizations located in North America through a combination of our own sales force and more than 64 third party channel partners in domestic and international markets. In North America, we use channel partners to provide our products to end customers where a contract vehicle is required. Since the commercial launch of our first handheld, the installed base of our devices has grown to more than 3,700 devices worldwide.

Our domestic sales force and international partners inform our current and potential customers of current product offerings, new target applications, and advances in our technologies and products. As our primary point of contact in the marketplace, our sales force focuses on delivering a consistent marketing message and high level of customer service, while also attempting to help us better understand the evolving market and customer needs.

As of December 31, 2025, we had 35 people employed in sales, sales support and marketing. This staff is primarily located in the United States, but we have also hired internationally using a professional employment organization, to support our sales and applications efforts. We intend to expand our sales, support, and marketing efforts in regions where we believe that there is significant opportunity, including Europe, the Middle East, and Asia-Pacific as well as other areas such as Australia and South America. We plan to continue to expand into these regions via initial penetration with channel partners and then subsequent support with direct sales, application and support personnel.

Our business model is focused on driving the adoption of our products and maximizing use across our customers' value chains. This is enabled through customer trials and partnerships that allows us to further understand the critical applications for our technology and inform our future developments and market expansion.

Our devices are often sold to governmental institutions and other customers that require participation in a tender process that involves preparation of extensive documentation and a lengthy review process. As a result of these factors, and the budget cycles of our customers, our sales cycle can often be six to twelve months, or longer.

Service and Support

We offer warranty and extended warranty service plans, as well as on-site training, in order to improve customer adoption of our products. Support under warranty and extended service contracts include the following:

- *Technical support.* Customers can call a hot-line number 24 hours per day, 365 days per year for support on issues ranging from questions on proper usage of the device, to assistance in interpretation of chemical spectra to ensure the device is working as intended. We refer to this support as our Reachback program.
- *Software updates and library updates.* We periodically release updates to the embedded software in our products. These updates will ensure the ongoing functionality of our products and repair defects in the software. We also release updates and additions to our library of spectral images enabling identification of additional chemicals.
- *Warranty.* Our devices are covered under a return-to-factory warranty model for repairs. Depending on availability, loaner units are made available to minimize downtime with our customers.

We provide training at the customer's location with the initial purchase of our devices. Each training event is between four to six hours and covers device functionality and hands-on training with the device. At the conclusion of the training, certificates are issued for all attendees. Additional training days are available on a per diem basis.

Research and Development

Investment in research and development is at the core of our business strategy. Our research and development team is responsible for designing, developing and enhancing our products, as well as performing product testing and quality assurance activities. Members of our research and development team specialize in many functional areas including algorithms, machine learning, electrical and mechanical engineering as well as software development.

As of December 31, 2025, we had 43 full-time employees dedicated to research and development. Of these, approximately 49% have advanced degrees in engineering or the sciences. We have made substantial investments in product and technology development since our inception. We expect our research and development expense to be maintained at this level as we balance resources to expand our existing products, develop new products for our current markets and introduce new products in new markets.

We consider the holistic nature of our internal product development teams critical to our products' success. Accordingly, our research and development team possesses functional expertise in critical areas such as:

- Analytical chemistry, physics of Mass Spectrometry and spectroscopy, and optical design;
- embedded, desktop and mobile software engineering;
- machine learning, high-speed digital signal processing, multivariate statistical learning, algorithms and decision theory;
- user experience design and user interface design;
- mechanical engineering and industrial design;

- analog, digital and mixed signal electronics engineering; and
- ultra-efficient pumping and pneumatics engineering.

Our research and development operations are conducted in our Burlington, Massachusetts facility and our Danbury, Connecticut facility.

Competition

We have a range of competitors extending from small, privately held companies with single-point solutions to large, publicly-held corporations, including those with a portfolio of Mass Spec and/or spectroscopy products, such as Agilent, Bruker, Danaher, Inficon, Teledyne, Rigaku, and Thermo Fisher Scientific. Many of these companies have greater resources and market presence than we do.

We expect the markets for our products to remain highly competitive and dynamic and to reflect rapid technological evolution and continually evolving customer requirements. Our ability to compete successfully will depend on a number of factors including our ability to:

- offer differentiated point-of-need chemical analysis devices;
- translate market requirements into an engineering roadmap of new software and hardware features to remain competitive;
- demonstrate the value of employing our products at the point-of-need through accelerated workflows; and
- provide pro-active support and service that delights our customers.

Intellectual Property

Protection of our intellectual property is fundamental to the long-term success of our business. We believe that our continued success depends in large part on our proprietary technology, the skills of our employees and the ability of our employees to continue to innovate and incorporate advances into our products. We regard our products and the internally developed software embedded in our products as proprietary.

We rely primarily on a combination of trade secret, patent, copyright and trademark laws, as well as contractual provisions with employees and third parties, to establish and protect our intellectual property rights. Our patent strategy is to seek broad protection on fundamental enabling technologies, and layer on additional patents on specific implementations or methods of operation critical to our present and anticipated products, and to prevent competitive operation. We provide our products to customers pursuant to terms and conditions that impose restrictions on use and disclosure. We also seek to avoid disclosure of our intellectual property using contractual obligations, by requiring employees, consultants and contractors with access to our proprietary information to execute nondisclosure, non-competition and assignment of intellectual property agreements. In addition, we generally control access to our proprietary and confidential information through the use of internal and external controls.

Our foundational technology in the area of miniature Mass Spec originated as an effort at Oak Ridge National Laboratories led by our Scientific Founder J. Michael Ramsey, Professor Emeritus of Chemistry at the University of North Carolina.

As of December 31, 2025, our owned patent assets included approximately fourteen (14) U.S. patents, two (2) pending U.S. patent applications, ten (10) foreign patents and five (5) pending foreign patent applications, including China, Germany, Japan, the United Kingdom, and the European Union. The subject matter covered by our owned patent assets includes core aspects of compact Mass Spec technology, a design for a handheld Mass Spec device, a design for a

modular Mass Spec chamber, patents for multiple ionization modes and adaptive pressure operation within survey period, the determination of preferred ionization mode, adaptive resolution control, adaptive operation to reduce power consumption, the detection of positive and negative ions, and various sampling devices and methods.

As of December 31, 2025, our in-licensed patent assets included approximately thirty (30) U.S. patents, one (1) pending U.S. patent application, eighteen (18) foreign patents, and one (1) pending foreign patent applications. The subject matter covered by our in-licensed patent assets includes a microfabricated ionization source and a microfabricated ionizer chip, microscale Mass Spec systems, devices and related methods, a miniature charged particle trap with an elongated trapping region for Mass Spec, high pressure Mass Spec signal enhancement by means of convective transport, electrospray ionization interface to high pressure Mass Spec, a method of sample injection for chemical separations in microfluidic devices, integrated sample processing for electrospray ionization devices, and microchips with integrated multiple electrospray ionization emitters and related methods, systems and devices. In March 2025, we sublicensed certain of these patent assets to Repligen Corporation (“Repligen”) in conjunction with the sale of our desktop portfolio to Repligen.

Excluding any patent term extension, the currently issued 908 Devices-owned patents are expected to expire between 2028 to 2035. The currently issued in-licensed patents are expected to expire from 2026 to 2039.

We also seek to protect our brand through procurement of trademark rights. As of December 31, 2025, we owned five (5) registered trademarks in the United States and fourteen (14) registered foreign trademarks, and had two (2) U.S. pending trademark applications and no pending foreign trademark applications. Our registered trademarks and pending trademark applications include trademarks for 908 Devices, MX908, VipIR, XplorIR and our logo. In order to supplement protection of our brand, we have also registered several internet domain names.

Licensed IP

University of North Carolina, Chapel Hill

In June 2012, we entered into a license agreement, which was subsequently amended in April 2013 and August 2014, and then amended and restated in May 2015, which we refer to in this Annual Report on Form 10-K as the UNC Agreement, with the University of North Carolina, Chapel Hill, or UNC, pursuant to which UNC granted us an exclusive, sublicensable, worldwide license to develop, manufacture, use, and commercialize products, services and methods, covered by certain patent rights owned by UNC, including patents related to a microfabricated ionization source and a microfabricated ionizer chip.

We issued an aggregate of 110,626 shares of our common stock to UNC, which had an aggregate fair value at the time of issuance of approximately \$37,800. Additionally, we must pay UNC a low single digit percentage royalty on our net sales of any products that are covered by a valid claim of the licensed patents, subject to an annual minimum royalty payment of \$30,000. In March 2025, we issued a sublicense to Repligen under the UNC Agreement, whereby we are obligated to pay UNC a low double-digit percentage of certain royalty income received from our sublicensees.

We are responsible for all reasonable, documented patent expenses incurred during the life of the UNC Agreement and associated costs associated with the preparation, filing, prosecuting, issuance and maintenance of all patent applications and patents included within the patent rights covered by the UNC Agreement.

The UNC Agreement will continue until the expiration of the last to expire patent or last to be abandoned patent application that is licensed to us, unless terminated earlier in accordance with the terms of the UNC Agreement. There are current patent applications pending under the UNC Agreement so we expect the UNC Agreement will continue through at least 2037. We may terminate the UNC Agreement by providing advance written notice of sixty (60) days as specified therein. UNC may terminate the UNC Agreement if we violate or fail to perform any terms of the UNC Agreements and we fail to cure such violation or failure within 90 days of notice thereof from UNC.

Regulations

Chemical detection and identification technologies are of value to military, governmental, and law enforcement organizations worldwide. As a result, our products and technologies are subject to export control laws and regulations, which are imposed to ensure that sensitive technologies are withheld from unfriendly governments, terrorists or criminal organizations.

Our current products are dual-use items with both military and civilian applications. These products are subject to the U.S. Export Administration Regulations, or EAR. The EAR imposes various documentation, recordkeeping and transaction screening requirements and may impose licensing requirements for certain countries, customers, or end-use applications of our products. Applicable U.S. export regulations will continue to apply to our products and technologies even after they are exported to non-U.S. customers or to any non-U.S. subsidiaries or affiliates.

Articles, services and technologies that have certain military applications or that are designed, developed, modified or adapted specifically for military applications may be subject to the International Traffic in Arms Regulations, or ITAR. When ITAR requirements apply, they apply in place of EAR. ITAR imposes registration requirements and broader, more stringent export licensing requirements than EAR. We must determine whether ITAR or EAR governs each of our products, services, and technologies. We may assume the risk of making these determinations on our own, or we may decide to request formal governmental jurisdictional rulings.

Prior to 2023, none of our products were subject to ITAR registration or other related requirements. With the commencement of the initial production phase of our Aerosol and Vapor Chemical Agent Detector, or AVCAD, program to support safety missions for the U.S. military and Coast Guard, we determined that certain spectral databases, algorithms, libraries and alarm set point levels built into our AVCAD software were subject to ITAR, and we registered as a manufacturer with the Directorate of Defense Trade Controls, or DDTC, of the Department of State.

Under generally applicable U.S. trade regulations administered by the Office of Foreign Assets Control, or OFAC, of the U.S. Department of the Treasury, we are generally prohibited from engaging in direct or indirect transactions or dealings involving sanctioned countries, as well as certain persons and entities that have been designated for targeted sanctions by OFAC. EAR and ITAR also impose export restrictions targeted at identified persons and entities, and we are required to comply with these restrictions as well.

Violations of the ITAR, EAR, and OFAC requirements can result in significant fines, penalties, denial of export privileges, and even terms of imprisonment for the individuals involved.

Human Capital

As of December 31, 2025, we had 172 full-time employees, of which 35 work in sales, sales support and marketing, 43 work in engineering and research and development, 62 work in manufacturing, operations and service and 32 work in general and administrative. As of December 31, 2025, a substantial majority of our employees were located in the United States. None of our employees is represented by a labor union or is subject to a collective bargaining agreement. We consider our relationship with our employees to be good. Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, incentivizing and integrating our existing and additional employees. The principal purposes of our equity incentive plans are to attract, retain and motivate selected employees, consultants and directors through the granting of stock-based compensation awards and cash-based performance bonus awards. The health and safety of our employees, customers and communities are of primary concern.

Corporate Information

We were incorporated in Delaware in 2012 as 908 Devices Inc. Our offices are located at 44 3rd Avenue, Burlington, Massachusetts 01803. Our telephone number is (857) 254-1500.

Available Information

Our Internet address is www.908devices.com. Our website and the information contained on, or that can be accessed through, the website will not be deemed to be incorporated by reference in, and are not considered part of, this Annual Report on Form 10-K. Our Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including exhibits, proxy and information statements and amendments to those reports filed or furnished pursuant to Sections 13(a), 14, and 15(d) of the Securities Exchange Act of 1934, as amended, or the Exchange Act, are available through the “Investors” portion of our website free of charge as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. In addition, our filings with the SEC may be accessed through the SEC’s Electronic Data Gathering, Analysis and Retrieval system at <http://www.sec.gov>. All statements made in any of our securities filings, including all forward-looking statements or information, are made as of the date of the document in which the statement is included, and we do not assume or undertake any obligation to update any of those statements or documents unless we are required to do so by law.

Item 1A. Risk Factors.

An investment in our common stock involves risks. You should carefully consider the following risks and all of the other information contained in this Annual Report on Form 10-K before investing in our common stock. The risks described below are those that we believe are the material risks that we face. If any of the following risks actually occurs, our business, prospects, operating results and financial condition could suffer materially, the trading price of our common stock could decline, and you could lose all or part of your investment. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. See “Cautionary Note Regarding Forward-Looking Statements” in this Annual Report on Form 10-K.

Risks related to macroeconomic conditions

Uncertainties in global economic conditions or a decline in economic conditions, such as recession, economic downturn, and/or inflationary conditions in the U.S. and other regions of the world in which we do business could impact customer spending patterns and materially and adversely affect our financial condition and operating results.

Uncertainties in global economic conditions that are beyond our control have in the past impacted our business and may in the future materially adversely affect our business, results of operations, financial condition and stock price. These adverse economic conditions include inflation, slower growth or recession, new or increased tariffs and other changes to fiscal and monetary policy, higher interest rates, high unemployment, decreased consumer confidence in the economy, armed hostilities, such as the ongoing military conflict between Russia and Ukraine or the conflicts in the Middle East, foreign currency exchange rate fluctuations, and other matters that influence consumer spending and preferences.

As a result of these economic conditions, our customers may face their own financial difficulties and the demand and sale of our products to end users and the quantity of products our customers decide to purchase from us (or the mix of products demanded) could be adversely affected, and it may become more challenging to forecast our operating results and make business decisions. Our results of operations are sensitive to changes in macroeconomic conditions that impact discretionary spending. Some of the factors adversely affecting consumer spending include impacts of inflation and actions taken by central banks to counter inflation, levels of unemployment, consumer debt levels, changes in net worth based on market changes and uncertainty, fluctuating interest rates, credit availability, government actions, fluctuating fuel and other energy costs, fluctuating commodity prices and general uncertainty regarding the overall future economic environment. Adverse economic changes in any of the regions in which we sell our products could reduce consumer confidence and could negatively affect net revenue and have a material adverse effect on our operating results.

Our global supply chain is large and complex. As a result, our operations and performance depend significantly on global and regional economic conditions. In addition to an adverse impact on demand for our products, uncertainty about, or a decline in, global or regional economic conditions can have a significant impact on our suppliers,

manufacturers, logistics providers, channel partners, and other partners. Potential effects include financial instability; inability to obtain credit to finance operations; and insolvency.

A downturn in the economic environment can also lead to increased credit and collectability risk on our receivables; the failure of derivative counterparties and other financial institutions; limitations on our ability to issue new debt; reduced liquidity; and declines in the fair value of our financial instruments. These and other economic factors can materially adversely affect our business, results of operations, financial condition and stock price.

A pandemic, epidemic or outbreak of an infectious disease may adversely affect our business.

Our global operations expose us to risks associated with public health crises and epidemics or pandemics, such as COVID-19. Such risks include significant volatility, uncertainty and worldwide economic disruption which may result in an economic slowdown of potentially extended duration that could impact our operations and supply chain. Future outbreaks of infectious disease, may disrupt operations of our customers and prospective customers including as a result of travel restrictions and/or business shutdowns, uncertainty in the financial markets or other harm to their business and financial results. These disruptions could reduce capital spend by our existing customers and potential new customers, and could result in further reductions to capital expenditure budgets, delayed purchasing decisions, longer sales cycles, extended payment terms or missed payments, and postponed or canceled projects, any of which would negatively impact our business and operating results, including sales and cash flows. Federal customers may divert funds to address their own supply chain or other challenges, which could delay the progression of customer trials and pilots of our products into larger enterprise-wide adoption, and could delay the purchase and deployment of both of our devices and consumables. In addition, the strain on certain domestic and international supply chains from public health crises and epidemics or pandemics could result in production slowdowns, longer lead times and negative impacts on pricing for certain of our critical components, including, among other things, electronic and plastic components necessary to manufacture our products. Our suppliers may temporarily have to close a facility, face staffing shortages, production slowdowns and stoppages, be overwhelmed by unexpected demand or face disruptions in delivery systems which may require suppliers to locate shipping routes that avoid delivery bottlenecks, all of which could cause delays in delivery. If our suppliers are unable to deliver the components and subassemblies we require on a timely basis, we cannot guarantee that we will be able to locate alternative sources of supply for our products on acceptable terms, or at all. The long-term effects to the global economy and to us are difficult to assess or predict and may lead to a decline in the market prices of our products, risks to employee health and safety, risks to our ability to manufacture and distribute our products and services and reduced sales in geographic locations impacted.

Risks related to our business and industry

We have a history of net losses and may not be able to achieve profitability for any period in the future or sustain cash flow from operating activities.

We have had a history of net losses since our inception in 2012, and we may never achieve or maintain profitability. We cannot make any assurances that we will be able to increase our revenue to sustain cash flow from operating activities or reach profitability.

As we continue to expand and develop our business, we expect to incur significant expenditures in the areas of sales, marketing, research and development, and customer service and support. Additionally, we may encounter unforeseen issues that require us to incur additional costs. We will have to generate and sustain increased revenue to achieve profitability and positive cash flow as a result of these increased expenditures. Accordingly, if we are not able to achieve or maintain profitability and we incur significant losses in the future, the market price of our common stock may decline, and you could lose part or all of your investment.

Our operating results may fluctuate significantly from period-to-period and may fall below expectations in any particular period, which could adversely affect the market price of our common stock.

Our quarterly results of operations may fluctuate significantly from period-to-period. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. If our revenue or operating results fall

below the expectations of investors or any securities analysts that follow our company in any period, the price of our common stock would likely decline. Each of the risks described in this section, as well as other factors, may affect our operating results. For example, factors that may cause our operating results to fluctuate include:

- our dependence on a limited number of large orders from U.S. government agencies for a substantial portion of our revenue in any quarterly period, whereby the loss of or delay in a customer order, including as a result of delays in Federal budget approval, or any delay in our fulfillment of deliverables under a customer order, could significantly reduce our revenue for that quarter;
- market volatility or downturns caused by outbreaks, epidemics, pandemics, geopolitical tensions or conflicts, or other macroeconomic dynamics;
- the addition of new customers or the loss of existing customers;
- the rates at which customers purchase additional products or consumables from us;
- our ability to enhance our products with new and better functionality that meets customer requirements;
- the length and unpredictability of our product sales cycle;
- the productivity and growth of our sales force and customer service team;
- the effectiveness of our channel partners in securing new orders and fulfilling existing orders;
- service interruptions with any of our single source suppliers or subassembly manufacturers;
- our ability to attain and maintain production volumes and quality levels for our products, and to accurately forecast customer demand for our products and consumables;
- the timing of our product releases or upgrades or related announcements by us or our competitors;
- the possibility of seasonality in demand for our products;
- changes in pricing by us or our competitors;
- the timing of investments in research and development related to new product releases or upgrades;
- our ability to control costs, including operating expenses and the costs of the components used in our products;
- future accounting pronouncements and changes in accounting policies;
- costs related to the acquisition and integration of companies, assets, or technologies; and
- general economic, political, or stock market conditions.

Our operating expenses are heavily based on our anticipated product revenue growth, especially as we continue to invest in the development of future products. As a result, any shortfall in product revenue in relation to our expectations could cause significant changes in our operating results from period-to-period and could result in negative cash flow from operations and a decrease in the price of our common stock.

We have experienced growth of our business in recent years, and our inability to manage this growth could have a material adverse effect on our business, the quality of our products and services and our ability to retain key personnel.

We have experienced growth of our business in recent years. Our growth has placed increased demands on our management and other resources and will continue to do so in the future. We may not be able to maintain or accelerate our current growth rate, manage our expanding operations effectively or achieve planned growth on a timely or profitable basis. Managing our growth effectively will involve, among other things:

- continuing to retain, motivate, and manage our existing employees and attract and integrate new employees, particularly qualified sales personnel;
- continuing to provide a high level of service to an increasing number of customers;
- maintaining the quality of product and services offerings while controlling our expenses;
- meeting end-user requirements for functional performance and product robustness;
- growing our direct sales force and channel partners; and
- developing, implementing, and improving our operational, financial, accounting, and other internal systems and controls on a timely basis.

If demand for our products increases rapidly, we will need to expand internal production capacity or implement additional outsourcing of components and/or our assembled products. Success in developing, manufacturing and supporting products manufactured in small volumes does not guarantee comparable success in operations conducted on a larger scale. Modifying and reconfiguring our facility to increase production capacity may delay delivery of our products. In addition, component costs as well as additional production, financial, and management control costs may rise. If we are unable to meet the demand of our customers and deliver products quickly and cost effectively, customers may turn to our competitors. The costs associated with implementing new manufacturing technologies, methods and processes, including the purchase of new equipment, and any resulting delays, inefficiencies, and loss of sales, could harm our results of operations.

As we grow, we will 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 also need additional equipment, manufacturing and warehouse space and trained personnel to process higher volumes of products. We cannot assure you that any 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. As we develop additional products, we may need to bring new equipment on-line, implement new systems, technology, controls and procedures and hire personnel with different qualifications.

If we are unable to manage our growth effectively, there could be a material adverse effect on our ability to maintain or increase revenue and profitability, the quality of our products and services and our ability to retain key personnel. These factors could adversely affect our reputation in the market and our ability to generate future sales from new or existing customers.

We must develop new products, as well as enhancements to existing products, and adapt to rapid and significant technological change to remain competitive.

We sell our products in industries that are characterized by significant product enhancements and evolving industry standards. As a result, our customers' needs are rapidly evolving. If we do not appropriately innovate and invest in new technologies, our offerings may become less desirable in the markets we serve, and our customers could move to new technologies offered by our competitors or make products themselves. To achieve market acceptance for our products, we must effectively anticipate customer requirements, and we must offer products that meet changing customer demands in a timely manner. Customers may require product features and capabilities that our current products do not have. Any of the current plans we have for future developments or enhancements are strategic in nature and not commitments to develop such capabilities for our customers. If we fail to develop products that satisfy customer requirements, our ability to create or increase demand for our products will be harmed.

Without the timely introduction of new products, services and enhancements, our offerings will likely become less competitive over time, in which case our competitive position and operating results could suffer. Accordingly, we focus significant efforts and resources on the development and identification of new technologies, products and markets to further broaden our offerings. In addition, the development cycle for our products and technologies can take multiple years and require significant investment, including substantial research and development, development of different engineering and manufacturing workflows, and adjustments to our data and analytics infrastructure. Even if these efforts are successful, the product or enhancement may not perform as expected. The ultimate success of our new products depends, in large part, on the accuracy of our assessments of the long-term needs of the industries and markets we serve, and it is difficult to quickly change the design or function of a planned new product if the market need does not develop as anticipated. As a result, to the extent we fail to accurately forecast the needs of our customers and timely introduce new and innovative products or services, or fail to obtain desired levels of market acceptance, our business may suffer and our operating results could be adversely affected. The challenge of identifying market trends and customer needs is even more demanding for markets that we have recently entered, or that we intend to enter in the future. There is no certainty that we will effectively identify these trends and needs or introduce products that are successful.

We need to continue to build and develop our sales, marketing and customer service organization, and to engage with domestic and international channel partners to support our planned growth.

We may not be able to market, sell or distribute our current and future products effectively enough to support our planned growth. Currently, we sell our products through a combination of direct sales efforts and partnerships with channel partners across all of our key markets. During 2025, our channel partners accounted for a significant portion of our total revenue. We are in the process of broadening and diversifying our sales channels across all markets. In the future, if we fail to maintain good relationships with, or fail to successfully motivate any of our large channel partners, our revenue may decline. If we do not diversify our sales channels and effectively utilize our direct sales force, we will continue to be susceptible to risks associated with having a large percentage of revenue concentrated with a limited number of channel partners.

In addition, the time and cost of maintaining a specialized sales, marketing and customer service force for a particular product or service may be difficult to justify in light of the revenue projected to be generated by such additional personnel and resources. We may not be able to attract and retain personnel or be able to build an efficient and effective sales organization, which could negatively impact sales and market acceptance of our products and limit our revenue growth and potential profitability.

We rely on channel partners for the sale of our products in certain countries outside of the United States, and to access certain end customers in the United States. We intend to continue to grow our business internationally and to do so we must attract additional channel partners and retain existing channel partners to maximize the commercial opportunity for our products. We exert limited control over existing channel partners under our agreements with them, and if their sales and marketing efforts for our products in their particular region are not successful, our business would be materially and adversely affected. Locating, qualifying and engaging additional channel partners with local industry experience and knowledge will be necessary in at least the short to mid-term to effectively market and sell our platform in certain countries outside the United States. We may not be successful in finding, attracting and retaining channel partners, or we may not be able to enter into such arrangements on favorable terms.

Most of our channel partner relationships are non-exclusive and permit such channel partners to distribute competing products. As such, our channel partners 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. If current or future channel partners do not perform adequately or we are unable to enter into effective arrangements with channel partners in particular geographic areas, we may not realize long-term international revenue growth.

We face intense and growing competition from leading technology companies as well as from emerging companies. Our inability to compete effectively with any or all of these competitors could affect our ability to achieve our anticipated market penetration and achieve or sustain profitability.

The markets we serve are highly competitive, and we expect competition to intensify in the future. This competition may make it more difficult for us to sell our products, and may result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses and failure to increase, or the loss of market share, any of which would likely seriously harm our business, operating results and financial condition.

We face substantial competition from very large and experienced enterprises, both public and privately held, including Agilent Technologies, Bruker Corporation, Inficon, Teledyne, Thermo Fisher Scientific and Rigaku. Our competitors also include many smaller companies, including companies established to pursue new and emerging technologies. We also expect additional competition in the future from new and existing companies with whom we do not currently compete directly. As our industry evolves, our current and potential competitors may establish cooperative relationships among themselves or with third parties, including companies with whom we have partnerships and whose products interoperate with our own, which could acquire significant market share, which could adversely affect our business. Any of these competitive threats, alone or in combination with others, could seriously harm our business, operating results and financial condition.

Many of our competitors have greater market presence, longer operating histories, stronger name recognition, larger customer bases and significantly greater financial, technical, sales and marketing, manufacturing, distribution and other resources than we have. In addition, many of our competitors have broader product offerings than we do. These companies may attempt to use their greater resources to better position themselves in the market, including by pricing their products at a discount or bundling them with other products and services in an attempt to rapidly gain market share. Moreover, many of our competitors have more extensive customer and partner relationships than we do, and may therefore be in a better position to identify and respond to market developments or changes in customer demands, including successfully developing technologies that outperform our technologies. Potential customers may also prefer to purchase from their existing suppliers rather than a new supplier regardless of product performance or features. Our larger competitors may be able to better manage large or complex contracts and maintain a broader geographic presence. Our smaller competitors typically focus on one or a few products, and they are often well entrenched in their chosen markets. Any of these competitors may respond more quickly to new technology, market developments or pursue new sales opportunities more effectively than we can. We cannot assure you that we will be able to compete successfully against existing or new competitors. Accordingly, our business may not grow as expected and our business may suffer.

Currently, we derive substantially all of our revenue from our handheld products in the field forensics market. If we fail to maintain significant market acceptance in existing markets or fail to successfully increase our penetration in new and expanding markets, we will not generate expected revenue and our prospects may be harmed.

In 2025, substantially all of our revenue was derived from sales of our handheld products. Today, this market consists primarily of first responders, firefighters, local, state and federal law enforcement, as well as military, customs and homeland security customers. Continued market acceptance of the products we sell to these organizations is critical to our future success, and the adoption of our products by these organizations worldwide is a key part of our growth strategy. If market demand for our products declines, if our products fail to maintain or achieve greater market acceptance, or if we fail to execute on our sales and customer service efforts, we will not be able to grow our revenue sufficiently to achieve or maintain profitability.

Our sales cycles can be long and unpredictable, and our sales efforts require considerable time and expense, which contribute to the unpredictability and variability of our financial performance and may adversely affect our profitability.

The timing of our revenue is difficult to predict as we experience extended sales cycles, due in part to our need to educate our customers about our products, the significant purchase price of our products, the desire of some of our customers to do extended product testing and evaluations, including pilot studies, and our customers' willingness to replace their existing solutions and supplier relationships. Product purchases by our customers are often subject to a variety of other considerations that may extend the length of our sales cycle, including timing of their budget cycles and approval processes, budget constraints, extended negotiations, user surveys, administrative processing and other delays. In particular, government departments and agencies, both in the U.S. and in other countries, generally evaluate our products for critical, strategic applications. As a result, the piloting, testing and evaluation process can be extensive, and orders are often dependent on the availability of sufficient budgeted funds. The procurement processes for orders by government agencies may involve complex and time-consuming competitive bidding processes. Bid specifications and contract awards are subject to challenge by competitors, which can further extend the sales cycle. Furthermore, U.S. state and local hazardous material, emergency management and police organizations must often apply for grants to obtain the funds needed to procure our products, a process which is lengthy and unpredictable, particularly as to when and whether a grant will be awarded. As a result, our sales cycle ranges from several months to over a year, and it is difficult to predict when or if a sale to a potential customer will occur. All of these factors can contribute to fluctuations in our quarterly financial performance and increase the likelihood that our operating results in a particular quarter will fall below investor expectations. If we are unsuccessful in closing sales after expending significant resources, or if we experience delays for any of the reasons discussed above, our future revenue and operating expenses may be materially adversely affected.

Due to the significant resources required to enable access in new markets, we must make strategic and operational decisions to prioritize certain markets, technology offerings or partnerships and there can be no assurance that we will expend our resources in a way that results in meaningful revenue or capitalizes on potential new markets.

We believe our platform has potential applications across a wide range of markets and we have targeted certain markets in which we believe we have a higher probability of success or revenue opportunity or for which the path to commercialize products and realizing or achieving revenue is shorter. For example, we have entered into agreements regarding a specific government program opportunity to develop an aerosol vapor detector. We seek to continue to prioritize opportunities and allocate our resources among our programs to maintain a balance between advancing near-term opportunities and exploring additional markets for our technology. However, due to the significant resources required for the development of workflows for new markets, we must make decisions regarding which markets to pursue and the amount of resources to allocate to each. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular markets or workflows may not lead to the development of any viable product and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties in respect of certain markets may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities.

We depend on our key personnel and other highly qualified personnel, and if we are unable to recruit, train and retain 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. Knopp, our Chief Executive Officer and one of our co-founders, is critical to our vision, strategic direction, culture and products. Each of our employees may terminate his or her relationship with us at any time and the loss of the services of such persons could have an adverse effect on our business. We rely on our senior management to manage our existing business operations and to identify and pursue new growth opportunities. The loss of any member of senior management could significantly delay or prevent the achievement of our business objectives and their replacement would likely involve significant time and expense.

As we continue to scale our business, we may find that certain of our products and certain customers or certain markets, may require a dedicated sales force or sales personnel with different experience than those whom we currently employ. Our continued growth will depend, in part, on attracting, retaining and motivating highly-trained sales personnel with the necessary scientific background and technical ability to understand our systems and effectively identify and sell to potential new customers. Identifying, recruiting and training additional qualified personnel will require significant time, expense and attention. 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 New England area and for highly trained customer service personnel globally.

We do not have fixed term employment contracts with any of our employees. As a result, our employees could leave our company with little or no prior notice and may be free to work for a competitor, subject to the terms of their confidentiality, non-solicitation and intellectual property assignment agreements. Because of the complex and technical nature of our products and the dynamic market in which we compete, any failure to attract, train, retain and motivate qualified personnel could materially harm our operating results and growth prospects.

We may be unable to consistently manufacture our devices 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. 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. There is no assurance that we will be able to continue to manufacture our products so that they consistently achieve the product specifications and quality that our customers expect. Any future design issues, unforeseen manufacturing problems, such as contamination of our 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 losing International Organization for Standardization, or ISO, quality management certifications. If we fail to maintain ISO quality management certifications, our customers might choose not to purchase products from us. Furthermore, we may not be able to increase manufacturing to meet anticipated demand or may experience downtime.

In order to meet our customers' needs, we attempt to forecast demand for our products and components used for the manufacture of our products. If we fail to accurately forecast this demand, we could incur additional costs or experience manufacturing delays and may experience lost sales or significant inventory carrying costs.

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. We cannot assure investors that we will be able to launch new 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. 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 depend on a continued supply of components and raw materials for our products from third party suppliers, and if shortages of these components or raw materials arise, we may not be able to secure enough components to build new products to meet customer demand or we may be forced to pay higher prices for these components.

We rely on a limited number of suppliers for several key components utilized in the assembly of our products, and in some cases, we rely on a single supplier for a particular component, subassembly or consumable. Although in many cases we use standard components for our products, in some cases, components may only be purchased from a limited number of suppliers, such as the Raman spectrometer for our VipIR product and the infrared detector for our optical products. If, for any reason, our access to these products is limited or delayed, we would need to quickly identify and qualify an alternate source of products. Identifying and qualifying an alternate source may take time and involve additional expense, and there is no guarantee that the alternate source will perform as expected. If our customers experienced a shortage or delay in consumables, such as swab samplers or if these consumables do not perform at the levels our customers expect, our business could be materially and adversely impacted.

In addition, we maintain relatively low inventory and acquire components based upon anticipated annual demand. In most cases, we do not enter into long-term supply contracts for these components, and none of our third-party suppliers is obligated to supply products to us for any specific period or in any specific quantities, except as may be provided in a particular purchase order. We are not a major customer of many of our suppliers, and these suppliers may therefore give other customers' needs higher priority than ours. Our industry has experienced component shortages and delivery delays in the past, and we may experience shortages or delays of critical components in the future as a result of strong demand in the industry or other factors. If shortages or delays arise, we may not be able to secure enough components at reasonable prices or of acceptable quality to build new products, resulting in an inability to meet customer demand or our own operating goals, which could adversely affect our customer relationships, business, operating results and financial condition. Additionally, damage to a manufacturing facility or other property of any of our suppliers, due to fire, flood or other natural disaster or casualty event may have a material adverse effect on our business, financial condition and results of operations.

Our current research and development efforts may not produce significant revenue for several years, if at all.

Developing our products is expensive, and the investment in product development may involve a long payback cycle. Our investment in research and development may not result in marketable products or may result in products that take longer to generate revenue, or generate less revenue, than we anticipate. Our future plans include significant investments in research and development of product opportunities for expansion of our handheld products. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain

our competitive position. However, we may not receive significant revenue from these investments for several years, if at all.

Undetected errors or defects in our products, or errors made by the end users of our products, could harm our reputation and decrease market acceptance of our products.

Our devices and consumables, as well as the software that accompanies them, may contain undetected errors or defects when first introduced or as new versions are released. 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. Further, in the event that an end user makes an error or fails to analyze a particular substance correctly, our product may be associated with a failure to identify a substance that ultimately turns out to be harmful, or, conversely, be associated with a false alarm raised over a substance that turns out to be benign. We also provide customer support services, such as in connection with our "Reachback" program described in the "Business" section of our Annual Report on Form 10-K. It is possible that incorrect or inaccurate information may be delivered to a customer in the context of one or more support consultations. If any such errors or mistakes occur, 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 unwanted media attention, warranty claims or breach of contract for damages related to errors or defects in our products and solutions.

If our information technology systems or our data (or those third parties with whom we work) are or were compromised, we could experience adverse consequences resulting from such compromise, including but not limited to regulatory investigations or actions; litigation; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse consequences.

In the ordinary course of our business, we and the third parties with whom we work process, collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) proprietary, confidential, and sensitive data, including personal data, intellectual property, and trade secrets (collectively, sensitive 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.

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties with whom we work. Such threats are prevalent and continue to increase, are increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyber-attacks, including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we, the third parties with whom we work, and our customers may be vulnerable to a heightened risk of these attacks, including retaliatory cyber-attacks, which could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods and services.

We and the third parties with whom we work are subject to a variety of evolving threats, including but not limited to social-engineering attacks (including through deep fakes, which may be increasingly more difficult to identify as fake, and phishing attacks), malicious code (such as viruses and worms), malware (including as a result of advanced persistent threat intrusions), denial-of-service attacks, credential stuffing attacks, credential harvesting, personnel misconduct or error, ransomware attacks, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, attacks enhanced or facilitated by AI, and other similar threats. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, ability to provide our products or services, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. We, like others in our industry, have experienced and expect to continue to experience certain of these and other threats to our information systems and infrastructure.

It may be difficult and/or costly to detect, investigate, mitigate, contain, and remediate a security incident. Our efforts to do so may not be successful. Actions taken by us or the third parties with whom we work to detect, investigate, mitigate, contain, and remediate a security incident could result in outages, data losses, and disruptions of our business. Threat actors may also gain access to other networks and systems after a compromise of our networks and systems. For example, threat actors may use an initial compromise of one part of our environment to gain access to other parts of our environment, or leverage a compromise of our networks or systems to gain access to the networks or systems of third parties with whom we work, such as through phishing or supply chain attacks.

Remote work has increased risks to our information technology systems and data, as our personnel utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. Additionally, future or past business transactions (such as acquisitions or integrations) could expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We rely on third parties to operate critical business systems to process sensitive information in a variety of contexts, including, without limitation, cloud-based infrastructure, data center facilities, encryption and authentication technology, employee email, delivery of products or services to customers, and other functions. Our ability to monitor these third parties' information security practices is limited, and these third parties may not have adequate information security measures in place. If the third parties with whom we work experience a security incident or other interruption, we could experience adverse consequences. While we may be entitled to damages if the third parties with whom we work fail to satisfy their privacy or security-related obligations, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties' infrastructure in our supply chain or that of the third parties with whom we work have not been compromised.

While we have implemented security measures designed to protect against security incidents, there can be no assurance that these measures will be effective. We take steps designed to detect, mitigate, and remediate vulnerabilities in our information systems (such as our hardware and/or software, including that of third parties with whom we work). We have not and may not in the future, however, detect and remediate all such vulnerabilities including on a timely basis. Further, we have and may in the future experience delays in developing and deploying remedial measures and patches designed to address identified vulnerabilities. Vulnerabilities could be exploited and result in a security incident.

Any of the previously identified or similar threats have in the past and may in the future cause a security incident or other interruption that have in the past and may in the future result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties with whom we work. For example, through a social engineering scheme, a threat actor obtained limited unauthorized access to certain components of our information systems. The actor then leveraged such access in an effort to perpetrate further unauthorized activity such as by sending unauthorized emails to a limited number of external recipients. We, however, identified the unauthorized activity and implemented measures designed to contain it and mitigate its effects.

A security incident or other interruption could disrupt our ability (and that of third parties with whom we work) to provide our products and services. For example, if operations at our facilities were disrupted due to a compromise in our information systems, it may cause a material disruption in our business if we are not capable of restoring functionality on an acceptable timeframe.

We may expend significant resources or modify our business activities to try to protect against security incidents. Additionally, certain data privacy and security obligations (such as contracts) have required us to implement and maintain specific security measures or industry-standard or reasonable security measures designed to protect our information technology systems and sensitive information.

Security incidents or perceived security incidents, may lead to material adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections); additional reporting requirements and/or oversight; restrictions on processing sensitive information (including personal data); litigation (including class claims); indemnification obligations; negative publicity; reputational harm; monetary fund diversions; diversion of management attention; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant material consequences may prevent or cause customers to stop using our products and services, deter new customers from using our products and services, and negatively impact our ability to grow and operate our business. Additionally, applicable data privacy and security obligations may require us, or we may voluntarily choose, to notify relevant stakeholders, including affected individuals, customers, regulators, and investors, of security incidents, or to take other actions, such as providing credit monitoring and identity theft protection services. Such disclosures and related actions can be costly, and the disclosure or the failure to comply with such applicable requirements could lead to adverse consequences.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims.

In addition to experiencing a security incident, third parties may gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position. Additionally, sensitive information of the Company or our customers could be leaked, disclosed, or revealed as a result of or in connection with use of generative AI technologies by our employees, personnel, or vendors.

Furthermore, as a contractor supporting defense customers, we are subject to certain additional regulatory compliance requirements relating to data privacy and cybersecurity. We also may be subject to the Department of Defense Cybersecurity Maturity Model Certification (“CMMC”), requirements in the future, which require all contractors to receive specific certifications relating to specified cybersecurity standards in order to be eligible for contract awards. In addition, CMMC certification requirements may be required in modifications to existing contracts. To the extent we are unable to achieve certification in advance of applicable contract awards that specify the requirement, we will be unable to bid on such contract awards or on follow-on awards for existing work with the Department of Defense, depending on the level of standard as required for each solicitation, or be ineligible to receive option awards under existing contracts that specify the certification requirement, which could adversely impact our revenue and profitability. In addition, any obligations that may be imposed on us under the CMMC may be different from or in addition to those otherwise required by applicable laws and regulations, which may cause additional expense for compliance.

We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure (or that of the third parties with whom we work) to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal data privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). Numerous U.S. states have enacted comprehensive privacy laws that impose certain obligations on covered businesses, including providing specific disclosures in privacy notices and affording residents with certain rights concerning their personal data. As applicable, such rights may include the right to access, correct, or delete certain personal data, and to opt-out of certain data processing activities, such as targeted advertising, profiling, and automated decision-making. The exercise of these rights may impact our business and ability to provide our products and services. Certain states also impose stricter

requirements for processing certain personal data, including sensitive information, such as conducting data privacy impact assessments. Certain of these state laws allow for statutory fines for noncompliance. For example, the California Consumer Privacy Act of 2018 (CCPA) applies to personal data of consumers, business representatives, and employees who are California residents, and requires businesses who are subject to the CCPA to provide specific disclosures in privacy notices and respond to requests of such individuals to exercise certain privacy rights. The CCPA also provides for fines and allows private litigants affected by certain data breaches to recover significant statutory damages. Similar laws are being considered in several other states, as well as at the federal and local levels, and we expect more states to pass similar laws in the future.

Outside the United States, an increasing number of laws, regulations, and industry standards govern data privacy and security. For example, the European Union's General Data Protection Regulation (EU GDPR) and the United Kingdom's GDPR (UK GDPR) (collectively, GDPR) impose strict requirements for processing personal data. Under the GDPR, companies may face temporary or definitive bans on data processing and other corrective actions; fines of up to 20 million Euros under the EU GDPR, 17.5 million pounds sterling under the UK GDPR or, in each case, 4% of annual global revenue, whichever is greater; or private litigation related to processing of personal data brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

In the ordinary course of business, we transfer personal data from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area (EEA) and the United Kingdom (UK) have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it generally believes are inadequate. Other jurisdictions may adopt or have already adopted similarly stringent data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and UK to the United States in compliance with law, such as the EEA standard contractual clauses, the UK's International Data Transfer Agreement / Addendum, and the EU-U.S. Data Privacy Framework and the UK extension thereto (which allows for transfers to relevant U.S.-based organizations who self-certify compliance and participate in the Framework), these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States.

If there is no lawful manner for us to transfer personal data from the EEA, the UK or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions (such as Europe) at significant expense, increased exposure to regulatory actions, substantial fines and penalties, the inability to transfer data and work with partners, vendors and other third parties, and injunctions against our processing or transferring of personal data necessary to operate our business. Additionally, companies that transfer personal data out of the EEA and UK to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations. Globally, regulators (including in the U.S.), have enacted and may in the future enact further prohibitions or restrictions on certain cross-border data transfers that may impact our operations.

Our personnel use generative artificial intelligence technologies to perform their work, and the disclosure and use of personal data in artificial intelligence technologies is subject to various privacy laws and other privacy obligations. Governments have passed and are likely to pass additional laws and regulations regulating artificial intelligence technologies. Our use of this technology could result in additional compliance costs, regulatory investigations and actions, and lawsuits. If we are unable to use artificial intelligence technologies, it could make our business less efficient and result in competitive disadvantages.

We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. In addition, we are subject to industry standards adopted by industry groups and may in the future become subject to additional such obligations. For example, we are subject to the Payment Card Industry Data Security Standard ("PCI DSS"). The PCI DSS requires companies to adopt certain measures to ensure the

security of cardholder information, including using and maintaining firewalls, adopting proper password protections for certain devices and software, and restricting data access. Noncompliance with PCI DSS can result in penalties ranging from \$5,000 to \$100,000 per month by credit card companies, litigation, damage to our reputation, and revenue losses. We also rely on vendors to process payment card data, who may be subject to PCI DSS, and our business may be negatively affected if our vendors are fined or suffer other consequences as a result of PCI DSS noncompliance.

We publish and may in the future publish privacy policies, marketing materials, whitepapers, and other statements, such as statements related to compliance with certain certifications or self-regulatory principles, concerning data privacy, and security. Regulators are increasingly scrutinizing these statements, and if these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, misleading, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Obligations related to data privacy and security (and consumers' data privacy expectations) are quickly changing, becoming increasingly stringent, and creating uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources, which may necessitate changes to our services, information technologies, systems, and practices and to those of any third parties that process personal data on our behalf.

We may at times fail (or be perceived to have failed) in our efforts to comply with our data privacy and security obligations. Moreover, despite our efforts, our personnel or third parties with whom we work may fail to comply with such obligations, which could negatively impact our business operations. If we or the third parties with whom we work fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-action claims) and mass arbitration demands; additional reporting requirements and/or oversight; bans or restrictions on processing personal data; orders to destroy or not use personal data; and imprisonment of company officials. In particular, plaintiffs have become increasingly more active in bringing privacy-related claims against companies, including class claims and mass arbitration demands. Some of these claims allow for the recovery of statutory damages on a per violation basis, and, if viable, carry the potential for monumental statutory damages, depending on the volume of data and the number of violations. Any of these events could have a material adverse effect on our reputation, business, or financial condition, including but not limited to: loss of customers; interruptions or stoppages in our business operations; inability to process personal data or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or substantial changes to our business model or operations.

Artificial intelligence presents risks and challenges that may adversely impact our business including by increasing compliance obligations and posing security risks to our confidential information, proprietary information, and personal data, and other sensitive information.

Issues in the development and use of artificial intelligence, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations. For instance, if we adopt and integrate generative artificial intelligence tools into our systems for certain use cases this could require the expenditure of significant resources to design, develop, test and maintain such systems in accordance with applicable laws and regulations and in a manner that otherwise mitigates real or perceived harmful impacts, such as risks to our reputation and sensitive information. The use of certain artificial intelligence technologies can also give rise to intellectual property risks, including by disclosing or otherwise compromising our confidential or proprietary intellectual property, or by undermining our ability to assert or defend ownership rights in intellectual property created with the assistance of artificial intelligence tools.

A growing number of legislatures and regulators are adopting laws and regulations and have focused enforcement efforts on the adoption of artificial intelligence, and use of such technologies in compliance with ethical standards and societal expectations. Various jurisdictions around the globe, including Europe and certain U.S. states, have proposed, enacted, or are considering laws governing the development and use of AI technologies, such as the EU's AI Act, the

Colorado Artificial Intelligence Act, California Bot Disclosure Law, the Utah Artificial Intelligence Policy Act, and the CCPA regulations on automated decision-making technology. These developments may increase our compliance burden and costs in connection with the use of artificial intelligence and lead to legal liability if we fail to meet evolving legal standards or if use of such technologies results in harms to third parties or other adverse consequences.

Our vendors may also incorporate generative or other artificial intelligence tools into their offerings without disclosing this use to us, and the providers of these artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards with respect to privacy and data protection or may otherwise inhibit our or our vendors' ability to maintain an adequate level of service and security. If we, our vendors, or our third-party partners experience an actual or perceived data breach or cyber security incident because of the use of artificial intelligence, we may lose valuable intellectual property and confidential information and our reputation and the public perception of the effectiveness of our security measures could be harmed. Furthermore, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and adversely impact our business.

Our vendors may in turn incorporate generative artificial intelligence tools into their offerings without disclosing this use to us, and the providers of these generative artificial intelligence tools may not meet existing or rapidly evolving regulatory or industry standards with respect to privacy and data protection and may inhibit our or our vendors' ability to maintain an adequate level of service and experience. If we, our vendors, or our third-party partners experience an actual or perceived data breach or cyber security incident because of the use of generative artificial intelligence, we may lose valuable intellectual property and confidential information and our reputation and the public perception of the effectiveness of our security measures could be harmed. Further, bad actors around the world use increasingly sophisticated methods, including the use of artificial intelligence, to engage in illegal activities involving the theft and misuse of personal information, confidential information, and intellectual property. Any of these outcomes could damage our reputation, result in the loss of valuable property and information, and adversely impact our business.

Our international operations may raise additional risks, which could have an adverse effect on our operating results.

We expect our international revenue and operations will continue to expand in the future. Our international operations are subject to a variety of risks that we do not face in the United States, including:

- adverse or uncertain macroeconomic conditions, including a global economic downturn or recession;
- global impacts of inflation and actions taken by central banks to counter inflation;
- the rising cost of labor in the foreign countries in which we and our suppliers operate, resulting in increases in our costs of doing business internationally;
- geopolitical conditions, including changes in a specific country's or region's political or economic conditions, including the ongoing military conflict between Russia and Ukraine or the conflicts in the Middle East;
- the difficulty of increased travel, infrastructure and legal compliance costs associated with developing international revenue;
- difficulties in enforcing contracts, collecting accounts receivable and longer payment cycles, especially in emerging markets;
- many, if not most, foreign governments are investing less in safety and security and in technology to detect dangerous chemicals than the U.S. government;
- additional withholding taxes or other taxes on our foreign income, and tariffs or other restrictions on foreign trade or investment;
- compliance with privacy and data security requirements in foreign jurisdictions in which we operate;
- imposition of, or unexpected adverse changes in, foreign laws or regulatory requirements, many of which differ from those in the United States;
- costs and delays associated with developing products or technology in multiple languages, such as the software embedded in our products and the products' built-in library of chemical substances;
- compliance with foreign technical standards;
- increased length of time for shipping and acceptance of our products;

- increased exposure to foreign currency exchange rate risk;
- reduced protection for intellectual property rights in some countries; and
- political unrest, war, incidents of terrorism, natural disasters, and public health concerns or epidemics, or responses to such events.

As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations.

Our overall success in international markets depends, in part, on our ability to succeed in differing legal, regulatory, economic, social and political conditions. We may not be successful in developing and implementing policies and strategies that will be effective in managing these risks in each country where we do business. Our failure to manage these risks successfully could harm our international operations, reduce our international sales and increase our costs, thus adversely affecting our business, operating results and financial condition.

Our loan and security agreement contains covenants, which restrict our operating activities, and we may be required to repay the outstanding indebtedness in an event of default, which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

On November 2, 2022, the Company entered into the 2022 Revolver (as defined below).

On August 4, 2023, the Company entered into the Amended 2022 Revolver (as defined below), which amends the 2022 Revolver. On September 15, 2025, the Amended 2022 Revolver was extended to February 2, 2026, and on February 5, 2026, the Amended 2022 Revolver was extended to April 2, 2026.

On March 5, 2026, the Company entered into a Default Waiver and Second Amendment to Loan and Security Agreement (the “Amended 2026 Revolver”), by and between the Company and Silicon Valley Bank, a Division of First-Citizens Bank & Trust Company (“SVB” or the “Lender”), which further amends the Amended 2022 Revolver. The Amended 2026 Revolver provides for a revolving line of credit of up to \$20.0 million. The Company is permitted to make interest-only payments on the revolving line of credit through March 5, 2028, at which time all outstanding indebtedness shall be immediately due and payable. The outstanding principal amount of any advance shall accrue interest at a floating rate per annum equal to the greater of (i) six percent (6.00%) or (ii) the “prime rate” as published in The Wall Street Journal. The Company’s obligations under the Amended 2026 Revolver are secured by substantially all of the Company’s assets, excluding its intellectual property, which is subject to a negative pledge.

The Amended 2026 Revolver includes a financial covenant requiring that the Company maintains a minimum adjusted quick ratio (as defined in the Amended 2026 Revolver), and a banking relationship covenant requiring that the Company maintains certain level of cash or cash equivalent at or through SVB or its affiliates. The Amended 2026 Revolver also contains customary representations and warranties, as well as certain non-financial covenants, including limitations on, among other things, the Company’s ability to change the principal nature of its business, dispose of the Company’s business or property, engage in any change of control transaction, merge or consolidate with any other entity or to acquire all or substantially all the capital stock or property of another entity, incur additional indebtedness or liens, pay dividends or make other distributions on capital stock, redeem the Company’s capital stock, engage in transactions with affiliates or otherwise encumber the Company’s intellectual property, in each case, subject to customary exceptions.

We are permitted to make interest-only payments on the revolving line of credit through March 5, 2028, at which time all outstanding indebtedness shall be immediately due and payable. However, we may be required to repay the outstanding indebtedness under the revolving line of credit if an event of default occurs under the Amended 2026 Revolver. An event of default will occur if, among other things, we fail to make required payments under the Amended 2026 Revolver; we breach any of our covenants under the Amended 2026 Revolver, subject to specified cure periods with respect to certain breaches; the Lender determines that a material adverse change (as defined in the Amended 2026 Revolver) has occurred; we or our assets become subject to certain legal proceedings, such as bankruptcy proceedings; we are unable to pay our debts as they become due; or we default on contracts with third parties which would permit the third party to accelerate the maturity of such indebtedness above certain thresholds or that could have a material adverse effect on our business or operations. We may not have enough available cash or be able to raise additional funds through

equity or debt financings to repay such indebtedness at the time any such event of default occurs. In such a case, we may be required to delay, limit, reduce or terminate our product development or operations or grant to others rights to develop and market products that we would otherwise prefer to develop and market ourselves. The Lender could also exercise its rights as secured lender to take possession of and to dispose of the collateral securing the revolving line of credit, which collateral includes substantially all of our property (excluding intellectual property, which is subject to a negative pledge). Our business, financial condition, results of operations, and prospects could be materially adversely affected as a result of any of these events.

Substantially all of our manufacturing operations are currently conducted at one location, and any disruption at this facility could negatively impact our operations and increase our expenses.

Substantially all of our manufacturing operations occur at our Danbury, Connecticut facility. A natural or other disaster, such as a fire or flood, at this location could cause substantial delays in our operations, damage or destroy our manufacturing equipment or inventory, and cause us to incur additional expenses. The insurance we maintain against fires, floods and other natural disasters may not be adequate to cover our losses in any particular case. With or without insurance, damage to our manufacturing facility or our other property, or to any of our suppliers, due to fire, flood or other natural disaster or casualty event may have a material adverse effect on our business, financial condition and results of operations.

Risks related to sales of products to the U.S. Government

A significant percentage of our revenue is generated from agencies and departments of the U.S. government. In addition, a substantial amount of our licensing and sales revenue are derived from contracts or sub-contracts related to the U.S. government. We expect significant revenue from U.S. government contracts for the foreseeable future. There is considerable risk associated with deriving a material portion of our revenue from sales to the U.S. government, including the risks described below.

A significant portion of our business depends on sales to the public sector, and our failure to receive and maintain government contracts or changes in the contracting or fiscal policies of the public sector could have a material adverse effect on our business.

We derive a significant portion of our revenue from contracts that we have, either directly or through channel partners, with federal, state, local and foreign governments and government agencies, and we believe that the success and growth of our business will continue to depend on our successful procurement of government contracts. For example, we have historically derived, and expect to continue to derive, a significant portion of our revenue from sales to agencies of the U.S. federal government, either directly by us or through other channel partners.

Sales to such government agencies are subject to a number of challenges and risks. Selling to government agencies can be highly competitive, expensive and time-consuming, often requiring significant upfront time and expense, without any assurance that these efforts will generate a sale. We also must comply with laws and regulations relating to the formation, administration and performance of contracts, which provide public sector customers certain rights that are not typically found in commercial contracts.

Accordingly, our business, financial condition, results of operations, and prospects may be adversely affected by certain events or activities, including, but not limited to:

- changes in fiscal or contracting policies or decrease in available government funding;
- changes in government programs or applicable requirements;
- changes in the political environment, including before or after a change to the leadership within the government administration, and any resulting uncertainty or changes in policy or priorities and resultant funding;
- appeals, disputes or litigation relating to government procurement, including but not limited to bid protests by unsuccessful bidders on potential or actual awards of contracts to us or our partners by the government;
- the adoption of new laws or regulations or changes to existing laws or regulations;

- budgetary constraints, including automatic reductions as a result of “sequestration” or similar measures and constraints imposed by lapses in appropriations for the federal government or certain of its departments and agencies;
- influence by, or competition from, third parties with respect to pending, new or existing contracts with government customers;
- potential delays or changes in the government appropriations or procurement processes, including as a result of events such as war, incidents of terrorism, natural disasters, and public health concerns or epidemics; and
- increased or unexpected costs or unanticipated delays caused by other factors outside of our control, such as performance failures of our partners and subcontractors.

Any such event or activity, among others, could cause governments and governmental agencies to delay or refrain from purchasing our products and services in the future, reduce the size or payment amounts of purchases from existing or new government customers, or otherwise have an adverse effect on our business, results of operations, financial condition and prospects.

U.S. government programs are limited by budgetary constraints and political considerations and are subject to uncertain future funding levels that could result in the termination of programs.

U.S. government agency and department purchases are often strategic in nature and large in size. Therefore, reductions in federal funding levels that impact our customers could negatively affect the size of our customers’ orders or lead to cancellation of orders. Government contracts are often subject to more extensive scrutiny and publicity than commercial contracts. The number and terms of new government contracts signed can be affected significantly by political and economic factors, such as pending elections and revisions to government tax policies. Negative publicity related to our government contracts, regardless of its accuracy, may damage our business by affecting our ability to compete for new contracts. A decline in security-related government spending for any reason, or a shift away from programs that we address, could hurt our sales, put pressure on our prices and reduce our revenue and margins.

A multi-year U.S. government program may be implemented through the award of many different individual contracts, grants, cooperative agreements and subcontracts or other subawards. For U.S. government programs, program funding is subject to Congressional appropriations. Congress generally appropriates funds on a fiscal year basis even though a program may continue for several years. Government programs are often only partially funded initially, and additional funds are committed only as Congress makes further appropriations. The termination of a program or failure to commit funds to a program would result in a loss of anticipated future revenue attributable to that program, which could materially harm our business.

Our contracts with the U.S. government may impose requirements that may be unfavorable to us and that may have a material adverse effect on our growth prospects and operating results.

There are inherent risks in contracting with the U.S. government. The U.S. government can typically terminate, reduce orders under or otherwise modify any of its contracts with us for its convenience (i.e., without cause) whether or not we have failed to perform under the terms of the applicable contract. In such case, the government would not be required to pay us for the lost profits for the unperformed work. A termination arising out of our default could expose us to liability and harm our ability to compete for future contracts and orders. In addition to unfavorable termination provisions, our U.S. government contracts and related regulations contain provisions that allow the U.S. government to unilaterally suspend us from receiving new contracts pending resolution of alleged violations of procurement laws or regulations, reduce the value of existing contracts, issue modifications to a contract and potentially restrict exports of our products, services and associated materials.

Our contracts with government agencies may subject us to other risks and give the government additional rights and remedies not typically found in commercial contracts, including rights that allow the government to, for example:

- obtain detailed cost or pricing information;
- receive “most favored customer” pricing;

- perform routine audits;
- impose equal employment and hiring standards;
- require products to be manufactured in specified countries;
- restrict non-U.S. ownership or investment in our company; and/or
- pursue administrative, civil or criminal remedies for contractual violations.

These rights and remedies have the potential to limit our sales to, and increase our costs of doing business with both government and commercial customers, which could materially adversely affect our growth prospects and operating results.

We are subject to audits by the U.S. government which could adversely affect our business.

U.S. government agencies routinely audit and investigate government contractors to monitor performance, cost allocations, cost accounting and compliance with applicable laws, regulations and standards. Since some of our contracts provide for cost reimbursement, the U.S. government has the right to audit our costs even after job completion and after we have billed and recognized the corresponding revenue. The U.S. government also may review the adequacy of, and a contractor's compliance with, its internal control systems and policies, including the contractor's purchasing, property, estimating, compensation and management information systems. Any costs found to be improperly allowed or improperly allocated to a specific contract will not be reimbursed, and any such costs that have already been reimbursed must be refunded, which would affect associated revenue that had already been recognized. While we intend to implement uniform procurement and compliance programs for all of our business, we may be subject to more risks from these audits until we are able to implement such a program effectively.

Responding to governmental audits, inquiries or investigations may involve significant expense and divert the attention of our management. If a government review or investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, damages, fines and suspension or debarment from doing business with U.S. government agencies. In addition, our reputation could be seriously harmed by allegations of impropriety, even if unfounded. Our internal controls may not prevent or detect all improper or illegal activities.

Our business is subject to laws and regulations that are more restrictive because we are a contractor and subcontractor to the U.S. government.

As a contractor and subcontractor to the U.S. government, we are subject to various laws and regulations that are more restrictive than those applicable to non-government contractors, including the Federal Acquisition Regulations and its supplements, which comprehensively regulate the formation, administration and performance of U.S. government contracts, and the Truthful Cost or Pricing Data Act and various other laws, which require certain certifications and disclosures.

These laws and regulations, among other things:

- require that we obtain and maintain material governmental authorizations and approvals to conduct our business as it is currently conducted;
- require certification and disclosure of cost and pricing data in connection with certain contract negotiations;
- impose rules that define allowable and unallowable costs and otherwise govern our right to reimbursement under certain cost-based U.S. government contracts;
- restrict the use and dissemination of information classified for national security purposes and the export of certain products and technical data; and
- impose requirements relating to ethics and business practices, which carry penalties for noncompliance ranging from monetary fines and damages to loss of the ability to do business with the U.S. government as a prime contractor or subcontractor.

In addition, we may be subject to industrial security regulations of the U.S. Department of Defense and other federal agencies that are designed to safeguard against unauthorized access by foreigners and others to classified and other sensitive U.S. government information. If we were to come under foreign ownership, control or influence, our U.S.

government customers could terminate, or decide not to renew, our contracts, or we may be subjected to burdensome industrial security compliance measures. Such a situation could impair our ability to obtain new contracts and subcontracts. The government may also change its procurement practices or adopt new contracting rules and regulations that could be costly to satisfy or that could impair our ability to obtain new contracts.

Risks related to litigation and our intellectual property

We rely on in-bound licenses granted to us from third parties. If we lose these rights, our business may be materially adversely affected, our ability to develop improvements to our existing products and to develop new products may be negatively and substantially impacted, and if disputes arise, we may be subjected to future litigation as well as the potential loss of or limitations on our ability to develop and commercialize products and technology covered by these license agreements.

We are party to royalty-bearing license agreements and we may need to obtain additional licenses from others to advance our research, development and commercialization activities. Our current license agreements impose, and we expect that any future exclusive in-bound license agreements will impose, various development, diligence, commercialization and other obligations on us. We have also entered into engagements in the past, and may enter into engagements in the future, with other partners and customers under which we obtain certain intellectual property rights relating to our platform and technology. These engagements take the form of exclusive licenses, non-exclusive licenses, or assignment of actual ownership of intellectual property rights or technology from third parties. Our rights to use the technology we license are subject to the continuation of and compliance with the terms of those agreements. In some cases, we may not control the prosecution, maintenance or filing of the patents and patent applications to which we hold licenses, or the enforcement of those patents against third parties.

Moreover, disputes may arise with respect to our licensing or other upstream agreements, including:

- the scope of rights granted under the agreements and other interpretation-related issues;
- the extent to which our systems and consumables, technology and processes infringe on intellectual property rights of the licensor that are not licensed under the licensing agreement;
- the sublicensing of patent and other rights under our collaborative development relationships;
- our diligence obligations under the license agreements and what activities satisfy those diligence obligations;
- the inventorship and ownership of inventions and know-how resulting from the joint creation or use of intellectual property by our licensors and us and our partners; and
- the priority of invention of patented technology.

In spite of our efforts to comply with our obligations under our in-bound license agreements, our licensors might conclude that we have materially breached our obligations under our license agreements and might therefore, including in connection with any aforementioned disputes, terminate the relevant license agreement, thereby removing or limiting our ability to develop and commercialize products and technology covered by these license agreements. If any such in-bound license is terminated, or if the licensed patents fail to provide the scope of exclusivity expected, competitors or other third parties might have the freedom to market, develop, or commercialize products similar to ours. In addition, absent the rights granted to us under such license agreements, we may infringe the intellectual property rights that are the subject of those agreements, we may be subject to litigation by the licensor, and if such litigation by the licensor is successful we may be required to pay damages to our licensor, or we may be required to cease our development and commercialization activities which are deemed infringing, and in such event we may ultimately need to modify our activities or products to design around such infringement, which may be time- and resource-consuming, and which may not be ultimately successful. Any of the foregoing could have a material adverse effect on our business, financial condition, results of operations, and prospects.

In addition, our rights to certain technologies are licensed to us on a non-exclusive basis. The owners of these non-exclusively licensed technologies are therefore free to license them to third parties, including our competitors, on terms that may be superior to those offered to us, which could place us at a competitive disadvantage. Moreover, our licensors may own or control intellectual property that has not been licensed to us and, as a result, we may be subject to claims,

regardless of their merit, that we are infringing or otherwise violating the licensor's rights. In addition, certain of our agreements with third parties may provide that intellectual property arising under these agreements, such as data that could be valuable to our business, will be owned by the counterparty, in which case, we may not have adequate rights to use such data or have exclusivity with respect to the use of such data, which could result in third parties, including our competitors, being able to use such data to compete with us.

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

Patents have a limited lifespan. In the United States, if all maintenance fees are timely paid, the natural expiration of a patent is generally 20 years from its earliest U.S. non-provisional filing date. Various extensions may be available, but the life of a patent, and the protection it affords, is limited. Even if patents covering our products are obtained, once the patent life has expired, we may be open to competition from competitive products. If one of our products requires extended development, testing, regulatory review and/or examination by a patent granting authority, patents protecting such products might expire before or shortly after such products are commercialized. As a result, our owned and licensed patent portfolio may not provide us with sufficient rights to exclude others from commercializing products similar or identical to ours.

Obtaining and maintaining our patent protection depends on compliance with various required procedures, document submissions, fee payments and other requirements imposed by governmental patent agencies, and our patent protection could be reduced or eliminated for non-compliance with these requirements.

Periodic maintenance fees, renewal fees, annuity fees and various other governmental fees on patents and/or applications will be due to be paid to the U.S. Patent and Trademark Office, or the USPTO, and various governmental patent agencies outside of the United States at several stages over the lifetime of the patents and/or applications. We have systems in place to remind us to pay these fees, and we engage an outside service and rely on our outside counsel to pay these fees due to non-U.S. patent agencies. The USPTO and various non-U.S. governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. We employ reputable law firms and other professionals to help us comply, and in some cases, an inadvertent lapse can be cured by payment of a late fee or by other means in accordance with the applicable rules. However, there are situations in which non-compliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. In such an event, our competitors may be able to enter the market without infringing our patents and this circumstance may have a material adverse effect on our business.

Changes in patent law in the United States and other jurisdictions could diminish the value of patents in general, thereby impairing our ability to protect our products.

Changes in either the patent laws or in interpretations of patent laws in the United States or other countries or regions may diminish the value of our intellectual property. We cannot predict the breadth of claims that may be allowed or enforced in our patents or in third party patents. We may not develop additional proprietary products, methods and technologies that are patentable.

Assuming that other requirements for patentability are met, prior to March 16, 2013, in the United States, the first to invent the claimed invention was entitled to the patent, while outside the United States, the first to file a patent application was entitled to the patent. On or after March 16, 2013, under the Leahy-Smith America Invents Act, or the America Invents Act, enacted in September 16, 2011, the United States transitioned to a first inventor to file system in which, assuming that other requirements for patentability are met, the first inventor to file a patent application will be entitled to the patent on an invention regardless of whether a third party was the first to invent the claimed invention. A third party that files a patent application in the USPTO on or after March 16, 2013, but before us could therefore be awarded a patent covering an invention of ours, even if we had made the invention before it was made by such third party. This requires us to be cognizant of the time from invention to filing of a patent application. Since patent applications in the United States and most other countries are confidential for a period of time after filing or until issuance, we cannot be certain that we or our licensors were the first to either (i) file any patent application related to our products or (ii) invent any of the inventions claimed in our or our licensor's patents or patent applications.

The America Invents Act also includes a number of significant changes that affect the way patent applications are prosecuted and also affects patent litigation. These include allowing third party submission of prior art to the USPTO during patent prosecution and additional procedures to attack the validity of a patent by USPTO administered post-grant proceedings, including post-grant review, inter partes review and derivation proceedings. Because of a lower evidentiary standard in USPTO proceedings compared to the evidentiary standard in United States federal courts necessary to invalidate a patent claim, a third party could potentially provide evidence in a USPTO proceeding sufficient for the USPTO to hold a claim invalid, even though the same evidence would be insufficient to invalidate the claim if first presented in a district court action. Accordingly, a third party may attempt to use the USPTO procedures to invalidate our patent claims that would not have been invalidated if first challenged by the third party as a defendant in a district court action. Therefore, the America Invents Act and its implementation could increase the uncertainties and costs surrounding the prosecution of our owned or in-bound licensed patent applications and the enforcement or defense of our owned or in-bound licensed issued patents, all of which could have a material adverse effect on our business, financial condition, results of operations, and prospects.

Various courts, including the United States Supreme Court have rendered decisions that affect the scope of patentability of certain inventions or discoveries. These decisions state, among other things, that a patent claim that recites an abstract idea, natural phenomenon or law of nature are not themselves patentable. Precisely what constitutes a law of nature or abstract idea is uncertain, and it is possible that certain aspects of our technology could be considered natural laws. Accordingly, the evolving case law in the United States may adversely affect our ability to obtain patents and may facilitate third party challenges to any owned or licensed patents.

Our ability to compete and the success of our business could be jeopardized if we are unable to protect our intellectual property adequately.

Our success depends to a degree upon the protection of our proprietary technology and obtaining, maintaining and enforcing our intellectual property and other proprietary rights. We rely on a combination of trade secrets, patents, copyrights, trademarks and contractual provisions with employees, contract manufacturers, consultants, customers and other third parties to establish and protect our intellectual property rights, all of which offer only limited protection. Other parties may not comply with the terms of their agreements with us, and we may not be able to enforce our rights adequately against these parties.

Although we enter into confidentiality, assignments of proprietary rights and license agreements, as appropriate, with our employees and third parties, including our contract manufacturers, contract engineering firms, and generally control access to and distribution of our technologies, documentation and other proprietary information, we cannot be certain that the steps we take to prevent unauthorized use of our intellectual property rights are sufficient to prevent their misappropriation, particularly in foreign countries where laws or law enforcement practices may not protect our intellectual property rights as fully as in the United States. In addition, we rely on trade secrets to protect certain of our technologies, especially where we do not believe patent protection is appropriate or obtainable. However, trade secrets are difficult to protect. Although we use reasonable efforts to protect our trade secrets, our employees and third parties to whom our trade secrets are disclosed may unintentionally or willfully disclose our information to competitors. Enforcing a claim that a third party entity illegally obtained and is using any of our trade secrets is expensive and time-consuming, and the outcome is unpredictable. In addition, courts outside the U.S. are sometimes less willing to protect trade secrets. Moreover, our competitors may independently develop equivalent knowledge, methods and know-how.

If competitors are able to use our technology, our ability to compete effectively could be harmed. For example, if a competitor were to gain use of certain of our proprietary technology, it might be able to develop and manufacture similarly designed solutions at a reduced cost, which would result in a decrease in demand for our products.

Furthermore, we have adopted a strategy of seeking limited patent protection both in the United States and in foreign countries with respect to the technologies used in or relating to our products. We do not know whether any of our pending patent applications will result in the issuance of patents or whether the examination process will require us to narrow our claims, and even if patents are issued, they may be contested, circumvented or invalidated over the course of our business. Moreover, the rights granted under any issued patents may not provide us with proprietary protection or

competitive advantages, and, as with any technology, competitors may be able to develop and obtain patents for technologies that are similar to or superior to our technologies. If that happens, we may need to license these technologies and we may not be able to obtain licenses on reasonable terms, if at all, thereby causing great harm to our business. Additionally, the determination that a patent application or patent claim meets all of the requirements for patentability is a subjective determination based on the application of law and jurisprudence. The ultimate determination by the USPTO or by a court or other trier of fact in the U.S., or corresponding foreign national patent offices or courts, on whether a claim meets all requirements of patentability cannot be assured. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or patent applications, in our licensed patents or patent applications or in third party patents.

Even in those instances where we have determined that another party is breaching our intellectual property and other proprietary rights, enforcing our legal rights with respect to such breach may be expensive and difficult. We may need to engage in litigation to enforce or defend our intellectual property and other proprietary rights, which could result in substantial costs and diversion of management resources. Further, many of our current and potential competitors are substantially larger than we are and have the ability to dedicate substantially greater resources to defending any claims by us that they have breached our intellectual property rights.

Failure to protect our intellectual property could affect our ability to secure additional contracts or preserve market advantages when we commercialize our products.

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

Filing, prosecuting and defending patents on our products in all countries throughout the world would be prohibitively expensive, and our intellectual property rights in some countries outside the United States can be less extensive than those in the United States. In addition, the laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States, and we may encounter difficulties in protecting and defending such rights in foreign jurisdictions. Consequently, we may not be able to prevent third parties from practicing our inventions in some or all countries outside the United States, or from selling or importing products made using our inventions in and into the United States or other jurisdictions. Competitors may use our technologies in jurisdictions where we have not obtained patent protection to develop their own products and may also export infringing products to territories where we have patent protection, but enforcement is not as strong as that in the United States. These products may compete with our products. Our patents or other intellectual property rights may not be effective or sufficient to prevent them from competing. In addition, certain countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to other parties. Furthermore, many countries limit the enforceability of patents against other parties, including government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of any patents.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of many other countries do not favor the enforcement of patents and other intellectual property protection, which could make it difficult for us to stop the misappropriation or other violations of our intellectual property rights including infringement of our patents in such countries. Proceedings to enforce our patent rights in foreign jurisdictions could result in substantial cost and divert our efforts and attention from other aspects of our business, could put our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing, and could provoke third parties to assert claims against us. We may not prevail in any lawsuits that we initiate, or that are initiated against us, and the damages or other remedies awarded, if any, may not be commercially meaningful. In addition, changes in the law and legal decisions by courts in the United States and foreign countries may affect our ability to obtain adequate protection for our products, services and other technologies and the enforcement of intellectual property. Accordingly, our efforts to enforce our intellectual property rights around the world may be inadequate to obtain a significant commercial advantage from the intellectual property that we develop or license.

We may be obligated to disclose our proprietary technology to our customers, which may limit our ability to protect our intellectual property.

Certain customer agreements contain provisions permitting the customer to become a party to, or a beneficiary of, a technology escrow agreement under which we place proprietary know-how and source code for our products in escrow with a third party. Under these escrow agreements, the know-how and source code to the applicable product may be released to the customer, typically for its use to further develop, maintain, modify and enhance the product, upon the occurrence of specified events, such as our filing for bankruptcy and breaching our representations, warranties or covenants of our agreements with our customers. Disclosing this know-how and source code may limit the intellectual property protection we can obtain or maintain for that know-how or source code or the products embodying or containing that know-how or source code, and may facilitate intellectual property infringement claims against us. Each of these could harm our business, results of operations and financial condition.

Issued patents covering our products could be found invalid or unenforceable if challenged.

Although patents granted by the USPTO or other patent granting authority are generally entitled to a presumption of validity and enforceability, a granted patent's scope, validity or enforceability can still be challenged. Some of our patents or patent applications (including in-bound licensed patents) have been or may be challenged at a future point in time in opposition, derivation, reexamination, inter partes review, post-grant review or interference. Any successful third party challenge to our patents in this or any other proceeding could result in the unenforceability or invalidity of such patents, which may lead to increased competition to our business, which could harm our business. In addition, in patent litigation in the United States, defendant counterclaims alleging invalidity or unenforceability are commonplace. The outcome following legal assertions of invalidity and unenforceability during patent litigation is unpredictable. If a defendant were to prevail on a legal assertion of invalidity or unenforceability, we would lose at least part, and perhaps all, of the patent protection on certain aspects of our platform technologies. In addition, if the breadth or strength of protection provided by our patents and patent applications is threatened, regardless of the outcome, it could dissuade companies from collaborating with us to license, develop, or commercialize current or future products.

We may not be aware of all third party intellectual property rights potentially relating to our products. Publications of discoveries in the scientific literature often lag behind the actual discoveries, and patent applications in the United States and other jurisdictions are typically not published until approximately 18 months after filing or, in some cases, not until such patent applications issue as patents. Moreover, we may not search for or identify all relevant third party patents or we may incorrectly interpret the relevance, scope or expiration of a third party patent of which we are aware. We might not have been the first to make the inventions covered by each of our pending patent applications and we might not have been the first to file patent applications for these inventions. To determine the priority of these inventions, we may have to participate in interference proceedings, derivation proceedings or other post-grant proceedings declared by the USPTO that could result in substantial cost to us. The outcome of such proceedings is uncertain. No assurance can be given that other patent applications will not have priority over our patent applications. In addition, changes to the patent laws of the United States allow for various post-grant opposition proceedings that have not been extensively tested, and their outcome is therefore uncertain. Furthermore, if third parties bring these proceedings against our patents, we could experience significant costs and management distraction.

Claims by other parties that we infringe or misuse their proprietary technology could subject us to significant liability and could force us to redesign our products or to incur significant costs.

Our competitors protect their intellectual property rights by means such as trade secrets, patents, copyrights and trademarks. Although we have not been involved in any litigation related to intellectual property rights of others, from time to time we receive letters from other parties alleging, or inquiring about, breaches of their intellectual property rights. Any party asserting that our products infringe their proprietary rights would force us to defend ourselves, and possibly our customers, against the alleged infringement. These claims and any resulting lawsuit, if successful, could subject us to significant liability for damages and invalidation of our proprietary rights. The risk of such a lawsuit will likely increase as our size and the number and scope of our products increase, as our geographic presence and market share expand and as the number of competitors in our market increases. Any such claims or litigation could:

- be time-consuming and expensive to defend, whether meritorious or not;
- require us to stop selling, incorporating or using our products that use the other party's intellectual property;
- divert the attention of our technical and managerial resources;

- require us to enter into royalty or licensing agreements with third parties, which may not be available on terms that we deem acceptable, if at all;
- prevent us from operating all or a portion of our business or force us to redesign our products, which could be difficult and expensive and may degrade performance of our products, or withdraw one or more of our products altogether;
- subject us to significant liability for damages or result in significant settlement payments;
- require us to indemnify our customers, channel partners or suppliers; and
- refund deposits and other amounts received for allegedly infringing technology or products.

Intellectual property litigation can be costly. Even if we prevail, the cost of such litigation could deplete our financial resources. Litigation is also time-consuming and could divert management's attention and resources away from our business. Furthermore, during the course of litigation, confidential information may be disclosed in the form of documents or testimony in connection with discovery requests, depositions or trial testimony. Disclosure of our confidential information and our involvement in intellectual property litigation could materially adversely affect our business. Some of our competitors may be able to sustain the costs of complex intellectual property litigation more effectively than we can because they have substantially greater resources. In addition, any uncertainties resulting from the initiation and continuation of any litigation could significantly limit our ability to continue our operations. Any of the foregoing could disrupt our business and have a material adverse effect on our operating results and financial condition.

In the future we may be involved in litigation related to intellectual property, which could be time-intensive and costly and may adversely affect our business, financial condition, results of operations, and prospects.

In recent years, there has been significant litigation in the United States involving intellectual property rights. We may in the future be, involved with litigation or actions at the USPTO or a foreign patent office with various third parties that claim we or our partners or customers using our solutions and services have misappropriated or misused other parties' intellectual property rights. We expect that the number of such claims may increase as the number of our systems, workflows, consumables and kits, and the level of competition in our industry segments, grow. Any infringement claim, regardless of its validity, could harm our business by, among other things, resulting in time-consuming and costly litigation, diverting management's time and attention from the development of the business, requiring the payment of monetary damages (including treble damages, attorneys' fees, costs and expenses) or royalty payments, or result in potential or existing customers delaying purchases of our products or entering into engagements with us pending resolution of the dispute.

As we move into new markets and applications for our products, incumbent participants in such markets may assert their patents and other proprietary rights against us as a means of slowing our entry into such markets or as a means to extract substantial license and royalty payments from us. Our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we currently have. In addition, future litigation may involve patent holding companies or other adverse patent owners who have no relevant product or service revenue and against whom our own patents may provide little or no deterrence or protection. Therefore, our commercial success may depend in part on our non-infringement of the patents or proprietary rights of third parties, or the invalidity of such patents or proprietary rights.

Our research, development and commercialization activities may in the future be subject to claims that we infringe or otherwise violate patents or other intellectual property rights owned or controlled by third parties. There is a substantial amount of litigation and other patent challenges, both within and outside the United States, involving patent and other intellectual property rights, including patent infringement lawsuits, interferences, oppositions and inter partes review proceedings before the USPTO, and corresponding foreign patent offices. Numerous U.S. and foreign issued patents and pending patent applications, which are owned by third parties, exist in the fields in which we are developing products. As more patents are issued, the risk increases that our products may be subject to claims of infringement of the patent rights of third parties. Numerous significant intellectual property issues have been litigated, are being litigated and will likely continue to be litigated, between existing and new participants in our existing and targeted markets, and one or more third parties may assert that our products or services infringe their intellectual property rights as part of a business strategy to impede our successful entry into or growth in those markets.

There can be no assurance that we will prevail in any suit initiated against us by third parties, successfully settle or otherwise resolve patent infringement claims. Third parties making claims against us may be able to obtain injunctive or other relief, which could block our ability to develop, commercialize and sell products or services, and could result in the award of substantial damages against us, including treble damages, attorneys' fees, costs and expenses if we are found to have willfully infringed. In the event of a successful claim of infringement against us, we may be required to pay damages and ongoing royalties, and obtain one or more licenses from third parties, or be prohibited from selling certain products or services. We may not be able to obtain these licenses on acceptable or commercially reasonable terms, if at all, or these licenses may be non-exclusive, which could result in our competitors gaining access to the same intellectual property. In addition, we could encounter delays and incur significant costs, in product or service introductions while we attempt to develop alternative products or services, or redesign our products or services, to avoid infringing third party patents or proprietary rights. Defense of any lawsuit or failure to obtain any of these licenses or to develop a workaround could prevent us from commercializing products or services, and the prohibition of sale or the threat of the prohibition of sale of any of our products or services could materially affect our business and our ability to gain market acceptance for our products or services.

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

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

We use open source software in connection with our products and services. Companies that incorporate open source software into their products have, from time to time, faced claims challenging their use of open source software and compliance with open source license terms. As a result, we could be subject to lawsuits and other allegations by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms. Some open source software licenses require users who distribute software containing open source software to publicly disclose all or part of the source code to the licensee's software that incorporates, links or uses such open source software, and make available to third parties for no cost, any derivative works of the open source code created by the licensee, which could include the licensee's own valuable proprietary code. While we monitor our use of open source software and try to ensure that none is used in a manner that would require us to disclose our proprietary source code or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, or could be claimed to have occurred, in part because open source license terms can be ambiguous. Legal precedent in this area is not well established and any actual or claimed requirement to disclose our proprietary source code or pay damages for breach of contract could harm our business and could help third parties, including our competitors, develop products and services that are similar to or better than ours. Any of the foregoing could harm our business, financial condition, results of operations, and prospects.

Risks related to ownership of our common stock

If securities or industry analysts do not publish research or reports about our business or if they issue unfavorable commentary or downgrade our common stock, the price of our common stock could decline.

The trading market for our common stock relies in part on the research and reports that equity research analysts publish about us and our business. The price of our stock could decline if one or more equity analysts downgrade our stock or if those analysts issue other unfavorable commentary or cease publishing reports about us or our business.

The trading market for our common stock depends in part on research reports that securities or industry analysts publish about us or our business. We do not control these analysts. If securities or industry analysts fail to maintain coverage of our company, the trading price for our stock may be negatively affected. In the event one or more of these analysts downgrade our stock or publish unfavorable reports about our business, our stock price will likely decline. In

addition, if any securities or industry analysts cease coverage of our company or fail to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price to decline.

The market price of our common stock has been volatile and could continue to be volatile.

Since the shares were sold in our initial public offering in December 2020, the price per share of our common stock has experienced significant fluctuations. Some of the factors that may cause the market price of our common stock to fluctuate, many of which may be beyond our control, include:

- actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us;
- fluctuations in our revenue as a result of our revenue recognition policy, even during periods of significant sales activity;
- the financial guidance that we may provide to the public, any changes in such guidance, or our failure to meet such guidance;
- changes in financial estimates by securities analysts, our failure to meet such estimates, or failure of analysts to initiate or maintain coverage of our stock;
- the public's response to our press releases or other public announcements by us, including our filings with the SEC;
- announcements by us or our competitors of significant technical innovations, products, contracts, acquisitions, strategic partnerships, joint ventures, or capital commitments;
- failure of any of our products to achieve or maintain market acceptance;
- introduction of technologies or product enhancements that reduce the need for our products;
- changes in our capital structure, such as future issuances of securities or the incurrence of debt;
- regulatory developments in the United States, foreign countries or both;
- litigation involving our company, our general industry or both;
- additions or departures of senior management or key personnel;
- changes in market valuations of similar companies in reaction to industry events, even if these events do not directly affect us;
- investors' general perception of us;
- market volatility or downturns caused by outbreaks, epidemics, pandemics, geopolitical tensions or conflicts, or other macroeconomic dynamics;
- the sustainability of an active trading market for our common stock; and
- future sales of our common stock by our officers, directors or affiliates.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, financial condition or results of operations. If any of the foregoing occurs, it could cause our stock price to fall and may expose us to class action lawsuits that, even if unsuccessful, could be costly to defend and divert management's attention and resources.

Our actual operating results may differ significantly from any operating guidance we may provide.

From time to time, we may release guidance in our quarterly or annual earnings conference calls, quarterly or annual earnings releases, or otherwise, regarding our future performance that represents our management's estimates as of the date of release. This guidance, which will include forward-looking statements, will be based on projections prepared by our management. These projections may not be prepared with a view toward compliance with published guidelines of the American Institute of Certified Public Accountants, or AICPA, and neither our independent registered public accounting firm nor any other independent expert or outside party compiles or examines the projections. Accordingly, no such person will express any opinion or any other form of assurance with respect to the projections.

Projections are based upon a number of assumptions and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which

are beyond our control and are based upon specific assumptions with respect to future business decisions, some of which will change. The principal reason that we may release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties.

Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date of release. Actual results may vary from our guidance and the variations may be material. Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances set forth in this “Risk Factors” section could result in actual operating results being different from our guidance, and the differences may be adverse and material.

Sales of a significant number of shares of our common stock in the public markets, or the perception that such sales could occur, could depress the market price of our common stock.

Sales of a substantial number of shares of our common stock in the public markets, or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could depress the market price of our common stock and impair our ability to raise capital through the sale of additional equity securities. We cannot predict the effect that future sales of our common stock would have on the market price of our common stock.

Certain holders of our common stock have rights, subject to conditions, to require us to file registration statements covering their shares or to include their shares in registration statements that we may file for ourselves or other stockholders. We also filed a registration statement on Form S-8 registering the issuance of shares of common stock issued or reserved for future issuance under our equity compensation plans. Shares registered under such registration statement on Form S-8 can be freely sold in the public market upon issuance and once vested, subject to volume limitations applicable to affiliates and the lock-up agreements described above. If any of these additional shares are sold, or if it is perceived that they will be sold, in the public market, the market price of our common stock could decline.

We do not currently intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any cash dividends on our common stock and we do not currently expect to pay any cash dividends for the foreseeable future. Our credit agreements with our lenders contain provisions prohibiting us from paying any dividends during the term of the agreements without our lenders’ prior written consent. We intend to use our future earnings, if any, in the operation and expansion of our business. Accordingly, you are not likely to receive any dividends on your common stock for the foreseeable future, and your ability to achieve a return on your investment will, therefore, depend on appreciation in the price of our common stock.

We are a “smaller reporting company” and, because we have opted to use the reduced reporting requirements available to us, certain investors may find investing in our securities less attractive.

We are a “smaller reporting company” under the SEC’s disclosure rules, meaning that we have either: (i) a public float of less than \$250 million; or (ii) annual revenues of less than \$100 million during the most recently completed fiscal year; and no public float; or a public float of less than \$700 million.

As a smaller reporting company, we are permitted to comply with scaled-back disclosure obligations in our SEC filings compared to other issuers, including with respect to disclosure obligations regarding executive compensation in our periodic reports and proxy statements. We have elected to adopt the accommodations available to smaller reporting companies. Until we cease to be a smaller reporting company, the scaled-back disclosure in our SEC filings will result in less information about our company being available than for other public companies. If investors consider our common shares less attractive as a result of our election to use the scaled-back disclosure permitted for smaller reporting companies, there may be a less active trading market for our common shares and our share price may be more volatile.

We are also a non-accelerated filer under the Exchange Act of 1934, and we are not required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act of 2002. Therefore, our internal controls

over financial reporting will not receive the level of review provided by the process relating to the auditor attestation included in annual reports of issuers that are subject to the auditor attestation requirements. In addition, we cannot predict if investors will find our common shares less attractive because we are not required to comply with the auditor attestation requirements. We cannot predict if investors will find our securities less attractive because we rely on these available exemptions. If some investors find our securities less attractive as a result, there may be a less active trading market for our securities and the market price of our securities may be more volatile.

Provisions in our certificate of incorporation, our by-laws or Delaware law 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 common stock.

Provisions of our certificate of incorporation, our by-laws or Delaware law may discourage, delay or prevent a merger, acquisition or other change in control that stockholders may consider favorable, including transactions in which you might otherwise receive a premium for your shares of our common stock. These provisions may also prevent or frustrate attempts by our stockholders to replace or remove our management. These provisions:

- establish a classified board of directors so that not all members of our board are elected at one time;
- place limitations on the removal of directors;
- eliminate the ability of our stockholders to call special meetings of stockholders;
- prohibit stockholder action by written consent, which has the effect of requiring all stockholder actions to be taken at a meeting of stockholders;
- establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by stockholders at stockholder meetings; and
- enable our board of directors to designate the terms of and issue new series of preferred stock without stockholder approval, which could be used to institute a rights plan, or a poison pill, which would work to dilute the stock ownership of a potential hostile acquirer, likely preventing acquisitions that have not been approved by our board of directors.

In addition, Section 203 of the Delaware General Corporation Law may discourage, delay or prevent a change in control of our company by prohibiting stockholders owning in excess of 15% of our outstanding voting stock from merging or combining with us during a specified period unless certain approvals are obtained.

The existence of the foregoing provisions and anti-takeover measures could limit the price that investors might be willing to pay in the future for shares of our common stock. They could also deter potential acquirers of our company, thereby reducing the likelihood that you could receive a premium for your common stock in an acquisition.

Our sixth amended and restated certificate of incorporation provides that the Court of Chancery of the State of Delaware is the exclusive forum for certain disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated certificate of incorporation specifies that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for most legal actions involving actions brought against us by stockholders; provided that, if and only if the Court of Chancery of the State of Delaware dismisses any such action for lack of subject matter jurisdiction, such action may be brought in another state or federal court sitting in the State of Delaware. Our amended and restated certificate of incorporation also provides that the federal district courts of the United States will be the exclusive forum for the resolution of any complaint asserting a cause of action against us or any of our directors, officers, employees or agents and arising under the Securities Act. We believe these provisions may benefit us by providing increased consistency in the application of Delaware law and federal securities laws by chancellors and judges, as applicable, particularly experienced in resolving corporate disputes, efficient administration of cases on a more expedited schedule relative to other forums and protection against the burdens of multi-forum litigation. However, these provisions may have the effect of discouraging lawsuits against our directors and officers. The choice of forum provision requiring that the Court of Chancery of the State of

Delaware be the exclusive forum for certain actions would not apply to suits brought to enforce any liability or duty created by the Exchange Act.

There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. If a court were to find these types of provisions to be inapplicable or unenforceable, and if a court were to find the exclusive forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could materially adversely affect our business.

Our fourth amended and restated bylaws designate specific courts in Delaware as the exclusive forum for certain litigation that may be initiated by the Company's stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our fourth amended and restated bylaws, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for state law claims for (1) any derivative action or proceeding brought on our behalf; (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us or our stockholders; (3) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or our sixth amended and restated certificate of incorporation or fourth amended and restated bylaws; (4) any action to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; or (5) any action asserting a claim governed by the internal affairs doctrine, or the Delaware Forum Provision. The Delaware Forum Provision would not apply to any causes of action arising under the Securities Act or the Exchange Act. Our amended and restated bylaws further provide that unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Massachusetts shall be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, or the Federal Forum Provision, as our headquarters are located in Burlington, Massachusetts. In addition, our amended and restated bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the Delaware Forum Provision and the Federal Forum Provision; provided, however, that stockholders cannot and will not be deemed to have waived our compliance with the U.S. federal securities laws and the rules and regulations thereunder.

The Delaware Forum Provision and the Federal Forum Provision in our bylaws may impose additional litigation costs on stockholders in pursuing any such claims. Additionally, these forum selection clauses may limit our stockholders' ability to bring a claim in a judicial forum that they find favorable for disputes with us or our directors, officers or employees, which may discourage the filing of lawsuits against us and our directors, officers and employees, even though an action, if successful, might benefit our stockholders. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether other courts will enforce our Federal Forum Provision. If the Federal Forum Provision is found to be unenforceable, we may incur additional costs associated with resolving such matters. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware and the United States District Court for the District of Massachusetts may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than to our stockholders.

General Risk Factors

If we fail to offer high quality customer service, our business and reputation could suffer.

We differentiate ourselves from our competition 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. 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. Providing an exceptional customer experience requires significant time and resources from our customer service team. Therefore, failure to scale our customer service organization adequately 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, and how to resolve technical, analysis, and operational issues if and when they arise. 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.

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 channel partners, we rely on those channel partners to provide customer service. If these third party channel partners do not provide a high quality customer experience, our business operations and reputation may suffer.

If we were to be sued for product liability, we could face substantial liabilities that exceed our resources.

The marketing, sale and use of our products could lead to the filing of product liability claims were someone to allege that our products identified inaccurate or incomplete information regarding the analyzed or otherwise failed to perform as designed. We may also be subject to liability for errors in, a misunderstanding of or inappropriate reliance upon, the information we provide in the ordinary course of our business activities. A product liability claim could result in substantial damages and be costly and time-consuming for us to defend. We maintain product liability insurance, but this insurance may not fully protect us from the financial impact of defending against product liability claims. Any product liability claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future. Additionally, any product liability lawsuit could damage our reputation, or cause current customers to terminate existing agreements and potential clinical partners to seek other partners, any of which could impact our business, financial condition, results of operations, and prospects.

Repair or replacement costs due to warranties we provide on our products and consumables could have a material adverse effect on our business, financial condition, and results of operations.

We provide a one-year assurance-type warranty on our products and consumables. Existing and future warranties place us at the risk of incurring future repair and/or replacement costs. At the time revenue is recognized, we establish an accrual for estimated warranty expenses based on historical data and trends. We exercise judgment in estimating the expected product warranty costs, using data such as the actual and projected product failure rates, estimated repair costs, freight, material, labor and overhead costs. While we believe that historical experience provides a reliable basis for estimating such warranty costs, unforeseen quality issues or component failure rates could result in future costs in excess of such estimates, or alternatively, improved quality and reliability in our products and consumables could result in actual expenses that are below those currently estimated. Substantial amounts of warranty claims could have a material adverse effect on our business, financial condition, and results of operations.

Our business has inherent operational risks that cannot be adequately covered by insurance or indemnity.

We may face unanticipated risks of legal liability for damages caused by the actual or alleged failure of our products. Our products may be deployed in response to an emergency or terrorist attack, which may increase our exposure to third party claims. While we have attempted to secure business liability insurance coverage at appropriate cost, it is impossible to insure against all risks inherent in our industry, nor can we assure you that our insurers will pay a

particular claim, or that we will be able to maintain coverage at reasonable rates in the future. Our insurance policies also contain deductibles, limitations and exclusions, which increase our costs in the event of a claim. Substantial claims resulting from an accident in excess of or not otherwise covered by indemnity or insurance could harm our financial condition and operating results.

We may be subject to governmental export controls and economic sanctions that could impair our ability to compete in international markets.

Our products are subject to U.S. export controls and economic sanctions laws and regulations, including the International Traffic in Arms Regulations, or ITAR, the Export Administration Regulations, or EAR, sanctions regulations administered by the Office of Foreign Assets Control, or OFAC, and other similar laws and regulations of other applicable jurisdictions, which we refer to collectively as Trade Controls. Applicable Trade Controls restrict our ability to export our products and services to, or otherwise transact or deal with, certain countries, territories, individuals, and entities, unless required governmental licenses or authorizations are obtained or a general license or license exception is available. We may also be required to obtain licenses from the U.S. government before we can work with foreign entities on the development of our products. Obtaining export licenses and authorizations can be a costly and time-consuming process, often several months in duration. In addition, in some cases, a license might not be granted. Failure to obtain licenses and authorizations or to comply with the requirements of the licenses or authorizations or of Trade Controls, or changes in U.S. export regulatory policy, particularly changes in the foreign policy or national security relationship between the U.S. and other jurisdictions could result in the imposition of restrictions on existing or future authorizations of exports and sales, which could adversely affect our business. Changes in our products or changes in export regulations may require reclassification of our products and create delays in the introduction and sale of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, constrain in some way the export of our products to additional countries. Any change in export regulations or related legislation, shift in approach to the enforcement or scope of existing regulations or change in the countries, persons or technologies targeted by these regulations could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations.

Trade Controls may also inhibit the open interchange of technical discussions among our employees. Absent license authorization from the appropriate governmental agency, technical information related to certain of our products and technologies cannot be discussed with or otherwise disclosed to our foreign national employees, or with our foreign channel partners. Export licensing requirements may delay product development and other engineering activities.

Violations of Trade Controls are subject to criminal, civil and administrative penalties. Governmental agencies responsible for administering Trade Controls are authorized to impose monetary penalties or even to suspend export privileges. While such actions have not been taken against our company to date, such risks exist in this highly regulated field, and we cannot entirely eliminate the possibility that such agency action may occur in the future. There is no certainty that all of our employees, agents, suppliers, manufacturers, contractors or collaborators, or those of our affiliates, will comply with Trade Controls.

We could be adversely affected by violations of the Foreign Corrupt Practices Act of 1977, as amended, or the FCPA, and the anti-bribery and anti-corruption laws of the United States or other countries.

We are subject to the FCPA, which among other things prohibits U.S. individuals, companies, and their employees, officers, and intermediaries from offering, promising, giving, or authorizing others to give anything of value, either directly or indirectly through third parties, to non-U.S. government officials for the purpose of obtaining or retaining business or securing any other improper advantage. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls. We have engaged independent channel partners in the past and currently use independent channel partners to sell our products outside of the United States. Our reliance on independent channel partners to sell our products internationally demands a high degree of vigilance in maintaining our policy against participation in corrupt activity, because these channel partners could be deemed to be our agents and we could be held responsible for their actions. Other U.S. companies in our markets have faced criminal penalties and been held liable

under the FCPA for the improper activities of their intermediaries and agents. We are also subject to similar anti-bribery laws in the jurisdictions in which we operate, including the United Kingdom's Bribery Act of 2010, which also prohibits commercial bribery and makes it a crime for companies to fail to prevent bribery, and the People's Republic of China anti-bribery laws, including the PRC Anti-Unfair Competition Law amended in 2017 and the PRC Criminal Law amended in 2017. These laws are complex and far-reaching in nature, and, as a result, we cannot assure you that we would not be required in the future to alter one or more of our practices to be in compliance with these laws or any changes in these laws or the interpretation thereof. Any violations of these laws, or allegations of such violations, could disrupt our operations, involve significant management distraction, involve significant costs and expenses, including legal fees, and could result in a material adverse effect on our business, financial condition, results of operations, and prospects. We could also suffer severe penalties, including criminal and civil penalties, disgorgement, and other remedial measures.

Our employees, consultants, channel partners and commercial partners may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, and insider trading.

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

Our business is subject to environmental regulation and regulations relating to the protection of health and safety matters that could result in compliance costs. Any violation or liability under environmental laws or health and safety regulations could harm our business.

We are subject to environmental and safety laws and regulations governing the use, storage and disposal of hazardous substances or wastes and imposing liability for the cleanup of contamination from these substances. We handle hazardous substances in our manufacturing processes and in the compilation of our chemical library, and we could be liable for any improper use, storage, or disposal of such substances. We cannot completely eliminate the risk of contamination or injury from hazardous substances or wastes, and, in the event of such an incident, we could be held liable for any damages that result. In addition, we may be required to incur significant additional costs to comply with environmental laws and regulations in the future.

The Occupational Safety and Health Act of 1970, or OSHA, establishes certain employer responsibilities, including maintenance of a workplace free of recognized hazards likely to cause death or serious injury, compliance with standards promulgated by the Occupational Safety and Health Administration and various record keeping, disclosure and procedural requirements. Various OSHA standards may apply to our operations. We have incurred, and will continue to incur, capital and operating expenditures and other costs in the ordinary course of our business in complying with OSHA and other state and local laws and regulations.

The failure to comply with these regulations could result in fines by government authorities and payment of damages to private litigants, which could harm our business.

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

We are required to comply with the SEC's rules implementing Sections 302 and 404(a) of the Sarbanes-Oxley Act, which require management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of controls over financial reporting. We are required to disclose changes made in our internal controls and procedures on a quarterly basis to provide our annual management assessment of our internal control over financial reporting pursuant to Section 404(a). Furthermore, if we were to no longer qualify as a "smaller reporting company," our independent registered public accounting firm would be required to issue an annual report that attests the effectiveness of our internal control over financial reporting.

To comply with the requirements of being a public company, we may need to undertake actions, such as implementing new internal controls and procedures and hiring additional accounting or internal audit staff. Testing and maintaining internal control can divert our management's attention from other matters that are important to the operation of our business. In addition, when evaluating our internal control over financial reporting, we may identify material weaknesses that we may not be able to remediate in time to meet the applicable deadline imposed upon us for compliance with the requirements of Section 404. If we identify any material weaknesses in our internal controls over financial reporting, including in connection with any past or future acquisitions, or we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control over financial reporting is effective, investors may lose confidence in the accuracy and completeness of our financial reports. As a result, the market price of our common stock could be materially adversely affected.

We may need additional capital in the future, which may not be available to us, and if it is available, may dilute your ownership of our common stock and have a material adverse effect on our business, operating results and financial condition.

We may need to raise additional funds in the future, through public or private debt or equity financings, if we are presented with unforeseen circumstances or opportunities in order to, among other things:

- develop or enhance our products;
- support additional capital expenditures;
- respond to competitive pressures;
- fund operating losses in future periods; or
- take advantage of acquisition or expansion opportunities.

We, and indirectly, our stockholders, will bear the cost of issuing and servicing such securities if required to raise additional funds. Because our decision to issue debt or equity securities in any future offering will depend on market conditions and other factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future offerings. Our decision to issue debt or equity securities will also depend on contractual, legal, and other restrictions that may limit our ability to raise additional capital and may require us to obtain stockholder approval, which we may not be able to obtain.

Any required additional financing may not be available on terms acceptable to us, or at all. For instance, debt financing, if available, may involve restrictive covenants and could reduce our operational flexibility or profitability, and any new or refinanced debt may be subject to substantially higher interest rates, which could adversely affect our financial condition and impact our business. Recent quantitative tightening by the U.S. Federal Reserve, along with other central banks around the world, may further negatively affect our short-term ability or desire to incur debt. A failure to obtain additional funding could prevent us from making expenditures that may be required to grow or maintain our operations.

Current capital market conditions, including the impact of inflation, have increased borrowing rates and can be expected to significantly increase our cost of capital as compared to prior periods should we seek additional funding. Moreover, global capital markets have undergone periods of significant volatility and uncertainty in the past, and there

can be no assurance that such financing alternatives will be available to us on favorable terms or at all, should we determine it necessary or advisable to seek additional capital.

If we raise additional funds by issuing equity securities, you may experience significant dilution of your ownership interest, and the newly-issued securities may have rights senior to those of the holders of our common stock. If we raise additional funds by obtaining loans from third parties, the terms of those financing arrangements may include negative covenants or other restrictions on our business that could impair our operational flexibility and would also require us to fund additional interest expense, which could harm our profitability. Holders of debt would also have rights, preferences or privileges senior to those of holders of our common stock.

We have in the past, and may again in the future, engage in acquisitions or divestures that could disrupt our business, cause dilution to our stockholders and harm our financial condition and operating results.

We have in the past, and may again in the future, acquire additional companies, assets or technologies in an effort to complement our existing offerings or enhance our market position. For example, we acquired Trace Analytics GmbH in 2022 and RedWave in 2024. We may not be able to find additional suitable acquisition candidates and we may not be able to complete additional acquisitions on favorable terms, if at all. Any prior acquisitions we have made or future acquisitions we make could subject us to a number of risks, including:

- the purchase price we pay could significantly deplete our cash reserves, impair our future operating flexibility or result in dilution to our existing stockholders;
- we may find that the acquired company, assets or technology does not further improve our financial and strategic position as planned;
- we may find that we overpaid for the company, asset or technology, or that the economic conditions underlying our acquisition have changed;
- we may have difficulty integrating the operations and personnel of the acquired company;
- we may have difficulty retaining the employees with the technical skills needed to enhance and provide services with respect to the acquired assets or technologies;
- the acquisition may be viewed negatively by customers, financial markets, or investors;
- we may have difficulty incorporating the acquired technologies or products with our existing products;
- we may encounter difficulty entering and competing in new product or geographic markets;
- we may encounter a competitive response, including price competition or intellectual property litigation;
- we may have product liability, customer liability or intellectual property liability associated with the sale of the acquired company's products;
- we may be subject to litigation by terminated employees or third parties;
- we may be subject to additional liabilities that are not possible to be known at the time of the acquisition;
- we may incur debt and restructuring charges;
- we may acquire goodwill and other intangible assets that are subject to impairment tests, which could result in future impairment charges;
- our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically or culturally diverse enterprises; and
- our due diligence process may fail to identify significant existing issues with the target company's product quality, product architecture, financial disclosures, accounting practices, internal controls, legal contingencies, intellectual property and other matters.

Any acquisitions of businesses, technologies, products or services may not generate sufficient revenue to offset the associated costs of the acquisitions or may result in other adverse effects, which could have a material adverse effect on our business, operating results, and financial condition.

In addition, negotiations for acquisitions or investments that are not ultimately consummated could result in significant diversion of management time, as well as substantial out-of-pocket costs, any of which could have a material adverse effect on our business, operating results and financial condition.

From time to time, we may divest, discontinue or suspend businesses and product lines that do not align with our strategy, such as our 2025 Desktop Portfolio divestiture. Any decision to dispose of or otherwise exit, discontinue or suspend product lines or businesses, including the foregoing, may result in loss of significant revenues and investments and/or the recording of charges, such as write-offs, further workforce reductions or restructuring costs, charges relating to consolidation of excess facilities or capacity underutilization, lease exit or other related costs, contract termination charges, or claims from third parties. Underutilization or cessation of our manufacturing facilities could adversely affect our gross margin and other operating results and we may be required to terminate or make penalty payments under certain supply chain arrangements, close or idle facilities, write down our long-lived assets, or shorten the useful lives and accelerate depreciation of our assets, all of which could adversely affect our financial condition and results of operations. Divestitures may also involve warranties, indemnification or covenants that could restrict our business or result in litigation, additional expenses or liabilities. In addition, such transactions reduce the size and diversification of our business and cause us to be more dependent on a smaller number of product categories.

We may face exposure to foreign currency exchange rate fluctuation.

Our results of operations and cash flows may be subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro. Today, our non-U.S. contracts are denominated in U.S. dollars, and the majority of our non-U.S. operating expenses are often denominated in U.S. dollars with a few suppliers are in local currencies. Additionally, if we were to expand our non-U.S. operations, a larger portion of our operating expenses and potentially our contracts may be denominated in local currencies. Therefore, increases in the value of the U.S. dollar and decreases in the value of foreign currencies could result in the dollar equivalent of our revenue being lower.

We generally recognize revenue from extended warranty and service contracts over the contract term, and changes in sales of such contracts may not be immediately reflected in our operating results.

We offer our customers the option to purchase extended warranty and service for regular system maintenance and system optimization on a fixed fee basis. We generally recognize revenue from our extended warranty and service plans ratably over the contract terms, which typically range from one additional year to four additional years and could in some cases be subject to an early termination right. A portion of the revenue we report in each quarter is derived from the recognition of deferred revenue relating to extended warranty and service contracts entered into during previous quarters. Consequently, a decline in new or renewed extended warranty and service contracts by our customers in any one quarter may not be immediately reflected in our revenue for that quarter. Such a decline, however, will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our services and potential changes in our rate of renewals may not be fully reflected in our operating results until future periods.

Our ability to use our net operating losses and certain other tax attributes may be limited.

Under legislation enacted in 2017, informally titled the Tax Cuts and Jobs Act, as modified by the Coronavirus Aid, Relief, and Economic Security Act, or CARES Act, unused federal net operating losses, or NOLs, generated in tax years beginning after December 31, 2017, will not expire and may be carried forward indefinitely, and generally may not be carried back to prior taxable years, except that under the CARES Act, net operating losses generated in 2018, 2019 and 2020 may be carried back five taxable years. Additionally, the deductibility of such federal NOLs in tax years beginning after December 31, 2020, is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to the Tax Cuts and Jobs Act, or the CARES Act. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, or the Code, if a corporation undergoes an “ownership change,” generally defined as a cumulative change of more than 50 percentage points (by value) in its equity ownership by certain stockholders over a three-year period, the corporation’s ability to use its pre-change NOL carryforwards and other pre-change tax attributes (such as research tax credits) to offset its post-change income or taxes may be limited. We may experience ownership changes in the future as a result of shifts in our stock ownership (some of which may be outside our control). As a result, if we earn net taxable income, our ability to use our pre-change NOL carryforwards to offset such taxable income may be subject to limitations. Similar provisions of state tax law may also apply to limit our use of accumulated state tax attributes. For example, California recently imposed limits on the usability of California state NOLs to offset taxable

income in certain tax years. As a result, even if we attain profitability, we may be unable to use a material portion of our NOL carryforwards and other tax attributes, which could adversely affect our future cash flows.

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.

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, the Tax Cuts and Jobs Act and other recent tax legislation significantly revised the Code. Future guidance from the Internal Revenue Service and other tax authorities with respect to the Tax Cuts and Jobs Act and other recent tax legislation may affect us, and certain aspects of the Tax Cuts and Jobs Act or such tax legislation could be repealed or modified in future legislation. For example, the CARES Act modified certain provisions of the Tax Cuts and Jobs Act. Other tax changes were introduced in the One, Big, Beautiful Bill Act (the “OB BB”) in 2025. In addition, it is uncertain if and to what extent various states will conform to the Tax Cuts and Jobs Act, the CARES Act, the OB BB or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the Tax Cuts and Jobs Act, the CARES Act and the OB BB or future tax reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one-time charges, and could increase our future U.S. tax expense.

We are subject to risks related to taxation in the United States.

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, 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 another 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.

Future interpretations of existing accounting standards could adversely affect our operating results.

Generally accepted accounting principles in the United States of America (“GAAP”), are subject to interpretation by the Financial Accounting Standards Board, or FASB, the American Institute of Certified Public Accountants, or AICPA, the SEC and various other bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or interpretations could have a significant effect on our reported financial results, and they could affect the reporting of transactions completed before the announcement of a change.

Item 1B. Unresolved Staff Comments.

None.

Item 1C. Cybersecurity.

Cybersecurity Risk Management and Strategy

We have implemented and maintain various information security processes designed to identify, assess and manage material risks from cybersecurity threats to our critical computer networks, third party hosted services, communications systems, hardware and software, and our critical data, including intellectual property and confidential information that is proprietary, strategic or competitive in nature (collectively, Information Systems and Data).

Our Senior Director of Information Technology and our incident response team are tasked with helping to identify, assess and manage the Company's cybersecurity threats and risks. They identify and assess risks from cybersecurity threats by monitoring and evaluating our threat environment and the Company's risk profile using various methods including, for example: manual tools, automated tools, subscribing to reports and services that identify cybersecurity threats, conducting scans of the threat environment, internal and external audits, and conducting vulnerability assessments to identify vulnerabilities.

Depending on the environment, we implement and maintain various technical, physical, and organizational measures, processes, standards and policies designed to manage and mitigate material risks from cybersecurity threats to our Information Systems and Data, including, for example: incident response plans, disaster recovery and business continuity plans, risk assessments, encryption of data, network security controls, data segregation, access controls, physical security measures, systems monitoring, employee training, penetration testing, cybersecurity insurance, as well as asset management, tracking and disposal.

Our assessment and management of material risks from cybersecurity threats are integrated into the Company's overall risk management processes. For example, as part of our cybersecurity risk management program, we have a process to assess and review the cybersecurity practices of major third-party vendors and service providers that access, process, collect, share, create, store, transmit or destroy our information or have access to our systems, including through review of applicable certifications, and security reports, and contractual requirements, as appropriate.

From time to time, we use third-party service providers to assist us in an effort to identify, assess, and manage material risks from cybersecurity threats, including, for example: cybersecurity software providers, managed cybersecurity service providers, and penetration testing firms.

We use third-party service providers to perform a variety of functions throughout our business, such as application providers and hosting companies. We have a vendor management program designed to manage cybersecurity risks associated with our use of these providers, which includes, as appropriate, a review of the relevant vendor's security program. Depending on the nature of the services provided, the sensitivity of the Information Systems and Data at issue, and the identity of the provider, our vendor management process may involve different levels of assessment designed to help identify cybersecurity risks associated with a provider and impose contractual obligations related to cybersecurity on the provider.

For a description of the risks from cybersecurity threats that may materially affect the Company and how they may do so, see our risk factors under Part I. Item 1A. Risk Factors in this Annual Report on Form 10-K, including "We and the third parties with whom we work are subject to stringent and evolving U.S. and foreign laws, regulations, and rules, contractual obligations, industry standards, policies and other obligations related to data privacy and security. Our actual or perceived failure (or that of the third parties with whom we work) to comply with such obligations could lead to regulatory investigations or actions; litigation (including class claims) and mass arbitration demands; fines and penalties; disruptions of our business operations; reputational harm; loss of revenue or profits; loss of customers or sales; and other adverse business consequences."

Governance Related to Cybersecurity Risks

Our board of directors, as a whole and through its committees, holds overall oversight responsibility for our risk management processes, including in relation to risks from cybersecurity threats. Our board of directors exercises its oversight function through the audit committee, which oversees the management of risk exposure across various areas, including cybersecurity risks. The audit committee receives quarterly reports from our Senior Director of Information Technology on the status of our cybersecurity program, including measures designed to monitor and address cybersecurity risks and threats, as appropriate. The Chair of the audit committee provides a quarterly report to the board of directors, which includes updates on certain cybersecurity matters, as applicable.

Our Senior Director of Information Technology is responsible for the day-to-day administration and management of our cybersecurity program, including hiring appropriate personnel, helping to integrate cybersecurity risk considerations

into the Company’s overall risk management strategy, and communicating key priorities to relevant personnel. The Senior Director of Information Technology is also responsible for approving budgets, helping prepare for cybersecurity incidents, approving cybersecurity processes, and reviewing security assessments and other security-related reports. Our Senior Director of Information Technology has approximately 21 years of information technology experience, including 12 years of cybersecurity experience. We also work with external security service providers to support our security monitoring and threat detection capabilities and have implemented a process to report relevant findings to the Senior Director of Information Technology and other members of executive management, where appropriate.

Our cybersecurity incident response processes are designed to escalate certain cybersecurity incidents to members of management depending on the circumstances, including our Chief Financial Officer and Chief Legal and Administrative Officer, who work with the Company’s incident response team to help the Company respond to, mitigate and remediate cybersecurity incidents of which they are notified. In addition, the Company’s incident response processes include reporting to the audit committee of the board of directors for certain cybersecurity incidents.

Item 2. Properties.

Our corporate headquarters are currently located in Burlington, Massachusetts. We maintained the following principal facilities as of December 31, 2025:

<u>Location</u>	<u>Functions</u>	<u>Square Footage (Approx.)</u>	<u>Lease Expiration</u>
Burlington, Massachusetts	Corporate headquarters, R&D	12,800	July 2029
Danbury, Connecticut	R&D, assembly, manufacturing	38,200	July 2034
Georgetown, Massachusetts	assembly, manufacturing	3,500	February 2030
Stamford, Connecticut	assembly, manufacturing	11,500	March 2028

We believe that our current facilities meet our anticipated needs for the foreseeable future.

Item 3. Legal Proceedings.

We are not currently subject to any material legal proceedings. From time to time, we may be involved in legal proceedings or investigations, which could have an adverse impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business.

Item 4. Mine Safety Disclosures.

Not applicable.

PART II

Item 5. Market for Registrant’s Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.

Certain Information Regarding the Trading of Our Common Stock

Our common stock trades under the symbol “MASS” on the Nasdaq Global Market. Trading of our common stock commenced on December 18, 2020 in connection with our initial public offering, or IPO. Prior to that time, there was no established public market for our common stock.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements, which reflect our current views with respect to, among other things, our operations and financial performance. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our future results of operations and financial position, business strategy and plans and our objectives for future operations, are forward-looking statements, and are made under the safe harbor provisions of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. The words “believe,” “may,” “will,” “estimate,” “continue,” “anticipate,” “intend,” “expect,” “should,” “could,” “target,” “predict,” “seek” and similar expressions are intended to identify forward-looking statements. We have based these forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our financial condition, results of operations, business strategy, short- and long-term business operations and objectives, and financial needs. These forward-looking statements are subject to a number of risks, uncertainties and assumptions, including those described in the “Summary of Risk Factors,” Part I, Item 1A “Risk Factors” and elsewhere in this Annual Report on Form 10-K. Moreover, we operate in a very competitive and rapidly changing environment and new risks emerge from time to time. It is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements we may make. In light of these risks, uncertainties and assumptions, the forward-looking events and circumstances discussed in this Annual Report on Form 10-K may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

The forward-looking statements included in this Annual Report on Form 10-K are made only as of the date of this report. You should not rely upon forward-looking statements as predictions of future events. Although we believe that the expectations reflected in the forward-looking statements are reasonable, we cannot guarantee that the future results, levels of activity, performance or events and circumstances reflected in the forward-looking statements will be achieved or occur. Moreover, neither we nor any other person assumes responsibility for the accuracy and completeness of the forward-looking statements. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Annual Report on Form 10-K to conform these statements to actual results or to changes in our expectations.

The market data and certain other statistical information used throughout this Annual Report on Form 10-K are based on independent industry publications, governmental publications, reports by market research firms or other independent sources that we believe to be reliable sources. Some data are also based on our good faith estimates. Industry publications and third party research, surveys and studies generally indicate that their information has been obtained from sources believed to be reliable, although they do not guarantee the accuracy or completeness of such information. We are responsible for all of the disclosure contained in this Annual Report on Form 10-K, and we believe these industry publications and third party research, surveys and studies are reliable. While we are not aware of any misstatements regarding any third party information presented in this Annual Report on Form 10-K, their estimates, in particular, as they relate to projections, involve numerous assumptions, are subject to risks and uncertainties and are subject to change based on various factors, including those described in Part I, Item 1A “Risk Factors” in this Annual Report on Form 10-K.

Investors and others should note that we may announce material business and financial information to our investors using our investor relations website (ir.908devices.com), our filings with the Securities and Exchange Commission, or SEC, webcasts, press releases, and conference calls. We use these mediums, including our website, to communicate with investors and the general public about our company, our products, and other issues. It is possible that the information that we make available on our website may be deemed to be material information. We therefore encourage investors and others interested in our company to review the information that we make available on our website.

Holders of Our Common Stock

As of March 4, 2026, there were approximately 17 holders of record of our common stock. The actual number of holders of our common stock is greater than this number of record holders and includes stockholders who are beneficial owners, but whose shares are held in “street name” by brokers or held by other “nominees.” The number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Securities Authorized for Issuance Under Equity Compensation Plans

Information about our equity compensation plans will be included in our definitive proxy statement to be filed with the SEC with respect to our 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

Recent Sales of Unregistered Equity Securities

None.

Issuer Purchases of Equity Securities

None.

Dividends

We have never declared or paid any cash dividends on our common stock or any other securities. We anticipate that we will retain all available funds and any future earnings, if any, for use in the operation of our business and do not anticipate paying cash dividends in the foreseeable future. Our ability to pay cash dividends is currently restricted by the terms of the Amended 2026 Revolver with Silicon Valley Bank. In addition, the terms of any future debt instruments may also materially restrict our ability to pay dividends on our common stock. Payment of future cash dividends, if any, will be at the discretion of the board of directors after taking into account various factors, including our financial condition, operating results, current and anticipated cash needs, the requirements of current or then-existing debt instruments and other factors the board of directors deems relevant.

Item 6. Reserved.

Not applicable.

Item 7. Management’s Discussion and Analysis of Financial Condition and Results of Operations.

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing in Part II, Item 8 of this Annual Report on Form 10-K. Some of the information contained in this discussion and analysis or set forth elsewhere in this Annual Report on Form 10-K, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, including those factors set forth in the “Risk Factors” section of this Annual Report on Form 10-K, our actual results could differ materially from the results described in, or implied by, the forward-looking statements contained in the following discussion and analysis.

Overview

We have developed an innovative suite of purpose-built handheld devices for point-of-need chemical analysis. Leveraging complementary analytical technologies including our proprietary mass spectrometry, or Mass Spec, and FTIR, an optical spectroscopy technology and analytics and machine learning technologies, we make devices that are significantly smaller and more accessible than conventional laboratory instruments. Our devices are used at the point-of-need to interrogate unknown and invisible materials and provide quick, actionable answers to directly address vital health and safety applications, including the fentanyl and illicit drug crisis, toxic carcinogen exposure, and global security threats.

We create simplified measurement devices that our customers can use as accurate tools where and when their work needs to be done, rather than overly complex and centralized analytical instrumentation. We believe the insights and answers our devices provide will accelerate workflows, reduce costs, and offer transformational opportunities for our end users.

Front-line workers rely upon our Mass Spec handheld devices to combat the opioid crisis and detect counterfeit pharmaceuticals and illicit materials in the air or on surfaces at levels 1,000 times below their lethal dose. First responders also utilize our handheld devices to detect and identify thousands of hazardous bulk materials. The term “products” as used in this “Management’s Discussion and Analysis of Financial Condition and Results of Operations” refers to the MX908, ThreatID, ProtectIR, XplorIR, VipIR and related devices.

On April 29, 2024, we entered into an Equity Purchase Agreement, or the Purchase Agreement, with RedWave, CAM3 HoldCo, LLC, a Connecticut limited liability company, or Seller Entity, each of the holders of outstanding equity interests of Seller Entity, or the Beneficial Sellers, and the other parties thereto, pursuant to which we purchased all of the outstanding equity interests of RedWave, and the transaction closed on the same day. The purchase price included an initial payment of \$45.0 million in cash and 1,497,171 unregistered shares of the Company’s common stock, which reflects closing adjustments relating to working capital, cash and debt adjustments. RedWave is a leading provider of portable Fourier Transform Infrared, or FTIR, spectroscopic analyzers for rapid chemical identification of bulk materials. FTIR, an optical spectroscopy technology, is highly regarded for its specific substance identification abilities across a broad range of bulk materials. This acquisition provides us with an expanded portfolio of handheld chemical analysis devices for forensic workflows that quickly detect and identify unknown solids, liquids, vapors, and aerosols at the point of need. In addition, RedWave provided a line of accessories for pharma Process Analytical Technology, or PAT, and industrial Quality Control applications.

On March 4, 2025, the Company completed the sale of its Desktop Portfolio to Repligen. The Company has determined the sale of the Desktop Portfolio represents a strategic shift that will have a major effect on its business and therefore met the criteria for classification as discontinued operations in the first quarter of 2025. Accordingly, the Desktop Portfolio is reported as discontinued operations in accordance with ASC 205-20, *Discontinued Operations*. The related assets and liabilities of the Desktop Portfolio are classified as assets and liabilities of discontinued operations in the consolidated balance sheets and the results of operations from the Desktop Portfolio as discontinued operations in the consolidated statements of operations. Applicable amounts in prior years have been recast to conform to this discontinued operations presentation. The Company recognized a gain on the sale of the Desktop Portfolio upon closing.

Since our inception, we have incurred significant operating losses. Our ability to generate revenue sufficient to achieve profitability will depend on the successful further development and commercialization of our products. We generated revenue of \$56.2 million and \$47.7 million for the years ended December 31, 2025 and 2024, respectively, and incurred net losses from continuing operations of \$33.3 million and \$53.1 million for those same years. As of December 31, 2025, we had an accumulated deficit of \$223.3 million. We expect to continue to incur net losses as we focus on growing sales of our products in both the United States and international markets, including growing our sales teams, scaling our manufacturing operations, continuing research and development efforts to develop new products and further enhance our existing products. Further, we expect to incur additional costs associated with operating as a public company. As a result, we may need additional funding for expenses related to our operating activities, including selling, general and administrative expenses and research and development expenses.

Because of the numerous risks and uncertainties associated with product development and commercialization, we are unable to accurately predict the timing or amount of increased expenses or when, or if, we will be able to achieve or maintain profitability. Until such time, if ever, as we can generate substantial revenue sufficient to achieve profitability, we expect to finance our operations through a combination of equity offerings, debt financings and strategic alliances. We may be unable to raise additional funds or enter into such other agreements or arrangements when needed on favorable terms, or at all. If we are unable to raise capital or enter into such agreements as, and when, needed, we may have to significantly delay, scale back or discontinue the further development and commercialization efforts of one or more of our products, or may be forced to reduce or terminate our operations.

We believe that our existing cash and cash equivalents will enable us to fund our operating expenses, capital expenditure requirements and debt service payments for at least the next 12 months. We have based this estimate on assumptions that may prove to be wrong, and we could exhaust our available capital resources sooner than we expect. See “*Liquidity and Capital Resources.*”

Restructuring and Strategic Re-Alignment

In November 2024, we announced an organizational restructuring to strengthen operational efficiencies. As part of the organizational restructuring, and to reduce our annual cash burn, we implemented an approximately 11% workforce reduction to rationalize our bioprocessing and life science instrumentation investments in sales, marketing and research and development during the current slower growth market environment. We incurred approximately \$1.5 million and \$0.7 million of expenses related to this organizational restructuring for the years ended December 31, 2025 and 2024, respectively.

During the first half of 2025, we transitioned manufacturing operations from Boston, Massachusetts to Danbury, Connecticut. In June 2025, we abandoned our Boston facility in connection with transitioning the manufacturing operations and moved our corporate headquarters to Burlington, Massachusetts. We recorded a \$1.0 million restructuring charge for the lease abandonment, including our remaining right-of-use asset, utilities and other costs. We made full payment of such charges in June 2025, including the rents. The organizational and facility restructurings were substantially completed in June 2025 and there were no amounts outstanding as of December 31, 2025.

Global Economic Conditions

We are continuing to closely monitor macroeconomic factors, including, but not limited to, continued inflationary and interest rate pressures, challenging capital market conditions and the limited availability of financing alternatives, which may have an impact on our business, results of operations and financial results.

We are closely monitoring continued economic uncertainty in the United States and abroad, including volatility in the global markets and the rise and fluctuations in inflation and interest rates. These developments and the potential worsening of other macro-economic conditions present risks for us, and our suppliers and customers. For example, general inflation in the United States, Europe, the Middle East and other geographies has recently been at levels not experienced in recent decades, which has led to higher prices for our raw materials and other inputs, as well as higher salaries and travel expenses, which could continue to negatively impact our business by increasing our cost of sales and

operating expenses. General inflation could also negatively impact our business if it leads to spending pressure and decreased available capital for our customers to deploy to purchase our products and services.

Challenging capital market conditions and the limited availability of financing alternatives, together with inflationary and interest rates pressures, may contribute to more cautious spending by our customers. We cannot accurately predict the full impact of current macroeconomic factors on the budgets and capital expenditures of our customers, or the timing of the normalization of customer purchasing patterns.

We are closely monitoring the ongoing military conflict between Russia and Ukraine or the conflicts in the Middle East. Although we do not directly source any material products or supplies from Russia, Ukraine or the Middle East, our customers in Europe and the Middle East could be impacted by extended conflicts or an escalation of these conflicts into neighboring countries.

We are also closely monitoring increases or changes in tariffs on parts and components imported into the U.S., as well as reciprocal tariffs recently implemented by non-U.S. countries where we export our finished products. We do not expect these tariffs to materially impact our business or results of operations in the 2026 fiscal year. Nonetheless, we will continue to review and assess how any current or future tariffs may affect our business.

While it is difficult to predict all of the impacts these global economic events and continued inflationary and interest rate pressures will have on our business and to predict the effects of these factors on our customers' spending in the near term, we believe the long-term opportunity that we see for our products and services remain unchanged.

Additional information regarding these global impacts on our business is set forth within this Part I, Item 1A, Risk Factors of this Annual Report on Form 10-K.

Factors affecting our performance

We believe that our financial performance has been and in the foreseeable future will continue to be primarily driven by the following factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth and improve our results of operations. Our ability to successfully address the factors below is subject to various risks and uncertainties, including those described under the heading "*Risk Factors*."

Device sales

Our financial performance has largely been driven by, and in the future will continue to be impacted by, the rate of sales of our handheld devices. Management focuses on device sales as an indicator of current business success and a leading indicator of likely future recurring revenue from consumables, accessories, software and services. We expect our device sales to continue to grow as we increase penetration in our existing markets and expand into, or offer new features and solutions that appeal to, new markets.

We plan to grow our device sales in the coming years through multiple strategies including expanding our sales efforts domestically and globally and continuing to enhance the underlying technology and applications for our handheld devices. We regularly solicit feedback from our customers and focus our research and development efforts on enhancing our devices and enabling our customers to use additional applications that address their needs, which we believe in turn helps to drive additional sales of our devices and consumables.

Our handheld device orders relate to our MX908, ThreatID, ProtectIR, XplorIR and VipIR, as well as components for the Aerosol and Vapor Chemical Agent Detectors, or AVCAD, sold to our channel partner. Historically, our handheld devices have been used by municipal, state, federal and foreign governments and governmental agencies. Our sales process with government customers is often long and involves multiple levels of approvals, testing and, in some cases, trials. Device orders from a government customer are typically large orders and can be impacted by the timing of

their capital budgets. As a result, the revenue for our handheld devices can vary significantly from period-to-period and has been and may continue to be concentrated in a small number of customers in any given period.

Recurring revenue

We regularly assess trends relating to recurring revenue which includes consumables, accessories, software and services based on our product offerings, our customer base and our understanding of how our customers use our products. Recurring revenue was 35% and 33% of total revenue for the years ended December 31, 2025 and 2024, respectively. Our recurring revenue as a percentage of total revenue will vary based upon new device placements in the period. As our device installed base expands, recurring revenue on an absolute basis is expected to increase and over time should be an increasingly important contributor to our revenue.

Recurring revenue is primarily from service revenue, software and accessories. Consumable revenue is mainly related to single-use swab samplers for MX908 to be used in liquid and solid materials analysis, but there are a number of other applications that the MX908 can be used for that do not require consumables. ThreatID, ProtectIR, XplorIR and VipIR do not have consumables.

Revenue mix and gross margin

Our revenue is derived from sales of our devices, consumables, accessories, software and services. There will be fluctuations in the mix between devices and recurring from period-to-period. Over time, as our device installed base grows, we expect service revenue to constitute a larger percentage of total revenue. However, the percentage will be subject to fluctuation based upon our handheld sales in a period. In addition, our selling price and, consequently, our margins, are higher for those devices and recurring revenue that we sell directly to customers as compared to those that we sell through channel partners. While we expect the mix of direct sales as compared to sales through channel partners to remain relatively constant in the near term, we may consider increasing our direct sales capabilities in certain geographies based upon identified opportunities.

Future device and recurring selling prices and gross margins may fluctuate due to a variety of factors, including the introduction by others of competing products and solutions. We aim to mitigate downward pressure on our average selling prices by increasing the value proposition offered by our devices, consumables, accessories and software, primarily by expanding the applications for our devices and increasing the quantity and quality of data that can be obtained using our consumables.

Product adoption

We monitor our customers' stage of adoption of our products to provide insight into the timing of future potential sales and to help us formulate financial projections. Typical stages of adoption include testing, trials, pilot and deployment as follows:

- **Testing**—a customer is actively engaged with internal or external testing of our products. This may include an onsite or virtual demonstration with a salesperson, a customer submitting samples for testing in one of our facilities or testing by a third party.
- **Trials**—a customer has committed to a trial of one of our products, which may include a defined period to assess functionality of the device in their operational environment (in the field or onsite within the customer's facility).
- **Pilot**—a customer commits to the purchase of an initial quantity of devices to deploy in their operational environment to assess a broader opportunity that may grow to tens or hundreds of devices.

- Deployment—a customer has completed testing, a trial, and/or a pilot and intends to roll out the technology across their enterprise (either at a site or throughout the entire organization).

Key Business Metrics

We regularly review the number of product placements and cumulative product placement as key 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, we anticipate these will change or may be substituted for additional or different metrics as our business grows.

During the years ended December 31, 2025 and 2024, our product placements (units recognized as revenue) were as follows:

	Year Ended December 31,	
	2025	2024
Product Placements:		
Handheld	721	593

The number of product placements vary considerably from period-to-period due to the type and size of our customers and concentrations among larger government customers as described above. We expect continued fluctuations in our period-to-period number of product placements.

Our cumulative product placements consist of the following number of devices:

	December 31,	
	2025	2024
Cumulative Product Placements:		
Handheld	3,736	3,015

Components of Our Results of Operations

Revenue

Product and Service Revenue

We generate product and service revenue from the sale of our devices and recurring revenue from the sale of consumables, accessories, software and services. Device sales accounted for 65% and 66% of our total revenue for the years ended December 31, 2025 and 2024, respectively. Recurring revenue accounted for 35% and 33% of our total revenue for the years ended December 31, 2025 and 2024, respectively. Our current device offerings include MX908, ThreatID, ProtectIR, XplorIR, VipIR and AVCAD components.

We sell our devices directly to customers and through channel partners. Each of our device sales drives various streams of recurring revenue comprised of consumable, accessory and software product sales and service revenue. Our consumables consist primarily of accessories and swabs for MX908.

We also offer our customers extended warranty and service plans. Our extended warranty and service plans are offered for periods beyond the standard one-year warranty that all of our customers receive. These extended warranty and service plans generally have fixed fees and terms ranging from one additional year to four additional years. We recognize revenue from the sale of extended warranty and service plans over the respective coverage period, which approximates the service effort provided by us.

Contract revenue

Contract agreements are arrangements whereby we provide engineering services for the development of our technology platform for specific programs or new and expanding applications of our technologies for future commercial endeavors. Our contract agreements are with the U.S. government and commercial entities (who may be contracting with the government). Contracts typically include compensation for labor effort and materials incurred related to the deliverables under the contract. Our contract revenue was primarily related to one customer during the years ended December 31, 2025 and 2024.

During the years ended December 31, 2025 and 2024, our revenue was comprised of revenue from the following sources (in thousands):

	Year Ended December 31,	
	2025	2024
Revenue:		
Device sales revenue	\$ 36,660	\$ 31,686
Recurring revenue	19,420	15,928
Contract revenue	117	132
Total revenue	<u>\$ 56,197</u>	<u>\$ 47,746</u>

Our revenue is comprised of sales of our devices and related consumables, accessories, software and service contracts to end-users in the government, pharmaceutical and industrial markets as follows (in thousands):

	Year Ended December 31,	
	2025	2024
United States federal and defense	\$ 14,537	\$ 16,819
United States state authorities and local municipalities	24,235	17,536
Rest of world national and provincial organizations	14,438	11,887
Global pharmaceutical, industrial and other	2,987	1,504
Total revenue	<u>\$ 56,197</u>	<u>\$ 47,746</u>

We sell our products primarily in the United States; however, we will continue to expand our global sales efforts as we see traction in our products and assess global market needs. The majority of our international sales are through a distribution channel.

Cost of Revenue, Gross Profit and Gross Margin

Product cost of revenue primarily consists of costs for raw material parts and associated freight, shipping and handling costs, royalties, contract manufacturer costs, salaries and other personnel costs, overhead, amortization of intangibles and other direct costs related to those sales recognized as product revenue in the period.

Cost of revenue for services primarily consists of salaries and other personnel costs, travel related to services provided, facility costs associated with training, warranties and other costs of servicing equipment on a return-to-factory basis and at customer sites. Contract cost of revenue primarily consists of salaries and other personnel costs, materials, travel and other direct costs related to the revenue recognized in the period. The contract cost of revenue will vary based upon the type of contract, including whether it is primarily for development services or for both materials and development services.

We expect that our cost of revenue will increase or decrease to the extent that our revenue increases and decreases and depending on how many contracts we have ongoing at any given point in time and the stage of those contracts.

Gross profit is calculated as revenue less cost of revenue. Gross profit margin is gross profit expressed as a percentage of revenue. Our gross profit in future periods will depend on a variety of factors, including: market

conditions that may impact our pricing, sales mix among devices, sales mix changes among consumables, excess and obsolete inventories, our cost structure for manufacturing operations relative to volume, and product warranty obligations. Our gross profit in future periods will vary based upon our channel mix and may decrease based upon our distribution channels and the potential to establish original equipment manufacturing channels for certain components of our technology platform which would have a lower gross margin.

We expect that our gross profit margin for product and service will increase over the long term as our sales and production volumes increase and our cost per unit decreases due to efficiencies of scale. We intend to use our design, engineering and manufacturing capabilities to further advance and improve the efficiency of our manufacturing, which we believe will reduce costs and increase our gross margin. We expect that our gross profit margin for contract will remain consistent for our contracts that are cost reimbursement contracts.

Operating Expenses

Research and development expenses

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

- employee-related expenses, including salaries, related benefits and stock-based compensation expense for employees engaged in research and hardware and software development functions;
- the cost of maintaining and improving our product designs, including third party development costs for new products and materials for prototypes;
- research materials and supplies; and
- facilities, depreciation and other expenses, which include direct and allocated expenses for rent and maintenance of facilities and insurance.

We believe that our continued investment in research and development is essential to our long-term competitive position.

Selling, general and administrative expenses

Selling, general and administrative expenses consist primarily of salaries and other personnel costs, and stock-based compensation for our sales and marketing, finance, legal, human resources and general management, as well as professional services, such as legal, audit and accounting services, and director and officer insurance costs as well as investor and public relations expenses associated with operating as a public company.

We expect selling, general and administrative expenses, and amortization of intangibles to stabilize in future periods as we executed our strategic transformation in the fiscal year 2025.

Beginning in the first quarter of 2025, general and administrative expenses also include rent expenses and passthrough costs, reimbursable by Repligen, incurred in performing duties under the Transition Services Agreement by and between the Company and Repligen, dated as of March 4, 2025, or the TSA.

Change in fair value of contingent consideration

Change in fair value of contingent consideration represents the change in fair value of the contingent consideration obligation included in contingent consideration on the consolidated balance sheets as of the end of each period. Remeasurement of the contingent consideration obligation is done each quarter and the carrying value of the obligation is adjusted to the current fair value through our consolidated statements of operations.

Goodwill impairment

Goodwill impairment is the result of the fair value of our single reporting unit being less than its carrying value. The goodwill impairments in 2024 resulted from sustained decreases in our publicly quoted share price and market capitalization and as of December 31, 2024 our goodwill was reduced to zero.

Other Income (Expense)

Interest income

Interest income consists of interest earned on our invested cash, cash equivalents and marketable securities balances.

Income from Transition Services Agreement, net

Income from transition services agreement, net represents service charges provided to Repligen to facilitate the transition of the Desktop Portfolio, net of directly identifiable personnel related costs, pursuant to the TSA. The scope of transition services includes the provision of certain manufacturing services, research and development support and certain administrative functions related to the Desktop Portfolio. The Company is continuing to provide certain general and administrative functions under the TSA.

Other income (expense), net

Other income (expense), net consists of miscellaneous other income and expense unrelated to our core operations, interest expense associated with the amortization of deferred financing costs and debt discounts associated with our loan and security agreements.

Provision for Income Taxes

We have not recorded any U.S. federal or state income tax benefits for the net operating losses we have incurred in each year or for the research and development tax credits we generated in the United States and have recorded a full valuation allowance against our net deferred assets, as we believe, based upon the weight of available evidence, that it is more likely than not that all of our net operating loss carryforwards and tax credits will not be realized.

We recognized an income tax benefit of \$0.1 million and no income tax benefit during the years ended December 31, 2025 and 2024, respectively. The income tax benefit recognized during the year ended December 31, 2025 primarily resulted from a foreign tax refunds received as part of our divestiture of 908 Devices GmbH.

As of December 31, 2025, the Company had gross federal and state operating loss carryforwards of \$147.0 million and \$94.5 million, respectively. The federal operating loss carryforward may be available to offset future taxable income and begin to expire in 2032, of which \$112.6 million of federal gross operating losses do not expire. As of December 31, 2025, the Company also had U.S. federal and state research and development tax credit carryforwards of \$9.1 million and \$4.9 million, respectively, which may be available to offset future tax liabilities and begin to expire in 2032 and 2030, respectively.

Results of Operations

The results of operations presented below should be reviewed in conjunction with the consolidated financial statements and notes included elsewhere in this Annual Report on Form 10-K. The following tables set forth our results of operations for the periods presented:

Comparison of the Years ended December 31, 2025 and 2024

The following table summarizes our results of operations for the years ended December 31, 2025 and 2024:

	Year Ended December 31,		Change
	2025	2024	
	(in thousands)		
Revenue:			
Product revenue	\$ 43,281	\$ 35,530	\$ 7,751
Service and contract revenue	12,916	12,216	700
Total revenue	<u>56,197</u>	<u>47,746</u>	<u>8,451</u>
Cost of revenue:			
Product cost of revenue	22,325	17,387	4,938
Service and contract cost of revenue	5,449	5,859	(410)
Total cost of revenue	<u>27,774</u>	<u>23,246</u>	<u>4,528</u>
Gross profit	<u>28,423</u>	<u>24,500</u>	<u>3,923</u>
Operating expenses:			
Research and development	15,575	14,988	587
Selling, general and administrative	38,528	39,462	(934)
Change in fair value of contingent consideration	13,741	(13,216)	26,957
Goodwill impairment	—	40,659	(40,659)
Total operating expenses	<u>67,844</u>	<u>81,893</u>	<u>(14,049)</u>
Loss from operations	<u>(39,421)</u>	<u>(57,393)</u>	<u>17,972</u>
Other income, net:			
Interest income	4,136	4,494	(358)
Income from transition services agreement, net	2,288	—	2,288
Other expense, net	(346)	(241)	(105)
Total other income, net	<u>6,078</u>	<u>4,253</u>	<u>1,825</u>
Loss from continuing operations before income taxes	<u>(33,343)</u>	<u>(53,140)</u>	<u>19,797</u>
Income tax benefit	66	—	66
Net loss from continuing operations, net of income taxes	<u>\$ (33,277)</u>	<u>\$ (53,140)</u>	<u>\$ 19,863</u>

Revenue, Cost of revenue and Gross profit

Product

Our product revenue is comprised of revenue from sales of devices and related accessories, software and consumables and service as follows:

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Product revenue	\$ 43,281	\$ 35,530	\$ 7,751	22 %
Product cost of revenue	22,325	17,387	4,938	28 %
Gross profit	<u>\$ 20,956</u>	<u>\$ 18,143</u>	<u>\$ 2,813</u>	16 %
Gross profit margin	48 %	51 %	(3)%	

Product revenue increased by \$7.8 million, or 22%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase was primarily related to \$11.3 million in product revenue from our FTIR products, led by our recently launched VipIR and our XplorIR device, but also partly due to the impact of ownership for the full period in 2025 compared to eight months in 2024. This increase was offset in part by a \$2.1 million decrease in MX908 related handheld product revenue, mainly due to fewer device placements, and a \$1.5 million decrease in

program product revenue related to our AVCAD program, pursuant to which we had component shipments under our subcontract agreement with a commercial entity for the year ended December 31, 2025.

Product cost of revenue increased by \$4.9 million, or 28%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase in product cost of revenue was primarily related to an increase in production costs related to the higher product revenues, \$2.3 million in higher personnel related costs, partly related to our RedWave and KAF acquisitions, \$0.8 million in higher intangible amortization, and \$0.3 million related to severance and retention costs.

Product gross profit increased by \$2.8 million, or 16%, and gross profit margin decreased by 3% for the year ended December 31, 2025, as compared to the year ended December 31, 2024. The increase in product gross profit was primarily due to the higher product revenue volume, offset by the impact of lower margin international sales, product mix related to VipIR that is at a lower margin due to initial launch and sale of demonstration units, an increase in intangible amortization and higher personnel related costs for the year ended December 31, 2025, which drove the decrease in gross profit margin.

Service and Contract

Our service and contract revenue is comprised of revenue from sales of extended warranty and service plans, customer training and contract services as follows:

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Service and contract revenue	\$ 12,916	\$ 12,216	\$ 700	6 %
Service and contract cost of revenue	5,449	5,859	(410)	(7)%
Gross profit	<u>\$ 7,467</u>	<u>\$ 6,357</u>	<u>\$ 1,110</u>	17 %
Gross profit margin	58 %	52 %	6 %	

Service and contract revenue increased by \$0.7 million, or 6%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The increase was primarily related to a \$1.0 million increase in handheld service revenues related to training performed and extended service contracts for our FTIR devices, offset by a decrease in service revenues related to our MX908, primarily from a federal defense customer that had a funding-related pause in their support of their installed base. Contract revenue was \$0.1 million for both the year ended December 31, 2025 and 2024.

Service and contract cost of revenue decreased by \$0.4 million, or 7%, for the year ended December 31, 2025, compared to the year ended December 31, 2024. The decrease in service cost of revenue was primarily related to a \$0.7 million decrease in material costs and contract trainers, offset in part by \$0.2 million in higher personnel costs.

Service and contract gross profit increased by 17%, and gross profit margin increased by six percentage points for the year ended December 31, 2025, as compared to the year ended December 31, 2024, primarily due to an increase in service volume related to training and extended service contracts, leveraging our investments in personal and service infrastructure.

Operating Expenses

Research and development

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Research and development expenses	\$ 15,575	\$ 14,988	\$ 587	4 %
Percentage of total revenue	28 %	31 %		

Our research and development expenses were \$15.6 million for the year ended December 31, 2025, an increase of \$0.6 million from research and development expenses of \$15.0 million for the year ended December 31, 2024. The increase was partly due to the increased expenses from the RedWave acquisition and was due primarily to a \$0.5 million increase in project expenditure related to materials and consulting and a \$0.4 million increase in severance and retention costs, offset in part by a \$0.2 million decrease in facility related costs and a \$0.2 million decrease in depreciation.

Selling, general and administrative expenses

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Selling, general and administrative expenses	\$ 38,528	\$ 39,462	\$ (934)	(2)%
Percentage of total revenue	69 %	83 %		

Our selling, general and administrative expenses were \$38.5 million for the year ended December 31, 2025, a decrease of \$0.9 million from selling, general and administrative expenses of \$39.5 million for the year ended December 31, 2024. The decrease was primarily due to \$2.2 million in lower consulting, legal and accounting related costs incurred with the RedWave acquisition during the year ended December 31, 2024, a \$0.4 million decrease in travel and related costs, a \$0.4 million decrease in consulting, legal and audit fees, a \$0.3 million decrease in directors and officers insurance, and a net decrease in all other expenses of \$0.4 million. These cost decreases were offset in part by a \$1.1 million increase in non-cash stock-based compensation, a \$0.9 million increase related to facility shut down and moving costs, and a \$0.8 million increase in payroll and related costs, mainly related to a \$0.6 million charge for transaction bonuses earned with the Desktop Portfolio divestiture.

Change in fair value of contingent consideration

	Year Ended December 31,		Change	
	2025	2024	Amount	%
	(dollars in thousands)			
Change in fair value of contingent consideration	\$ 13,741	\$ (13,216)	\$ 26,957	204
Percentage of total revenue	24 %	(28)%		

The key assumptions, such as revenue projection, equity volatility rate of the Company, revenue volatility rate and discount rate are utilized to estimate the fair value of the contingent consideration under Monte Carlo simulation. The fair value of contingent consideration increased by \$13.8 million during the year ended December 31, 2025, due to an increase in the projections for FTIR revenue, including the recent product launch of VipIR, and the increase in the Company's publicly quoted share price during the year ended December 31, 2025. The decline in the key assumptions of stock price and forecast from the RedWave acquisition date to December 31 2024, resulted in a reduction, or credit, of \$13.2 million for the year ended December 31, 2024, reducing the contingent liability during that period.

Goodwill impairment

As a result of sustained decreases in our publicly quoted share price and market capitalization, a \$40.7 million goodwill impairment was recorded for the year ended December 31, 2024.

Other Income (Expense)

Interest income

Interest income decreased by \$0.4 million for the year ended December 31, 2025 from \$4.5 million for the year ended December 31, 2024. The decrease was due to the lower cash, cash equivalent and marketable securities balances, primarily due to the average balance during the year ended December 31, 2025, compared to the year ended December 31, 2024 and, to a lesser extent, lower interest rates.

Income from transition services agreement, net

Income from the transition services agreement, net was \$2.3 million for the year ended December 31, 2025.

Other income (expense), net

Other expense, net increased by \$0.1 million for the year ended December 31, 2025 from \$0.2 million for the year ended December 31, 2024. The increase was due to the moving cost related to the facility restructurings.

Income tax benefit

Income tax benefit for the year ended December 31, 2025 was \$0.1 million and was zero for the year ended December 31, 2024.

Liquidity and Capital Resources

Since our inception, we have incurred significant operating losses. To date, we have funded our operations primarily with proceeds from sales of equity, borrowings under loan agreements and revenue from sales of our products and services and license and contract revenue. As of December 31, 2025, we had cash and cash equivalents of \$70.5 million and marketable securities of \$42.5 million, which were held for working capital purposes and for investment in growth opportunities. Our marketable securities consist of U.S. treasury securities. We believe that our existing cash and cash equivalents will enable us to fund our operating expenses, capital expenditure requirements and debt service payments for at least the next twelve months.

We have based this estimate on assumptions that may prove to be wrong, and we could utilize our available capital resources sooner than we expect. Our future funding requirements will depend on many factors, including:

- market uptake of our products and growth into new and existing markets;
- the cost of our research and development efforts to expand the applications of our current devices and to create enhanced products with our platform of technologies;
- the cost of expanding our commercial operations, including distribution capabilities, and accelerating planned investments, such as hiring additional support, service, and sales management in Europe, Asia Pacific, and Latin America, bolstering our infrastructure in these regions;
- the cost of acquiring complementary businesses, products, services, or technologies, when and if required;

- the success of our existing collaborations and our ability to enter additional collaborations in the future;
- the effect of competing technological and market developments; and
- the level of our selling, general and administrative expenses.

On November 2, 2022, the Company entered into a Loan and Security Agreement (the “2022 Revolver”), by and between the Company, as borrower, and SVB, as lender.

On August 4, 2023, the Company entered into the Amended 2022 Revolver, by and between the Company, as borrower, and SVB, as lender. On September 15, 2025, the Amended 2022 Revolver was extended to February 2, 2026, and on February 5, 2026, the Amended 2022 Revolver was extended to April 2, 2026. The Amended 2022 Revolver provides for a revolving line of credit of up to \$10.0 million. The Company is permitted to make interest-only payments on the revolving line of credit through April 2, 2026, at which time all outstanding indebtedness shall be immediately due and payable. The outstanding principal amount of any advance shall accrue interest at a floating rate per annum equal to the greater of (i) four and one-half percent (4.50%) and (ii) the “prime rate” as published in The Wall Street Journal for the relevant period minus one-half percent (0.50%). The Company’s obligations under the Amended 2022 Revolver are secured by substantially all of the Company’s assets, excluding its intellectual property, which is subject to a negative pledge.

Pursuant to the Amended 2022 Revolver, SVB waived filing any legal action or instituting or enforcing any rights and remedies it may have had against the Company in connection with the Company’s failing to maintain all of its operating accounts, depository accounts and excess cash with SVB, as previously required prior to the effectiveness of the Amended 2022 Revolver.

The Amended 2022 Revolver also contains certain financial covenants, including requirements that the Company maintain \$20.0 million on account at or through SVB and that the amount of unrestricted and unencumbered cash minus advances under the Amended 2022 Revolver is not less than the amount equal to the greater of (i) \$10.0 million or (ii) nine (9) months of cash burn. The Amended 2022 Revolver contains customary representations and warranties, as well as certain non-financial covenants, including limitations on, among other things, the Company’s ability to change the principal nature of its business, dispose of the Company’s business or property, engage in any change of control transaction, merge or consolidate with any other entity or to acquire all or substantially all the capital stock or property of another entity, incur additional indebtedness or liens, pay dividends or make other distributions on capital stock, redeem the Company’s capital stock, engage in transactions with affiliates or otherwise encumber the Company’s intellectual property, in each case, subject to customary exceptions.

On March 5, 2026, the Company entered into the Amended 2026 Revolver by and between the Company, as borrower, and SVB, as lender. The Amended 2026 Revolver provides for a revolving line of credit of up to \$20.0 million. The Amended 2026 Revolver supersedes and replaces the Amended 2022 Revolver and its extension upon the execution of the Amended 2026 Revolver. The Company is permitted to make interest-only payments on the revolving line of credit through March 5, 2028, at which time all outstanding indebtedness shall be immediately due and payable. The outstanding principal amount of any advance shall accrue interest at a floating rate per annum equal to the greater of (i) six percent (6.00%) or (ii) the “prime rate” as published in The Wall Street Journal. The Company’s obligations under the Amended 2026 Revolver are secured by substantially all of the Company’s assets, excluding its intellectual property, which is subject to a negative pledge.

We may seek additional funding through private or public equity financings, debt financings, collaborations, strategic alliances and marketing, channel partner or licensing arrangements. We cannot assure you that we will be able to obtain additional funds on acceptable terms, or at all. If we raise additional funds by issuing equity or equity-linked securities, our stockholders may experience dilution. Future debt financing, if available, may involve covenants, in addition to our existing covenants, restricting our operations or our ability to incur additional debt or potentially limiting our ability to obtain new debt financing or the refinance of our existing debt. Any debt or equity financing that we raise may contain terms that are not favorable to us or our stockholders. If we raise additional funds through collaboration and

licensing arrangements with third parties, it may be necessary to relinquish some rights to our technologies or our products, or grant licenses on terms that are not favorable to us. If we do not have or are not able to obtain sufficient funds, we may have to delay development or commercialization of our products. We also may have to reduce marketing, customer support or other resources devoted to our products or cease operations.

Cash Flows

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

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
	(in thousands)	
Cash used in operating activities	\$ (23,688)	\$ (30,247)
Cash provided by (used in) investing activities	50,747	(46,321)
Cash used in financing activities	(697)	(376)
Effect of foreign exchange rate changes on cash and cash equivalents	27	(65)
Net increase (decrease) in cash, cash equivalents and restricted cash	<u>\$ 26,389</u>	<u>\$ (77,009)</u>

Operating Activities

During the year ended December 31, 2025, net cash used in operating activities was \$23.7 million, consisting primarily of a \$55.9 million gain on sale of our Desktop Portfolio, net of transaction costs, and net cash used in changes in our operating assets and liabilities of \$15.3 million, partially offset by our net income of \$19.5 million and noncash uses of \$27.9 million, inclusive of a noncash use of \$13.7 million related to the change in fair value of contingent consideration increase. Net cash used in changes in our operating assets and liabilities of \$15.3 million consisted primarily of a \$5.9 million decrease from changes in accounts payable and accrued expenses, a \$3.7 million decrease from changes in inventory and a \$3.2 million decrease from changes in deferred revenue, primarily related to assets and liabilities that were divested with our Desktop Portfolio.

During the year ended December 31, 2024, net cash used in operating activities was \$30.2 million, primarily resulting from our net loss of \$72.2 million and net cash used in changes in our operating assets and liabilities of \$2.5 million, partially offset by noncash charges of \$44.5 million. Net cash used in changes in our operating assets and liabilities for the year ended December 31, 2024, consisted primarily of a \$2.9 million decrease from changes in accounts receivable and a \$1.7 million decrease from changes in inventory, partially offset by a \$2.3 million increase from changes in accounts payable and accrued expenses. Noncash changes consisted primarily of a \$40.7 million goodwill impairment charge and \$11.8 million in stock-based compensation charges, partially offset by \$13.2 million from the change in fair value of contingent consideration.

Investing Activities

During the year ended December 31, 2025, net cash provided by investing activities was \$50.7 million, due primarily to \$69.9 million of proceeds from the sale of the Desktop Portfolio and \$47.8 million of proceeds from the maturity of marketable securities, partially offset by \$64.0 million in purchases of marketable securities. In addition, we used \$2.0 million for the acquisition of KAF.

During the year ended December 31, 2024, net cash used in investing activities was \$46.3 million, due to cash paid with the acquisition of RedWave of \$44.8 million and \$0.6 million in purchases of property and equipment. In addition, \$55.5 million in cash was used for purchases of marketable securities, partially offset by \$54.6 million in proceeds from maturities of marketable securities.

Financing Activities

Cash used in financing activities during the year ended December 31, 2025, was \$0.7 million, due primarily to a \$0.7 million payment for contingent consideration achieved with our acquisition of KAF.

Cash used in financing activities during the year ended December 31, 2024, was \$0.4 million, due primarily to a \$0.5 million payment for contingent consideration achieved with our acquisition of Trace Analytics GmbH.

Contractual Obligations

We have operating lease obligations for office space, which have remaining lease terms ranging from two years to nine years. The total future minimum payments under such leases are \$6.0 million as of December 31, 2025, of which \$1.1 million is expected to be paid in 2026.

At times, we have purchase orders or contracts for the purchase of supplies and other goods and services. We are not able to determine the aggregate amount of such purchase orders that represent contractual obligations, as purchase orders may represent authorizations to purchase rather than binding agreements. Our purchase orders are based on our current procurement or development needs and are fulfilled by our vendors within short time horizons.

We have also entered into a license agreement under which we are obligated to make royalty payments in the low single digit percent range. We have not included future payments under this agreement in the table of contractual obligations above since the payment obligations under this agreement are contingent upon generating product sales.

Critical Accounting Policies and Significant Judgments and Estimates

Our consolidated financial statements are prepared in accordance with GAAP. The preparation of our consolidated financial statements and related disclosures requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, costs and expenses and the disclosure of contingent assets and liabilities in our consolidated financial statements. We base our estimates on historical experience, known trends and events and various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our consolidated financial statements included elsewhere in this Annual Report on Form 10-K, we believe that the following accounting policies are those most critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We recognize revenue from sales to customers under Accounting Standards Codification 606, Revenue from Contracts with Customers, or ASC 606 by applying the following five steps: (1) identification of the contract, or contracts, with a customer, (2) identification of the performance obligations in the contract, (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations in the contract and (5) recognition of revenue when, or as, performance obligations are satisfied.

For a contract with multiple performance obligations, we allocate the contract's transaction price to each performance obligation on a relative standalone selling price basis using our best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available, we may use third party pricing for similar products or services or estimate the standalone selling price, which is set by management. Allocation of the transaction price is determined at the contract's inception and is not updated to reflect changes between contract inception and when the performance obligations are satisfied.

We derive revenue primarily from the sale of devices and related consumables and services. Revenue is recognized when control of the promised devices, consumables or services is transferred to our customers, in an amount that reflects the consideration we expect to be entitled to in exchange for those devices, consumables or services (the transaction price). A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of accounting under ASC 606. For devices and consumables sold by us, control transfers to the customer at a point in time. To indicate the transfer of control, we must have a present right to payment, legal title must have passed to the customer, the customer must have the significant risks and rewards of ownership, and where acceptance is other than perfunctory, the customer must have accepted the product or service. Our principal terms of sale are freight on board, or FOB, shipping point, or equivalent, and, as such, we primarily transfer control and record revenue for devices and consumables sales upon shipment. Sales arrangements with delivery terms that are not FOB shipping point are not recognized upon shipment and the transfer of control for revenue recognition is evaluated based on the associated shipping terms and customer obligations. If a performance obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation or acceptance by the customer), revenue recognition for that performance obligation is deferred until such commitments have been fulfilled. For extended warranty and support, control transfers to the customer over the term of the arrangement. Revenue for extended warranty and support is recognized based upon the period of time elapsed under the arrangement as this period represents the transfer of benefits or services under the agreement.

From time to time, we generate revenue from short and long-term contracts associated with the design and development and delivery of detection devices or related design and support services.

Generally, revenue for long-term contracts is recognized based upon the cost-to-cost measure of progress, provided that we meet the criteria associated with transferring control of the good or service over time such as not creating an asset with an alternative use and having an enforceable right to payment for completed performance. However, we evaluate the proper revenue recognition on a contract by contract basis, as each contract generally contains terms specific to the underlying agreement which result in differing performance obligations and payment terms (cost plus, fixed price agreements among others). For revenue recognized under the cost-to-cost measure of progress basis, we continually assess total costs expected to be incurred and if such costs require adjustment to the measure of progress, we record such adjustment as a change in estimate on a cumulative catch-up basis in the period of adjustment.

We include the unconstrained amount of consideration in the transaction price. The amount included in the transaction price is constrained to the amount for which it is probable that a significant reversal of cumulative revenue recognized will not occur. At the end of each subsequent reporting period, as required by ASC 606, we re-evaluate the estimated consideration included in the transaction price and any related constraint, and if necessary, adjust our estimate of the overall transaction price. Any such adjustments are recorded on a cumulative catch-up basis in the period of adjustment.

Distribution Channels

A majority of our revenue is generated by sales in conjunction with our channel partners, such as our international channel partners and in the United States for end customers where a government contract is required or a customer has a pre-existing relationship. When we transact with a channel partner, our contractual arrangement is with the partner and not with the end-use customer. Whether we transact business with and receive the order from a channel partner or directly from an end-use customer, our revenue recognition policy and resulting pattern of revenue recognition for the order are the same.

Stock-Based Compensation

We measure stock-based option awards granted to employees, consultants and directors based on their fair value on the date of grant using the Black-Scholes option-pricing model. Compensation expense for those awards is recognized, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award. The straight-line method of expense recognition is applied to all awards with service-only conditions, while the

graded vesting method is applied to all grants with both service and performance conditions. Forfeitures are recorded as they occur instead of estimating forfeitures that are expected to occur.

The Black-Scholes option-pricing model uses as inputs the fair value of our common stock and assumptions we make for the volatility of our common stock, the expected term of our common stock options, the risk-free interest rate for a period that approximates the expected term of our common stock options, and our expected dividend yield.

Valuation of Inventory

Inventory is valued at the lower of cost or net realizable value. Cost is computed using the first-in, first-out method. We regularly review inventory quantities on-hand for excess and obsolete inventory and, when circumstances indicate, record charges to write down inventories to their estimated net realizable value, after evaluating historical sales, future demand, market conditions and expected product life cycles. Such charges are classified as cost of revenue in the consolidated statements of operations and comprehensive income (loss). Any write-down of inventory to net realizable value creates a new cost basis.

Goodwill and Long-Lived Assets

Goodwill is not amortized, but is evaluated for impairment on an annual basis, or on an interim basis when events or changes in circumstances indicate that the carrying value may not be recoverable. In assessing the recoverability of goodwill, we must make assumptions regarding the estimated future cash flows, and other factors, to determine the fair value of these assets. If these estimates or their related assumptions change in the future, we may be required to record impairment charges against these assets in the reporting period in which the impairment is determined.

We test goodwill for impairment at the reporting unit level, which is the operating segment, in the fourth quarter of every year. We have the option of performing a qualitative assessment to determine whether further impairment testing is necessary before performing the quantitative assessment. If as a result of the quantitative assessment, it is more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test will be required. The quantitative goodwill impairment test requires management to estimate and compare the fair value of the reporting unit with its carrying value. If the fair value of the reporting unit exceeds the carrying value of the net assets, goodwill is not impaired. If the fair value of the reporting unit is less than the carrying value, the difference is recorded as an impairment loss up to the amount of goodwill.

We review other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or an asset group may not be recoverable. In evaluating long-lived assets for recoverability, we estimate the future cash flows that are expected from the use of each asset. Impairment losses are measured and recorded for the excess of an asset's carrying value over its fair value. To determine the fair value of long-lived assets, we utilize the valuation technique or techniques deemed most appropriate based on the nature of the asset or asset group, which may include the use of quoted market prices, prices for similar assets or other valuation techniques such as discounted future cash flows or earnings.

Business Combinations

Under the acquisition method of accounting, we generally recognize the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. The fair values assigned, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants, are based on estimates and assumptions determined by management. The excess consideration over the aggregate value of tangible and intangible assets, net of liabilities assumed, is recorded as goodwill. These valuations require significant estimates and assumptions, especially with respect to intangible assets.

We estimate the fair value of the contingent consideration earnouts using the Monte Carlo Simulation or probability weighted scenario depending on the nature of the contingent consideration and update the fair value of the contingent consideration at each reporting period based on the estimated probability of achieving the earnout targets and applying a

discount rate that captures the risk associated with the expected contingent payments. To the extent that these estimates change in the future regarding the likelihood of achieving these targets, we may need to record material adjustments to our accrued contingent consideration. Such changes in the fair value of contingent consideration are recorded as contingent consideration expense or income in the consolidated statements of operations.

We use the income approach to determine the fair value of certain identifiable intangible assets including customer relationships and developed technology. This approach determines fair value by estimating after-tax cash flows attributable to these assets over their respective useful lives and then discounting these after-tax cash flows back to a present value. We base our assumptions on estimates of future cash flows, expected growth rates, expected trends in technology, probabilities of customer renewals, etc. We base the discount rates used to arrive at a present value as of the date of acquisition on the time value of money and certain industry-specific risk factors. We believe the estimated purchased customer relationships, developed technology, software and trade name amounts determined represent the fair value at the date of acquisition and do not exceed the amount a third-party would pay for the assets.

If the actual results differ from the estimates and judgments used in these estimates, the amounts recorded in the financial statements may be exposed to potential impairment of the intangible assets and goodwill. The determination of fair value is considered a critical accounting estimate because the valuation techniques mentioned use significant estimates and assumptions, including projected future revenues, a hypothetical royalty rate, the expected economic life of the asset, tax rates and a discount rate that reflects the level of risk associated with the future earnings attributable to the asset.

During the measurement period, which is up to one year from the acquisition date, adjustments to the assets acquired and liabilities assumed may be recorded, with the corresponding offset to goodwill.

Recently Issued Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position and results of operations is disclosed in Note 2 to our audited consolidated financial statements appearing in Part II, Item 8 of this Annual Report on Form 10-K.

Inflation Risk

During the last two years, inflation and changing prices have not had a material effect on our business. We are unable to predict whether inflation or changing prices will materially affect our business in the foreseeable future.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

We are a smaller reporting company, as defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, for this reporting period and are not required to provide the information required under this item.

Item 8. Financial Statements and Supplementary Data.

**908 DEVICES INC.
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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of 908 Devices Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of 908 Devices Inc. and its subsidiaries (the "Company") as of December 31, 2025 and 2024, and the related consolidated statements of operations, of comprehensive income (loss), of stockholders' equity and of cash flows for the years then ended, including the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue Recognition – Product and Service Revenue

As described in Note 2 to the consolidated financial statements, the Company derives product and service revenue primarily from the sale of devices and related consumables and services. Revenue is recognized when control of the promised devices, consumables or services is transferred to the Company's customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those devices, consumables or services (the transaction price). For devices and consumables sold by the Company, control transfers to the customer at a point in

time, typically upon shipment. For extended warranty and support, control transfers to the customer over the term of the arrangement. The Company's total revenue for the year ended December 31, 2025, was \$56.2 million, the majority of which relates to product and service revenue.

The principal consideration for our determination that performing procedures relating to product and service revenue recognition is a critical audit matter is a high degree of auditor effort in performing procedures related to the Company's product and service revenue recognition.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others (i) testing product and service revenue recognized for a sample of revenue transactions by obtaining and inspecting source documents, such as invoices, customer purchase orders, shipping or delivery documents, and, where applicable, subsequent cash receipts, and (ii) confirming a sample of outstanding customer invoice balances as of December 31, 2025 and, for confirmations not returned, obtaining and inspecting source documents, such as invoices, customer purchase orders, shipping or delivery documents, and, where applicable, subsequent cash receipts.

/s/ PricewaterhouseCoopers, LLP
Boston, Massachusetts
March 9, 2026

We have served as the Company's auditor since 2013.

908 DEVICES INC.
Consolidated Balance Sheets
(in thousands, except share and per share amounts)

	<u>December 31, 2025</u>	<u>December 31, 2024</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 70,517	\$ 43,355
Marketable securities	42,453	25,568
Accounts receivable, net of allowance for credit losses of \$147 and \$524 at December 31, 2025 and December 31, 2024	11,327	8,852
Inventory	12,990	10,886
Prepaid expenses and other current assets	7,272	4,184
Current assets of discontinued operations	—	10,210
Total current assets	<u>144,559</u>	<u>103,055</u>
Operating lease, right-of-use assets	4,397	3,842
Property and equipment, net	4,232	1,595
Intangible assets, net	36,412	38,679
Other long-term assets	471	511
Non-current assets of discontinued operations	—	11,794
Total assets	<u>\$ 190,071</u>	<u>\$ 159,476</u>
Liabilities and Stockholders' Equity		
Current liabilities:		
Accounts payable	\$ 1,586	\$ 1,368
Accrued expenses	6,838	7,195
Deferred revenue	8,934	10,417
Operating lease liabilities	681	1,473
Contingent consideration	16,025	—
Current liabilities of discontinued operations	—	4,696
Total current liabilities	<u>34,064</u>	<u>25,149</u>
Operating lease liabilities, net of current portion	3,947	2,600
Deferred revenue, net of current portion	8,331	10,213
Contingent consideration, net of current portion	—	2,284
Other long-term liabilities	30	—
Non-current liabilities of discontinued operations	—	4,638
Total liabilities	<u>46,372</u>	<u>44,884</u>
Commitments and contingencies (Note 17)		
Stockholders' equity:		
Preferred stock, \$0.001 par value; 5,000,000 shares authorized, no shares issued or outstanding at December 31, 2025 and December 31, 2024, respectively	—	—
Common stock, \$0.001 par value; 100,000,000 shares authorized; 36,321,866 shares and 35,098,493 shares issued and outstanding at December 31, 2025 and December 31, 2024, respectively	36	35
Additional paid-in capital	366,925	356,216
Accumulated other comprehensive income	54	1,146
Accumulated deficit	<u>(223,316)</u>	<u>(242,805)</u>
Total stockholders' equity	<u>143,699</u>	<u>114,592</u>
Total liabilities and stockholders' equity	<u>\$ 190,071</u>	<u>\$ 159,476</u>

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

908 DEVICES INC.
Consolidated Statements of Operations
(in thousands, except share and per share amounts)

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Revenue:		
Product revenue	\$ 43,281	\$ 35,530
Service and contract revenue	12,916	12,216
Total revenue	<u>56,197</u>	<u>47,746</u>
Cost of revenue:		
Product cost of revenue	22,325	17,387
Service and contract cost of revenue	5,449	5,859
Total cost of revenue	<u>27,774</u>	<u>23,246</u>
Gross profit	<u>28,423</u>	<u>24,500</u>
Operating expenses:		
Research and development	15,575	14,988
Selling, general and administrative	38,528	39,462
Change in fair value of contingent consideration	13,741	(13,216)
Goodwill impairment	—	40,659
Total operating expenses	<u>67,844</u>	<u>81,893</u>
Loss from continuing operations	<u>(39,421)</u>	<u>(57,393)</u>
Other income, net:		
Interest income	4,136	4,494
Income from transition services agreement, net	2,288	—
Other expense, net	(346)	(241)
Total other income, net	<u>6,078</u>	<u>4,253</u>
Loss from operations before income taxes	(33,343)	(53,140)
Income tax benefit	66	—
Net loss from continuing operations	(33,277)	(53,140)
Net income (loss) from discontinued operations, net of tax	52,766	(19,066)
Net income (loss) attributable to common stockholders	<u>\$ 19,489</u>	<u>\$ (72,206)</u>
Net loss from continuing operations per share attributable to common stockholders, basic and diluted	\$ (0.93)	\$ (1.56)
Net income (loss) from discontinued operations per share attributable to common stockholders, basic and diluted	\$ 1.47	\$ (0.56)
Net income (loss) per share attributable to common stockholders, basic and diluted	\$ 0.54	\$ (2.12)
Weighted average common shares outstanding		
Basic and diluted	<u>35,898,542</u>	<u>34,076,321</u>

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

908 DEVICES INC.
Consolidated Statements of Comprehensive Income (Loss)
(in thousands)

	Year Ended December 31,	
	2025	2024
Net income (loss) attributable to common stockholders	\$ 19,489	\$ (72,206)
Other comprehensive income (loss)		
Foreign currency translation adjustment	(7)	(219)
Foreign currency translation adjustments reclassified out of accumulated other comprehensive income related to discontinued operations	(1,125)	—
Unrealized gain on marketable securities, net of tax of \$0	40	—
Total other comprehensive income (loss)	\$ (1,092)	\$ (219)
Comprehensive income (loss)	\$ 18,397	\$ (72,425)

908 DEVICES INC.
Consolidated Statements of Stockholders' Equity
(in thousands, except share amounts)

	Common Stock		Additional Paid-in Capital	Accumulated Other	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount		Comprehensive Income		
Balances at December 31, 2023	32,519,023	\$ 33	\$ 334,692	\$ 1,365	\$ (170,599)	\$ 165,491
Issuance of common stock upon exercise of stock options. . . .	347,483	—	570	—	—	570
Stock-based compensation expense.	—	—	11,763	—	—	11,763
Issuance of common stock pursuant to the acquisition of RedWave Technology	1,497,171	2	8,615	—	—	8,617
Issuance of common stock upon ESPP purchase	161,345	—	576	—	—	576
Vesting of restricted stock units	573,471	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	(219)	—	(219)
Net loss	—	—	—	—	(72,206)	(72,206)
Balances at December 31, 2024	<u>35,098,493</u>	<u>\$ 35</u>	<u>\$ 356,216</u>	<u>\$ 1,146</u>	<u>\$ (242,805)</u>	<u>\$ 114,592</u>
Issuance of common stock upon exercise of stock options. . . .	228,404	—	481	—	—	481
Stock-based compensation expense.	—	—	9,845	—	—	9,845
Issuance of common stock upon ESPP purchase	104,804	—	384	—	—	384
Vesting of restricted stock units	890,165	1	(1)	—	—	—
Foreign currency translation adjustments	—	—	—	(7)	—	(7)
Foreign currency translation adjustments reclassified out of accumulated other comprehensive income related to discontinued operations	—	—	—	(1,125)	—	(1,125)
Unrealized gain on marketable securities	—	—	—	40	—	40
Net income	—	—	—	—	19,489	19,489
Balances at December 31, 2025	<u>36,321,866</u>	<u>\$ 36</u>	<u>\$ 366,925</u>	<u>\$ 54</u>	<u>\$ (223,316)</u>	<u>\$ 143,699</u>

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

908 DEVICES INC.
Consolidated Statements of Cash Flows
(in thousands)

	Year Ended December 31,	
	2025	2024
Cash flows from operating activities:		
Net income (loss)	\$ 19,489	\$ (72,206)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Goodwill impairment	—	40,659
Depreciation and amortization expense	4,465	4,682
Stock-based compensation expense	9,845	11,763
Provision for inventory obsolescence	513	653
Net amortization of premiums and accretion of discounts on marketable securities	(637)	13
Loss on disposal of property and equipment	133	54
Gain on sale of Desktop Portfolio, net of transaction costs	(55,940)	—
Provision for credit losses	—	176
Change in fair value of contingent consideration	13,741	(13,216)
Deferred income tax	—	(283)
Changes in operating assets and liabilities, net of business combinations:		
Accounts receivable, net	220	(2,927)
Inventory	(3,731)	(1,664)
Prepaid expenses and other current assets	(2,950)	(445)
Other long-term assets	211	559
Accounts payable and accrued expenses	(5,931)	2,319
Deferred revenue	(3,177)	(368)
Right-of-use operating lease assets	1,723	2,047
Operating lease liabilities	(1,662)	(2,063)
Net cash used in operating activities	(23,688)	(30,247)
Cash flows from investing activities:		
Purchases of property and equipment	(955)	(602)
Purchases of marketable securities	(64,005)	(55,500)
Acquisition of businesses, net of cash acquired	(2,000)	(44,783)
Proceeds from sale of Desktop Portfolio	69,909	—
Proceeds from maturities of marketable securities	47,798	54,564
Net cash provided by (used in) investing activities	50,747	(46,321)
Cash flows from financing activities:		
Payments for withholding taxes on vested awards	(833)	(1,105)
Proceeds from issuance of common stock	864	1,146
Payments for contingent consideration	(728)	(417)
Net cash used in financing activities	(697)	(376)
Effect of foreign exchange rate changes on cash and cash equivalents	27	(65)
Net increase (decrease) in cash, cash equivalents and restricted cash	26,389	(77,009)
Cash, cash equivalents and restricted cash at beginning of period	44,203	121,212
Cash, cash equivalents and restricted cash at end of period	\$ 70,592	\$ 44,203
Supplemental disclosure of noncash investing and financing information:		
Transfers of inventory to property and equipment	\$ 983	\$ 1,158
Fair value of common stock issued for acquisition of RedWave Technology	\$ —	\$ 8,616
Reconciliation of cash, cash equivalents and restricted cash:		
Cash and cash equivalents	\$ 70,517	\$ 44,032
Restricted cash included in other long-term assets	75	171
Total cash, cash equivalents and restricted cash shown in the statement of cash flows	\$ 70,592	\$ 44,203
Supplemental disclosure of cash flow information:		
Cash (received) paid for income tax	\$ (66)	\$ 184

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

908 DEVICES INC.
Notes to Consolidated Financial Statements

1. Nature of the Business and Basis of Presentation

908 Devices Inc. (the “Company”) was incorporated in the State of Delaware on February 10, 2012. The Company is revolutionizing chemical analysis with its simple handheld devices, addressing life-altering applications. The Company’s devices are used at the point-of-need to interrogate unknown and invisible materials and provide quick, actionable answers in vital health, safety and defense tech applications, addressing the fentanyl and illicit drug crisis, toxic carcinogen exposure, and global security threats. The Company designs and manufactures innovative products that bring together the power of complementary analytical technologies, software automation, and machine learning.

The Company is subject to risks and uncertainties common to technology companies in the device industry and of similar size, including, but not limited to, development by competitors of new technological innovations, dependence on key personnel, protection of proprietary technology, compliance with government regulations, uncertainty of market acceptance of products, and the need to obtain additional financing to fund operations. Potential risks and uncertainties also include, without limitation, uncertainties regarding elevated inflation and interest rates, and changes in countries’ trade policies and tariffs. Products currently under development will require additional research and development efforts prior to commercialization and will require additional capital and adequate personnel and infrastructure. The Company’s research and development may not be successfully completed, adequate protection for the Company’s technology may not be obtained, and approved products may not prove commercially viable. The Company operates in an environment of rapid change in technology and competition.

Acquisitions

The Company acquired CAM2 Technologies, LLC (d/b/a RedWave Technology) (“RedWave”), located in Danbury, Connecticut in April 2024. RedWave is a leading provider of portable FTIR spectroscopic analyzers for rapid chemical identification of bulk materials. FTIR (Fourier Transform Infrared), an optical spectroscopy technology, is highly regarded for its specific substance identification abilities across a broad range of bulk materials. This acquisition provides the Company with an expanded portfolio of handheld chemical analysis devices for forensic workflows that quickly detect and identify unknown solids, liquids, vapors, and aerosols at the point of need. In addition, RedWave bolsters the Company’s desktop portfolio with a line of accessories for pharma Process Analytical Technology (PAT) and industrial QC applications.

The Company acquired KAF Manufacturing Company, Inc. (“KAF”), located in Stamford, Connecticut in July 2025. KAF is a precision machining company focused on providing precision components, diamond-turned optics and components for laboratory and medical instrument original equipment manufacturers and for the aerospace industry. This acquisition provided the Company with strength and sustainability over its supply chain for critical FTIR components. See Note 19, *Acquisitions*, for further information.

Divestment of Desktop Portfolio

The Company sold its wholly-owned subsidiary, 908 Devices GmbH and certain liabilities and specified assets of the Company which together constituted the entirety of the Company’s portfolio of desktop devices used in the field of bioprocessing PAT (the “Desktop Portfolio”) to Repligen Corporation and Repligen GmbH (“Repligen Corporation” or “Repligen”) on March 4, 2025 (the “Closing Date”). See Note 3, *Discontinued Operation and TSA*, for further information.

On the Closing Date, the Company entered into a Transition Services Agreement (the “TSA”) with Repligen, which provides for services to be performed by the Company in order to facilitate a transition of the business associated with the Desktop Portfolio. Under the TSA, the Company will provide certain technology, financial, manufacturing and other operational transition services to Repligen for a period of time, and will maintain the personnel and facilities required to provide such services for the duration specified for each such service. Repligen has agreed to pay the Company for

certain costs of the transition services performed by the Company under the TSA and these services are recorded within Other Income, net in the Company's consolidated statement of operations.

On the Closing Date, the parties entered into a Lease Assignment Assumption and Consent Agreement (the "Assignment and Assumption Agreement"). Under the Assignment and Assumption Agreement, the Company assigned to Repligen the Company's rights in, to and under the real property lease for its North Carolina facility, and Repligen assumed the liabilities related thereto. In addition, as a result of the sale of 908 Devices GmbH, Repligen assumed the liabilities related to the real property lease in Braunschweig, Germany.

On the Closing Date, the Company entered into an UNC Intellectual Property Sublicense Agreement with Repligen (the "Sublicense Agreement") under which the Company granted a sublicense to license certain Company rights to in-licensed technologies under the Company's license agreement with the University of North Carolina ("UNC"). See Note 17, *Commitments and Contingencies*.

On the Closing Date, the company entered into a Supply Agreement with Repligen under which the Company will supply certain components to Repligen related to the Rebel product offering.

The Company incurred certain significant costs relating to the Transaction, such as legal, accounting, financial advisory, printing and other professional services fees, as well as other customary payments. Through December 31, 2025, these costs amounted to approximately \$4.4 million and are included within the net income (loss) from discontinued operations, net of tax line item on the Company's consolidated statement of operations.

Basis of Presentation

The Company's consolidated financial statements have been prepared in conformity with GAAP. Any reference in these notes to applicable guidance is meant to refer to the authoritative GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, 908 Devices Securities Corporation and RedWave. All intercompany balances and transactions have been eliminated.

The accompanying consolidated financial statements have been prepared on the basis of continuity of operations, realization of assets and the satisfaction of liabilities and commitments in the ordinary course of business. The Company has incurred recurring losses since inception, including net losses from continuing operations of \$33.3 million and \$53.1 million for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the Company had an accumulated deficit of \$223.3 million. The Company expects to continue to generate operating losses in the foreseeable future. The Company expects that its cash, cash equivalents and marketable securities will be sufficient to fund its operating expenses and capital expenditure requirements for at least the next 12 months from the issuance date of the consolidated financial statements. The Company may seek additional funding through private or public equity financings, debt financings, collaborations, strategic alliances and marketing, channel partner, or licensing arrangements. The Company may not be able to obtain financing on acceptable terms, or at all, and the Company may not be able to enter into collaborations or other arrangements. The terms of any financing may adversely affect the holdings or the rights of the Company's stockholders. If the Company is unable to obtain funding, the Company could be forced to delay, reduce or eliminate some or all of its research and development programs, product expansion or commercialization efforts, or the Company may be unable to continue operations. Although management continues to pursue these financing plans, there is no assurance that the Company will be successful in obtaining sufficient funding on terms acceptable to the Company to fund continuing operations, if at all.

Reclassifications

The Company's Desktop Portfolio met all the conditions to be classified as held for sale and, because the Company considers the disposal of the Desktop Portfolio to be a strategic shift that will have a major effect on its operations and

financial results, represented a discontinued operation. All assets and liabilities associated with the Company's Desktop Portfolio were therefore classified as assets and liabilities of discontinued operations in our consolidated balance sheets for the periods presented. Further, all historical operating results for the Company's Desktop Portfolio are reflected within discontinued operations in the consolidated statements of operations for all periods presented. For additional information, see Note 3, *Discontinued Operations and TSA*.

Certain amounts in prior periods have been reclassified to reflect the impact of the discontinued operations treatment of the Desktop Portfolio in order to conform to the current period presentation.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Significant estimates and assumptions reflected in these consolidated financial statements include, but are not limited to, revenue recognition and accounts receivable, the valuation of inventory, fair value of assets acquired and liabilities assumed in acquisitions, estimated fair value used to record impairment charges related to goodwill, fair value of contingent consideration, and the valuation of stock-based awards. The Company bases its estimates on historical experience, known trends and other market-specific or other relevant factors that it believes to be reasonable under the circumstances. Due to the impact of inflation and changes in interest rates, there has been uncertainty and disruption in the global economy and financial markets. The Company is not aware of any specific event or circumstance that would require further updates to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of the date of issuance of these consolidated financial statements. These estimates may change, as new events occur and additional information is obtained. On an ongoing basis, management evaluates its estimates as there are changes in circumstances, facts and experience. Changes in estimates are recorded in the period in which they become known. Actual results may differ from those estimates or assumptions.

Discontinued Operations

The Company accounted for the sale of its Desktop Portfolio in accordance with ASC 205 *Discontinued Operations* ("ASC 205"). ASC 205 requires that a component of an entity that has been disposed of or is classified as held for sale, has operations and cash flows that can be clearly distinguished from the rest of the entity, and represents a strategic shift that has (or will have) a major effect on the reporting entity's financial results must be reported as discontinued operations. The sale of its Desktop Portfolio met the held-for-sale criteria as defined in ASC 205.

In the period a component of an entity is classified as a discontinued operation, the results of operations for the periods presented are reclassified into separate line items in the consolidated statements of operations and the assets and liabilities of the discontinued operation are also reclassified into separate line items on the related consolidated balance sheets. Prior period amounts are also adjusted to reflect discontinued operations presentation. All amounts included in the notes to the consolidated financial statements relate to continuing operations unless otherwise noted.

Risk of Concentrations of Credit, Significant Customers and Significant Suppliers

Financial instruments that potentially expose the Company to concentrations of credit risk consist primarily of cash and cash equivalents, marketable securities, and accounts receivable. The Company's cash and cash equivalents and restricted cash are maintained in bank deposit accounts and money market funds that regularly exceed federally insured limits. The Company is exposed to credit risk on its cash, cash equivalents and restricted cash in the event of default by the financial institutions to the extent account balances exceed the amount insured by the Federal Deposit Insurance Corporation ("FDIC"). The Company's marketable securities are invested in U.S. treasury securities and as a result, the Company believes represent minimal credit risk.

Significant customers are those that accounted for 10% or more of the Company’s total revenue or accounts receivable. No customer represented 10% or more of total revenue for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, one customer accounted for 34% of gross accounts receivable. As of December 31, 2024, one customer accounted for 20% of gross accounts receivable.

Certain of the components included in the Company’s products are obtained from a sole source, a single source or a limited group of suppliers. Although the Company seeks to reduce dependence on those limited sources of suppliers and manufacturers, the partial or complete loss of certain of these sources, or the requirement to establish a new supplier for the components, could have a material adverse effect on the Company’s operating results, financial condition and cash flows and damage its customer relationships.

Cash Equivalents

The Company considers all highly liquid investments with original maturities of three months or less at the date of purchase to be cash equivalents.

Restricted Cash

Restricted cash primarily represents a letter of credit issued as security for the lease for the Company’s facility in Burlington, Massachusetts.

Accounts Receivable, net

Accounts receivable are presented net of an allowance for credit losses, which is an estimate of amounts that may not be collectible. The Company performs ongoing credit evaluations of its customers and monitors economic conditions to identify facts and circumstances that may indicate its receivables are at risk of collection. The Company provides reserves against accounts receivable for estimated credit losses, if any, that may result from a customer’s inability to pay based on the composition of its accounts receivable, current economic conditions and historical credit loss activity. Amounts deemed uncollectible are charged or written-off against the reserve. As of December 31, 2025 and December 31, 2024, the Company recorded a \$0.1 million allowance and a \$0.5 million allowance for credit losses, respectively. The following is a summary of the activity of the Company’s allowance for credit losses (in thousands):

	Year Ended December 31,	
	2025	2024
Balances at beginning of period	\$ 524	\$ 389
Current period change for expected credit loss	—	165
Deduction / recoveries collected	(377)	(30)
Balances at end of period	<u>\$ 147</u>	<u>\$ 524</u>

Fair Value Measurements

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

- Level 1 - Quoted prices in active markets for identical assets or liabilities.
- Level 2 - Observable inputs (other than Level 1 quoted prices), such as quoted prices in active markets for similar assets or liabilities, quoted prices in markets that are not active for identical or similar assets or liabilities, or other inputs that are observable or can be corroborated by observable market data.

- Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to determining the fair value of the assets or liabilities, including pricing models, discounted cash flow methodologies and similar techniques.

The Company's financial instruments consist primarily of cash equivalents, marketable securities, accounts receivable, accounts payable, accrued expenses and contingent consideration. The Company's cash equivalents and marketable securities, consisting of money market funds (a Level 1 measurement) and U.S. treasury notes (a Level 2 measurement), are carried at fair value, determined according to the fair value hierarchy described above (See Note 4, *Fair Value Measurements*). The carrying values of the Company's accounts receivable, accounts payable and accrued expenses approximate their fair values due to the short-term nature of these assets and liabilities. The carrying value of the Company's long-term debt approximates its fair value (a Level 2 measurement) at each balance sheet date due to its variable interest rate, which approximates a market interest rate. The Company's contingent consideration is measured at its fair value at each balance sheet date using unobservable inputs in the valuation methodology (a Level 3 measurement).

Inventory

Inventory is valued at the lower of cost or net realizable value. Cost is computed using the first-in, first-out method. The Company regularly reviews inventory quantities on-hand for excess and obsolete inventory and, when circumstances indicate, records charges to write down inventories to their estimated net realizable value, after evaluating historical sales, future demand, market conditions and expected product life cycles. Such charges are classified as cost of revenue in the consolidated statements of operations. Any write-down of inventory to net realizable value creates a new cost basis.

Assets Recognized from Costs to Obtain a Contract with a Customer

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if the Company expects the benefit of those costs to be longer than one year. The Company has determined that certain sales incentive programs meet the requirements to be capitalized. Total capitalized costs to obtain a contract were not significant during the periods presented and are included in prepaid expenses and other current assets and other long-term assets in the Company's consolidated balance sheets.

Leases

The Company accounts for leases under ASC 842, *Leases* ("ASC 842"). In accordance with ASC 842, the Company accounts for a contract as a lease when it has the right to control the asset for a period of time while obtaining substantially all of the asset's economic benefits. The Company determines if an arrangement is a lease or contains an embedded lease at inception. For arrangements that meet the definition of a lease, the Company determines the initial classification and measurement of its right-of-use asset and lease liability at the lease commencement date and thereafter if modified. The lease term includes any renewal options that the Company is reasonably assured to exercise. The present value of lease payments is determined by using the interest rate implicit in the lease, if that rate is readily determinable; otherwise, the Company uses its estimated secured incremental borrowing rate for that lease term. The Company's policy is to not record leases with an original term of twelve months or less on its consolidated balance sheets and recognizes those lease payments in the consolidated statements of operations and comprehensive income (loss) on a straight-line basis over the lease term. The Company's existing leases are for office and laboratory space. In addition to rent, the leases may require the Company to pay additional costs, such as utilities, maintenance and other operating costs, which are generally referred to as non-lease components. The Company has elected to not separate lease and non-lease components. Only the fixed costs for lease components and their associated non-lease components are accounted for as a single lease component and recognized as part of a right-of-use asset and liability. Rent expense for operating leases is recognized on a straight-line basis over the reasonably assured lease term based on the total lease payments and is included in operating expense in the consolidated statements of operations and comprehensive income (loss).

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization.

Depreciation and amortization expense is recognized using the straight-line method over the estimated useful life of each asset as follows:

	Estimated Useful Life
Laboratory and demonstration equipment	2 to 5 years
Standard tools and machinery	5 to 10 years
Computer equipment and software	3 years
Furniture and fixtures	7 years
Leasehold improvements	Shorter of remaining life of lease or useful life

Costs for capital assets not yet placed into service are capitalized as construction-in-progress and depreciated once placed into service. Upon retirement or sale, the cost of assets disposed of and the related accumulated depreciation and amortization are removed from the accounts and any resulting gain or loss is included in loss from operations. Expenditures for repairs and maintenance are charged to expense as incurred.

When a device is used as demonstration equipment, such device is reclassified from inventory to demonstration equipment under property and equipment and begins to depreciate over its estimated useful life. The Company does not refurbish such device or reverse transfer the device to inventory.

Software Development Costs

The Company incurs costs to develop computer software that is embedded in the hardware components of the Company's products. Research and development costs related to this software are expensed as incurred, except for costs of internally developed or externally purchased software that qualify for capitalization. Software development costs incurred subsequent to the establishment of technological feasibility, but prior to the general release of the product, are capitalized and, upon general release, are amortized based upon the pattern in which economic benefits related to such assets are realized. Due to the short time period between achieving technological feasibility and product release and the insignificant amount of costs incurred during such periods, the Company did not capitalize any software development costs during the years ended December 31, 2025 and 2024.

Marketable Securities

The Company's marketable securities are classified as available-for-sale and are carried at fair value, with the unrealized gains and losses reported as a component of accumulated other comprehensive income (loss) in stockholders' equity. Premiums and discounts on marketable securities are amortized and accreted, respectively, to earliest call date and maturity, respectively, and included in interest income in the consolidated statements of operations.

When the fair value is below the amortized cost basis of a marketable security, an estimate of expected credit losses is made. The credit-related impairment amount is recognized in the consolidated statements of operations. Credit losses are recognized through the use of an allowance for credit losses account in the consolidated balance sheet and subsequent improvements in expected credit losses are recognized as a reversal of an amount in the allowance account. If the Company has the intent to sell the security or it is more likely than not that the Company will be required to sell the security prior to recovery of its amortized cost basis, then the allowance for the credit loss is written-off and the excess of the amortized cost basis of the asset over its fair value is recorded in the consolidated statements of operations. There were no credit losses recorded for the years ended December 31, 2025 or 2024.

Goodwill and Intangible Assets

Goodwill is not amortized, but is evaluated for impairment on an annual basis, or on an interim basis when events or changes in circumstances indicate that the carrying value may not be recoverable. In assessing the recoverability of goodwill, the Company must make assumptions regarding the estimated future cash flows, the estimated control premium, and other factors, to determine the fair value. If these estimates or their related assumptions change in the future, the Company may be required to record impairment charges in the reporting period in which the impairment is determined.

The Company tests goodwill for impairment at the reporting unit level, which is the operating segment, in the fourth quarter of every fiscal year. The Company has the option of performing a qualitative assessment to determine whether further impairment testing is necessary before performing the quantitative assessment. If as a result of the qualitative assessment, it is more-likely-than-not that the fair value of its reporting unit is less than its carrying amount, a quantitative impairment test will be required. The quantitative goodwill impairment test requires management to estimate and compare the fair value of the reporting unit with its carrying value. If the fair value of the reporting unit exceeds the carrying value of the net assets, goodwill is not impaired. If the fair value of the reporting unit is less than the carrying value, the difference is recorded as an impairment loss.

Intangible assets with a finite useful life are recorded at cost, net of accumulated amortization and are amortized on a straight-line basis over their estimated useful lives as follows:

Customer Relationships	8 years
Developed Technology	15 years

The Company reviews other long-lived assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset or an asset group may not be recoverable. In evaluating long-lived assets for recoverability, the Company estimates the future cash flows that are expected from the use of each asset group. Impairment losses are measured and recorded for the excess of an asset's carrying value over its fair value. To determine the fair value of long-lived assets, the Company utilizes the valuation technique or techniques deemed most appropriate based on the nature of the asset or asset group, which may include the use of quoted market prices, prices for similar assets or other valuation techniques such as discounted future cash flows or earnings.

Foreign currency

The Company translates assets and liabilities of its foreign subsidiaries at rates in effect at the end of the reporting period. Revenues and expenses are translated at average rates in effect during the reporting period. Translation adjustments are included in accumulated other comprehensive income (loss).

Product Warranties

The Company offers a one-year limited warranty on most products, which is included in the selling price. The Company's standard limited warranty covers repair or replacement. The Company provides for estimated warranty expenses as a component of cost of revenue at the time product revenue is recognized. Warranty costs are estimated based on the current expected product replacement or repair cost and expected replacement or repair rates based on historical experience. The Company evaluates its warranty accrual at the end of each reporting period and makes adjustments as necessary.

Segment Information

The Company manages its operations on a consolidated basis and as a single segment for the purposes of assessing performance and making operating decisions. The Company provides a suite of purpose-built handheld mass spectrometry and FTIR devices for use in vital health and safety applications. Operating segments are defined as components of an enterprise for which separate financial information is regularly evaluated by the Company's chief

operating decision maker, or decision-making group, in deciding how to allocate resources and assess performance. The Company has determined that its chief operating decision maker (“CODM”) is its Chief Executive Officer. See Note 20, *Segment Reporting*, for disclosure of significant segment expenses.

Revenue Recognition

The Company recognizes revenue from sales to customers under ASC 606, *Revenue from Contracts with Customers* (“ASC 606”), by applying the following five steps: (1) identification of the contract, or contracts, with a customer, (2) identification of the performance obligations in the contract, (3) determination of the transaction price, (4) allocation of the transaction price to the performance obligations in the contract and (5) recognition of revenue when, or as, performance obligations are satisfied.

For a contract with multiple performance obligations, the Company allocates the contract’s transaction price to each performance obligation on a relative standalone selling price basis using the Company’s best estimate of the standalone selling price of each distinct product or service in the contract. The primary method used to estimate standalone selling price is the price observed in standalone sales to customers; however, when prices in standalone sales are not available the Company may use third party pricing for similar products or services or estimate the standalone selling price, which is set by management. Allocation of the transaction price is determined at the contract’s inception and is not updated to reflect changes between contract inception and when the performance obligations are satisfied.

Contract assets arise from unbilled amounts in customer arrangements when revenue recognized exceeds the amount billed to the customer and the Company’s right to payment is not only subject to the passage of time. The Company had no contract assets related to revenue as of December 31, 2025 or 2024.

Contract liabilities represent the Company’s obligation to transfer goods or services to a customer for which it has received consideration (or the amount is due) from the customer. The Company has determined that its only contract liability related to deferred revenue, which consists of amounts that have been invoiced but that have not been recognized as revenue. Amounts expected to be recognized as revenue within 12 months of the balance sheet date are classified as current deferred revenue and amounts expected to be recognized as revenue beyond 12 months of the balance sheet date are classified as noncurrent deferred revenue.

Product and Service Revenue

The Company derives product and service revenue primarily from the sale of devices and related consumables and services. Revenue is recognized when control of the promised devices, consumables or services is transferred to the Company’s customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those devices, consumables or services (the transaction price). A performance obligation is a promise in a contract to transfer a distinct product or service to a customer and is the unit of accounting under ASC 606. For devices and consumables sold by the Company, control transfers to the customer at a point in time. To indicate the transfer of control, the Company must have a present right to payment, legal title must have passed to the customer, the customer must have the significant risks and rewards of ownership, and where acceptance is other than perfunctory, the customer must have accepted the product or service. The Company’s principal terms of sale are freight on board (“FOB”) shipping point, or equivalent, and, as such, the Company primarily transfers control and records revenue for devices and consumables sales upon shipment. Sales arrangements with delivery terms that are not FOB shipping point are not recognized upon shipment and the transfer of control for revenue recognition is evaluated based on the associated shipping terms and customer obligations. If a performance obligation to the customer with respect to a sales transaction remains to be fulfilled following shipment (typically installation or acceptance by the customer), revenue recognition for that performance obligation is deferred until such commitments have been fulfilled. For extended warranty and support, control transfers to the customer over the term of the arrangement. Revenue for extended warranty and support is recognized based upon the period of time elapsed under the arrangement as this period represents the transfer of benefits or services under the agreement.

The Company recognizes a receivable at the point in time at which it has an unconditional right to payment. Such receivables are not contract assets. Payment terms for customer orders, including for each of the Company's primary performance obligations, are typically 30 to 90 days after the shipment or delivery of the product, and such payments typically do not include payments that are variable, dependent on specified factors or events. In limited circumstances, there exists a right of return for product if agreed to by the Company. Revenue is only recognized for those goods that are not expected to be returned such that it is probable that there will not be a significant reversal of cumulative revenue. Service arrangements commonly call for payments in advance of performing the work (e.g., extended warranty/service contracts), upon completion of the service or a mix of both. The Company does not enter into significant financing agreements or other forms of variable consideration.

Deferred Revenue

The following is a summary of the activity of the Company's deferred revenue (in thousands):

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Balances at beginning of period	\$ 20,630	\$ 17,104
Recognition of revenue included in balance at beginning of the period	(10,356)	(8,436)
Deferred revenue acquired, net of revenue recognized	—	2,916
Revenue deferred during the period, net of revenue recognized	6,991	9,046
Balances at end of period	<u>\$ 17,265</u>	<u>\$ 20,630</u>

The amount of deferred revenue equals the transaction price allocated to unfulfilled performance obligations for the period presented. Such deferred revenue amounts related to revenue are expected to be recognized in the future as follows (in thousands):

	<u>December 31,</u> <u>2025</u>	<u>December 31,</u> <u>2024</u>
Deferred revenue expected to be recognized in:		
One year or less	\$ 8,934	\$ 10,417
One to two years	4,295	5,005
Three years and beyond	4,036	5,208
	<u>\$ 17,265</u>	<u>\$ 20,630</u>

Revenue from Contracts with Customers

The Company's customers primarily consist of federal and defense entities, state authorities and local municipalities, foreign national and provincial organizations and other institutions.

Distribution Channels

A majority of the Company's revenue is generated by sales in conjunction with its channel partners, such as its international channel partners and, in the United States, for end customers where a government contract is required or a customer has a pre-existing relationship. When the Company transacts with a channel partner, its contractual arrangement is with the partner and not with the end-use customer. Whether the Company transacts business with and receives the order from a channel partner or directly from an end-use customer, its revenue recognition policy and resulting pattern of revenue recognition for the order are the same.

Disaggregated Revenue

The Company's revenue consists of sales of devices and recurring revenue which includes consumables, accessories, the sale of service and extended warranty plans and contract revenue. The following table presents the Company's revenue by revenue stream (in thousands):

	Year Ended December 31,	
	2025	2024
Revenue:		
Device sales revenue	\$ 36,660	\$ 31,686
Recurring revenue	19,420	15,928
Contract revenue	117	132
Total revenue	<u>\$ 56,197</u>	<u>\$ 47,746</u>

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

	Year Ended December 31,	
	2025	2024
Revenue:		
Handheld product and service revenue	\$ 52,844	\$ 43,984
Program product and service revenue	502	2,125
OEM and funded partnership revenue	2,851	1,637
Total revenue	<u>\$ 56,197</u>	<u>\$ 47,746</u>

Revenue based on the end-user entity type for the Company's revenue are presented below (in thousands):

	Year Ended December 31,	
	2025	2024
United States federal and defense	\$ 14,537	\$ 16,819
United States state authorities and local municipalities	24,235	17,536
Rest of world national and provincial organizations	14,438	11,887
Global pharmaceutical, industrial and other	2,987	1,504
Total revenue	<u>\$ 56,197</u>	<u>\$ 47,746</u>

The following table disaggregates the Company's revenue from contracts with customers by geography, which are determined based on the customer location (in thousands):

	Year Ended December 31,	
	2025	2024
United States	\$ 41,249	\$ 35,647
Europe, Middle East and Africa	10,427	9,134
Asia Pacific	2,996	2,102
Americas other	1,525	863
Total revenue	<u>\$ 56,197</u>	<u>\$ 47,746</u>

Customer Commitment

In June 2025, the Company entered into a Master Supply Agreement with a large analytical instrumentation customer ("OEM Customer"), who is an existing customer of the Company and a customer of KAF. The OEM Customer committed to \$6.6 million of orders over the initial three years with a minimum initial cancelation fee of \$2.6 million. In addition, in July 2025, the OEM Customer paid an upfront cash payment of \$0.75 million to secure the supply of precision optical components and assemblies and the fee will be recognized over the initial term of the Master Supply

Agreement. As of December 31, 2025, \$0.7 million of the upfront payment is recorded in deferred revenue and deferred revenue, net of current portion.

Shipping and Handling Fees and Costs

Shipping and handling fees billed to customers for product shipments are recorded in revenue in the accompanying consolidated statements of operations. Shipping and handling costs incurred for inventory purchases and product shipments are recorded in cost of revenue in the accompanying consolidated statements of operations.

Cost of Revenue

Product cost of revenue primarily consists of costs for raw material parts and associated freight, shipping and handling costs, royalties, contract manufacturer costs, salaries and other personnel costs, overhead and other direct costs related to those sales recognized as product revenue in the period.

Cost of revenue for services primarily consists of salaries and other personnel costs, travel related to services provided, facility costs associated with training, warranties and other costs of servicing equipment on a return-to-factory basis and at customer sites. Contract cost of revenue primarily consists of salaries and other personnel costs, materials, travel and other direct costs related to those revenue recognized as license and contract in the period.

Research and Development Expenses

Research and development expenses consist primarily of employee-related expenses incurred for research activities, product development, hardware and software engineering, consultant services and other costs associated with the Company's technology platform and products, research materials and facilities, depreciation and maintenance expense.

Advertising Expense

The Company expenses costs of advertising as incurred. Advertising costs were \$1.2 million and \$1.5 million during the years ended December 31, 2025 and 2024, respectively. The advertising expense is classified as selling, general and administrative expense.

Patent Costs

All patent-related costs incurred in connection with filing and prosecuting patent applications are expensed as incurred due to the uncertainty about the recovery of the expenditure. Amounts incurred are classified as general and administrative expenses.

Stock-Based Compensation

The Company measures stock-based option awards granted to employees, consultants and directors based on their fair value on the date of grant using the Black-Scholes option-pricing model. The fair value of restricted stock units is determined based on the number of shares granted and the closing price of our common stock quoted on the Nasdaq Global Market on the date of grant. Compensation expense for those awards is recognized, net of estimated forfeitures, over the requisite service period, which is generally the vesting period of the respective award. The straight-line method of expense recognition is applied to all awards with service-only conditions, while the graded vesting method is applied to all grants with both service and performance conditions.

The Company classifies stock-based compensation expense in its consolidated statements of operations in the same manner in which the award recipient's payroll costs are classified or in which the award recipient's service payments are classified.

Other Comprehensive Income (Loss)

Other comprehensive income (loss) refers to revenues, expenses, gains and losses that are excluded from net loss as these amounts are recorded directly as an adjustment to shareholders' equity, net of tax. The Company's other comprehensive income was composed of foreign currency translation adjustments and unrealized gain or loss on marketable securities.

Net Income (Loss) per Share

The Company has one class of shares outstanding and basic net income (loss) per common share is computed by dividing the net income (loss) by the weighted average number of shares of common stock outstanding for the period. Diluted net income (loss) per common share is computed by dividing net income (loss) by the weighted average number of shares of common stock outstanding for the period, including potential dilutive common shares assuming the dilutive effect of any potential dilutive securities outstanding for the fiscal year. Potential dilutive securities include warrants, stock options, restricted stock units, and shares to be purchased under the Company's employee stock purchase plan. For periods in which the Company reports a net loss, diluted net loss per common share is the same as basic net loss per common share since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive.

Business Combinations

Under the acquisition method of accounting, the Company generally recognizes the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the date of acquisition. The fair values assigned, defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between willing market participants, are based on estimates and assumptions determined by management. The excess consideration over the aggregate value of tangible and intangible assets, net of liabilities assumed, is recorded as goodwill. These valuations require significant estimates and assumptions, especially with respect to intangible assets.

The Company estimates the fair value of the contingent consideration earnouts using the Monte Carlo Simulation or probability weighted scenario depending on the nature of the contingent consideration and update the fair value of the contingent consideration at each reporting period based on the estimated probability of achieving the earnout targets and applying a discount rate that captures the risk associated with the expected contingent payments. To the extent that these estimates change in the future regarding the likelihood of achieving these targets, the Company may need to record material adjustments to its contingent consideration liability. Such changes in the fair value of contingent consideration are recorded as change in fair value of contingent consideration in the consolidated statements of operations.

The Company uses the income approach to determine the fair value of certain identifiable intangible assets including customer relationships and developed technology. This approach determines fair value by estimating after-tax cash flows attributable to these assets over their respective useful lives and then discounting these after-tax cash flows back to a present value. The Company bases its assumptions on estimates of future cash flows, expected growth rates, expected trends in technology, probabilities of customer renewals, etc. The Company bases the discount rates used to arrive at a present value as of the date of acquisition on the time value of money and certain industry-specific risk factors. The Company believes the estimated purchased customer relationships, developed technology, software and trade name amounts determined represent the fair value at the date of acquisition and do not exceed the amount a third-party would pay for the assets.

Income Taxes

The Company accounts for income taxes using the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been recognized in the consolidated financial statements or in the Company's tax returns. Deferred tax assets and liabilities are determined on the basis of the differences between the financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Changes in deferred tax assets and liabilities are

recorded in the provision for income taxes. The Company assesses the likelihood that its deferred tax assets will be recovered from future taxable income and, to the extent it believes, based upon the weight of available evidence, that it is more likely than not that all or a portion of the deferred tax assets will not be realized, a valuation allowance is established through a charge to income tax expense. Potential for recovery of deferred tax assets is evaluated by estimating the future taxable profits expected and considering prudent and feasible tax planning strategies.

The Company accounts for uncertainty in income taxes recognized in the consolidated financial statements by applying a two-step process to determine the amount of tax benefit to be recognized. First, the tax position must be evaluated to determine the likelihood that it will be sustained upon external examination by the taxing authorities. If the tax position is deemed more-likely-than-not to be sustained, the tax position is then assessed to determine the amount of benefit to recognize in the consolidated financial statements. The amount of the benefit that may be recognized is the largest amount that has a greater than 50% likelihood of being realized upon ultimate settlement. The provision for income taxes includes the effects of any resulting tax reserves, or unrecognized tax benefits, which are considered appropriate as well as the related net interest and penalties.

Recently Issued Accounting Pronouncements

In November 2024, the FASB issued ASU 2024-03, *Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures* (Subtopic 220-40): Disaggregation of Income Statement Expenses. The new standard requires additional disclosure of the nature of expenses included in the income statement as well as disclosures about specific types of expenses included in the expense captions presented in the income statement. ASU 2024-03 is effective for annual periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. The Company is currently evaluating the impact of the ASU on its consolidated financial statements.

In July 2025, the FASB issued ASU 2025-05, *Financial Instruments - Credit Losses* (Topic 326) to introduce a practical expedient to calculating current expected credit loss by assuming that the current conditions as of the balance sheet date will not change for the remaining life of the asset. This expedient can only be applied to current accounts receivable and current contract assets. ASU 2025-05 is effective for annual reporting periods beginning after December 15, 2025 and interim periods within those annual periods, and this update is applied prospectively. Early adoption is permitted in both interim and annual periods in which financials have not been issued. The Company is currently assessing the impact of the adoption of this guidance.

Recently Adopted Accounting Pronouncements

In December 2023, the FASB issued ASU 2023-09, *Income Taxes* (Topic 740): Improvements to Income Tax Disclosures related to income tax disclosure requirements. The pronouncement enhances the transparency and decision usefulness of income tax disclosures. The pronouncement is effective for annual periods beginning after December 15, 2024. The Company adopted ASU 2023-09 in the fourth quarter of 2025 and applied it prospectively, with no material impact on its consolidated financial statements.

3. Discontinued Operation and TSA

On March 3, 2025, upon board approval of the transaction, the Company classified its Desktop Portfolio as held for sale, and the Company then completed the sale of its Desktop Portfolio to Repligen on March 4, 2025. The Company has determined the sale of the Desktop Portfolio represents a strategic shift that will have a major effect on its business and therefore met the criteria for classification as discontinued operations as of March 3, 2025.

The following table presents the assets and liabilities of the discontinued operations as of December 31, 2024 (in thousands):

	<u>December 31,</u> <u>2024</u>
Assets	
Current assets:	
Cash and cash equivalents	\$ 677
Accounts receivable, net	3,775
Inventory	5,287
Prepaid expenses and other current assets	471
Total current assets of discontinued operations	<u>10,210</u>
Operating lease, right-of-use assets	3,068
Property and equipment, net	1,826
Intangible assets, net	6,582
Other long-term assets	318
Total non-current assets of discontinued operations	<u>11,794</u>
Total assets of discontinued operations	<u>\$ 22,004</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 695
Accrued expenses	1,901
Deferred revenue	1,708
Operating lease liabilities	392
Total current liabilities of discontinued operations	<u>4,696</u>
Operating lease liabilities, net of current portion	2,142
Deferred revenue, net of current portion	466
Deferred income taxes	2,030
Total non-current liabilities of discontinued operations	<u>4,638</u>
Total liabilities of discontinued operations	<u>\$ 9,334</u>

As of December 31, 2025, there were no assets or liabilities of discontinued operations, as the Company completed the sale of its Desktop Portfolio to Repligen on March 4, 2025.

The following table presents the gain on the sale of the Desktop Portfolio as of December 31, 2025, pursuant to the Securities and Asset Purchase Agreement by and between the Company and Repligen, dated as of the Closing Date (the “Repligen Purchase Agreement”) (in thousands):

Consideration received	
Payment for fair value transferred for Desktop Portfolio ⁽¹⁾⁽²⁾⁽³⁾	\$ 69,909
Net assets transferred	
Cash	\$ 189
Accounts receivable ⁽³⁾	1,080
Inventory	5,418
Prepaid expenses and other current assets ⁽³⁾	333
Property and equipment, net	1,668
Operating lease right-of-use assets	2,983
Intangible assets and other long-term assets	6,489
Accounts payable	(208)
Accrued expenses and other current liabilities	(552)
Deferred revenue	(2,362)
Operating lease liabilities	(2,471)
Deferred income taxes	(2,034)
Net assets transferred	<u>\$ 10,533</u>
Transaction costs	
Release of cumulative translation adjustment under 908 Devices GmbH	\$ (4,373)
Gain on sale, pre-tax	1,125
Income tax	<u>\$ 56,128</u>
Gain on sale, net of tax	<u>(188)</u>
	<u>\$ 55,940</u>

- (1) The Cash payment consists of \$70.0 million, less fees and other working capital adjustments of \$0.1 million.
- (2) The Cash payment also consists of \$3.5 million to be held in escrow for a period of 15 months after the Closing Date, as a source of recovery for possible indemnification claims by Repligen, and \$0.5 million to be held in escrow until the final determination of the purchase price, as a source of recovery for any negative net working capital adjustment to the purchase price.
- (3) Working capital adjustments in the net amount of less than \$0.1 million were subsequently recognized for Accounts receivable, Prepaid expenses and other current assets and agreed upon with Repligen in the quarter ended September 30, 2025.

For the year ended December 31, 2025, the gain from sale of the Desktop Portfolio, net of tax of \$55.9 million was included in the net income (loss) from discontinued operations, net of tax on the Company’s consolidated statements of operations.

The following table presents the financial results of the discontinued operations prior to the sale of the Desktop Portfolio (in thousands):

	Year Ended December 31,	
	2025	2024
Revenue:		
Product revenue	\$ 612	\$ 8,392
Service and contract revenue	464	3,493
Total revenue	<u>1,076</u>	<u>11,885</u>
Cost of revenue:		
Product cost of revenue	571	4,258
Service and contract cost of revenue	340	2,270
Total cost of revenue	<u>911</u>	<u>6,528</u>
Gross profit	<u>165</u>	<u>5,357</u>
Operating expenses:		
Research and development	1,576	10,507
Selling, general and administrative	1,668	14,175
Total operating expenses	<u>3,244</u>	<u>24,682</u>
Other income (expense), net:		
Gain on divestiture	56,128	—
Other expense, net	(95)	(23)
Total other income (expense), net	<u>56,033</u>	<u>(23)</u>
Income (loss) from discontinued operations before income taxes	\$ 52,954	\$ (19,348)
Income tax (expense) benefit	(188)	282
Net income (loss) from discontinued operations, net of tax	<u>\$ 52,766</u>	<u>\$ (19,066)</u>

In accordance with ASC 205-20, only expenses specifically identifiable and related to a business to be disposed may be presented in discontinued operations. As such, the research and development and general and administrative expenses in discontinued operations only include corporate costs incurred directly to support the Desktop Portfolio.

The Company has also entered into a TSA with Repligen, through which the Company provides certain technology, financial, manufacturing and other operational transition services to Repligen for a period of time, and maintains the personnel and facilities required to provide such services for the duration specified for each such service. Income from TSA, net of directly identifiable costs, is included as income from transition services agreement, net under other income, net. The majority of the services and obligations under the TSA were concluded as of the third quarter of 2025; however, certain accounting and operation support services have been extended through June 30, 2026.

As of December 31, 2025, \$2.3 million has been billed to Repligen and \$2.2 million has been paid by Repligen for transition services performed by the Company. The Company owes Repligen less than \$0.1 million related to the payments and collection services provided under the TSA as of December 31, 2025.

The cash flows related to discontinued operations have not been segregated and are included in the consolidated statements of cash flows. For the year ended December 31, 2024, depreciation and amortization expense related to the Desktop Portfolio was \$1.7 million, share based compensation expense was \$3.5 million and amortization of right-of-use operating lease assets was \$0.5 million. Excluding the gain of \$55.9 million recognized on the sale of the Desktop Portfolio presented in the consolidated statements of cash flows for the year ended December 31, 2025, there were no other material operating or investing non-cash items related to the Desktop Portfolio for either period presented.

4. Fair Value Measurements

The following tables present the Company's fair value hierarchy for its assets and liabilities that are measured at fair value on a recurring basis (in thousands):

	Fair Value Measurements at December 31, 2025 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents - Money market funds	\$ 30,040	\$ —	\$ —	\$ 30,040
Marketable securities - U.S. Treasury securities due in 3 - 12 months	—	42,453	—	42,453
Total assets measured at fair value	<u>\$ 30,040</u>	<u>\$ 42,453</u>	<u>\$ —</u>	<u>\$ 72,493</u>
Other current liabilities:				
Acquisition-related contingent consideration	—	—	16,025	16,025
Total liabilities measured at fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 16,025</u>	<u>\$ 16,025</u>

	Fair Value Measurements at December 31, 2024 Using:			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents - Money market funds	\$ 20,857	\$ —	\$ —	\$ 20,857
Marketable securities - U.S. Treasury securities due in 3 - 12 months	—	25,568	—	25,568
Total assets measured at fair value	<u>\$ 20,857</u>	<u>\$ 25,568</u>	<u>\$ —</u>	<u>\$ 46,425</u>
Other long-term liabilities:				
Acquisition-related contingent consideration	—	—	2,284	2,284
Total liabilities measured at fair value	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,284</u>	<u>\$ 2,284</u>

Money Market Funds

Money market funds were valued by the Company based on quoted market prices, which represent a Level 1 measurement within the fair value hierarchy. There were no transfers between Level 1, Level 2 or Level 3 during the years ended December 31, 2025 or 2024.

Marketable Securities

U.S. treasury securities were valued by the Company using quoted prices in active markets for similar securities, which represent a Level 2 measurement within the fair value hierarchy.

Contingent Consideration

The Company recognizes acquisition-related contingent consideration which represents the estimated fair value of future payments or issuance of the Company's common stock to the former owners of an acquired entity as part of certain transactions. Acquisition-related contingent consideration is measured and reported at fair value using the Monte Carlo simulation method or probability weighted scenario based on the unobservable inputs, which are significant to the fair value and classified with Level 3 of the fair value hierarchy.

For the acquisition of RedWave in April 2024, the amount of contingent consideration to be issued is contingent based on the amount of revenue the Company generates from the sale of certain RedWave products and services during the two-year period from May 1, 2024 through April 30, 2026. As of the acquisition date of RedWave, the fair value of the contingent consideration was estimated using a Monte Carlo simulation, utilizing the closing price of the Company's common stock on the Nasdaq Global Market of \$5.76 per share, revenue projections, an equity volatility rate of the Company of 90%, a revenue volatility rate of 30% and a discount rate of 26.5%.

As of December 31, 2025, the fair value of the contingent consideration was estimated utilizing the closing price of the Company's common stock on the Nasdaq Global Market of \$5.25 per share, revenue projections, an equity volatility rate of the Company of 75%, a revenue volatility rate of 24.0% and a discount rate of 25.2%. The fair value of contingent consideration increased by \$13.7 million during the year ended December 31, 2025, primarily due to the change in the Company's stock price and the revenue projections, which include the recent launch of VipIR. The following table provides a roll-forward of the fair value of the Company's contingent consideration, for which fair value is determined using Level 3 inputs (in thousands):

Balance as of December 31, 2023	\$	500
Acquisition date fair value of contingent consideration - RedWave acquisition		15,500
Decrease in fair value of contingent consideration earnouts		(13,216)
Contingent consideration payment		(500)
Balance as of December 31, 2024	<u>\$</u>	<u>2,284</u>
Increase in fair value of contingent consideration earnouts		13,741
Acquisition date fair value of contingent consideration - KAF acquisition		729
Contingent consideration payment - KAF		(729)
Balance as of December 31, 2025	<u>\$</u>	<u>16,025</u>

The change in the fair value of contingent consideration liability is included in loss from operations.

Please refer to Note 19, *Acquisition*, for further detail on RedWave acquisition. Changes in the fair value of contingent consideration resulting from a change in the underlying inputs are recognized in our consolidated statements of operations until the arrangement is settled.

5. Marketable Securities

Marketable securities by security type consisted of the following (in thousands):

	December 31, 2025				Fair Value
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Credit Losses	
Marketable securities - U.S. Treasury securities	\$ 42,399	\$ 54	\$ —	\$ —	\$ 42,453

	December 31, 2024				Fair Value
	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Credit Losses	
Marketable securities - U.S. Treasury securities	\$ 25,555	\$ 13	\$ —	\$ —	\$ 25,568

As of December 31, 2025 and 2024, marketable securities consisted of investments that mature within one year. The Company purchased a total of approximately \$64.0 million of U.S. treasury securities during the year ended December 31, 2025. The U.S. treasury securities that matured were approximately \$47.8 million and none were sold before maturity. Interest earned on maturities of marketable securities is \$1.8 million and \$1.4 million for the years ended December 31, 2025 and 2024, respectively.

6. Inventory

Inventory consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Raw materials	\$ 9,560	\$ 7,366
Work-in-progress	988	1,355
Finished goods.....	2,442	2,165
	<u>\$ 12,990</u>	<u>\$ 10,886</u>

During the years ended December 31, 2025 and 2024, the Company made non-cash transfers of demonstration equipment from inventory to property and equipment of \$1.0 million and \$0.7 million, respectively.

7. Property and Equipment, Net

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

	December 31, 2025	December 31, 2024
Laboratory and demonstration equipment.....	\$ 5,080	\$ 3,812
Standard tools and machinery	2,222	—
Computer equipment and software	293	337
Furniture and fixtures	282	481
Construction in progress.....	—	41
Leasehold improvements	763	477
	<u>8,640</u>	<u>5,148</u>
Less: Accumulated depreciation and amortization.....	(4,408)	(3,553)
	<u>\$ 4,232</u>	<u>\$ 1,595</u>

Depreciation expense amounted to \$1.3 million and \$1.0 million in each of the years ended December 31, 2025 and 2024, respectively.

8. Goodwill and Intangible Assets, net

Goodwill

The Company carried no goodwill balance for the year ended December 31, 2025 and 2024, respectively. The following is a rollforward of the Company's goodwill balance (in thousands):

	Year Ended December 31, 2024
Balances at beginning of period	\$ 10,367
Goodwill acquired	30,160
Goodwill impairment	(40,659)
Foreign currency impact	132
Balances at end of period	<u>\$ —</u>

The Company evaluates goodwill at least annually on November 1, as well as whenever events or changes in circumstances suggest that the carrying amount may not be recoverable.

As a result of sustained decreases in the Company's publicly quoted share price and market capitalization during the third quarter of 2024, the Company determined that there was a triggering event for its goodwill, definite-lived intangible assets, and other long-lived assets as of September 30, 2024.

The Company assessed the definite-lived intangible assets and other long-lived assets for impairment by comparing the undiscounted cash flows for each of these assets to their respective carrying value. The undiscounted cash flows for each of these assets was in excess of their respective carrying value and, as a result, the Company concluded that there was no impairment for these assets. The significant estimates used in fair value methodology, which are based on Level 3 inputs, include the Company's expectations for future operations and projected cash flows, including revenue, gross margin and operating expenses.

In performing the quantitative assessment of goodwill, the reporting unit's carrying amount exceeded its fair value. The Company estimated the reporting unit's fair value based on the market capitalization and a related control premium of 20% (reflecting the amount that would be paid by a new controlling shareholder for the benefits resulting from synergies and other potential benefits derived from controlling the acquired company). The Company evaluated the implied control premium by comparing it to control premiums or discounts of recent comparable market transactions, as applicable. As a result of the interim quantitative impairment assessment, the Company recorded a \$30.5 million noncash goodwill impairment charge during the third quarter of 2024.

As a result of sustained decreases in the Company's publicly quoted share price and market capitalization during the fourth quarter of 2024, the Company determined that there was a triggering event for its goodwill, definite-lived intangible assets, and other long-lived assets as of December 31, 2024.

The Company assessed the definite-lived intangible assets and other long-lived assets for impairment by comparing the undiscounted cash flows for each of these assets to their respective carrying value. The undiscounted cash flows for each of these assets was in excess of their respective carrying value and, as a result, the Company concluded that there was no impairment for these assets. The significant estimates used in fair value methodology, which are based on Level 3 inputs, include the Company's expectations for future operations and projected cash flows, including revenue, gross margin and operating expenses.

In performing the quantitative assessment of goodwill, the reporting unit's carrying amount exceeded its fair value. The Company estimated the reporting unit's fair value based on the market capitalization and a related control premium of 20%. The Company evaluated the implied control premium by comparing it to control premiums or discounts of recent comparable market transactions, as applicable. As a result of the interim quantitative impairment assessment, the Company recorded an additional \$10.6 million noncash goodwill impairment charge for the three months ended December 31, 2024 to fully impair the carrying amount of goodwill.

Intangible Assets, net

Intangible assets, net consists of the following (in thousands):

	December 31, 2025		
	Cost	Accumulated Amortization	Net Book Value
Customer Relationships	\$ 3,122	\$ (559)	\$ 2,563
Developed Technology	38,080	(4,231)	33,849
	<u>\$ 41,202</u>	<u>\$ (4,790)</u>	<u>\$ 36,412</u>

	December 31, 2024		
	Cost	Accumulated Amortization	Net Book Value
Customer Relationships	\$ 2,500	\$ (208)	\$ 2,292
Developed Technology	38,080	(1,693)	36,387
	<u>\$ 40,580</u>	<u>\$ (1,901)</u>	<u>\$ 38,679</u>

Amortization expense for intangible assets was recorded in the following expense categories of its consolidated statements of operations (in thousands):

	December 31,	
	2025	2024
Cost of revenue	\$ 2,539	\$ 1,692
Selling, general and administrative expenses	351	208
	<u>\$ 2,890</u>	<u>\$ 1,900</u>

Estimated future amortization expense for the intangible assets as of December 31, 2025 is as following (in thousands):

2026	\$ 2,929
2027	2,929
2028	2,929
2029	2,929
2030	2,929
Thereafter	21,767
	<u>\$ 36,412</u>

9. Accrued Expenses

Accrued expenses consisted of the following (in thousands):

	December 31, 2025	December 31, 2024
Accrued employee compensation and benefits	\$ 4,877	\$ 5,144
Accrued warranty	819	877
Accrued professional fees	451	785
Accrued other	691	389
	<u>\$ 6,838</u>	<u>\$ 7,195</u>

Changes in the Company's product warranty obligation are as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Accrual balance at beginning of period	\$ 877	\$ 851
Provision for new warranties	1,363	1,346
Settlements and adjustments made during the period	(1,421)	(1,320)
Accrual balance at end of period	<u>\$ 819</u>	<u>\$ 877</u>

10. Restructuring

In November 2024, the Company announced an organizational restructuring to strengthen operational efficiencies. As part of the organizational restructuring, and to reduce the Company's annual cash burn, the Company implemented

an approximately 11% workforce reduction to rationalize the Company’s bioprocessing and life science instrumentation investments in sales, marketing and research and development during the current slower growth market environment. In addition, the Company transitioned manufacturing operations from Boston, Massachusetts to Danbury, Connecticut in June 2025.

In June 2025, the Company abandoned its Boston facility in connection with transitioning manufacturing operations from Boston into Danbury and moved its corporate headquarters to Burlington, Massachusetts. The Company had no intention to sublease or utilize the space for the remaining lease term, resulting in the right-use assets to be abandoned. The Company recorded a \$1.0 million restructuring charge for the lease abandonment, including its remaining right-of-use asset, utilities and other costs. The Company made full payment of such charges in June 2025, including the rents. The organizational and facility restructurings were substantially completed in June 2025.

The following table sets forth the activity in the severance and related costs accruals for the years ended December 31, 2025 and 2024 (in thousands):

	<u>Facility, moving and related costs</u>	<u>Abandonment charges and related costs</u>	<u>Severance & Employee related costs</u>	<u>Total</u>
Balance at December 31, 2023	\$ —	\$ —	\$ —	\$ —
Restructuring charges	—	—	710	710
Cash payments	—	—	(641)	(641)
Other, non-cash adjustments	—	—	—	—
Balance at December 31, 2024	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 69</u>	<u>\$ 69</u>
Restructuring charges	314	724	460	1,498
Cash payments	(314)	(9)	(529)	(852)
Other, non-cash adjustments	—	(715)	—	(715)
Balance at December 31, 2025	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>

For the year ended December 31, 2025, the Company incurred approximately \$1.5 million of expenses related to the restructuring. Of the \$1.5 million restructuring expenses in the year ended December 31, 2025, \$1.0 million is related to the Company’s headquarters operating lease related ROU asset abandonment recorded under general and administrative expense and other expense. Severance and employee benefits is \$0.5 million, of which \$0.3 million was recorded under cost of revenue and \$0.2 million was recorded under research and development.

For the year ended December 31, 2024, the Company incurred approximately \$0.7 million of expenses related to the restructuring. These expenses were primarily for cash payments of severance and employee benefits, majority of which was paid as of December 31, 2024 and less than \$0.1 million was recorded in accrued liabilities as of December 31, 2024.

11. Long-Term Debt

Loan Revolver

On November 2, 2022, the Company entered into the 2022 Revolver.

On August 4, 2023, the Company entered into the Amended 2022 Revolver, by and between the Company, as borrower, and SVB, as lender. On September 15, 2025, the Amended 2022 Revolver was extended to February 2, 2026, and on February 5, 2026, the Amended 2022 Revolver was extended to April 2, 2026. The Amended 2022 Revolver provides for a revolving line of credit of up to \$10.0 million. The Company is permitted to make interest-only payments on the revolving line of credit through April 2, 2026, at which time all outstanding indebtedness shall be immediately due and payable. The outstanding principal amount of any advance shall accrue interest at a floating rate per annum equal to the greater of (i) four and one-half percent (4.50%) and (ii) the “prime rate” as published in The Wall Street

Journal for the relevant period minus one-half percent (0.50%). The Company’s obligations under the Amended 2022 Revolver are secured by substantially all of the Company’s assets, excluding its intellectual property, which is subject to a negative pledge.

Pursuant to the Amended 2022 Revolver, SVB waived filing any legal action or instituting or enforcing any rights and remedies it may have had against the Company in connection with the Company’s failing to maintain all of its operating accounts, depository accounts and excess cash with SVB, as previously required prior to the effectiveness of the Amended 2022 Revolver.

The Amended 2022 Revolver also contains certain financial covenants, including requirements that the Company maintain \$20.0 million on account at or through SVB and that the amount of unrestricted and unencumbered cash minus advances under the Amended 2022 Revolver is not less than the amount equal to the greater of (i) \$10.0 million or (ii) nine (9) months of cash burn. The Amended 2022 Revolver contains customary representations and warranties, as well as certain non-financial covenants, including limitations on, among other things, the Company’s ability to change the principal nature of its business, dispose of the Company’s business or property, engage in any change of control transaction, merge or consolidate with any other entity or to acquire all or substantially all the capital stock or property of another entity, incur additional indebtedness or liens, pay dividends or make other distributions on capital stock, redeem the Company’s capital stock, engage in transactions with affiliates or otherwise encumber the Company’s intellectual property, in each case, subject to customary exceptions.

On March 5, 2026, the Company entered into the Amended 2026 Revolver by and between the Company, as borrower, and SVB, as lender. The Amended 2026 Revolver provides for a revolving line of credit of up to \$20.0 million. The Amended 2026 Revolver supersedes and replaces the Amended 2022 Revolver and its extension upon the execution of the Amended 2026 Revolver. The Company is permitted to make interest-only payments on the revolving line of credit through March 5, 2028, at which time all outstanding indebtedness shall be immediately due and payable. The outstanding principal amount of any advance shall accrue interest at a floating rate per annum equal to the greater of (i) six percent (6.00%) or (ii) the “prime rate” as published in The Wall Street Journal. The Company’s obligations under the Amended 2026 Revolver are secured by substantially all of the Company’s assets, excluding its intellectual property, which is subject to a negative pledge.

12. Income Taxes

Loss before income taxes for continuing operations for the years ended December 31, 2025 and 2024 consisted of the following (in thousands):

	December 31,	
	2025	2024
Domestic	\$ (33,343)	\$ (53,140)
Foreign	—	—
	<u>\$ (33,343)</u>	<u>\$ (53,140)</u>

The provision for income taxes for the years ended December 31, 2025 and 2024 consisted of the following (in thousands):

	December 31,	
	2025	2024
Current tax expense (benefit):		
Federal	\$ —	\$ —
State	48	—
Foreign	(114)	—
	<u>(66)</u>	<u>—</u>
Deferred tax expense (benefit):		
Federal	—	—
State	—	—
Foreign	—	—
Total tax benefit	<u>\$ (66)</u>	<u>\$ —</u>

As further described in Note 2, *Summary of Significant Accounting Policies*, we have elected to prospectively adopt the guidance in ASU 2023-09. The following table is a reconciliation of our effective income tax rate to the statutory federal income tax rate for the year ended December 31, 2025 in accordance with the guidance in ASU 2023-09:

	Year Ended December 31,	
	2025	
	Amount	Percent
Federal statutory income tax rate	\$ (7,002)	(21.0)%
State income taxes, net of federal benefit ⁽¹⁾	38	0.1
Foreign tax effects	(113)	(0.3)
Tax credits - research and development tax credits	(444)	(1.3)
Change in valuation allowance	6,234	18.7
Nontaxable or nondeductible items		
Shortfall on stock option exercises	1,032	3.1
Other	108	0.3
Other	81	0.2
Effective income tax rate	<u>\$ (66)</u>	<u>(0.2)%</u>

⁽¹⁾ State taxes in Massachusetts and California made up the majority (greater than 50 percent) of the tax effect in this category.

A reconciliation of the U.S. federal statutory income tax rate to the Company's effective income tax rate for the year ended December 31, 2024, prior to our adoption of ASU 2023-09, is as follows:

	Year Ended December 31,
	2024
Federal statutory income tax rate	(21.0)%
State income taxes, net of federal benefit	(3.0)
Federal and state research and development tax credits	(2.7)
Nondeductible items	4.4
Change in valuation allowance	<u>22.1</u>
Effective income tax rate	<u>(0.2)%</u>

Income taxes paid, net of refund received, for the continuing operations during the years ended December 31, 2025 consisted of the following (in thousands):

	<u>December 31,</u> <u>2025</u>
U.S. Federal income taxes	\$ —
U.S. state and local income taxes:	49
Foreign countries	
Germany	(115)
Total income taxes refund	<u>\$ (66)</u>

There were no income taxes paid for the continuing operations during the years ended December 31, 2024.

Significant components of our deferred tax assets and liabilities consisted of the following (in thousands):

	<u>December 31,</u>	
	<u>2025</u>	<u>2024</u>
Deferred tax assets:		
Net operating loss carryforwards	\$ 36,327	\$ 32,162
Tax credit carryforwards	13,039	12,509
Lease liability	1,114	1,571
Deferred Revenue	2,478	2,234
Amortization	7,616	4,658
Accrued expenses and other	5,568	7,033
Capitalization under Section 174(a)	377	10,295
Total deferred tax assets	<u>66,519</u>	<u>70,462</u>
Deferred tax liabilities:		
Right-of-use asset	(1,058)	(1,646)
Total deferred tax liabilities	<u>(1,058)</u>	<u>(1,646)</u>
Valuation allowance	(65,461)	(68,816)
Net deferred tax liabilities	<u>\$ —</u>	<u>\$ —</u>

As of December 31, 2025, the Company had gross federal and state operating loss carryforwards of \$147.0 million and \$94.5 million, respectively. The federal operating loss carryforward may be available to offset future taxable income and begin to expire in 2032, of which \$112.6 million of federal gross operating losses do not expire. As of December 31, 2025, the Company also had U.S. federal and state research and development tax credit carryforwards of \$9.1 million and \$4.9 million, respectively, which may be available to offset future tax liabilities and begin to expire in 2032 and 2030, respectively.

Utilization of the U.S. federal and state net operating loss carryforwards and research and development tax credit carryforwards may be subject to a substantial annual limitation under Sections 382 and 383 of the Internal Revenue Code of 1986, and corresponding provisions of state law, due to ownership changes that have occurred previously or that could occur in the future. These ownership changes may limit the amount of carryforwards that can be utilized annually to offset future taxable income or tax liabilities. In general, an ownership change, as defined by Section 382, results from transactions increasing the ownership of certain stockholders or public groups in the stock of a corporation by more than 50% over a three-year period.

The Company conducted a study to assess whether a change of control has occurred or whether there have been multiple changes of control since inception through March 31, 2025 and has determined that two historic ownership changes have occurred as defined by Section 382. Both ownership changes are not expected to have a material impact to the Company's net operating loss carryforwards or research and development tax credit carryforwards as these net

operating losses and tax credit carryforwards may be utilized, subject to annual limitation, assuming sufficient taxable income is generated before expiration.

The Company has not conducted a study to document qualified activities for research and development tax credits generated. Such a study may result in an adjustment to the Company’s research and development tax credit carryforwards; however, until a study is completed, and any adjustment is known, no amounts are being presented as an uncertain tax position.

The Company has evaluated the positive and negative evidence bearing upon its ability to realize the deferred tax assets. Management has considered the Company’s history of cumulative net operating losses incurred since inception and has concluded that it is more likely than not that the Company will not realize the benefits of the deferred tax assets. Accordingly, as of December 31, 2025 and 2024, a full valuation allowance has been established against the net deferred tax assets, except for deferred tax liabilities recorded under our foreign jurisdiction, which amounted to none and \$2.0 million as of December 31, 2025 and 2024, respectively.

Changes in the valuation allowance for deferred tax assets related primarily to the change in capitalization under Section 174(a) and net operating loss carryforwards and were as follows (in thousands):

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Valuation allowance as of beginning of year	\$ 68,816	\$ 52,825
(Decreases) increases recorded to income tax provision	<u>(3,355)</u>	<u>15,991</u>
Valuation allowance as of end of year	<u>\$ 65,461</u>	<u>\$ 68,816</u>

As of December 31, 2025 and 2024, the Company had not recorded any amounts for unrecognized tax benefits. The Company’s policy is to record interest and penalties related to income taxes as part of its income tax provision. As of December 31, 2025 and 2024, the Company had no accrued interest or penalties related to uncertain tax positions and no amounts had been recognized in the Company’s consolidated statements of operations. The Company files income tax returns as prescribed by the tax laws of the jurisdictions in which it operates. In the normal course of business, the Company is subject to examination by federal and state jurisdictions, where applicable. The Company is open to future tax examination under statute from 2020 to the present; however, carryforward attributes that were generated prior to 2020 may still be adjusted upon examination by federal, state, or local tax authorities if they either have been or will be used in a future period. The Company has not received notice of examination by any other jurisdictions for any other tax year open under statute.

On July 4, 2025, the United States Congress passed budget reconciliation bill H.R. 1 referred to as the One Big Beautiful Bill (“OBBB”). The OBBB contains several changes to corporate taxation including modifications to capitalization of research and development expenses, limitations on deductions for interest expense and accelerated fixed asset depreciation. While the Company continues to assess the impact of the tax provisions of the OBBB on our consolidated financial statements, the Company currently believes that the tax provisions of the legislation are not expected to have a material impact on its operations. The impacts of the OBBB are not material to the 2025 consolidated financial statements; however, impacts to future periods will continue to be evaluated.

13. Warrants

As of December 31, 2025 and 2024, the Company had outstanding warrants for the purchase of 92,703 shares of common stock at an exercise price of \$9.17 per share, of which warrants for the purchase of 49,078 shares and 43,625 shares expire in 2027 and 2028, respectively. The warrants are recorded within stockholders’ equity.

14. Equity

Preferred Stock

On December 22, 2020, the Company filed a restated certificate of incorporation in the State of Delaware, which, among other things, restated the number of shares of all classes of stock that the Company has authority to issue to 105,000,000 shares, consisting of (i) 100,000,000 shares of common stock, \$0.001 par value per share, and (ii) 5,000,000 shares of preferred stock, \$0.001 par value per share. The preferred stock will have such rights, preferences, privileges and restrictions, including voting rights, dividend rights, conversion rights, redemption privileges and liquidation preferences, as shall be determined by the Company's board of directors upon issuance. The shares of preferred stock are currently undesignated.

Common Stock

Each share of common stock entitles the holder to one vote on all matters submitted to a vote of the Company's stockholders. Common stockholders are not entitled to receive dividends, unless declared by the board of directors.

15. Stock-Based Compensation

2012 Stock Option and Grant Plan

The Company's 2012 Stock Option and Grant Plan (the "2012 Plan") provided for the Company to sell or issue incentive stock options or nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units and other stock-based awards to employees, directors, and non-employee consultants of the Company. The 2012 Plan was administered by the board of directors or, at the discretion of the board of directors, by a committee of the board of directors. The exercise prices, vesting and other restrictions were determined at the discretion of the board of directors, or its committee if so delegated. Following the effectiveness of the Company's 2020 Stock Option and Incentive Plan (the "2020 Plan") in December 2020, no future awards will be made under the 2012 Plan. Additionally, shares underlying awards under the 2012 Plan that expire or are terminated, surrendered, or canceled without the delivery of shares will be available for future awards under the 2020 Plan.

2020 Stock Option and Incentive Plan

On November 23, 2020, the Company's board of directors adopted, and on December 11, 2020, the Company's stockholders approved the 2020 Stock Option and Incentive Plan (the "2020 Stock Plan"), which became effective on December 17, 2020. The 2020 Stock Plan provides for the grant of incentive stock options, nonqualified stock options, stock appreciation rights, restricted stock, restricted stock units, unrestricted stock, unrestricted stock units, dividend equivalent rights and cash-based awards to employees, directors and consultants of the Company. The total number of shares of common stock that may be issued under the 2020 Plan is 1,843,771 shares plus the number of shares underlying awards under the 2012 Plan that expire or are terminated, surrendered, or cancelled without the delivery of shares, are forfeited to or repurchased or otherwise become available again for grant under the 2012 Plan. As of December 31, 2025, 298,079 shares remained available for future issuance under the 2020 Plan. The 2020 Plan provides that the number of shares reserved and available for issuance under the 2020 Plan will automatically increase on each January 1 by 4% of the outstanding number of shares of our common stock on the immediately preceding December 31 or such lesser number of shares as determined by the administrator of the 2020 Stock Plan. On January 1, 2026, the number of shares reserved and available for issuance under the 2020 Plan automatically increased by 1,452,875 shares.

In March 2023, the compensation committee of the Company's board of directors granted an aggregate of 53,794 performance-based restricted stock units, ("Market Condition Based PSUs") under the 2020 Stock Option and Incentive Plan to the Company's chief executive officer. Each PSU is equivalent in value to one share of the Company's common stock. The maximum payout percentage for all PSUs granted by the Company is 100%.

The vesting of the shares underlying the PSUs is subject to the achievement of stock price levels pre-established by the compensation committee at the grant date. The PSUs are subject to the market and service conditions and valued using the Monte Carlo simulation model, which requires certain assumptions, including the risk-free interest rate, expected volatility, and the estimated dividend yield. The risk-free interest rate used in the Monte Carlo simulation model is based on zero-coupon yields implied by U.S. treasury issues with remaining terms similar to the performance period on the PSUs. The performance period of the PSUs represents the period of time between the PSU grant date and the end of the performance period. Expected volatility is based on historical data of the peers and certain indices over the most recent time period equal to the performance period.

In May 2024, 52,084 performance-based restricted stock units, (“Performance Condition Based PSUs”) were granted under the 2020 Plan to employees. Each Performance Condition Based PSU is equivalent in value to one share of the Company’s common stock and related to revenue targets for the period up to April 2026. On January 29, 2025, 26,042 of these units vested, and the balance remains subject to additional performance conditions.

In December 2025, 40,000 Performance Condition Based PSUs were granted under the 2020 Plan to employees. Each Performance Condition Based PSU is equivalent in value to one share of the Company’s common stock and related to booking targets for the period up to June 2026. On January 1, 2026, 22,744 of these units vested, and the balance remains subject to additional performance conditions.

The maximum payout percentage for all performance-based restricted stock units, including Market Condition Based PSUs and Performance Condition Based PSUs, granted by the Company is 100%.

2020 Employee Stock Purchase Plan

On November 23, 2020, the Company’s board of directors adopted, and on December 11, 2020, the Company’s stockholders approved the 2020 Employee Stock Purchase Plan (the “2020 ESPP”), which became effective on December 17, 2020. The 2020 ESPP provides that the number of shares reserved and available for issuance will automatically increase on each January 1 thereafter through January 1, 2030, by the least of (i) 307,295 shares of our common stock, (ii) 1% of the outstanding number of shares of common stock on the immediately preceding December 31, or (iii) such lesser number of shares of common stock as determined by the administrator of the 2020 ESPP. As of December 31, 2025, 506,338 shares remained available for issuance under the 2020 ESPP. During the year ended December 31, 2025 and 2024, the Company issued 104,804 shares and 161,345 shares, respectively, under the 2020 ESPP plan. On January 1, 2026, the number of shares reserved and available for issuance under the 2020 ESPP did not increase pursuant to the determination of the administrator of the 2020 ESPP.

Stock Option Valuation

The fair value of stock option grants and stock-based compensation associated with the 2020 ESPP is estimated using the Black-Scholes option-pricing model. For stock options valued, the Company estimated its expected stock volatility based on the historical volatility of a publicly traded set of peer companies due to limited company-specific historical and implied volatility information. For stock-based compensation associated with the 2020 ESPP, the Company estimated its expected stock volatility based on the volatility of its own traded stock price.

For options with service-based vesting conditions, the expected term of the Company’s stock options has been determined utilizing the “simplified” method for awards that qualify as “plain-vanilla” options. The risk-free interest rate is determined by reference to the U.S. treasury yield curve in effect at the time of grant of the award for time periods equal to the expected term of the award. Expected dividend yield is based on the fact that the Company has never paid cash dividends and does not expect to pay any cash dividends in the foreseeable future.

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

	Year Ended December 31,	
	2025	2024
Risk-free interest rate	4.0 %	4.2 %
Expected volatility	87 %	82 %
Expected dividend yield	—	—
Expected term (in years)	6	6

The following table presents, on a weighted average basis, the assumptions used in the Black-Scholes option-pricing model to determine the grant-date fair value of 2020 ESPP granted:

	Year Ended December 31,	
	2025	2024
Risk-free interest rate	4.1 %	4.8 %
Expected volatility	125 %	71 %
Expected dividend yield	—	—
Expected term (in years)	0.5	0.5

The following table summarizes the Company's option activity for the fiscal year ended December 31, 2025:

	Number of Shares	Weighted Average Exercise Price	Weighted Contractual Term (in years)	Aggregate Intrinsic Value (in thousands)
Outstanding at beginning of period	2,607,362	\$ 7.06	6.5	\$ 451
Granted	483,319	3.93		
Exercised	(228,404)	2.10		
Forfeited or expired	(137,480)	12.03		
Outstanding at end of period	<u>2,724,797</u>	\$ 6.67	6.3	\$ 3,572
Vested and expected to vest at end of period ..	2,669,113	\$ 6.69	6.3	\$ 3,522
Exercisable at end of period	1,962,758	\$ 7.15	5.4	\$ 2,633

The aggregate intrinsic value of stock options is calculated as the difference between the exercise price of the stock options and the fair value of the Company's common stock for those stock options that had exercise prices lower than the fair value of the Company's common stock. The aggregate intrinsic value of stock options exercised during the years ended December 31, 2025 and 2024 was \$0.8 million and \$0.7 million, respectively. As of December 31, 2025, total unrecognized compensation cost related to unvested stock options was \$2.5 million, which is expected to be recognized over a weighted average period of 1.9 years.

The weighted average grant-date fair value of stock options granted during the years ended December 31, 2025 and 2024 was \$2.91 per share and \$5.06 per share, respectively.

The following table summarizes the Company's restricted stock units activity for the fiscal year ended December 31, 2025:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at beginning of period	2,591,139	\$ 8.68
Granted	2,214,471	2.71
Vested and released.	(864,123)	9.20
Forfeited.	<u>(590,550)</u>	8.54
Unvested at end of period.	<u>3,350,937</u>	\$ 4.63

The weighted average grant date fair value for RSUs granted for the years ended December 31, 2025 and 2024 was \$2.71 and \$6.56, respectively. The aggregate intrinsic value of the RSUs vested and released for the years ended December 31, 2025 and 2024 was \$3.1 million and \$3.7 million, respectively.

The remaining unrecognized compensation expense for outstanding restricted stock units as of December 31, 2025 was \$9.1 million and the weighted-average period over which this cost is expected to be recognized is 1.9 years.

The following table summarizes the Company's performance-based restricted stock units activity for the fiscal year ended December 31, 2025:

	<u>Number of Shares</u>	<u>Weighted Average Grant Date Fair Value</u>
Outstanding at beginning of period	105,878	\$ 4.86
Granted	40,000	7.63
Vested and released.	(26,042)	5.76
Forfeited.	<u>—</u>	—
Unvested at end of period.	<u>119,836</u>	\$ 5.59

The weighted average grant date fair value for PSUs granted for the years ended December 31, 2025 and 2024 was \$7.63 and \$5.76, respectively. The aggregate intrinsic value of the PSUs vested and released for the years ended December 31, 2025 and 2024 was \$0.1 million and \$0.2 million, respectively.

The remaining unrecognized compensation expense for outstanding PSUs as of December 31, 2025 was less than \$0.1 million and the weighted-average period over which this cost is expected to be recognized is 0.3 year.

Stock-Based Compensation

The Company recorded stock-based compensation expense in the following expense categories of its consolidated statements of operations and comprehensive income (loss) (in thousands):

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Cost of revenue	\$ 565	\$ 441
Research and development expenses.	2,110	2,044
Selling, general and administrative expenses	7,026	5,948
	<u>\$ 9,701</u>	<u>\$ 8,433</u>

16. Leases

The Company has operating leases for real estate. Lease expiration dates range between 2028 and 2034.

The Company has leases for office space and certain equipment. Some of the leases include options to extend the lease for up to ten years and these options were not included for the purpose of determining the right-of-use assets and associated lease liabilities as the Company determined that the renewal of these leases is not reasonably certain. The leases do not include any restrictions or covenants that had to be accounted for under the lease guidance. All of the leases recorded on the consolidated balance sheets as ROU assets are operating leases.

In July 2025, the Company acquired KAF and entered into an agreement to lease the approximately 11,500 rentable square feet facility in Stamford, Connecticut. The lease commenced in December 2025 for a term of 25 months with total lease costs of approximately \$0.4 million.

In June 2025, the Company entered into a new operating lease agreement in Burlington, Massachusetts. The new lease is for approximately 13,000 rentable square feet and commenced in June 2025 for a term of 50 months with total lease costs of approximately \$1.9 million. The Company abandoned its facility in Boston, Massachusetts to relocate the Company's headquarters and research and development activities to the new Burlington location. See Note 10, *Restructuring*.

In February 2025, the Company entered into a new operating lease agreement in Massachusetts to relocate the machine shop from the Company's headquarters to a lower cost location. The new lease is for approximately 3,500 rentable square feet and commenced in March 2025 for a term of 60 months with total lease costs of approximately \$0.2 million.

In April 2024, the Company acquired an operating lease agreement (the "Danbury Lease") in Danbury, Connecticut as a part of the acquisition of RedWave. The Company entered into an amendment in June 2024 to the Danbury Lease (the "Amended Danbury Lease"). Under the Amended Danbury Lease, the Company included an additional 9,000 square feet, representing its currently occupied space on the first floor, for a total of approximately 38,000 square feet and extended the term of the Danbury Lease for a new ten-year term. The Amended Danbury Lease is accounted for as a lease modification, which resulted in two new separate operating leases which are the original lease space (the "first floor lease") and the expanded space (the "third floor lease"). The lease term of the first floor lease commenced in June 2024, which was the point at which the Company obtained control of the leased premises. On the commencement date of the first floor lease, the Company recorded a right-of-use asset and lease liability of \$0.6 million, respectively, and is accounted for as an operating lease. In August 2024, the Company obtained control of the expanded space under the third floor lease, and with occupancy began the term of 10 years. On the commencement date the Company recorded a right-of-use asset and lease liability of \$2.1 million, respectively, and is accounted for as an operating lease.

The components of lease expense under ASC 842 were as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Operating lease cost	\$ 1,379	\$ 2,030
Short-term lease cost	155	106
Variable lease cost	52	147
	\$ 1,586	\$ 2,283

Supplemental disclosure of cash flow information related to leases was as follows (in thousands):

	Year Ended December 31,	
	2025	2024
Cash paid for amounts included in the measurement of operating lease liabilities . . .	\$ 1,977	\$ 2,021
Operating lease liabilities arising from obtaining right-of-use assets	\$ 2,189	\$ 2,740

The weighted-average remaining lease term and discount rate were as follows:

	Year Ended December 31,	
	2025	2024
Weighted-average remaining lease term - operating leases (in years)	6.25	6.59
Weighted-average discount rate - operating leases	7.5 %	8.5 %

The interest rate implicit in lease contracts is typically not readily determinable and as such, the Company uses its incremental borrowing rate based on information available at the lease commencement date, which represents an internally developed rate that would be incurred to borrow, on a collateralized basis, over a similar term, an amount equal to the lease payments in a similar economic environment.

Future annual minimum lease payments under operating leases as of December 31, 2025 are as follows (in thousands):

2026	\$	1,066
2027		1,095
2028		953
2029		771
2030		457
Thereafter		<u>1,641</u>
Total future minimum lease payments		5,983
Less: imputed interest		<u>(1,355)</u>
Total operating lease liabilities	\$	<u><u>4,628</u></u>

17. Commitments and Contingencies

Operating Leases

The Company’s commitments under its leases are described in Note 16, *Leases*.

Royalty Arrangements

The Company has entered into royalty arrangements whereby the Company owes low- to mid-single digit royalty percentages related to revenue that is derived pursuant to in-licensed technologies. These royalties are calculated as a percent of revenue or on a per component basis, depending on the arrangement. Royalty obligations are expensed when incurred or over the minimum royalty periods and have not been material.

401(k) Savings Plan

The Company has a defined-contribution savings plan under Section 401(k) of the Internal Revenue Code. This plan covers substantially all employees who meet minimum age and service requirements and allows participants to defer a portion of their annual compensation on a pre-tax basis. Company contributions to the plan may be made at the discretion of the board of directors. The Company made contributions of \$0.4 million and \$0.3 million for the years ended December 31, 2025 and 2024, respectively.

Contingent Consideration – Earnout from acquisition of RedWave Technology

The Company may be obligated to issue up to an additional 4,000,000 unregistered shares of the Company’s common stock as contingent consideration to the Beneficial Sellers in connection with the acquisition of RedWave, based on the amount of revenue the Company generates from the sale of certain RedWave products and services during

the two-year period from May 1, 2024 through April 30, 2026, as set forth in more detail the Purchase Agreement. If the earnout revenue achieved during the period is at least \$37 million, the Company will be obligated to issue at least 1,000,000 contingent shares, which number of contingent shares will be increased based on the amount of earnout revenue achieved during the period, up to a maximum of 4,000,000 contingent shares for earnout revenue equal to or greater than \$45 million. The earnout revenue also may include certain qualified bookings credit, as defined in the Purchase Agreement, for certain RedWave products in the event that earnout revenue is otherwise above \$37 million. No contingent shares will be issued if the earnout revenue achieved during the period is less than \$37 million. See Note 4, *Fair Value Measurements*.

Indemnification Agreements

In the ordinary course of business, the Company may provide indemnification of varying scope and terms to vendors, lessors, business partners and other parties with respect to certain matters including, but not limited to, losses arising out of breach of such agreements or from intellectual property infringement claims made by third parties. In addition, the Company has entered into indemnification agreements with its executive officers and members of its board of directors that will require the Company, among other things, to indemnify them against certain liabilities that may arise by reason of their status or services as directors or officers. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is, in many cases, unlimited. To date, the Company has not incurred any material costs as a result of such indemnifications. The Company is not currently aware of any indemnification claims and had not accrued any liabilities related to such obligations in its consolidated financial statements as of December 31, 2025 and 2024.

Legal Proceedings

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

18. Net Income (Loss) per Share

Basic and diluted net (loss) income per share attributable to common stockholders was calculated as follows (in thousands, except share and per share data):

	<u>Year Ended December 31,</u>	
	<u>2025</u>	<u>2024</u>
Net income (loss) per share attribute table to common stockholders:		
Numerator:		
Net loss from continuing operations attributable to common stockholders	\$ (33,277)	\$ (53,140)
Net income (loss) from discontinued operations attributable to common stockholders. . .	<u>52,766</u>	<u>(19,066)</u>
Net income (loss) attributable to common stockholders	<u>\$ 19,489</u>	<u>\$ (72,206)</u>
Denominator:		
Weighted average common shares outstanding - basic and diluted.	<u>35,898,542</u>	<u>34,076,321</u>
Net loss from continuing operations per share attributable to common stockholders, basic and diluted	\$ (0.93)	\$ (1.56)
Net income (loss) from discontinued operations per share attributable to common stockholders, basic and diluted.	\$ 1.47	\$ (0.56)
Net income (loss) per share attributable to common stockholders, basic and diluted . . .	<u>\$ 0.54</u>	<u>\$ (2.12)</u>

The Company utilizes the control number concept in the computation of diluted earnings per share to determine whether potential common stock equivalents are dilutive. The control number used is net loss from continuing operations. The control number concept requires that the same number of potentially dilutive securities applied in computing diluted earnings per share from continuing operations be applied to all other categories of income or loss, regardless of their anti-dilutive effect on such categories. Since the Company had a net loss from continuing operations for all periods presented, no dilutive effect has been recognized in the calculation of income from discontinued operations per share. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss from continuing operations and net (loss) income from discontinued operations per share attributable to common stockholders are the same.

Diluted net (loss) income per common share is computed by dividing net (loss) income by the weighted average number of shares of common stock outstanding for the period, including potential dilutive common shares assuming the dilutive effect of outstanding warrants, stock options, restricted stock units and shares to be purchased under the Company's employee stock purchase plan.

For periods in which the Company reports a net loss from continuing operations, regardless of net (loss) income from discontinued operation, diluted net (loss) income per share attributable to common stockholders is the same as basic net (loss) income per share attributable to common stockholders since dilutive common shares are not assumed to have been issued if their effect is anti-dilutive. As the Company has reported a net loss from continuing operations during the year ended December 31, 2025 and 2024, basic net (loss) income per share is the same as diluted net loss per share.

The Company's potential dilutive securities have been excluded from the computation of diluted net loss per share as the effect would be to reduce the net loss per share. Therefore, the weighted average number of common shares outstanding used to calculate both basic and diluted net loss per share attributable to common stockholders is the same. The Company excluded the following potential common shares, presented based on amounts outstanding at each period end, from the computation of diluted net loss per share attributable to common stockholders for the periods indicated because including them would have had an anti-dilutive effect:

	December 31,	
	2025	2024
Warrants to purchase common stock	92,703	92,703
Options to purchase common stock	2,724,797	2,607,362
Performance stock units	119,836	105,878
Restricted stock units	3,350,937	2,591,139
	<u>6,288,273</u>	<u>5,397,082</u>

19. Acquisitions

Acquisition of KAF Manufacturing Company, Inc.

On July 1, 2025, the Company entered into an asset purchase agreement with KAF. The purchase price included an initial payment of \$2.0 million in cash, and a contingent obligation to pay an additional \$0.75 million in cash in six months following the closing of the transaction if certain operating requirements have been satisfied in accordance with the terms of the asset purchase agreement. The transaction closed on July 1, 2025, at which time certain KAF assets were acquired and 15 employees were hired by the Company.

KAF is a precision machining company focused on providing precision components, diamond-turned optics and components for laboratory and medical instrument original equipment manufacturers and for the aerospace industry. The Company believes this acquisition will enable it to strengthen and secure its supply chain for critical FTIR components.

The preliminary purchase price allocation related to the acquisition of KAF is complete. The Company has retained an independent valuation firm to assess the fair value of the identified intangible assets and certain tangible assets acquired.

The Company has accounted for the acquisition of KAF as a business combination under U.S. GAAP. Under the acquisition method of accounting, the assets of KAF have been recorded as of the acquisition date, at their respective fair values, and consolidated with those of the Company.

In June 2025, the Company entered into a Master Supply Agreement with an OEM Customer, who is an existing customer of the Company and a customer of KAF. On July 1, 2025, the Company also entered into a short-term nine month lease agreement, which includes extension options under the Company’s control through March 2028, with the KAF owners for the 11,500 rentable square feet building in Stamford, Connecticut. In accordance with ASC 805-10-25-20 through 25-22, these contractual arrangements were accounted separately from the business combination. See Note 16, *Leases* for further information.

The Company has primarily allocated the purchase price to the net tangible and intangible assets based on their estimated fair values as of July 1, 2025.

The results of KAF’s operations have been included in the Company’s consolidated financial statements since the date of the acquisition. Pro forma financial information reflecting the acquisition has not been presented because the impact, individually and collectively, on revenues and net income (loss) is not material.

Fair Value of Net Assets Acquired

Subsequent to the acquisition date, no measurement period adjustments were recognized. The following table presents the primary allocation of the consideration paid on the acquisition date for the KAF transaction (amounts in thousands):

Consideration Transferred:	
Cash paid	\$ 2,000
Contingent consideration - earnout	729
Total consideration transferred	<u>\$ 2,729</u>
Assets acquired:	
Standard tools and machinery	\$ 2,107
Identifiable Intangible assets	
Customer Relationships	622
Total	<u>\$ 2,729</u>

In December 2025, the \$0.75 million contingent consideration was paid following the satisfaction of the certain operating requirements in accordance with the terms of the asset purchase agreement. See Note 4, *Fair Value Measurements*, for the measurement of the contingent consideration.

The fair value of standard tools and machinery was determined using the cost approach which includes assumptions related to replacement cost, physical deterioration, economic obsolescence, and scrap value, or the market approach which includes adjustments for physical condition of comparable standard tools or machinery sold. The fair value of the customer relationships was calculated using a distributor method, a form of the income approach, which incorporates a variation of the multi-period excess earnings method that uses market-based inputs to value an asset. Under this method, the value of the asset is a function of several components, including revenue associated with the existing customers, distributor profit margin, charges for use of other assets and discount rate. Intangible assets acquired have a finite life and are amortized per our accounting policy. See Note 2, *Summary of Significant Accounting Policies*, for the amortization periods.

Acquisition of RedWave Technology

On April 29, 2024, the Company entered into an Equity Purchase Agreement (the “Purchase Agreement”) with RedWave, CAM3 HoldCo, LLC, a Connecticut limited liability company (“Seller Entity”), each of the holders of outstanding equity interests of Seller Entity (the “Beneficial Sellers”), and the other parties thereto, pursuant to which the Company purchased all of the outstanding equity interests of RedWave. The purchase price included an initial payment of \$45.0 million in cash and 1,497,171 unregistered shares of the Company’s common stock, which reflects closing adjustments relating to working capital, cash and debt adjustments. The cash consideration is subject to additional working capital, cash, debt, and transaction expense adjustments. Approximately \$4.5 million of the cash consideration was placed into an indemnification escrow account until April 29, 2025 to settle certain claims for indemnification for breaches or inaccuracies in RedWave’s representations and warranties, covenants, and agreements. The transaction closed on April 29, 2024, at which time RedWave became a wholly-owned subsidiary of the Company.

The Company may also be obligated to issue up to an additional 4,000,000 unregistered shares of the Company’s common stock as contingent consideration (see Note 17, *Commitments and Contingencies*).

The Company has accounted for the acquisition of RedWave as a business combination under U.S. GAAP. Under the acquisition method of accounting, the assets and liabilities of RedWave have been recorded as of the acquisition date, at their respective fair values, and consolidated with those of the Company.

The Company has allocated the purchase price to the net tangible and intangible assets and liabilities assumed based on their fair values as of April 29, 2024.

Consideration Transferred:	
Cash paid	\$ 45,000
Fair value of common stock shares issued ⁽¹⁾	8,616
Contingent consideration - earnout	15,500
Total consideration transferred	<u>\$ 69,116</u>
Assets acquired and liabilities assumed:	
Cash and cash equivalents	\$ 217
Accounts receivable	950
Inventory	1,416
Prepaid expenses and other current assets	50
Property and equipment	328
Identifiable Intangible assets	
Customer Relationships	2,500
Developed Technology	38,080
Goodwill	30,160
Operating lease right-of-use assets	29
Accounts payable, accrued expenses and other current liabilities	(596)
Deferred revenue	(3,989)
Operating lease liabilities	(29)
Total	<u>\$ 69,116</u>

⁽¹⁾ The share consideration component of the estimated purchase price consideration is computed on the basis of 1,497,171 shares issued and the closing price of the Company’s common stock on the Nasdaq Global Market of \$5.755 per share on April 29, 2024, which was the date the shares were issued.

The excess of the purchase price over the fair value of the acquired business's net assets represents cost and revenue synergies specific to the Company and RedWave, and has been allocated to goodwill, which is not tax deductible.

The fair value of RedWave’s technology-based intangible assets were determined using the multi-period excess earnings method which measures economic benefit indirectly by calculating the income attributable to an asset after appropriate returns are paid to complementary assets used in conjunction with the subject asset to produce the earnings associated with the subject assets, commonly referred to as contributory asset charges. Under this method, the value of an asset is a function of several components, including the forecasted revenue, earnings generated by the asset, expected economic life of the asset, contributory asset charges and a discount rate. The fair value of the customer relationships was calculated using a distributor method, a form of the income approach, which incorporates a variation of the multi-period excess earnings method that uses market-based inputs to value an asset. Under this method, the value of the asset is a function of several components, including revenue associated with the existing customers, distributor profit margin, charges for use of other assets and discount rate. Intangible assets acquired have finite life and are amortized per our accounting policy. See Note 2 for the amortization periods.

The results of RedWave’s operations have been included in the Company’s consolidated financial statements since the date of the acquisition. RedWave contributed \$11.2 million in revenue for the year ended December 31, 2024. The Company has not disclosed RedWave’s net income or loss since the acquisition date because the RedWave business is fully integrated into the consolidated Company’s operations and therefore it was impracticable to determine these amounts.

The unaudited pro forma results do not reflect any operating efficiencies or potential cost savings which may result from the consolidation of the operations of the Company and RedWave. Accordingly, these unaudited pro forma results are presented for informational purposes only and are not necessarily indicative of the results of operations that would have been achieved had the acquisition occurred on January 1, 2023, nor are they intended to represent or be indicative of future results of operations (in thousands):

	<u>Year Ended December 31, 2024</u>
Revenue (unaudited)	\$ 52,700
Pre-tax loss from continuing operation (unaudited)	\$ (52,759)

Supplemental pro forma pre-tax loss for the year ended December 31, 2024 was adjusted to exclude \$2.3 million of acquisition-related costs, and include additional \$2.9 million of intangible amortization costs.

20. Segment Reporting

The Company has determined that it operates and is managed as one operating segment on a consolidated basis and its Chief Executive Officer is the CODM (see Note 2, *Summary of Significant Accounting Policies*). The Company’s CODM is regularly provided R&D expenses, sales and marketing expenses, general and administrative expenses and total assets. The Company’s segment performance measure is net income (loss), which is used by our CODM when assessing performance and allocating capital and resources to our business.

The CODM uses total revenues and operating results, predominantly in the strategic plan, annual operating plan and quarterly forecast review processes. During these processes, the CODM considers budget-to-actual variances to evaluate both internal (e.g., changes in selling prices, strategic growth investments, productivity, business mix, newly acquired/divested businesses, etc.) and external (e.g., inflation, foreign currency, etc.) events and conditions.

The following table includes additional information about reported segment revenue, significant segment expenses and segment measure of profitability (in thousands):

	Year Ended December 31,	
	2025	2024
Total revenue	\$ 56,197	\$ 47,746
Significant segment expenses(income)		
Cost of revenues	27,774	23,246
Research and development	15,575	14,988
Sales and marketing	18,027	18,163
General and administrative	20,501	21,299
Change in fair value of contingent consideration	13,741	(13,216)
Goodwill impairment	—	40,659
Other segment items ⁽¹⁾	<u>(6,144)</u>	<u>(4,253)</u>
Net loss from continuing operations	(33,277)	(53,140)
Net income (loss) from discontinued operations, net of tax ⁽²⁾ . . .	52,766	(19,066)
Net income (loss)	<u>\$ 19,489</u>	<u>\$ (72,206)</u>

(1) Includes interest income, interest expense, other expense, net and benefit for income taxes.

(2) See Note 3, *Discontinued Operations and TSA*, for further details.

21. Subsequent Events

Grant of Restricted Stock Units and Stock Options under the 2020 Plan

On February 2, 2026, the Company granted 185,384 stock options and 424,074 restricted stock units to employees under the 2020 Stock Plan. The stock options vest over a three-year period. The stock options have an exercise price of \$6.19, which was the Company’s closing stock price at the date of grant. The total fair value of these stock options at the grant date was \$0.9 million using the Black-Scholes option pricing model, and the value is being amortized as stock compensation expense over the vesting term. The restricted stock units vest over a three-year period. The restricted stock units were valued based on market value of the Company’s closing stock price at the date of grant and had an aggregate fair value of \$2.6 million, which is being amortized as stock compensation expense over the vesting term.

On March 2, 2026, the Company granted 463,840 restricted stock units to employees under the 2020 Stock Plan. The restricted stock units vest over a three-year period. The restricted stock units were valued based on market value of the Company’s closing stock price at the date of grant and had an aggregate fair value of \$3.1 million, which is being amortized as stock compensation expense over the vesting term.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

Evaluation of Disclosure Controls and Procedures. Our principal executive officer and principal financial officer, after evaluating the effectiveness of our disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) as of the end of the period covered by this Annual Report on Form 10-K, have concluded that, based on such evaluation, our disclosure controls and procedures were effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms, and is accumulated and communicated to our

management, including our principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

Changes in Internal Control over Financial Reporting. There were no changes in our internal control over financial reporting, identified in connection with the evaluation of such internal control that occurred during the quarter ended December 31, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Management's Annual Report on Internal Control over Financial Reporting. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, as a process designed by, or under the supervision of, our principal executive officer and principal financial officer and effected by our board of directors, management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of our assets;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of management and our directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of our assets that could have a material effect on the financial statements.

Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on the 2013 framework in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on our evaluation under that framework, our management concluded that our internal controls over financial reporting were effective as of December 31, 2025.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Attestation Report on Internal Control over Financial Reporting. This annual report on Form 10-K does not include an attestation report of our independent registered public accounting firm on internal control over financial reporting (“ICFR”) since smaller reporting companies with less than \$100 million in revenues are not required to obtain a separate attestation of their ICFR from an outside auditor.

Item 9B. Other Information.

On November 17, 2025, Kevin J. Knopp, Ph.D., the Company’s Chief Executive Officer and Director (Principal Executive Officer), adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act for the sale of the Company’s securities. Dr. Knopp’s trading plan provides for the potential sale of up to 240,000 shares of the Company’s common stock. The trading plan will expire on the earlier of November 16, 2026 and the date when all shares under the trading plan are sold.

On November 24, 2025, Christopher D. Brown, Ph.D., a member of the Company’s Board of Directors, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act for the sale

of the Company's securities. Dr. Brown's trading plan provides for the potential sale of up to 300,000 shares of the Company's common stock. The trading plan will expire on the earlier of December 31, 2026 and the date when all shares under the trading plan are sold.

On December 9, 2025, Kevin McCallion, Ph.D., the Company's Vice President of Products and Production, adopted a trading plan intended to satisfy the affirmative defense conditions of Rule 10b5-1(c) under the Exchange Act for the sale of the Company's securities. Dr. McCallion's trading plan provides for the potential sale of up to 45,438 shares of the Company's common stock. The trading plan will expire on the earlier of June 30, 2026 and the date when all shares under the trading plan are sold.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this Item 10 will be included in our Definitive Proxy Statement to be filed with the Securities and Exchange Commission, or SEC, with respect to our 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

Our board of directors has adopted a Code of Business Conduct and Ethics applicable to all officers, directors and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the Code is available at the Investors section of our website, located at ir.908devices.com, under "Corporate Governance—Documents & Charters." We intend to make all required disclosures regarding any amendments to, or waivers from, any provisions of the Code at the same location of our website.

Item 11. Executive Compensation.

The information required by this Item 11 will be included in our Definitive Proxy Statement to be filed with the SEC with respect to our 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this Item 12 will be included in our Definitive Proxy Statement to be filed with the SEC with respect to our 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this Item 13 will be included in our Definitive Proxy Statement to be filed with the SEC with respect to our 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services.

The information required by this Item 14 will be included in our Definitive Proxy Statement to be filed with the SEC with respect to our 2026 Annual Meeting of Stockholders and is incorporated herein by reference.

PART IV

Item 15. Exhibit and Financial Statement Schedules

(a) 1. Financial Statements

For a list of the financial statements included herein, see Index to Consolidated Financial Statements in this Annual Report on Form 10-K, incorporated into this Item by reference.

2. Financial Statement Schedules

Financial statement schedules have been omitted because they are either not required or not applicable or the information is included in the consolidated financial statements or the notes thereto.

3. Exhibits

See the Exhibit Index in Item 15(b) below.

(b) Exhibit Index.

Exhibit Number	Description
3.1	Sixth Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect (incorporated by reference to Exhibit 3.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on November 25, 2020)
3.2	Amended and Restated By-laws of the Registrant, as currently in effect (incorporated by reference to Exhibit 3.5 to the Registrant's Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
4.1	Fourth Amended and Restated Stockholders Agreement among the Registrant, certain of its stockholders and its investors, dated April 12, 2019 (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on November 25, 2020)
4.2	Form of Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.3 to the Registrant's Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
4.3	Warrant Agreement, dated March 15, 2017, between Hercules Technology III, L.P. and the Registrant (incorporated by reference to Exhibit 4.6 to the Registrant's Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
4.4	Warrant Agreement, dated September 7, 2018, between PEI Investments, LLC and the Registrant (incorporated by reference to Exhibit 4.7 to the Registrant's Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
4.5	Description of Securities (incorporated by reference to Exhibit 4.6 to the Registrant's Annual Report on Form 10-K (File No. 001-39815) filed with the SEC on March 31, 2021)

- 10.1# 2012 Stock Option and Grant Plan, as amended and forms of award agreements thereunder (incorporated by reference to Exhibit 10.1 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
- 10.2# 2020 Stock Option and Incentive Plan and forms of award agreements thereunder (incorporated by reference to Exhibit 10.2 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
- 10.3# 2020 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.13 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
- 10.4# Amended and Restated Senior Executive Cash Incentive Bonus Plan (incorporated by reference to Exhibit 10.4 to the Registrant’s Annual Report on Form 10-K (File No. 001-39815) filed with the SEC on March 8, 2024)
- 10.5#* Amended and Restated Non-Employee Director Compensation Policy
- 10.6# Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.3 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
- 10.7# Form of Executive Officer Indemnification Agreement (incorporated by reference to Exhibit 10.4 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 14, 2020)
- 10.8# Form of Executive Officer Employment Agreement (incorporated by reference to Exhibit 10.5 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on November 25, 2020)
- 10.9+ Amended and Restated Exclusive License Agreement between the Registrant and The University of North Carolina at Chapel Hill, dated May 20, 2015, as amended (incorporated by reference to Exhibit 10.6 to the Registrant’s Registration Statement on Form S-1 (File No. 333-250954) filed with the SEC on December 16, 2020)
- 10.10 Loan and Security Agreement between the Registrant and Silicon Valley Bank, dated November 2, 2022 (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001 039815) filed with the SEC on November 8, 2022)
- 10.11 Default Waiver and First Amendment to Loan and Security Agreement, dated as of August 4, 2023, by and between 908 Devices Inc. and Silicon Valley Bank, a division of First-Citizens Bank & Trust Company (successor by purchase to the Federal Deposit Insurance Corporation as Receiver for Silicon Valley Bridge Bank, N.A. (as successor to Silicon Valley Bank)) (incorporated by reference to Exhibit 10.1 to the Registrant’s Current Report on Form 8-K (File No. 001-39815) filed with the SEC on August 8, 2023).
- 10.12* Default Waiver and Second Amendment to Loan and Security Agreement, dated as of March 5, 2026, by and between 908 Devices Inc. and Silicon Valley Bank, a division of First-Citizens Bank & Trust Company
- 10.13# Form of First Amendment to Executive Officer Employment Agreement (incorporated by reference to Exhibit 10.18 to the Registrant’s Registration Statement on Form 10-K (File No. 001-39815) filed with the SEC on March 8, 2024)

- 10.14 Equity Purchase Agreement, dated as of April 29, 2024, by and among 908 Devices Inc. and CAM2 Technologies, LLC (d/b/a RedWave Technology), CAM3 HoldCo, LLC, the selling parent entity, and each of the direct and indirect beneficial holders of outstanding equity interests in the selling parent entity (incorporated by reference to Exhibit 2.1 to the Registrant’s Annual Report on Form 8-K (File No. 001-39815) filed with the SEC on April 30,2024)
- 10.15# Second Amendment to Executive Employment Agreement, dated as of March 4, 2025, by and among 908 Devices Inc. and Kevin J. Knopp, Ph.D (incorporated by reference to Exhibit 10.21 to the Registrant’s Annual Report on Form 10-K (File No. 001-39815) filed with the SEC on March 7, 2025)
- 10.16# Second Amendment to Executive Employment Agreement, dated as of March 4, 2025, by and among 908 Devices Inc. and Joseph H. Griffith IV (incorporated by reference to Exhibit 10.22 to the Registrant’s Annual Report on Form 10-K (File No. 001-39815) filed with the SEC on March 7, 2025)
- 10.17 Securities and Asset Purchase Agreement, dated as of March 4, 2025, by and among 908 Devices Inc. and Repligen Corporation (incorporated by reference to Exhibit 2.1 to the Registrant’s Current Report on Form 8-K (File No. 001-39815) filed with the SEC on March 4, 2025)
- 10.18* Agreement of Lease Between Eagle Road, LLC and CAM2 Technologies, LLC for Premises Located at: 41 Eagle Road, Danbury, Connecticut 06813 dated September 9, 2019, as amended by that certain First Amendment to Agreement of Lease by and between Eagle Road, LLC and CAM2 Technologies, LLC dated March 26, 2021, as further amended by that certain Second Amendment to Lease (Relocation) by and between 360 Danbury Investors, LLC and CAM2 Technologies, LLC dated September 13, 2023, as subsequently assigned from CAM2 Technologies, LLC to 908 Devices Inc. pursuant to that certain Assignment and Assumption of Lease Agreement dated May 29, 2024, and as further amended by that certain Third Amendment to Lease by and between 360 Danbury Investors, LLC and 908 Devices Inc. dated June 4, 2024
- 10.19#* 2025 Form of Executive Officer Employment Agreement
- 19.1 Insider Trading Policy (incorporated by reference to Exhibit 19 to the Registrant’s Annual Report on Form 10-K (File No. 001-39815) filed with the SEC on March 7, 2025)
- 21.1* Subsidiaries of the Registrant
- 23.1* Consent of PricewaterhouseCoopers LLP, Independent Registered Public Accounting Firm, PCAOB ID 238
- 31.1* Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 31.2* Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
- 32.1** Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 32.2** Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
- 97.1# Compensation Recovery Policy (incorporated by reference to Exhibit 97 to the Registrant’s Registration Statement on Form 10-K (File No. 001-39815) filed with the SEC on March 8, 2024)

- 101.INS* Inline XBRL Instant Document
- 101.SCH* Inline XBRL Taxonomy Extension Schema Document
- 101.CAL* Inline XBRL Taxonomy Extension Calculation Linkbase Document
- 101.LAB* Inline XBRL Taxonomy Extension Labels Linkbase Document
- 101.PRE* Inline XBRL Taxonomy Extension Presentation Linkbase Document
- 101.DEF* Inline XBRL Taxonomy Extension Definition Linkbase Document
- 104* Cover Page Data File (the cover page XBRL tags are embedded within the iXBRL document).

Indicates a management contract or any compensatory plan, contract or arrangement.

+ Confidential treatment has been granted as to certain portions, which portions have been omitted and submitted separately to the SEC.

* Filed herewith.

** The certifications furnished in Exhibit 32.1 and 32.2 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

Item 16. Form 10–K Summary.

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

908 DEVICES INC.

Date: March 9, 2026

By: /s/ Kevin J. Knopp, Ph.D.

Kevin J. Knopp, Ph.D.
Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Kevin J. Knopp, Ph.D.</u> Kevin J. Knopp, Ph.D.	Chief Executive Officer and Director (Principal Executive Officer)	March 9, 2026
<u>/s/ Joseph H. Griffith IV</u> Joseph H. Griffith IV	Chief Financial Officer (Principal Financial and Accounting Officer)	March 9, 2026
<u>/s/ E. Kevin Hrusovsky</u> E. Kevin Hrusovsky	Chairman of the Board of Directors	March 9, 2026
<u>/s/ Brandi C. Vann, Ph.D.</u> Brandi C. Vann, Ph.D.	Director	March 9, 2026
<u>/s/ Christopher D. Brown, Ph.D.</u> Christopher D. Brown, Ph.D.	Director	March 9, 2026
<u>/s/ Fenel M. Eloi</u> Fenel M. Eloi	Director	March 9, 2026
<u>/s/ Keith L. Crandell</u> Keith L. Crandell	Director	March 9, 2026
<u>/s/ Mark Spoto</u> Mark Spoto	Director	March 9, 2026
<u>/s/ Michele M. Leonhart</u> Michele M. Leonhart	Director	March 9, 2026
<u>/s/ Tony J. Hunt</u> Tony J. Hunt	Director	March 9, 2026

