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

FORM 10-Q

(Mark One)

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

For the quarterly period ended June 30, 2022

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: 001-38319

QUANTERIX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of incorporation or organization)

20-8957988
(IRS Employer Identification No.)

900 Middlesex Turnpike
Billerica, MA
(Address of principal executive offices)

01821
(Zip Code)

Registrant's telephone number, including area code: **(617) 301-9400**

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

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

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	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of August 1, 2022, the registrant had 36,987,560 shares of common stock, \$0.001 par value per share, outstanding.

TABLE OF CONTENTS

	<u>Page</u>
Special Note Regarding Forward-Looking Statements	3
<u>PART I — FINANCIAL INFORMATION</u>	
Item 1. Financial Statements	4
Unaudited Condensed Consolidated Balance Sheets at June 30, 2022 and December 31, 2021	4
Unaudited Condensed Consolidated Statements of Operations for the Three and Six Months Ended June 30, 2022 and 2021	5
Unaudited Condensed Consolidated Statements of Comprehensive Loss for the Three and Six Months Ended June 30, 2022 and 2021	6
Unaudited Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2022 and 2021	7
Unaudited Condensed Consolidated Statements of Stockholders' Equity for the Three and Six Months Ended June 30, 2022 and 2021	8
Notes to Condensed Consolidated Financial Statements	9
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	21
Item 3. Quantitative and Qualitative Disclosures About Market Risk	31
Item 4. Controls and Procedures	31
<u>PART II — OTHER INFORMATION</u>	
Item 1. Legal Proceedings	33
Item 1A. Risk Factors	33
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	33
Item 3. Defaults Upon Senior Securities	33
Item 4. Mine Safety Disclosures	34
Item 5. Other Information	34
Item 6. Exhibits	35
Signatures	36

Special Note Regarding Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements that involve risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q are forward-looking statements. In some cases, you can identify forward-looking statements by words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “seek,” “should,” “target,” “will,” “would,” or the negative of these words or other comparable terminology. These forward-looking statements include, but are not limited to, statements about our financial performance, including anticipated benefits and costs associated with our plan of restructuring announced in August 2022, and are subject to a number of risks, uncertainties and assumptions, including those described in Part II, Item 1A, “Risk Factors” and elsewhere in this Quarterly Report on Form 10-Q and in Part I, Item 1A, “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2021 or other filings that we make with the Securities and Exchange Commission, or SEC. 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 Quarterly Report on Form 10-Q may not occur and actual results could differ materially and adversely from those anticipated or implied in the forward-looking statements.

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, events or circumstances reflected in the forward-looking statements will be achieved or occur. You should read this Quarterly Report on Form 10-Q, and the documents that we reference herein and have filed with the SEC, with the understanding that our actual future results, levels of activity, performance, and events and circumstances may be materially different from what we expect. We undertake no obligation to update publicly any forward-looking statements for any reason after the date of this Quarterly Report on Form 10-Q to conform these statements to new information, actual results or to changes in our expectations, except as required by law.

Unless the context otherwise requires, the terms “Quanterix,” the “Company,” “we,” “us” and “our” in this Quarterly Report on Form 10-Q refer to Quanterix Corporation and its subsidiaries. “Quanterix,” “Simoa,” “Simoa HD-X,” “Simoa HD-1,” “SR-X,” “SP-X,” “HD-X Analyzer,” “HD-1 Analyzer” and our logo are our trademarks. All other service marks, trademarks and trade names appearing in this Quarterly Report on Form 10-Q are the property of their respective owners. We do not intend our use or display of other companies’ trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, these other companies.

PART I — FINANCIAL INFORMATION**Item 1. Financial Statements (Unaudited)****Quanterix Corporation**
Condensed Consolidated Balance Sheets
(amounts in thousands, except share and per share data)

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Assets		
Current assets:		
Cash and cash equivalents	\$ 361,293	\$ 396,465
Accounts receivable (less allowance for credit losses of \$1,000 and \$419 as of June 30, 2022 and December 31, 2021, respectively)	19,683	23,786
Inventory	21,985	22,190
Prepaid expenses and other current assets	10,237	6,514
Total current assets	413,198	448,955
Restricted cash	2,594	2,577
Property and equipment, net	22,295	17,960
Intangible assets, net	8,527	10,534
Goodwill	8,675	9,632
Right-of-use assets	32,935	11,491
Other non-current assets	377	378
Total assets	<u>\$ 488,601</u>	<u>\$ 501,527</u>
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 5,983	\$ 9,209
Accrued compensation and benefits	10,638	13,252
Other accrued expenses	4,799	6,486
Deferred revenue	12,157	6,361
Short term lease liabilities	2,696	1,428
Other current liabilities	396	241
Total current liabilities	36,669	36,977
Deferred revenue, net of current portion	1,531	1,099
Long term lease liabilities	43,135	20,464
Other non-current liabilities	1,810	2,035
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, \$0.001 par value:		
Authorized—120,000,000 shares as of June 30, 2022 and December 31, 2021; issued and outstanding — 36,974,827 and 36,768,035 shares as of June 30, 2022 and December 31, 2021, respectively	37	37
Additional paid-in capital	756,139	745,936
Accumulated other comprehensive (loss) income	(2,203)	441
Accumulated deficit	(348,517)	(305,462)
Total stockholders' equity	405,456	440,952
Total liabilities and stockholders' equity	<u>\$ 488,601</u>	<u>\$ 501,527</u>

See accompanying notes

Quanterix Corporation
Condensed Consolidated Statements of Operations
(amounts in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Product revenue	\$ 14,785	\$ 18,676	\$ 35,441	\$ 36,924
Service and other revenue	8,548	5,648	17,358	12,057
Collaboration revenue	92	105	178	366
Grant revenue	75	942	75	3,233
Total revenue	23,500	25,371	53,052	52,580
Costs of goods sold:				
Cost of product revenue	9,921	8,114	20,667	15,594
Cost of service and other revenue	4,868	3,383	9,115	6,763
Total costs of goods sold and services	14,789	11,497	29,782	22,357
Gross profit	8,711	13,874	23,270	30,223
Operating expenses:				
Research and development	6,625	6,754	13,659	13,437
Selling, general and administrative	27,045	20,788	52,757	40,243
Total operating expenses	33,670	27,542	66,416	53,680
Loss from operations	(24,959)	(13,668)	(43,146)	(23,457)
Interest income (expense), net	552	(165)	604	(328)
Other (expense) income, net	(358)	1,977	(575)	1,783
Loss before income taxes	(24,765)	(11,856)	(43,117)	(22,002)
Income tax provision (benefit)	137	41	(62)	(1)
Net loss	\$ (24,902)	\$ (11,897)	\$ (43,055)	\$ (22,001)
Net loss per share, basic and diluted	\$ (0.67)	\$ (0.33)	\$ (1.17)	\$ (0.62)
Weighted-average common shares outstanding, basic and diluted	36,922,468	36,347,365	36,886,879	35,396,431

See accompanying notes

Quanterix Corporation
Condensed Consolidated Statements of Comprehensive Loss
(amounts in thousands)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Net loss	\$ (24,902)	\$ (11,897)	\$ (43,055)	\$ (22,001)
Other comprehensive loss:				
Cumulative translation adjustment	(1,447)	395	(2,644)	(856)
Total other comprehensive (loss) income	(1,447)	395	(2,644)	(856)
Comprehensive loss	\$ (26,349)	\$ (11,502)	\$ (45,699)	\$ (22,857)

See accompanying notes

Quanterix Corporation
Condensed Consolidated Statements of Cash Flows
(amounts in thousands)

	Six Months Ended June 30.	
	2022	2021
Operating activities		
Net loss	\$ (43,055)	\$ (22,001)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	2,790	2,344
Inventory step-up amortization	—	275
Credit loss expense on accounts receivable	581	20
Reduction in the carrying amount of right-of-use assets	925	246
Stock-based compensation expense	9,013	7,036
Non-cash interest expense	—	43
Loss on disposal of fixed assets	6	—
Changes in operating assets and liabilities:		
Accounts receivable	3,479	1,740
Prepaid expenses and other assets	930	(2,952)
Inventory	180	(6,793)
Other non-current assets	2	(20)
Accounts payable	(3,220)	40
Accrued compensation and benefits, other accrued expenses and other current liabilities	(4,387)	(3,925)
Contract acquisition costs	30	(72)
Operating lease liabilities	(3,128)	(590)
Other non-current liabilities	(9)	(120)
Deferred revenue	6,228	891
Net cash used in operating activities	<u>(29,635)</u>	<u>(23,838)</u>
Investing activities		
Purchases of property and equipment	(6,454)	(7,339)
Proceeds from RADx grant on assets purchased	520	5,210
Net cash used in investing activities	<u>(5,934)</u>	<u>(2,129)</u>
Financing activities		
Proceeds from stock options exercised	596	5,469
Sale of common stock in underwritten public offering, net	—	269,718
Proceeds from ESPP purchase	594	519
Net cash provided by financing activities	<u>1,190</u>	<u>275,706</u>
Net (decrease) increase in cash, cash equivalents and restricted cash	(34,379)	249,739
Effect of foreign currency exchange rate on cash	(776)	(143)
Cash, restricted cash, and cash equivalents at beginning of period	399,042	182,584
Cash, restricted cash, and cash equivalents at end of period	<u>\$ 363,887</u>	<u>\$ 432,180</u>
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	\$ 361,293	\$ 430,780
Restricted cash	2,594	1,400
Total cash, cash equivalents, and restricted cash	<u>\$ 363,887</u>	<u>\$ 432,180</u>

See accompanying notes

Quanterix Corporation
Condensed Consolidated Statements of Stockholders' Equity
(amounts in thousands, except share data)

Common stock

	Shares	Value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
Balance at March 31, 2022	36,899,156	\$ 37	\$ 750,742	\$ (756)	\$ (323,615)	\$ 426,408
Issuance of capital shares:						
–Exercised stock options	24,410	—	211			211
–Restricted units converted	49,826	—	—			—
–Issuance of common stock	1,435	—	—			—
Stock-based compensation expense			5,186			5,186
Cumulative translation adjustment				(1,447)		(1,447)
Net loss					(24,902)	(24,902)
Balance at June 30, 2022	<u>36,974,827</u>	<u>\$ 37</u>	<u>\$ 756,139</u>	<u>\$ (2,203)</u>	<u>\$ (348,517)</u>	<u>\$ 405,456</u>

Common stock

	Shares	Value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
Balance at March 31, 2021	36,294,928	\$ 36	\$ 728,128	\$ 1,183	\$ (257,878)	\$ 471,469
Issuance of capital shares:						
–Exercised stock options	111,055	1	2,392			2,393
–Restricted units converted	48,386	—	—			—
Stock-based compensation expense			3,650			3,650
Cumulative translation adjustment				395		395
Net loss					(11,897)	(11,897)
Balance at June 30, 2021	<u>36,454,369</u>	<u>\$ 37</u>	<u>\$ 734,170</u>	<u>\$ 1,578</u>	<u>\$ (269,775)</u>	<u>\$ 466,010</u>

Common stock

	Shares	Value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
Balance at December 31, 2021	36,768,035	\$ 37	\$ 745,936	\$ 441	\$ (305,462)	\$ 440,952
Issuance of capital shares:						
–Exercised stock options	84,536	—	596			596
–Restricted units converted	99,034	—	—			—
–Issuance of common stock	2,773	—	—			—
–ESPP stock purchase	20,449	—	594			594
Stock-based compensation expense			9,013			9,013
Cumulative translation adjustment				(2,644)		(2,644)
Net loss					(43,055)	(43,055)
Balance at June 30, 2022	<u>36,974,827</u>	<u>\$ 37</u>	<u>\$ 756,139</u>	<u>\$ (2,203)</u>	<u>\$ (348,517)</u>	<u>\$ 405,456</u>

Common stock

	Shares	Value	Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
Balance at December 31, 2020	31,796,544	\$ 32	\$ 451,433	\$ 2,434	\$ (247,774)	\$ 206,125
Issuance of capital shares:						
–Exercised warrants	7,347	—	—			—
–Exercised stock options	392,379	1	5,468			5,469
–Restricted units converted	133,732	—	—			—
–ESPP stock purchase	17,225	—	519			519
Sale of common stock in underwritten public offering, net	4,107,142	4	269,714			269,718
Stock-based compensation expense			7,036			7,036
Cumulative translation adjustment				(856)		(856)
Net loss					(22,001)	(22,001)
Balance at June 30, 2021	<u>36,454,369</u>	<u>\$ 37</u>	<u>\$ 734,170</u>	<u>\$ 1,578</u>	<u>\$ (269,775)</u>	<u>\$ 466,010</u>

See accompanying notes

Quanterix Corporation
Notes to condensed consolidated financial statements

1. Organization and operations

Quanterix Corporation (Nasdaq: QTRX) (the Company) is a life sciences company that has developed next generation, ultra-sensitive digital immunoassay platforms that advance precision health for life sciences research and diagnostics. The Company's platforms are based on its proprietary digital "Simoa" detection technology. The Company's Simoa bead-based and planar array platforms enable customers to reliably detect protein biomarkers in extremely low concentrations in blood, serum and other fluids that, in many cases, are undetectable using conventional, analog immunoassay technologies, and also allow researchers to define and validate the function of novel protein biomarkers that are only present in very low concentrations. These capabilities provide the Company's customers with insight into the role of protein biomarkers in human health that has not been possible with other existing technologies and enable researchers to unlock unique insights into the continuum between health and disease. The Company is currently focusing on protein detection, which it believes is an area of significant unmet need and where it has significant competitive advantages. However, in addition to enabling new applications and insights in protein analysis, the Company's Simoa platforms have also demonstrated applicability across other testing applications, including detection of nucleic acids and small molecules.

The Company launched its first immunoassay platform, the Simoa HD-1 (HD-1), in 2014. The HD-1 is a fully automated immunoassay bead-based platform with multiplexing and custom assay capability, and related assay test kits and consumable materials. In the fourth quarter of 2017, the Company launched a second bead-based immunoassay platform (SR-X) with a more compact footprint than the HD-1 and less automation designed for lower volume requirements while still allowing multiplexing and custom assay capability. The Company initiated an early-access program for its third instrument (SP-X) on the new Simoa planar array platform in January 2019, with the full commercial launch commencing in April 2019. In July 2019, the Company launched the Simoa HD-X, an upgraded version of the HD-1 and phased out the HD-1. The HD-X has been designed to deliver significant productivity and operational efficiency improvements, as well as greater user flexibility. The Company began shipping and installing HD-X instruments at customer locations in the third quarter of 2019. The Company also performs research services on behalf of customers to apply the Simoa technology to specific customer needs. The Company's customers are primarily in the research use only market, which includes academic and governmental research institutions, the research and development laboratories of pharmaceutical manufacturers, contract research organizations, and specialty research laboratories.

Basis of presentation

The interim condensed consolidated financial statements are unaudited. The unaudited condensed consolidated financial statements reflect, in the opinion of the Company's management, all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of financial position, results of operations, comprehensive loss and cash flows for each period presented and have been prepared in accordance with United States generally accepted accounting principles (U.S. GAAP) for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, certain information and disclosures normally included in financial statements prepared in accordance with U.S. GAAP have been condensed or omitted. These interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements and related notes thereto included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 1, 2022.

Reclassifications

Certain amounts in the prior years' consolidated financial statements have been reclassified to conform to the current year's presentation.

2. Significant accounting policies

The significant accounting policies and estimates used in the preparation of the accompanying consolidated financial statements are described in the Company's audited consolidated financial statements for the year ended December 31, 2021, included in the Company's Annual Report on Form 10-K filed with the SEC on March 1, 2022. There have been no material changes in the Company's significant accounting policies during the six months ended June 30, 2022. For a discussion of recently issued accounting standards updates, refer to Note 2 in the Company's Annual Report on Form 10-K filed with the SEC on March 1, 2022.

3. Revenue recognition

The Company recognizes revenue when a customer obtains control of a promised good or service. The amount of revenue recognized reflects consideration that the Company expects to be entitled to receive in exchange for these goods and services, incentives and taxes collected from customers that are subsequently remitted to governmental authorities.

Customers

The Company's customers primarily consist of entities engaged in the life sciences research market that pursue the discovery and development of new drugs for a variety of neurologic, cardiovascular, oncologic and other protein biomarkers associated with diseases. The Company's customer base includes several of the largest biopharmaceutical companies, academic research organizations and distributors who serve certain geographic markets.

Product revenue

The Company's products are composed of analyzer instruments, assay kits and other consumables such as reagents. Products are sold directly to biopharmaceutical and academic research organizations or are sold through distributors in EMEA and Asia Pacific regions. The sales of instruments are generally accompanied by an initial year of implied service-type warranties and may be bundled with assays and other consumables and may also include other items such as training and installation of the instrument and/or an extended service warranty. Revenues from the sale of products are recognized at a point in time when the Company transfers control of the product to the customer, which is upon installation for instruments sold to direct customers, and based upon shipping terms for assay kits and other consumables. Revenue for instruments sold to distributors is generally recognized based upon shipping terms (either upon shipment or delivery).

Service and other revenue

Service revenues are composed of contract research services, initial implied one-year service-type warranties, extended services contracts and other services such as training. Contract research services are provided through the Company's Accelerator Laboratory and generally consist of fixed fee contracts. Revenues from contract research services are recognized at a point in time when the Company completes and delivers its research report on each individually completed study, or over time if the contractual provisions allow for the collection of transaction consideration for costs incurred plus a reasonable margin through the period of performance of the services. Revenues from service-type warranties are recognized ratably over the contract service period. For contract research services recognized over time, the Company uses the output method to measure the progress toward the complete satisfaction of the performance obligations. Revenues from other services are immaterial.

During the first quarter of 2022, the Company entered into a Master Collaboration Agreement with Eli Lilly and Company (Lilly) establishing a framework for future projects focused on the development of Simoa immunoassays (the Lilly Collaboration Agreement). The Company also entered into a Statement of Work under the Lilly Collaboration Agreement to perform assay research and development services within the field of Alzheimer's disease. In connection with the Lilly Collaboration Agreement, the Company received a non-refundable up-front payment of \$5.0 million

during the first quarter of 2022, and under the Statement of Work receives \$1.5 million per calendar quarter during 2022, beginning with the first quarter of 2022. The revenue will be recognized over a one-year period.

Concurrent with the execution of the Lilly Collaboration Agreement, the Company entered into a Technology License Agreement (the Lilly License) under which Lilly granted to the Company a non-exclusive license to Lilly's proprietary P-tau217 antibody technology for potential near-term use in research use only products and services and future *in vitro* diagnostics applications within the field of Alzheimer's disease. In consideration of the license, the Company paid an upfront fee, is required to make milestone payments based on the achievement of predetermined regulatory and commercial events, and will pay a royalty on net sales of licensed products.

The Company concluded that the Lilly Collaboration Agreement (including the Statement of Work) and the Lilly License represented a single contract with a customer and is accounting for the agreements as service revenue recognized over time as the services are delivered. The transaction price for the Lilly Collaboration Agreement is \$10.9 million. Contingent amounts due to Lilly represent variable consideration payable to a customer and will be recognized as reductions to service revenue up to the amount of the transaction price recognized, when probable. The Company is utilizing an input method to measure the delivery of services by calculating costs incurred at each period end relative to total costs expected to be incurred.

During the three and six months ended June 30, 2022, the Company recognized approximately \$2.7 million and \$5.4 million, respectively, of revenue from the Lilly Collaboration Agreement as service revenue.

Collaboration and license revenue

The Company may enter into agreements to license the intellectual property and know-how associated with its instruments and certain antibodies in exchange for license fees and future royalties (as described below). The license agreements provide the licensee with a right to use the intellectual property with the license fee revenues recognized at a point in time as the underlying license is considered functional intellectual property.

Payment terms

The Company's payment terms vary by the type and location of the customer and the products or services offered. Payment from customers is generally required in a term ranging from 30 to 45 days from date of shipment or satisfaction of the performance obligation. The Company does not provide financing arrangements to its customers.

Disaggregated revenue

When disaggregating revenue, the Company considered all of the economic factors that may affect its revenues. The following tables disaggregate the Company's revenue from contracts with customers by revenue type (in thousands):

	Three Months Ended June 30, 2022				Six Months Ended June 30, 2022			
	NA	EMEA	Asia Pacific	Total	NA	EMEA	Asia Pacific	Total
Product revenues								
Instruments	\$ 2,473	2,127	1,004	\$ 5,604	\$ 4,638	\$ 4,173	\$ 3,015	\$ 11,826
Consumable and other products	4,719	3,588	874	9,181	13,552	8,014	2,049	23,615
Total	\$ 7,192	\$ 5,715	\$ 1,878	\$ 14,785	\$ 18,190	\$ 12,187	\$ 5,064	\$ 35,441
Service and other revenues								
Service-type								
warranties	\$ 1,320	\$ 688	\$ 124	\$ 2,132	\$ 2,603	\$ 1,347	\$ 216	\$ 4,166
Research services	5,511	316	8	5,835	11,607	447	21	12,075
Other services	317	237	27	581	601	448	68	1,117
Total	\$ 7,148	\$ 1,241	\$ 159	\$ 8,548	\$ 14,811	\$ 2,242	\$ 305	\$ 17,358
Collaboration and license revenue								
Collaboration and license revenue	\$ 43	\$ 49	\$ —	\$ 92	\$ 43	\$ 83	\$ 52	\$ 178
Three Months Ended June 30, 2021								
	NA	EMEA	Asia Pacific	Total	NA	EMEA	Asia Pacific	Total
Product revenues								
Instruments	\$ 2,122	\$ 1,630	\$ 2,086	\$ 5,838	\$ 5,878	\$ 4,463	\$ 2,458	\$ 12,799
Consumable and other products	8,812	3,251	775	12,838	15,723	6,744	1,658	24,125
Total	\$ 10,934	\$ 4,881	\$ 2,861	\$ 18,676	\$ 21,601	\$ 11,207	\$ 4,116	\$ 36,924
Service and other revenues								
Service-type								
warranties	\$ 1,098	\$ 458	\$ 51	\$ 1,607	\$ 2,069	\$ 896	\$ 113	\$ 3,078
Research services	2,728	763	27	3,518	6,286	1,491	39	7,816
Other services	351	172	—	523	807	356	—	1,163
Total	\$ 4,177	\$ 1,393	\$ 78	\$ 5,648	\$ 9,162	\$ 2,743	\$ 152	\$ 12,057
Collaboration and license revenue								
Collaboration and license revenue	\$ 41	\$ 64	\$ —	\$ 105	\$ 228	\$ 138	\$ —	\$ 366

For each of the three and six months ended June 30, 2022, there was one customer that accounted for 18% of the Company's total revenue.

The Company's contracts with customers may include promises to transfer multiple products and services to a customer. The Company combines any performance obligations that are immaterial with one or more other performance obligations that are material to the contract. For arrangements with multiple performance obligations, the Company allocates the contract transaction price, including discounts, to each performance obligation based on its relative standalone selling price. Judgment is required to determine the standalone selling price for each distinct performance obligation. The Company determines standalone selling prices based on prices charged to customers in observable transactions and uses a range of amounts to estimate standalone selling prices for each performance obligation. The

Company may have more than one range of standalone selling price for certain products and services based on the pricing for different customer classes.

Variable consideration in the Company's contracts primarily relates to (i) sales- and usage-based royalties related to the license of intellectual property in collaboration and license contracts and (ii) certain non-fixed fee research services contracts. Accounting Standard Codification (ASC) Topic 606, *Revenue from Contracts with Customers* (ASC 606) provides for an exception to estimating the variable consideration for sales- and usage-based royalties related to the license of intellectual property, such that the sales- and usage-based royalty will be recognized in the period the underlying transaction occurs. The Company recognizes revenue from sales- and usage-based royalty revenue at the later of when the sale or usage occurs and the satisfaction or partial satisfaction of the performance obligation to which the royalty has been allocated.

Changes in deferred revenue from contracts with customers were as follows (in thousands):

	Six Months Ended June 30, 2022
Balance at December 31, 2021	\$ 7,460
Deferral of revenue	10,403
Recognition of deferred revenue	(4,175)
Balance at June 30, 2022	<u>\$ 13,688</u>

As of June 30, 2022, of the performance obligations not yet satisfied or partially satisfied, \$12.2 million is expected to be recognized as revenue in the next 12 months, with the remainder to be recognized within the 24 months thereafter. The \$12.2 million at June 30, 2022 principally consists of amounts billed for undelivered services related to initial and extended service-type warranties and research services, as well as \$0.5 million related to undelivered licenses of intellectual property for a diagnostics company (see Note 12).

Costs to obtain a contract

The Company's sales commissions are generally based on bookings of the Company. The Company has determined that certain commissions paid under its sales incentive programs meet the requirements to be capitalized as they are incremental and would not have occurred absent a customer contract. The change in the balance of costs to obtain a contract are as follows (in thousands):

	Six Months Ended June 30, 2022
Balance at December 31, 2021	\$ 440
Deferral of costs to obtain a contract	632
Recognition of costs to obtain a contract	(662)
Balance at June 30, 2022	<u>\$ 410</u>

The Company has classified the balance of capitalized costs to obtain a contract as a component of prepaid expenses and other current assets and classifies the expense as a component of cost of goods sold and selling, general, and administrative expense over the estimated life of the contract. The Company considers potential impairment in these amounts each period.

ASC 606 provides entities with certain practical expedients and accounting policy elections to minimize the cost and burden of adoption.

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with original expected length of one year or less and (ii) contracts for which revenue is recognized at the amount to which the Company has the right to invoice for services performed.

The Company will exclude from its transaction price any amounts collected from customers related to sales and other similar taxes.

When determining the transaction price of a contract, an adjustment is made if payment from a customer occurs either significantly before or significantly after performance, resulting in a significant financing component. The Company does not assess whether a significant financing component exists if the period between when the Company performs its obligations under the contract and when the customer pays is one year or less. None of the Company's contracts contained a significant financing component as of June 30, 2022 and 2021, respectively.

The Company has elected to account for the shipping and handling as an activity to fulfill the promise to transfer the product, and therefore will not evaluate whether shipping and handling activities are promised services to its customers.

Grant revenue

The Company recognizes grant revenue as the Company performs services under the arrangement when the funding is committed. Revenues and related research and development expenses are presented gross in the consolidated statements of operations as the Company has determined it is the primary obligor under the arrangement relative to the research and development services.

Accounting for grants does not fall under ASC 606, as the grantor will not benefit directly from the Company's expansion or product development. As there is no authoritative guidance under U.S. GAAP on accounting for grants to for-profit business entities from government entities, the Company has accounted for grants under workplan 2 (WP2) with the National Institute of Health (NIH) under its Rapid Acceleration of Diagnostics (RADx) program by analogy to International Accounting Standards Topic 20, *Accounting for Government Grants and Disclosure of Government Assistance* (IAS 20). The Company accounts for grants from the Alzheimer's Drug Discovery Foundation (ADDF) under ASC Topic 958, *Not-for-Profit Entities* (ASC 958).

WP2

Grants to the Company under WP2 contain both monetary amounts granted related to assets and monetary amounts granted related to income, which are grants other than those related to assets. The grants related to assets are for the expansion and increase of manufacturing capacity. The grants related to income are for additional research and development, as well as other non-asset related scale up costs.

Under IAS 20, grants related to assets shall be presented in the consolidated balance sheets either by recognizing the grant as deferred income (which is recognized in the consolidated statements of operations on a systematic basis over the useful life of the asset), or by deducting the grant in calculating the carrying amount of the asset (which is recognized in the consolidated statements of operations over the life of the depreciable asset as a reduced depreciation expense). Both methods are acceptable under IAS 20. The Company has elected to record grants related to assets as a deduction in calculating the carrying value of the asset.

Under IAS 20, grants related to income are presented as part of the consolidated statements of operations, either separately or under a general heading. Both methods are acceptable under IAS 20. The Company has elected to record grants related to income separately on the consolidated statements of operations as grant revenue. The related expenses are recorded within operating expenses.

On September 29, 2020, the Company entered into WP2. The contract, which had a total award value of \$18.2 million, accelerated the continued development, scale-up, and deployment of the novel SARS-CoV-2 antigen detection test using the Company's Simoa technology. The contract provided funding to expand assay kit manufacturing capacity and commercial deployment readiness. Release of the \$18.2 million of funding under WP2 was based on the achievement of certain milestones. Contract funding was subject to achievement of these pre-defined milestones and the contract period ran through September 2021, with one milestone extended to May 31, 2022. As of June 30, 2022, the Company has received the full \$18.2 million under WP2. During the three and six months ended June 30, 2022, the Company recognized no grant revenue and incurred no research and development expense related to WP2. During the three months ended June 30, 2021, the Company recognized \$0.9 million in grant revenue and incurred \$1.8 million in

research and development expense related to WP2. During the six months ended June 30, 2021, the Company recognized \$3.2 million in grant revenue and incurred \$2.9 million in research and development expense related to WP2.

The following table summarizes the cumulative activity under WP2 (in thousands):

	<u>June 30, 2022</u>	<u>December 31, 2021</u>
Grant revenue from research and development activities	\$ 9,576	\$ 9,576
Proceeds used for assets	8,624	8,104
Deferred proceeds for assets	—	—
Deferred grant revenue	—	—
Total recognized	<u>\$ 18,200</u>	<u>\$ 17,680</u>
Recognized	\$ 18,200	\$ 17,680
Amount accrued	—	—
Total cash received	<u>\$ 18,200</u>	<u>\$ 17,680</u>
Proceeds received	\$ 18,200	\$ 17,680
Proceeds reasonably assured	—	520
Total WP2 grant amount	<u>\$ 18,200</u>	<u>\$ 18,200</u>

ADDF

Under ASC 958, grants related to income are presented as part of the consolidated statements of operations, either separately or under a general heading. Both methods are acceptable under ASC 958. The Company has elected to record grants related to income separately on the consolidated statements of operations as grant revenue. The related expenses are recorded within operating expenses.

On March 24, 2022, the Company entered into a contract with ADDF (ADDF grant). ADDF is a charitable venture philanthropy entity that has granted the Company funding in support of certain activities for the development of an in vitro diagnostic (IVD) test for early detection of Alzheimer's disease. The ADDF grant, which has a total funding value of \$2.3 million, restricts the Company's use of the granted funds to be used solely for activities related to the Alzheimer's diagnostic test development project. Contract funding is subject to achievement of these pre-defined milestones and the contract period runs through June 2024. The Company recognizes revenue over time as the related services are performed. As of June 30, 2022, the Company had received \$1.3 million out of the full \$2.3 million under the ADDF grant. During the three and six months ended June 30, 2022, the Company recognized \$0.1 million in grant revenue and incurred \$0.1 million in research and development expense related to the ADDF grant.

4. Net loss per share

The following common share equivalents have been excluded from the calculation of diluted net loss per share as their effect would be anti-dilutive:

	<u>Three Months Ended June 30,</u>		<u>Six Months Ended June 30,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Stock options	2,578,139	2,277,005	2,382,744	2,277,005
Unvested restricted stock and stock units	928,192	572,132	759,143	572,132

5. Fair value of financial instruments

Fair value measurements are as follows (in thousands):

June 30, 2022	Total	Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Financial assets				
Cash equivalents - money market funds	\$ 332,405	\$ 332,405	\$ —	\$ —
December 31, 2021				
Financial assets				
Cash equivalents - money market funds	\$ 332,093	\$ 332,093	\$ —	\$ —

6. Inventory

Inventory consists of the following (in thousands):

	June 30, 2022	December 31, 2021
Raw materials	\$ 8,710	\$ 7,892
Work in process	3,395	4,923
Finished goods	9,880	9,375
Total net inventory	<u>\$ 21,985</u>	<u>\$ 22,190</u>

Inventory comprises commercial instruments, assays, and the materials required to manufacture limited instruments and assays.

7. Allowance for Credit Losses

The Company is exposed to credit losses primarily through sales of products and services. The Company's expected loss allowance methodology for accounts receivable is developed using historical collection experience, current and future economic and market conditions, and a review of the current status of customers' trade accounts receivable. Due to the short-term nature of such receivables, the estimated accounts receivable that may not be collected is based on aging of the accounts receivable balances.

Customers are assessed for credit worthiness upfront through a credit review, which includes assessment based on the Company's analysis of customers' financial statements when a credit rating is not available. The Company evaluates contract terms and conditions, country, and political risk, and may require prepayment to mitigate risk of loss. Specific allowance amounts are established to record the appropriate provision for customers that have a higher probability of default. The Company monitors changes to the receivables balance on a timely basis, and balances are written off as they are determined to be uncollectable after all collection efforts have been exhausted.

The following presents the allowance for credit losses that is deducted from the amortized cost basis of accounts receivable to present the net amount expected to be collected (in thousands):

Balance at January 1, 2022	\$ 419
Credit loss expense	581
Write-offs charged against allowances	—
Balance at June 30, 2022	<u>\$ 1,000</u>

8. Other accrued expenses

Other accrued expenses consist of the following (in thousands):

	June 30, 2022	December 31, 2021
Inventory purchases	\$ 187	\$ 568
Property and equipment purchases	308	229
Royalties	748	1,250
Professional services	701	2,126
Development costs	598	566
Tax liabilities	698	430
Other	1,559	1,317
Total accrued expenses	<u>\$ 4,799</u>	<u>\$ 6,486</u>

9. Stock-based compensation

Stock-based compensation expense for all stock awards consists of the following (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Cost of product revenue	\$ 137	\$ 96	\$ 225	\$ 186
Cost of service and other revenue	205	122	371	232
Research and development	482	409	880	808
Selling, general, and administrative	4,362	3,023	7,537	5,810
Total	<u>\$ 5,186</u>	<u>\$ 3,650</u>	<u>\$ 9,013</u>	<u>\$ 7,036</u>

In both the three and six months ended June 30, 2022, the Company incurred approximately \$0.7 million of stock-based compensation expense related to the transition of the Company's former Chief Executive Officer to Executive Chairman in accordance with ASC Topic 718, *Compensation - Stock Compensation*. As of June 30, 2022, there was \$46.4 million of total unrecognized compensation cost related to unvested restricted stock units (RSUs) and stock options, which is expected to be recognized over the remaining weighted-average vesting period of 2.9 years.

10. Leases

The Company is a lessee under leases of offices, lab spaces, and certain office equipment. Some of the Company's leases include options to extend the lease, and these options are included in the lease term to the extent they are reasonably certain to be exercised.

On January 28, 2022, the Company executed a lease for 85,800 square feet of office and laboratory space in Bedford, Massachusetts. The lease commencement date was February 1, 2022, when the Company gained access to the underlying facilities. The Company has negotiated a tenant improvement allowance with the landlord which will offset a portion of the Company's construction costs. The Company has assessed whether improvements made to the premises are landlord-owned or company-owned, with payments made by the Company for landlord-owned assets accounted for as lease incentives. The initial term of the lease's payment schedule is eight years and nine months beginning on May 1, 2022. The Company has the option to extend the lease for two additional five-year periods.

The components of lease expense was as follows (in thousands):

Operating leases	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Lease costs (1)				
Operating lease costs	\$ 1,569	\$ 663	\$ 2,232	\$ 1,334
Total lease cost	\$ 1,569	\$ 663	\$ 2,232	\$ 1,334

(1) Short-term lease costs and variable lease costs incurred by the Company for the three and six months ended June 30, 2022 were not material.

Supplemental balance sheet and cash flow information was as follows (amounts in thousands):

Supplemental balance sheet information:	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Weighted average remaining lease term	8.5 years	9.6 years	8.5 years	9.6 years
Weighted average discount rate	7.2%	9.7%	7.2%	9.7%

Supplemental cash flow information:

Operating cash flows used for operating leases	\$ 532	\$ 837	\$ 1,394	\$ 1,683
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Future minimum commitments under the Company's operating leases in effect as of June 30, 2022 were as follows (in thousands):

Twelve months ending June 30,	
2023	\$ 5,918
2024	6,860
2025	7,046
2026	7,271
2027	7,502
Thereafter	27,520
Total lease payments	62,117
Less: imputed interest	16,286
Total operating lease liabilities	\$ 45,831

11. Commitments and contingencies

Legal contingencies

The Company is subject to claims in the ordinary course of business; however, the Company is not currently a party to any pending or threatened litigation, the outcome of which would be expected to have a material adverse effect on its financial condition or the results of its operations. The Company accrues for contingent liabilities to the extent that the liability is probable and estimable.

12. Collaboration and license arrangements

The Company has entered into certain licenses with other companies for use of the Company's technology. These licenses have royalty components which the Company earns and recognizes as collaboration and license revenue throughout the year. At both June 30, 2022 and December 31, 2021, the Company had \$0.5 million of deferred revenue related to ongoing negotiations with a diagnostics company.

Abbott Laboratories

On September 29, 2020, the Company entered into a Non-Exclusive License Agreement (the Abbott License Agreement) with Abbott Laboratories (Abbott). Pursuant to the terms of the Abbott License Agreement, the Company granted Abbott a non-exclusive, worldwide, royalty-bearing license, without the right to sublicense, under the Company's bead-based single molecule detection patents (Licensed Patents) in the field of *in vitro* diagnostics. Abbott agreed to pay the Company an initial license fee of \$10.0 million in connection with the execution of the Abbott License Agreement, which was recognized as license revenue during the 2020 fiscal year. Abbott has also agreed to pay the Company milestone fees subject to the achievement by Abbott of certain development, regulatory and commercialization milestones and low single-digit royalties on net sales of licensed products.

The Abbott License Agreement includes customary representations and warranties, covenants and indemnification obligations for a transaction of this nature. The Abbott License Agreement became effective upon signing and will continue until expiration of the last-to-expire Licensed Patent, or the agreement is earlier terminated. Under the terms of the Abbott License Agreement, the Company and Abbott each have the right to terminate the agreement for uncured material breach by, or insolvency of, the other party. Abbott may also terminate the Abbott License Agreement at any time without cause upon 60 days' notice.

During the three and six months ended June 30, 2022 and 2021, the Company recognized no revenue under the Abbott License Agreement.

13. Related party transactions

One of the Company's Directors is affiliated with Harvard University, the Wyss Institute at Harvard and Mass General Brigham. Revenue recorded from sales to Harvard University and its affiliates and to Mass General Brigham and its affiliates totaled \$0.1 million and \$0.3 million for the three and six months ended June 30, 2022, respectively, and \$0.2 million for each of the three and six months ended June 30, 2021. The Company had \$0.2 million in accounts receivable from Harvard University and its affiliates and Mass General Brigham and its affiliates at both June 30, 2022 and December 31, 2021. Deferred revenue from Harvard University and its affiliates and Mass General Brigham and its affiliates was \$0.1 million at both June 30, 2022 and December 31, 2021.

On May 26, 2022, the Company entered into an agreement with UltraDx Limited (UltraDx agreement), a new company formed by ARCH Venture Partners (ARCH). Pursuant to the UltraDx agreement, the Company will supply HD-X instruments (both fully assembled and disassembled) as well as assays and assay components to UltraDx, and UltraDx has the non-exclusive right to seek Chinese regulatory approval of and to commercialize the HD-X instrument and related assays in the Chinese neurological *in vitro* diagnostic market. The Company has determined that UltraDx is a related party because one of the Company's directors is affiliated with ARCH and UltraDx. Pursuant to the terms of the UltraDx agreement, the Company shipped a total of ten fully assembled and disassembled HD-X instruments to UltraDx on June 30, 2022 at a purchase price of approximately \$1.9 million. Due to the fact that UltraDx was recently formed during the second quarter of 2022, the Company will recognize revenue on these shipments upon receipt of payment.

Amounts from other related party relationships are immaterial. Collectively, at June 30, 2022 and December 31, 2021, the Company had no accounts receivable and \$18 thousand in accounts receivable, respectively, from these other related parties. In addition, the Company had a total of \$20 thousand and \$6 thousand in accounts payable at June 30, 2022 and December 31, 2021, respectively, from these other related parties. In the three and six months ended June 30, 2022, the Company recorded cost of product revenue of \$11 thousand and \$20 thousand, respectively, cost of service and other revenue of \$34 thousand and \$87 thousand, respectively, research and development of \$29 thousand and \$61 thousand, respectively, and selling, general, and administrative of \$8 thousand and \$41 thousand, respectively, from these other related parties. In the three and six months ended June 30, 2021, the Company recorded service revenue of \$4 thousand and \$24 thousand, respectively, cost of product revenue of \$23 thousand and \$30 thousand, respectively, cost of service and other revenue of \$34 thousand and \$51 thousand, respectively, research and development of \$40 thousand and \$51 thousand, respectively, and selling, general, and administrative of \$9 thousand and \$23 thousand, respectively, in total from these other related parties.

14. Accumulated Other Comprehensive Loss

The following shows the changes in the components of accumulated other comprehensive loss (in thousands):

	Cumulative translation adjustment	Accumulated Other Comprehensive Income (Loss)
Balance at December 31, 2021	\$ 441	\$ 441
Current period accumulated other comprehensive loss	(2,644)	(2,644)
Balance at June 30, 2022	<u>\$ (2,203)</u>	<u>\$ (2,203)</u>

	Cumulative translation adjustment	Accumulated Other Comprehensive Income
Balance at December 31, 2020	\$ 2,434	\$ 2,434
Current period accumulated other comprehensive loss	(856)	(856)
Balance at June 30, 2021	<u>\$ 1,578</u>	<u>\$ 1,578</u>

15. Subsequent Events

Following a strategic review and assessment of the Company's operations, cost structure and growth opportunities, on August 8, 2022, the Company announced a plan of restructuring and strategic re-alignment, which includes the elimination of approximately 130 positions across the Company and other cost-saving measures (the Restructuring). The Company expects to substantially complete the workforce reduction by the end of the third quarter of 2022. The Company expects to record a charge in the range of \$7 million to \$10 million in the third quarter of 2022 as a result of the workforce reduction, consisting of one-time termination benefits for employee severance, benefits and related costs, all of which are expected to result in cash expenditures and substantially all of which will be paid out over the next five months. The Company may also implement other cost savings measures as part of the Restructuring and may incur termination and other costs in connection with such measures, which could be material. As part of the Restructuring, the Company is also reviewing its alternatives with respect to additional facility space that it currently leases in Bedford, Massachusetts (see Note 10). These alternatives may include the termination of the lease or the sub-lease of all or a portion of the leased facility. The Company is currently unable to estimate facility-related charges, which could be material.

On August 7, 2022, E. Kevin Hrusovsky, Executive Chairman of Quanterix (the Company), entered into a separation agreement and release with the Company, effective as of August 8, 2022, pursuant to which his employment as Executive Chairman of the Company's Board of Directors (the Board) has ended and he has resigned as a Director on the Board, both effective August 8, 2022. In connection with his resignation, Mr. Hrusovsky will receive severance benefits consistent with the provisions of his employment agreement with the Company, dated as of April 25, 2022. The Company's current Lead Independent Director, Martin D. Madaus, Ph.D., has been elected to succeed Mr. Hrusovsky as Chairman of the Board, effective as of August 8, 2022.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our condensed consolidated financial statements and the related notes included elsewhere in this Quarterly Report on Form 10-Q and our audited financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the Securities and Exchange Commission (the SEC) on March 1, 2022. In addition to historical information, the following discussion contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results, performance or experience could differ materially from what is indicated by any forward-looking statement due to various important factors, risks and uncertainties, including, but not limited to, those set forth under Item 1A of Part II, "Risk Factors" and "Special Note Regarding Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q or under "Risk Factors" in Item 1A of Part I of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022, as may be updated by "Part II, Item 1A, Risk Factors" of our subsequently filed Quarterly Reports on Form 10-Q.

Overview

We are a life sciences company that has developed next generation, ultra-sensitive digital immunoassay platforms that advance precision health for life sciences research and diagnostics. Our platforms are based on our proprietary digital "Simoa" detection technology. Our Simoa bead-based and planar array platforms enable customers to reliably detect protein biomarkers in extremely low concentrations in blood, serum and other fluids that, in many cases, are undetectable using conventional, analog immunoassay technologies, and also allow researchers to define and validate the function of novel protein biomarkers that are only present in very low concentrations. These capabilities provide our customers with insight into the role of protein biomarkers in human health that has not been possible with other existing technologies and enable researchers to unlock unique insights into the continuum between health and disease. We believe this greater insight will enable the development of novel therapies and diagnostics and facilitate a paradigm shift in healthcare from an emphasis on treatment to a focus on earlier detection, monitoring, prognosis and, ultimately, prevention.

Our instruments are designed to be used either with assays fully developed by us, including all antibodies and supplies required to run the tests, or with "homebrew" kits where we supply some of the components required for testing, and the customer supplies the remaining required elements. Accordingly, our installed instruments generate a recurring revenue stream. As the installed base of the Simoa instruments increases, total consumables revenue overall is expected to increase. We believe that consumables revenue should be subject to less period-to-period fluctuation than our instrument sales revenue and will become an increasingly important contributor to our overall revenue.

We commercially launched our first immunoassay platform, the Simoa HD-1, in January 2014. The HD-1 is based on our bead-based technology, and assays run on the HD-1 are fully automated. We initiated commercial launch of the SR-X instrument in December 2017. The SR-X utilizes the same Simoa bead-based technology and assay kits as the HD-1 in a compact benchtop form with a lower price point, more flexible assay preparation, and a wider range of applications. In July 2019, we launched the Simoa HD-X, an upgraded version of the Simoa HD-1, which replaces the HD-1. The HD-X has been designed to deliver significant productivity and operational efficiency improvements, as well as greater user flexibility. We began shipping and installing HD-X instruments at customer locations in 2019, and by the end of 2021, approximately 68% of the HD instrument installed base was HD-X instruments.

We also provide contract research services for customers through our CLIA-certified Accelerator Laboratory. The Accelerator Laboratory provides customers with access to Simoa technology, and supports multiple projects and services, including sample testing, homebrew assay development and custom assay development. To date, we have completed over 1,800 projects for approximately 430 customers from all over the world using our Simoa platforms.

We sell our instruments, consumables and services to the life science, pharmaceutical and diagnostics industries through a direct sales force and support organizations in North America and Europe, and through distributors or sales agents in other select markets, including Australia, Brazil, China, Czech Republic, India, Hong Kong, Israel, Japan, New

Zealand, Qatar, Saudi Arabia, Singapore, South Africa, South Korea, Taiwan, and UAE. In addition, Uman sells Nf-L antibodies and Nf-L ELISA kits directly, and in conjunction with us and another distributor worldwide. We have an extensive base of customers in world class academic and governmental research institutions, as well as pharmaceutical, biotechnology and contract research companies.

We are subject to ongoing uncertainty concerning the COVID-19 pandemic, including its length and severity and its effect on our business. In 2020, we saw an impact on instrument revenue due to limitations on our ability to access certain customer sites and complete instrument installations, as well as an impact on consumables revenue from interruptions in certain customer laboratories through the first quarter of 2021. As customers began returning to normal operations in the second quarter of 2021, we have seen less of an impact related to COVID-19 related shutdowns. However, we expect COVID-19 related challenges to continue for the foreseeable future and potentially increase if variants result in new shutdowns.

The COVID-19 situation remains dynamic, and there remains significant uncertainty as to the length and severity of the pandemic, the actions that may be taken by government authorities, the impact to the businesses of our customers and suppliers, the long-term economic implications and other factors identified in “Part I, Item 1A, Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022. We will continue to evaluate the nature and extent of the impact to our business, financial condition, and operating results.

As of June 30, 2022, we had cash and cash equivalents of \$361.3 million. Since inception, we have incurred annual net losses. Our net loss were \$57.7 million, \$31.5 million, and \$40.8 million for the years ended December 31, 2021, 2020, and 2019, respectively, and \$43.1 million and \$22.0 million for the six months ended June 30, 2022 and 2021, respectively. As of June 30, 2022, we had an accumulated deficit of \$348.5 million and stockholders' equity of \$405.5 million.

Recent Business Developments

On March 24, 2022, we entered into a contract with the Alzheimer’s Drug Discovery Foundation (ADDF). ADDF is a charitable venture philanthropy entity that has granted us funding in support of certain activities for the development of an in vitro diagnostic (IVD) test for early detection of Alzheimer’s disease (ADDF grant). The ADDF grant, which has a total funding value of \$2.3 million, restricts our use of the granted funds to be used solely for activities related to the Alzheimer’s diagnostic test development project. Contract funding is subject to achievement of these pre-defined milestones and the contract period runs through June 2024. As of June 30, 2022, we had received \$1.3 million out of the full \$2.3 million under the ADDF grant. During the three and six months ended June 30, 2022, we recognized \$0.1 million in grant revenue and incurred \$0.1 million in research and development expense related to the ADDF grant.

During the first quarter of 2022, we entered into a Master Collaboration Agreement with Eli Lilly and Company (Lilly) establishing a framework for future projects focused on the development of Simoa immunoassays (the Lilly Collaboration Agreement). We also entered into a Statement of Work under the Lilly Collaboration Agreement to perform assay research and development services within the field of Alzheimer’s disease. In connection with the Lilly Collaboration Agreement, we received a non-refundable up-front payment of \$5.0 million during the first quarter of 2022, and under the Statement of Work receive \$1.5 million per calendar quarter during 2022, beginning with the three months ended March 31, 2022. The revenue will be recognized over a one-year period.

Concurrent with the execution of the Lilly Collaboration Agreement, we entered into a Technology License Agreement (the Lilly License) under which Lilly granted to us a non-exclusive license to Lilly’s proprietary P-tau217 antibody technology for potential near-term use in research-use-only products and services and future *in vitro* diagnostics applications within the field of Alzheimer’s disease. In consideration of the Lilly License, we paid an upfront fee, are required to make milestone payments based on the achievement of predetermined regulatory and commercial events, and will pay a royalty on net sales of licensed products.

We concluded that the Lilly Collaboration Agreement and the Lilly License represented a single contract with a customer and are accounting for the agreements as service revenue recognized over time as the services are delivered. The transaction price for the Lilly Collaboration Agreement is \$10.9 million. Contingent amounts due to Lilly represent variable consideration payable to a customer and will be recognized as reductions to service revenue up to the amount of the transaction price recognized, when probable. We are utilizing an input method to measure the delivery of services by calculating costs incurred at each period end relative to total costs expected to be incurred.

During the three and six months ended June 30, 2022, we recognized approximately \$2.7 million and \$5.4 million, respectively, of revenue from the Lilly Collaboration Agreement as service revenue.

On September 29, 2020, we entered the Abbott License Agreement with Abbott. Pursuant to the terms of the Abbott License Agreement, we granted Abbott a non-exclusive, worldwide, royalty-bearing license, without the right to sublicense, under our bead-based single molecule detection patents in the field of IVD. Abbott paid an initial license fee of \$10.0 million in connection with the execution of the Abbott License Agreement, which was recognized as license revenue for the year ended December 31, 2020. Abbott has also agreed to pay us milestone fees subject to the achievement by Abbott of certain development, regulatory and commercialization milestones and low single digit royalties on net sales of licensed products.

In view of the COVID-19 pandemic, in 2020 we began developing a SARS-CoV-2 antibody test (the Antibody Test) and a SARS-CoV-2 antigen test (the Antigen Test) for our HD-X instrument. The U.S. Food and Drug Administration (FDA) issued Emergency Use Authorizations (EUAs) for the Antibody Test and the Antigen Test in December 2020 and January 2021, respectively. In September 2021, FDA expanded the EUA label for the Antigen Test to include testing with nasal swabs and saliva and for asymptomatic serial testing with nasal swab samples. In May 2022, we voluntarily withdrew the EUA for each of these tests as we no longer intend to market the EUA version of the tests. This decision was made in recognition of the changing testing dynamics of the COVID-19 pandemic. Our tests are optimized for use in central laboratory testing environments that process samples in high volume. As the health crisis transitions from the pandemic to endemic phase, public health policy has shifted to prioritize more routine use of low-cost, rapid antigen tests. Additionally, a substantial majority of revenue from our COVID-19 test portfolio has been from the RUO-labeled versions of these tests, which continue to be utilized in research and clinical settings. We intend to continue to commercialize the RUO-labeled tests.

In September 2020, we entered into workplan 2 (WP2) with the National Institute of Health (NIH) under the RADx program. This contract, which had a total award value of up to \$18.2 million, was intended to accelerate the continued development, scale-up and deployment of the Antigen Test, in particular to expand assay kit manufacturing capacity and commercial deployment readiness. Contract funding was subject to the achievement of pre-defined milestones and the contract period ran through September 2021, with one milestone extended to May 31, 2022. As of June 30, 2022, we have received the full \$18.2 million under WP2.

Restructuring and Strategic Re-Alignment

Following a strategic review and assessment of our operations, cost structure and growth opportunities, on August 8, 2022, we announced a plan of restructuring and strategic re-alignment. As part of this plan, we have begun an assay redevelopment program with the ultimate objective of improving our ability to manufacture and deliver high-quality assays at scale. The plan aligns our investments to best serve the needs of customers, focus innovation efforts on key platforms and provide the foundation for our entry into translational pharma and clinical markets, which we believe will be required to access new growth categories. The planned restructuring includes the elimination of approximately 130 positions across the Company and other cost-saving measures (the Restructuring). We expect to substantially complete the workforce reduction by the end of the third quarter of 2022. We expect to record a charge in the range of \$7 million to \$10 million in the third quarter of 2022 as a result of the workforce reduction, consisting of one-time termination benefits for employee severance, benefits and related costs, all of which are expected to result in cash expenditures and substantially all of which will be paid out over the next five months. Overall, we expect to realize estimated annualized operating expense savings of approximately \$25 million. We may also implement other cost savings measures as part of the Restructuring and may incur termination and other costs in connection with such measures, which could be material. As part of the Restructuring, we are also reviewing our alternatives with respect to

additional facility space that we currently lease in Bedford, Massachusetts. These alternatives may include the termination of the lease or the sub-lease of all or a portion of the leased facility. We are currently unable to estimate facility-related charges, which could be material.

Despite the Restructuring, we expect to continue to incur significant expense and operating losses at least through the next 24 months as we:

- execute the Restructuring Plan;
- expand our sales and marketing efforts to further commercialize our products;
- strategically acquire companies or technologies that may be complementary to our business;
- expand our research and development efforts to improve our existing products and develop and launch new products, particularly if any of our products are deemed by FDA to be medical devices or otherwise subject to additional regulation by FDA;
- seek PMA or 510(k) clearance from FDA for our existing products or new products if or when we decide to market products for use in the prevention, diagnosis or treatment of a disease or other condition;
- enter into additional collaboration arrangements or in-license other products and technologies; and
- continue to incur costs associated with being a public company and our status as a large accelerated filer.

Results of Operations

Comparison of the Three Months Ended June 30, 2022 and June 30, 2021 (dollars in thousands):

	Three Months Ended June 30,				Increase (Decrease)	
	2022	% of revenue	2021	% of revenue	Amount	%
Product revenue	\$ 14,785	63 %	\$ 18,676	74 %	\$ (3,891)	(21)%
Service and other revenue	8,548	37 %	5,648	22 %	2,900	51 %
Collaboration and license revenue	92	— %	105	— %	(13)	(12)%
Grant revenue	75	— %	942	4 %	(867)	(92)%
Total revenue	23,500	100 %	25,371	100 %	(1,871)	(7)%
Cost of goods sold:						
Cost of product revenue	9,921	42 %	8,114	32 %	1,807	22 %
Cost of service revenue	4,868	21 %	3,383	13 %	1,485	44 %
Total costs of goods sold and services	14,789	63 %	11,497	45 %	3,292	29 %
Gross profit	8,711	37 %	13,874	55 %	(5,163)	(37)%
Operating expenses:						
Research and development	6,625	28 %	6,754	27 %	(129)	(2)%
Selling, general, and administrative	27,045	115 %	20,788	82 %	6,257	30 %
Total operating expenses	33,670	143 %	27,542	109 %	6,128	22 %
Loss from operations	(24,959)	(106)%	(13,668)	(54)%	(11,291)	(83)%
Interest income (expense), net	552	2 %	(165)	(1)%	717	435 %
Other (expense) income, net	(358)	(1)%	1,977	8 %	(2,335)	(118)%
Loss before income taxes	(24,765)	(105)%	(11,856)	(47)%	(12,909)	(109)%
Income tax provision	137	1 %	41	— %	96	(234)%
Net loss	\$ (24,902)	(104)%	\$ (11,897)	(47)%	\$ (12,813)	(108)%

Revenue

Total revenue decreased \$1.9 million, or 7%, to \$23.5 million for the three months ended June 30, 2022, as compared to \$25.4 million for the three months ended June 30, 2021. Product revenue consisted of sales of instruments totaling \$5.6 million and sales of consumables and other products of \$9.2 million for the three months ended June 30, 2022. Product revenue primarily consisted of instrument sales totaling \$5.8 million and sales of consumables and other products of \$12.8 million for the three months ended June 30, 2021. The decrease in product revenue of \$3.9 million in the second quarter of 2022 was due mainly to the decrease in consumables and instrument sales year over year, including a decrease in consumables sales to one large customer. Consumable sales decreased due to quality challenges, as well as decreased sales of our Antibody Test year over year. The increase in service and other revenue was primarily due to the \$2.7 million of revenue recognized from the Lilly Collaboration Agreement during the three months ended June 30, 2022. Our collaboration and license revenue during both periods was mainly related to licensing technology and intellectual property. For the three months ended June 30, 2022, grant revenue of \$0.1 million was related to the ADDF grant. For the three months ended June 30, 2021, grant revenue of \$0.9 million was related to WP2.

Cost of Goods Sold and Services

Cost of goods sold and services increased \$3.3 million, or 29%, to \$14.8 million for the three months ended June 30, 2022, as compared to \$11.5 million for the three months ended June 30, 2021. We performed an evaluation of our business during the second quarter of 2022, during which we determined that certain functions were spending a higher percentage of their time on quality and other activities associated with cost of goods sold. Our ongoing efforts to address manufacturing and quality challenges resulted in an increase of \$1.7 million charged to cost of goods sold with a corresponding \$1.7 million reduction in operating expense. We expect these expenses to continue until the quality challenges are resolved. The remainder of the increase in cost of goods sold was primarily due to inefficiencies in our manufacturing process, reducing productivity and resulting in decreased absorption costs benefit during the second quarter of 2022. Overall, cost of goods sold and services as a percentage of revenue increased to 63% of total revenue for

the three months ended June 30, 2022, as compared to 45% for the three months ended June 30, 2021, for the reasons described above, the impact of decreased consumables sales within our product mix, and the overall decrease in revenue.

Research and Development Expense

Research and development expense decreased \$0.1 million, or 2%, for the three months ended June 30, 2022, as compared to the same period in 2021, primarily due to efforts to address manufacturing and quality control challenges, partially offset by additional headcount in research and development.

Selling, General, and Administrative Expense

Selling, general and administrative expense increased \$6.3 million, or 30%, for the three months ended June 30, 2022, as compared to the same period in 2021, mainly due to additional headcount driving increased cash compensation expense and stock-based compensation expense. During the three months ended June 30, 2022, we incurred approximately \$0.7 million of stock-based compensation expense related to the transition of our former Chief Executive Officer to Executive Chairman. Rent expense increased for the three months ended June 30, 2022 due to the new lease facility in Bedford, Massachusetts that commenced on February 1, 2022 when we gained access to the underlying facilities.

Interest Income (Expense), Net

Interest income (expense), net was income of \$0.6 million for the three months ended June 30, 2022, as compared to an expense of \$0.2 million in the same period in 2021, due to the maturity of our note payable in the fourth quarter of 2021 and higher interest income on our cash equivalents during the three months ended June 30, 2022.

Other (Expense) Income, Net

Other (expense) income, net was an expense of \$0.4 million for the three months ended June 30, 2022, as compared to income of \$2.0 million in the same period in 2021. Other expense, net for the three months ended June 30, 2022, mainly consisted of the impact of foreign currency exchange rates. Other income, net for the three months ended June 30, 2021 was mainly due to a \$2.1 million employee retention tax credit established under the Coronavirus Aid, Relief, and Economic Securities Act (CARES Act).

Income Tax Provision

Income tax provision was \$0.1 million for the three months ended June 30, 2022, and less than \$0.1 million for the three months ended June 30, 2021, consisting primarily of provisions recorded on the operating results of our foreign subsidiaries.

Comparison of the Six Months Ended June 30, 2022 and June 30, 2021 (dollars in thousands):

	Six Months Ended June 30,				Increase (Decrease)	
	2022	% of revenue	2021	% of revenue	Amount	%
Product revenue	\$ 35,441	67 %	\$ 36,924	70 %	\$ (1,483)	(4)%
Service and other revenue	17,358	33 %	12,057	23 %	5,301	44 %
Collaboration and license revenue	178	— %	366	1 %	(188)	(51)%
Grant revenue	75	— %	3,233	6 %	(3,158)	(98)%
Total revenue	53,052	100 %	52,580	100 %	472	1 %
Cost of goods sold:						
Cost of product revenue	20,667	39 %	15,594	30 %	5,073	33 %
Cost of service revenue	9,115	17 %	6,763	13 %	2,352	35 %
Total costs of goods sold and services	29,782	56 %	22,357	43 %	7,425	33 %
Gross profit	23,270	44 %	30,223	57 %	(6,953)	(23)%
Operating expenses:						
Research and development	13,659	26 %	13,437	26 %	222	2 %
Selling, general, and administrative	52,757	99 %	40,243	77 %	12,514	31 %
Total operating expenses	66,416	125 %	53,680	102 %	12,736	24 %
Loss from operations	(43,146)	(81)%	(23,457)	(45)%	(19,689)	(84)%
Interest income (expense), net	604	1 %	(328)	(1)%	932	284 %
Other (expense) income, net	(575)	(1)%	1,783	3 %	(2,358)	(132)%
Loss before income taxes	(43,117)	(81)%	(22,002)	(42)%	(21,115)	(96)%
Income tax benefit	(62)	— %	(1)	— %	(61)	6,100 %
Net loss	\$ (43,055)	(81)%	\$ (22,001)	(42)%	\$ (21,176)	(96)%

Revenue

Total revenue was \$53.1 million for the six months ended June 30, 2022, as compared to \$52.6 million for the six months ended June 30, 2021, an increase of \$0.5 million, or 1%. Product revenue consisted of sales of instruments totaling \$11.8 million and sales of consumables and other products of \$23.6 million for the six months ended June 30, 2022. Product revenue primarily consisted of instrument sales totaling \$12.8 million and sales of consumables and other products of \$24.1 million for the six months ended June 30, 2021. The decrease in product revenue of \$1.5 million in the first half of 2022 was due to decreases in both consumables and instrument sales year over year. The decrease in consumables sales was primarily due to quality challenges, including a decrease in consumables sales to one large customer. The increase in service and other revenue was primarily due to the \$5.4 million of revenue recognized from the Lilly Collaboration Agreement during the first half of 2022. Our collaboration and license revenue during both periods was mainly related to licensing technology and intellectual property. For the six months ended June 30, 2022, grant revenue of \$0.1 million was related to the ADDF grant. For the six months ended June 30, 2021, grant revenue of \$3.2 million was related to WP2.

Cost of Goods Sold and Services

Cost of goods sold and services increased \$7.4 million, or 33%, to \$29.8 million for the six months ended June 30, 2022, as compared to \$22.4 million for the six months ended June 30, 2021. We performed an evaluation of our business during the second quarter of 2022, during which we determined that certain functions were spending a higher percentage of their time on quality and other activities associated with cost of goods sold. Our ongoing efforts to address manufacturing and quality challenges resulted in an increase of \$1.7 million charged to cost of goods sold in the three months and six months ended June 30, 2022 with a corresponding \$1.7 million reduction in operating expense. We expect these expenses to continue until the quality challenges are resolved. The remainder of the increase of cost of goods sold was primarily due to inefficiencies in our manufacturing and inventory management processes resulting in higher excess and obsolete product during the six months ended June 30, 2022, as well as reduced productivity resulting in decreased absorption costs benefit during the first half of 2022. In response to the inefficiencies in our inventory management processes, we changed our estimate for excess and obsolete product during the three months ended March 31, 2022, increasing our inventory reserve. Overall, cost of goods sold as a percentage of revenue increased to 56% of

total revenue for the six months ended June 30, 2022, as compared to 43% for the six months ended June 30, 2021, for the reasons described above, as well as the impact of decreased consumables sales within our product mix.

Research and Development Expense

Research and development expense increased \$0.2 million, or 2%, for the six months ended June 30, 2022, as compared to the same period in 2021, primarily due to additional headcount in research and development.

Selling, General, and Administrative Expense

Selling, general and administrative expense increased \$12.5 million, or 31%, for the six months ended June 30, 2022, as compared to the same period in 2021, mainly due to additional headcount driving increased cash compensation expense, stock-based compensation expense, and other general and administrative expenses. Rent expense increased for the six months ended June 30, 2022 due to the new lease facility in Bedford, Massachusetts that commenced on February 1, 2022 when we gained access to the underlying facilities.

Interest Income (Expense), Net

Interest income (expense), net was income of \$0.6 million in the six months ended June 30, 2022, as compared to an expense of \$0.3 million in the same period in 2021, due to the maturity of our note payable in the fourth quarter of 2021 and higher interest income on our cash equivalents during the first half of 2022.

Other (Expense) Income, Net

Other (expense) income, net was an expense of \$0.6 million in the six months ended June 30, 2022, as compared to income of \$1.8 million in the same period in 2021. Other expense, net for the first half of 2022 was mainly due to the impact of foreign currency exchange rates. Other income, net for the first half of 2021 was mainly due to a \$2.1 million employee retention tax credit established under the CARES Act.

Income Tax Benefit

Income tax benefit was less than \$0.1 million for each of the six months ended June 30, 2022, and 2021.

Liquidity and Capital Resources

To date, we have financed our operations principally through equity offerings, borrowings from credit facilities and revenue from our commercial operations.

Cash Flows

The following table presents our cash flows (in thousands):

	Six Months Ended June 30,	
	2022	2021
Net cash used in operating activities	\$ (29,635)	\$ (23,838)
Net cash used in investing activities	(5,934)	(2,129)
Net cash provided by financing activities	1,190	275,706
Net (decrease) increase in cash, cash equivalents and restricted cash	\$ (34,379)	\$ 249,739

Net Cash Used in Operating Activities

We derive cash flows from operations primarily from the sale of our products and services. Our cash flows from operating activities are also significantly influenced by our use of cash for operating expenses to invest in process improvements. We have historically experienced negative cash flows from operating activities as we have developed our technology, expanded our business and built our infrastructure and this may continue in the future.

Net cash used in operating activities was \$29.6 million during the six months ended June 30, 2022. The net cash used in operating activities primarily consisted of the net loss of \$43.1 million offset by non-cash charges of \$9.0 million of stock-based compensation expense, \$2.8 million of depreciation and amortization expense, and \$1.4 million received on the tenant improvement allowance associated with our new lease facility in Bedford, Massachusetts.

Net cash used in operating activities was \$23.8 million during the six months ended June 30, 2021. The net cash used in operating activities primarily consisted of the net loss of \$22.0 million offset by non-cash charges of \$7.0 million of stock-based compensation expense and \$2.3 million of depreciation and amortization expense. Cash used as a result of changes in operating assets and liabilities of \$11.8 million was primarily due to an increase in inventory of \$6.8 million, a decrease in accrued compensation and benefits, other accrued expenses and other current liabilities of \$3.9 million, and an increase in prepaid expenses and other assets of \$3.0 million, offset by a decrease in accounts receivable of \$1.7 million.

Net Cash Used in Investing Activities

Historically, our primary investing activities have consisted of capital expenditures for the purchase of capital equipment to support our expanding infrastructure and work force. We expect to continue to incur additional costs for capital expenditures related to these efforts in future periods.

Investing activities used \$5.9 million of cash during the six months ended June 30, 2022 primarily related to purchases of property and equipment for the new leased facility in Bedford, Massachusetts.

Investing activities used \$2.1 million of cash during the six months ended June 30, 2021, primarily related to \$7.3 million in purchases of property and equipment, offset by \$5.2 million in grant proceeds related to WP2.

Net Cash Provided by Financing Activities

Historically, we have financed our operations principally through sales of our stock, borrowings from credit facilities, and revenues from our commercial operations.

Financing activities provided \$1.2 million of cash during the six months ended June 30, 2022, from proceeds from employee stock purchases and stock option exercises.

Financing activities provided \$275.7 million of cash during the six months ended June 30, 2021, primarily from \$269.7 million in net proceeds from our underwritten public offering during the first quarter of 2021, and \$5.5 million in proceeds from common stock option exercises.

Capital Resources

Since inception, we have incurred annual net losses. Additionally, as a public company, we have incurred and will continue to incur significant audit, legal and other expenses. Our liquidity requirements have historically consisted, and we expect that they will continue to consist, of sales and marketing expenses, research and development expenses, working capital, debt service and general corporate expenses.

We believe cash generated from commercial sales, our current cash and cash equivalents, and interest income we earn on these balances will be sufficient to meet our anticipated operating cash requirements for at least the next 12 months. Our estimates of the period of time through which our financial resources will be adequate to support our operations and the costs to support research and development and our sales and marketing activities are forward-looking statements and involve risks and uncertainties and actual results could vary materially and negatively as a result of a number of factors, including the factors discussed in Part II, Item 1A. “Risk Factors”, of this Quarterly Report on Form 10-Q, Item 1A, “Risk Factors” of our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022. We have based our estimates on assumptions that may prove to be wrong and we could utilize our available capital resources sooner than we currently expect. Our future funding requirements will depend on many factors, including:

- our ability to successfully execute and realize the intended benefits of the Restructuring;
- market acceptance of our products;
- the cost and timing of establishing additional sales, marketing and distribution capabilities;
- the cost of our research and development activities;
- our ability to enter into collaborations in the future, and the success of any such collaborations;
- the cost and timing of potential regulatory clearances or approvals that may be required in the future for our products;
- the effects of the COVID-19 pandemic; and
- the effect of competing technological and market developments.

If the conditions for raising capital are favorable, we may seek to finance future cash needs through public or private equity or debt offerings or other financings. On November 6, 2020, we filed an automatically effective shelf registration statement with the SEC. Each issuance of securities under the shelf registration statement will require the filing of a prospectus supplement identifying the amount and terms of securities to be issued. The registration statement does not limit the amount of securities that may be issued thereunder. Our ability to issue securities is subject to market conditions and other factors. This registration statement will expire on November 6, 2023, three years after its date of effectiveness. However, 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 restricting our operations or our ability to incur additional 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.

Contractual Obligations and Commitments

As of June 30, 2022, except for the Bedford, Massachusetts lease detailed in Note 10 to our unaudited condensed consolidated financial statements, there have been no material changes to our contractual obligations and commitments from those described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in our Annual Report on Form 10-K for the year ended December 31, 2021 filed with the SEC on March 1, 2022.

Critical Accounting Policies, Significant Judgments and Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States, or U.S. GAAP, requires management to make estimates and assumptions that impact the reported amounts of assets, liabilities, revenues, and expenses and the disclosure of assets and liabilities in our financial statements and accompanying notes. The most significant assumptions used in the financial statements are the underlying assumptions used in revenue recognition and valuation of inventory. We base estimates and assumptions on historical experience when available and on various factors that we determined to be reasonable under the circumstances. We evaluate our estimates and assumptions on an ongoing basis. Our actual results may differ from these estimates under different assumptions or conditions.

Our critical accounting policies and significant estimates that involve a higher degree of judgment and complexity are described under “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies, Significant Judgments and Estimates” included in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022.

There have been no material changes to our critical accounting policies and estimates as disclosed therein.

Recent Accounting Pronouncements

Information concerning recently issued accounting pronouncements may be found in Note 2 to our unaudited condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At June 30, 2022, there have been no material changes to the market risk information, except for concentrations noted below, described under “Quantitative and Qualitative Disclosures About Market Risk” included in the Annual Report on Form 10-K for the year ended December 31, 2021.

For each of the three and six months ended June 30, 2022, there was one customer that accounted for 18% of our total revenue.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our principal executive officer and principal financial officer, evaluated the effectiveness of our disclosure controls and procedures as of June 30, 2022. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended (the Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial

officers, as appropriate to allow timely decisions regarding required disclosure. Management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving their objectives, and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Our disclosure controls and procedures are designed to provide a reasonable assurance of achieving their objectives.

Based on the evaluation of our disclosure controls and procedures as of June 30, 2022, our principal executive officer and principal financial officer concluded that, as of such date, the Company's disclosure controls and procedures were effective at the reasonable assurance level.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that occurred during the six months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

We are not currently a party to any material legal proceedings.

Item 1A. Risk Factors

There have been no material changes to the risk factors described in our Annual Report on Form 10-K for the year ended December 31, 2021, filed with the SEC on March 1, 2022, except for the addition of the following risk factor:

We may fail to achieve the expected cost savings and related benefits from our Restructuring and Re-alignment Plan.

In August 2022, we announced a plan of restructuring and strategic re-alignment, which includes the elimination of approximately 130 current positions, or 25% of our workforce and other cost-savings measures (Restructuring). We expect to incur expenses of approximately \$7 million to \$10 million related to the Restructuring, substantially all of which will be cash expenditures for severance and other costs relating to the Restructuring through the third and fourth quarter of 2022.

Overall, we expect to realize estimated annualized operating expense savings of approximately \$25 million. These estimates are subject to a number of assumptions, and actual results may differ. There is no guarantee that the Restructuring will achieve its intended benefits. For example, our cost restructuring and business re-alignment efforts may not result in the anticipated savings or other economic benefits, or could result in total costs and expenses that are greater than expected, which could require us to seek potentially dilutive financing alternatives, disrupt or restrain the scope of our business activities and make it more difficult to attract and retain qualified personnel, each of which could have an adverse effect on our business. We may implement other cost savings measures as part of the Restructuring, and may incur termination and other costs in connection with such measures, which could be material. As part of the Restructuring, we are also reviewing our alternatives with respect to additional facility space that we currently lease in Bedford, Massachusetts. These alternatives may include the termination of the lease or the sub-lease of all or a portion of the leased facility. We are currently unable to estimate facility-related charges, which may be material.

We may fail to effectively execute on the Restructuring. The Restructuring may cause disruption to our business operations. For example, the Restructuring will result in the loss of a number of long-term employees, may result in the loss of institutional knowledge and expertise and the reallocation and combination of certain of roles and responsibilities across our organization, all of which could adversely affect our operations. In addition, we may not be able to effectively realize all the cost savings anticipated by the Restructuring and we may incur unanticipated charges or make cash payments that were not previously contemplated, which could result in an adverse effect on our business or results of operations. In connection with the Restructuring, we have set in motion an assay improvement program with the ultimate objective of improving our ability to manufacture and deliver high-quality assays at scale. We expect to make initial progress toward this initiative in 2022 and that the program will be completed in 2023. We may be unable to obtain the anticipated product and quality-related benefits from these efforts in the timeframe anticipated, or at all, which could have an adverse effect on our business.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Not applicable.

Item 6. Exhibits

The following is a list of exhibits filed as part of this Quarterly Report on Form 10-Q.

Exhibit Number	Exhibit Description	Filed Herewith	Incorporated by Reference herein from Form or Schedule	Filing Date	SEC File/Reg. Number
3.1	Amended and Restated Certificate of Incorporation.		8-K	12/15/2017	001-38319
3.2	Restated Bylaws.		8-K	12/15/2017	001-38319
10.1	Amended and Restated Employment Agreement between Masoud Toloue and the Company dated April 25, 2022.		8-K	4/29/2022	001-38319
10.2	Amended and Restated Employment Agreement between E. Kevin Hrusovsky and the Company dated April 25, 2022.		8-K	4/29/2022	001-38319
31.1	Certification of the Principal Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
31.2	Certification of the Principal Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	X			
32.1	Certifications of the Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	X			
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.	X			
101.SCH	XBRL Taxonomy Extension Schema Document.	X			
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.	X			
101.DEF	XBRL Taxonomy Extension Definition.	X			
101.LAB	XBRL Taxonomy Extension Label Linkbase Document.	X			
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.	X			
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).	X			

SIGNATURES

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

QUANTERIX CORPORATION

Dated: August 8, 2022

By: /s/ Masoud Toloue
Masoud Toloue
President and Chief Executive Officer
(principal executive officer)

Dated: August 8, 2022

By: /s/ Michael A. Doyle
Michael A. Doyle
Chief Financial Officer
(principal financial officer and principal
accounting officer)

CERTIFICATIONS UNDER SECTION 302

I, Masoud Toloue, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quanterix Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2022

/s/ Masoud Toloue

Masoud Toloue

President and Chief Executive Officer

(principal executive officer)

CERTIFICATIONS UNDER SECTION 302

I, Michael A. Doyle, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Quanterix Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;
 - c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 8, 2022

/s/ Michael A. Doyle

Michael A. Doyle

Chief Financial Officer

(principal financial officer and principal accounting officer)

CERTIFICATIONS UNDER SECTION 906

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of Quanterix Corporation, a Delaware corporation (the "Company"), does hereby certify, to such officer's knowledge, that:

The Quarterly Report for the period ended June 30, 2022 (the "Form 10-Q") of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and the information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2022

/s/ Masoud Toloue

Masoud Toloue

President and Chief Executive Officer

Dated: August 8, 2022

/s/ Michael A. Doyle

Michael A. Doyle

Chief Financial Officer
