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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 March 31, 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	**20-8957988**
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
900 Middlesex Turnpike **Billerica, MA**	**01821**
(Address of principal executive offices)	(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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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

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

As of May 4, 2022, the registrant had 36,910,137 shares of common stock, $0.001 par value per share, outstanding.

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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, and are subject to a number of risks, uncertainties and assumptions, including those described in this Quarterly Report on Form 10-Q and in "Part I, Item 1A, Risk Factors" of 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)

	March 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 374,317	$ 396,465
Accounts receivable (less allowance for credit losses of $248 and $419 as of March 31, 2022 and December 31, 2021, respectively)	22,616	23,786
Inventory	22,669	22,190
Prepaid expenses and other current assets	14,104	6,514
Total current assets	433,706	448,955
Restricted cash	2,577	2,577
Property and equipment, net	19,683	17,960
Intangible assets, net	9,692	10,534
Goodwill	9,323	9,632
Right-of-use assets	29,298	11,491
Other non-current assets	378	378
Total assets	$ 504,657	$ 501,527
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 4,262	$ 9,209
Accrued compensation and benefits	8,139	13,252
Other accrued expenses	8,024	6,486
Deferred revenue	9,194	6,361
Short term lease liabilities	1,886	1,428
Other current liabilities	268	241
Total current liabilities	31,773	36,977
Deferred revenue, net of current portion	1,222	1,099
Long term lease liabilities	43,563	20,464
Other non-current liabilities	1,691	2,035
Commitments and contingencies (Note 11)		
Stockholders' equity:		
Common stock, $0.001 par value:		
Authorized—120,000,000 shares as of March 31, 2022 and December 31, 2021; issued and outstanding — 36,899,156 and 36,768,035 shares as of March 31, 2022 and December 31, 2021, respectively	37	37
Additional paid-in capital	750,742	745,936
Accumulated other comprehensive (loss) income	(756)	441
Accumulated deficit	(323,615)	(305,462)
Total stockholders' equity	426,408	440,952
Total liabilities and stockholders' equity	$ 504,657	$ 501,527

See accompanying notes

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

	Three Months Ended March 31,	
	2022	2021
Product revenue	$ 20,656	$ 18,248
Service and other revenue	8,810	6,409
Collaboration revenue	86	261
Grant revenue	—	2,291
Total revenue	29,552	27,209
Costs of goods sold:		
Cost of product revenue	10,746	7,480
Cost of service and other revenue	4,247	3,380
Total costs of goods sold and services	14,993	10,860
Gross profit	14,559	16,349
Operating expenses:		
Research and development	7,034	6,683
Selling, general and administrative	25,712	19,455
Total operating expenses	32,746	26,138
Loss from operations	(18,187)	(9,789)
Interest income (expense), net	52	(163)
Other expense, net	(217)	(194)
Loss before income taxes	(18,352)	(10,146)
Income tax benefit	199	42
Net loss	$ (18,153)	$ (10,104)
Net loss per share, basic and diluted	$ (0.49)	$ (0.29)
Weighted-average common shares outstanding, basic and diluted	36,850,894	34,434,931

See accompanying notes

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

	Three Months Ended March 31,	
	2022	2021
Net loss	$ (18,153)	$ (10,104)
Other comprehensive loss:		
Cumulative translation adjustment	(1,197)	(1,251)
Total other comprehensive loss	(1,197)	(1,251)
Comprehensive loss	$ (19,350)	$ (11,355)

See accompanying notes

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

	Three Months Ended March 31,	
	2022	2021
Operating activities		
Net loss	$ (18,153)	$ (10,104)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization expense	1,358	1,151
Inventory step-up amortization	—	164
Credit loss expense on accounts receivable	(171)	20
Reduction in the carrying amount of right-of-use assets	348	128
Stock-based compensation expense	3,827	3,386
Non-cash interest expense	—	22
Changes in operating assets and liabilities:		
Accounts receivable	1,319	2,227
Prepaid expenses and other assets	(2,070)	(1,744)
Inventory	(484)	(2,327)
Other non-current assets	1	(16)
Accounts payable	(5,306)	(2,109)
Accrued compensation and benefits, other accrued expenses and other current liabilities	(4,921)	(5,598)
Contract acquisition costs	(41)	(72)
Operating lease liabilities	(87)	(307)
Other non-current liabilities	(271)	(107)
Deferred revenue	2,956	1,197
Net cash used in operating activities	(21,695)	(14,089)
Investing activities		
Purchases of property and equipment	(1,394)	(79)
Proceeds from RADx grant on assets purchased	520	2,514
Net cash (used in) provided by investing activities	(874)	2,435
Financing activities		
Proceeds from stock options exercised	385	3,076
Sale of common stock in underwritten public offering, net	—	269,718
Proceeds from ESPP purchase	594	519
Net cash provided by financing activities	979	273,313
Net (decrease) increase in cash, cash equivalents and restricted cash	(21,590)	261,659
Effect of foreign currency exchange rate on cash	(558)	(171)
Cash, restricted cash, and cash equivalents at beginning of period	399,042	182,584
Cash, restricted cash, and cash equivalents at end of period	$ 376,894	$ 444,072
Noncash transactions:		
Right-of-use asset obtained in exchange for lease liabilities	$ 18,156	$ —
Reconciliation of cash, cash equivalents, and restricted cash:		
Cash and cash equivalents	$ 374,317	$ 442,672
Restricted cash	2,577	1,400
Total cash, cash equivalents, and restricted cash	$ 376,894	$ 444,072

See accompanying notes

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

	Common stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
	Shares	Value				
Balance at December 31, 2021	36,768,035	$ 37	$ 745,936	$ 441	$ (305,462)	$ 440,952
Issuance of capital shares:						
−Exercised stock options	60,126	—	385			385
−Restricted units converted	49,208	—	—			—
−ESPP stock purchase	20,449	—	594			594
−Issuance of common stock	1,338	—	—			—
Stock-based compensation expense			3,827			3,827
Cumulative translation adjustment				(1,197)		(1,197)
Net loss					(18,153)	(18,153)
Balance at March 31, 2022	36,899,156	$ 37	$ 750,742	$ (756)	$ (323,615)	$ 426,408

	Common stock		Additional paid-in capital	Accumulated other comprehensive income (loss)	Accumulated deficit	Total stockholders' equity
	Shares	Value				
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	281,324	—	3,076			3,076
−Restricted units converted	84,159	—	—			—
−ESPP stock purchase	17,225	—	519			519
−Issuance of common stock	1,187	—	—			—
Sale of common stock in underwritten public offering, net	4,107,142	4	269,714			269,718
Stock-based compensation expense			3,386			3,386
Cumulative translation adjustment				(1,251)		(1,251)
Net loss					(10,104)	(10,104)
Balance at March 31, 2021	36,294,928	$ 36	$ 728,128	$ 1,183	$ (257,878)	$ 471,469

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 (the 2021 Annual Report on Form 10-K).

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 three months ended March 31, 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 three months ended March 31, 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 three months ended March 31, 2022, and under the Statement of Work receives $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, 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 months ended March 31, 2022, the Company recognized approximately $2.7 million 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 March 31, 2022			
	NA	EMEA	Asia Pacific	Total
Product revenues				
Instruments	$ 2,165	$ 2,046	$ 2,011	$ 6,222
Consumable and other products	8,833	4,426	1,175	14,434
Total	$ 10,998	$ 6,472	$ 3,186	$ 20,656
Service and other revenues				
Service-type warranties	$ 1,283	$ 659	$ 92	$ 2,034
Research services	6,096	131	13	6,240
Other services	284	211	41	536
Total	$ 7,663	$ 1,001	$ 146	$ 8,810
Collaboration and license revenue				
Collaboration and license revenue	$ —	$ 34	$ 52	$ 86

	Three Months Ended March 31, 2021			
	NA	EMEA	Asia Pacific	Total
Product revenues				
Instruments	$ 3,756	$ 2,833	$ 372	$ 6,961
Consumable and other products	6,911	3,493	883	11,287
Total	$ 10,667	$ 6,326	$ 1,255	$ 18,248
Service and other revenues				
Service-type warranties	$ 971	$ 438	$ 62	$ 1,471
Research services	3,558	728	12	4,298
Other services	456	184	—	640
Total	$ 4,985	$ 1,350	$ 74	$ 6,409
Collaboration and license revenue				
Collaboration and license revenue	$ 187	$ 74	$ —	$ 261

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. 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.

The aggregate amount of transaction price that is allocated to performance obligations that have not yet been satisfied or are partially satisfied as of March 31, 2022 and 2021 and December 31, 2021 is $10.4 million and $7.5 million, respectively. As of March 31, 2022, of the performance obligations not yet satisfied or partially satisfied, $9.2 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 $9.2 million at March 31, 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 13).

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

	Three Months Ended March 31, 2022
Balance at December 31, 2021	$ 7,460
Deferral of revenue	5,000
Recognition of deferred revenue	(2,044)
Balance at March 31, 2022	$ 10,416

Costs to obtain a contract

The Company's sales commissions are generally based on revenues 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):

	Three Months Ended March 31, 2022
Balance at December 31, 2021	$ 440
Deferral of costs to obtain a contract	363
Recognition of costs to obtain a contract	(321)
Balance at March 31, 2022	$ 482

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 March 31, 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 perform 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 we have determined we are 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, the Company has accounted for grants by analogy to IAS 20.

Grants to the Company 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 workplan 2 (WP2) with the NIH under its RADx program. The contract, which has 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 our 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 March 31, 2022, the Company had received $17.7 million out of the full $18.2 million under WP2. During the three months ended March 31, 2022, the Company recognized no grant revenue and incurred no research and development expense related to WP2. During the three months ended March 31, 2021, the Company recognized $2.3 million in grant revenue and incurred $1.8 million in research and development expense related to WP2. In May 2022, the Company received the final $0.5 million under WP2.

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

	March 31, 2022	December 31, 2021
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	$ 18,200	$ 17,680
Recognized	$ 18,200	$ 17,680
Amount accrued	(520)	—
Total cash received	$ 17,680	$ 17,680
Proceeds received	$ 17,680	$ 17,680
Proceeds reasonably assured	520	520
Total WP2 grant amount	$ 18,200	$ 18,200

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:

	As of March 31,	
	2022	2021
Stock options	2,185,706	2,428,268
Unvested restricted stock and stock units	587,939	563,810

5. Fair value of financial instruments

Fair value measurements are as follows (in thousands):

March 31, 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	$ 332,112	$ 332,112	$ —	$ —

December 31, 2021	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	$ 332,093	$ 332,093	$ —	$ —

6. Inventory

Inventory consists of the following (in thousands):

	March 31, 2022	December 31, 2021
Raw materials	$ 9,199	$ 7,892
Work in process	4,068	4,923
Finished goods	9,402	9,375
Total net inventory	$ 22,669	$ 22,190

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 table provides a roll-forward of 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 gain	(171)
Write-offs charged against allowances	—
Balance at March 31, 2022	$ 248

8. Other accrued expenses

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

	March 31, 2022	December 31, 2021
Inventory purchases	$ 558	$ 568
Property and equipment purchases	202	229
Royalties	1,096	1,250
Professional services	1,861	2,126
Leasehold improvements	1,081	—
Development costs	977	566
Tax liabilities	806	430
Other	1,443	1,317
Total accrued expenses	$ 8,024	$ 6,486

9. Stock-based compensation

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

	Three Months Ended March 31,	
	2022	2021
Cost of product revenue	$ 88	$ 90
Cost of service and other revenue	166	110
Research and development	398	399
Selling, general, and administrative	3,175	2,787
Total	$ 3,827	$ 3,386

As of March 31, 2022, there was $42.8 million of total unrecognized compensation cost related to unvested 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 office space covered by this lease will serve as our principal office and headquarters once construction is completed in the third quarter of 2022. 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):

	Three Months Ended March 31,	
Operating leases	**2022**	**2021**
Lease costs (1)		
Operating lease costs	$ 663	$ 671
Total lease cost	$ 663	$ 671

(1) Short-term lease costs and variable lease costs incurred by the Company for the three months ended March 31, 2022 were not material.

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

	Three Months Ended March 31,	
	2022	2021
Supplemental balance sheet information:		
Weighted average remaining lease term	8.7 years	9.6 years
Weighted average discount rate	7.4%	9.7%
Supplemental cash flow information:		
Operating cash flows used for operating leases	$ 862	$ 846

Future minimum commitments under the Company's operating leases in effect as of March 31, 2022 were as follows (in thousands):

Twelve months ending March 31,		
2023	$	4,569
2024		6,814
2025		6,987
2026		7,208
2027		7,437
Thereafter		29,634
Total lease payments		62,649
Less: imputed interest		17,200
Total operating lease liabilities	$	45,449

11. Commitments and contingencies

Tufts University

In June 2007, the Company entered into a license agreement (the License Agreement) for certain intellectual property with Tufts University (Tufts). Tufts is a related party to the Company due to Tufts' equity ownership in the Company and because a member of the Company's Board of Directors was affiliated with Tufts. The License Agreement, which was subsequently amended, is exclusive and sublicensable, and will continue in effect on a country-by-country basis as long as there is a valid claim of a licensed patent in a country. The Company is committed to pay low single digit royalties on direct sales and services and a royalty on sublicense income, as well as an annual maintenance fee that is credited against royalties payable. During the three months ended March 31, 2022 and 2021, the Company recorded royalty expense of $0.3 million and $0.5 million, respectively, in cost of product revenue on the consolidated statements of operations.

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. The Company recognized revenue of $0.1 million and $0.3 million for three months ended March 31, 2022 and 2021, respectively, associated with these licenses.

At both March 31, 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 months ended March 31, 2022 and 2021, the Company recognized no revenue under the Abbott License Agreement.

13. Related party transactions

The Company entered into the License Agreement for certain intellectual property with Tufts (see Note 11). Tufts' equity ownership in the Company makes Tufts a related party. A member of our Board of Directors was previously affiliated with Tufts and continues to receive compensation from Tufts on a formulaic basis on royalties and license payments the Company makes to Tufts. During the three months ended March 31, 2022 and 2021, the Company recorded royalty expense of $0.3 million and $0.5 million in cost of product revenue on the consolidated statements of operations, respectively.

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 $0.2 million and less than $0.1 million for the three months ended March 31, 2022 and 2021, respectively. The Company had $0.1 million and $0.2 million in accounts receivable from Harvard University and its affiliates and Mass General Brigham and its affiliates at March 31, 2022 and December 31, 2021, respectively. Deferred revenue from Harvard University and its affiliates and Mass General Brigham and its affiliates was $0 and $0.1 million at March 31, 2022 and December 31, 2021, respectively.

Amounts from other related party relationships are immaterial. Collectively, the Company had $18 thousand in accounts receivable at December 31, 2021 from these other related parties. In addition, the Company had a total of $57 thousand and $6 thousand in accounts payable at March 31, 2022 and December 31, 2021, respectively, from these other related parties. The Company had a total of $4 thousand in other accrued expenses at March 31, 2022 from these related parties. In the three months ended March 31, 2022, the Company recorded cost of product revenue of $9 thousand, cost of service and other revenue of $52 thousand, research and development of $41 thousand and selling, general, and administrative of $33 thousand, collectively from these other related parties. In the three months ended March 31, 2021, the Company recorded service revenue of $20 thousand, cost of product revenue of $7 thousand, cost of service and other revenue of $17 thousand, research and development of $6 thousand and selling, general, and administrative of $14 thousand, 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 - December 31, 2021	$ 441	$ 441
Current period accumulated other comprehensive loss	(1,197)	(1,197)
Balance - March 31, 2022	$ (756)	$ (756)

	Cumulative translation adjustment	Accumulated Other Comprehensive Income (Loss)
Balance - December 31, 2020	$ 2,434	$ 2,434
Current period accumulated other comprehensive loss	(1,251)	(1,251)
Balance - March 31, 2021	$ 1,183	$ 1,183

15. Subsequent Event

During the first quarter of 2022, the Company implemented an executive leadership succession plan designed to leverage the Company's strong foundation for growth. In connection with this plan, E. Kevin Hrusovsky has transitioned from his role as Chief Executive Officer and was appointed Executive Chairman of the Company's Board of Directors (the "Board"), effective April 25, 2022. Effective April 25, 2022, Masoud Toloue, Ph.D., President of Quanterix and Diagnostics, was appointed Chief Executive Officer of the Company. Effective April 25, 2022, Dr. Toloue was also appointed to serve on the Company's Board as a Class II director, with a term ending at the 2022 annual meeting of stockholders and will continue to serve as the Company's President.

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 (SEC). 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 "Special Note Regarding Forward-Looking Statements" included elsewhere in this quarterly report 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 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 1,700 projects for approximately 400 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.

During the three months ended March 31, 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 three months ended March 31, 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 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 months ended March 31, 2022, we recognized approximately $2.7 million 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 FDA issued EUAs for the Antibody Test and the Antigen Test in December 2020 and January 2021, respectively. In September 2021, the 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 submitted a request to the FDA to voluntarily withdraw 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 WP2 with the 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 March 31, 2022, we had received $17.7 million out of the full $18.2 million under WP2, and in May 2022 we received the final $0.5 million. Performance under the RADx WP2 contract is now complete.

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 business of our customers and suppliers, the long-term economic implications and other factors identified in “Part I, Item 1A, Risk Factors” of this Annual Report on Form 10-K. We will continue to evaluate the nature and extent of the impact to our business, financial condition, and operating results.

As of March 31, 2022, we had cash and cash equivalents of $376.9 million. Since inception, we have incurred annual net losses. Our net loss was $57.7 million, $31.5 million, and $40.8 million for the years ended December 31, 2021, 2020, and 2019, respectively, and $18.2 million and $10.1 million for the three months ended March 31, 2022 and 2021, respectively. As of March 31, 2022, we had an accumulated deficit of $323.6 million and stockholders' equity of $426.4 million. We expect to continue to incur significant expenses and operating losses at least through the next 24 months. We expect our expenses will increase substantially as we:

- 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 the FDA to be medical devices or otherwise subject to additional regulation by the FDA;
- seek PMA or 510(k) clearance from the 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;
- hire additional personnel and continue to grow our employee headcount;
- enter into additional collaboration arrangements or in-license other products and technologies;
- add operational, financial and management information systems; and
- continue to incur increased costs as a result of operating as a public company.

Results of Operations

Comparison of the Three Months Ended March 31, 2022 and March 31, 2021 (dollars in thousands):

	Three Months Ended March 31,				Increase (Decrease)	
	2022	% of revenue	2021	% of revenue	Amount	%
Product revenue	$ 20,656	70 %	$ 18,248	67 %	$ 2,408	13 %
Service and other revenue	8,810	30 %	6,409	24 %	2,401	37 %
Collaboration and license revenue	86	— %	261	1 %	(175)	(67)%
Grant revenue	—	— %	2,291	8 %	(2,291)	(100)%
Total revenue	29,552	100 %	27,209	100 %	2,343	9 %
Cost of goods sold:						
Cost of product revenue	10,746	37 %	7,480	27 %	3,266	44 %
Cost of service revenue	4,247	14 %	3,380	12 %	867	26 %
Total costs of goods sold and services	14,993	51 %	10,860	40 %	4,133	38 %
Gross profit	14,559	49 %	16,349	60 %	(1,790)	(11)%
Operating expenses:						
Research and development	7,034	24 %	6,683	25 %	351	5 %
Selling, general, and administrative	25,712	87 %	19,455	72 %	6,257	32 %
Total operating expenses	32,746	111 %	26,138	96 %	6,608	25 %
Loss from operations	(18,187)	(62)%	(9,789)	(36)%	(8,398)	(86)%
Interest income (expense), net	52	— %	(163)	(1)%	215	132 %
Other expense, net	(217)	(1)%	(194)	(1)%	(23)	(12)%
Loss before income taxes	(18,352)	(63)%	(10,146)	(37)%	(8,206)	(81)%
Income tax benefit	199	2 %	42	— %	157	374 %
Net loss	$ (18,153)	(61)%	$ (10,104)	(37)%	$ (8,049)	(80)%

Revenue

Total revenue increased by $2.3 million, or 9%, to $29.6 million for the three months ended March 31, 2022, as compared to $27.2 million for the three months ended March 31, 2021. Product revenue consisted of sales of instruments totaling $6.2 million and sales of consumables and other products of $14.2 million for the three months ended March 31, 2022. Product revenue primarily consisted of instrument sales totaling $7.0 million and sales of consumables and other products of $11.3 million for the three months ended March 31, 2021. The increase in product revenue of $2.4 million in the first quarter of 2022 was due to the increase in consumable sales year over year, partially offset by a decline in instrument sales. The increase in service and other revenue was due to the $2.7 million of revenue recognized from the Lilly Collaboration Agreement during the three months ended March 31, 2022. Our collaboration and license revenue during both periods was mainly related to licensing technology and intellectual property. Grant revenue of $2.3 million for the three months ended March 31, 2021 consisted of revenue related to WP2. We did not have any grant revenue during the three months ended March 31, 2022.

Cost of Goods Sold, Services, and Licenses

Cost of product revenue increased by $3.3 million, or 44%, to $10.7 million the three months ended March 31, 2022, as compared to $7.5 million for the three months ended March 31, 2021. The increase was primarily due to inefficiencies in our manufacturing and inventory management processes resulting in higher excess and obsolete product during the quarter. Accordingly, we changed our estimate for excess and obsolete product during the three months ended March 31, 2022, increasing our reserve. Cost of service revenue increased to $4.3 million the three months ended March 31, 2022, as compared to $3.4 million for the three months ended March 31, 2021, primarily due to our increased service revenue. Overall, cost of goods sold as a percentage of revenue increased to 51% of total revenue the three months ended March 31, 2022, as compared to 40% for the three months ended March 31, 2021. This was a result of the inefficiencies in our manufacturing and inventory management processes noted above.

Research and Development Expense

Research and development expense increased by $0.4 million, or 5%, for the three months ended March 31, 2022, as compared to the same period in 2021, primarily due to additional headcount in research and development as we scale our organization and invest in process improvements.

Selling, General, and Administrative Expense

Selling, general and administrative expense increased by $6.3 million, or 32%, for the three months ended March 31, 2022, as compared to the same period in 2021, mainly due to additional headcount as we scale our organization and discretionary spending increases.

Interest income (Expense), Net

Interest income (expense), net increased to income of $0.1 million for the three months ended March 31, 2022, as compared to an expense of $0.2 million in the same period in 2021, due to maturity of the Company's note payable in the fourth quarter of 2021 and higher interest income on our cash equivalents during the three months ended March 31, 2022.

Other Expense, Net

Other expense, net was consistent at $0.2 million in both periods presented and mainly consisted of the impact of foreign currency exchange rates.

Income Tax Benefit

Income tax benefit was $0.2 million for the three months ended March 31, 2022 and less than $0.1 million for the three months ended March 31, 2021 consisting primarily of provisions recorded on the operating results of our foreign subsidiaries.

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):

	Three Months Ended March 31,	
	2022	2021
Net cash used in operating activities	$ (21,695)	$ (14,089)
Net cash (used in) provided by investing activities	(874)	2,435
Net cash provided by financing activities	979	273,313
Net (decrease) increase in cash, cash equivalents and restricted cash	$ (21,590)	$ 261,659

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 $21.7 million during the three months ended March 31, 2022. The net cash used in operating activities primarily consisted of the net loss of $18.2 million offset by non-cash charges of $3.8 million of stock-based compensation expense and $1.4 million of depreciation and amortization expense. Cash used as a result of changes in operating assets and liabilities of $8.9 million was primarily due to a decrease in accounts payable of $5.3 million and a decrease in accrued compensation and benefits, other accrued expenses and other current liabilities of $4.9 million offset by an increase in deferred revenue of $3.0 million.

Net cash used in operating activities was $14.1 million during the three months ended March 31, 2021. The net cash used in operating activities primarily consisted of the net loss of $10.1 million offset by non-cash charges of $3.4 million of stock-based compensation expense and $1.2 million of depreciation and amortization expense. Cash used as a result of changes in operating assets and liabilities of $8.9 million was primarily due to a decrease in accrued compensation and benefits, other accrued expenses and other current liabilities of $5.6 million, and an increase in inventory of $2.3 million.

Net Cash (Used in) Provided by 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 $0.9 million of cash during the three months ended March 31, 2022 primarily related to purchases of property and equipment.

Investing activities provided $2.4 million of cash during the three months ended March 31, 2021 primarily related to $2.5 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 $1.0 million of cash during the three months ended March 31, 2022, mainly from proceeds from employee stock purchases and stock option exercises.

Financing activities provided $273.3 million of cash during the three months ended March 31, 2021, primarily from $269.7 million in net proceeds from our underwritten public offering during the first quarter of 2021, and $3.1 million in proceeds from common stock option exercises.

Capital Resources

Other than the third quarter of 2020, since inception, we have incurred net losses, and we also expect that our operating expenses will increase as we continue to increase our marketing efforts to drive adoption of our commercial products. Additionally, as a public company, we have incurred and will continue to incur significant audit, legal and other expenses that we did not incur as a private company. 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. In the future, we expect our operating and capital expenditures to increase as we increase headcount, expand our sales and marketing activities and grow our customer base. 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 Item 1A, "Risk

Factors" of our Annual Report on Form 10-K for the year ended December 31, 2021 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:

- 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 March 31, 2022, except for the Bedford, Massachusetts lease detailed in Note 10, 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.

Off-Balance Sheet Arrangements

We did not have, during the periods presented, and we do not currently have, any off-balance sheet arrangements, as defined under applicable SEC rules.

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.

There have been no material changes to our critical accounting policies and estimates as disclosed therein, with the exception of our adoption of recent accounting pronouncements, as discussed below.

Recent Accounting Pronouncements

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

Item 3. Quantitative and Qualitative Disclosures About Market Risk

At March 31, 2022, there have been no material changes to the market risk information 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.

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 March 31, 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, or 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 March 31, 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 three months ended March 31, 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.

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
10.1	Lease Agreement, dated January 28, 2022, by and between the Company and Xchange Owner LLC.		8-K	1/31/2022	001-38319
10.2*	Employment Agreement, dated June 22, 2021, by the Registrant and Michael Doyle		8-K	6/28/2021	001-38319
10.3*	Employment Agreement, dated May 10, 2021, by the Registrant and Dr. Masoud Toloue		8-K	5/11/2021	001-38319
10.4*	Third Amendment, dated September 25, 2020, to the Exclusive License Agreement between the Registrant and Tufts University		10-Q	11/6/2020	001-38319
10.5*	Separation Agreement dated November 11, 2021 by and between the Registrant and William Geist		8-K	11/12/2021	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			

* Exhibit is included herein solely to correct an incorrect hyperlink in our Annual Report on Form 10-K for the year ended December 31, 2021.

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: May 10, 2022

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

Dated: May 10, 2022

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

Exhibit 31.1

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: May 10, 2022

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

Exhibit 31.2

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: May 10, 2022

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

Exhibit 32.1

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 March 31, 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: May 10, 2022

/s/ Masoud Toloue
Masoud Toloue
President and Chief Executive Officer

Dated: May 10, 2022

/s/ Michael A. Doyle
Michael A. Doyle
Chief Financial Officer