MAXCYTE 2022 ANNUAL REPORT

Dear Stockholders,

This is the second annual report of MaxCyte, Inc. ("MaxCyte" or the "Company") following the listing of our common stock on the Nasdaq Global Select Market in July 2021.

Consistent with our annual report last year, this year's annual report consists of the Form 10-K that we filed with the U.S. Securities and Exchange Commission (the "SEC") on 15 March 2023 (enclosed), the proxy statement prepared in connection with our 2023 Annual Meeting of stockholders to be held on 22 June 2023 that we filed with the SEC on 28 April 2023 (enclosed) and certain additional information that we are including herein in accordance with the AIM Rules for Companies and in line with our prior practice for annual reports.

With over twenty years of clinical cell engineering expertise, MaxCyte's platform remains the premier cell engineering technology in our industry, enabling the development of a growing portfolio of advanced cell-based therapeutics. Leveraging that capability, our team delivered strong growth in 2022, our first full year as a Nasdaq listed company.

MaxCyte's performance in 2022 was driven by robust performance in our core cell engineering business, in both our key markets, cell therapy and drug discovery, as well as revenues by our partners' progress into and through clinical development. We expanded those partnerships in 2022 across diverse cell types, disease indications and geographic regions and now have a total of 20 product development partners including our most recent partnerships with Catamaran Bio, announced in January 2023, and Walking Fish, announced in May 2023. Our partners' programs continue to make exciting progress with several entering and/or progressing through the clinic. We continue to see a path towards a first commercially approved product enabled by our platform as Vertex's exa-cel program for Sickle Cell Disease and beta-thalassemia seeks regulatory approval. Overall, our global customer base is expanding across all stages of development and across a growing number of diseases. We now have more than 600 instruments placed with customers around the globe, as compared to just over 500 instruments at the end of 2021.

Additionally, our partnership pipeline remains robust as we continue into 2023. Our pipeline of new partners continues to expand not only in number but across the breadth of therapeutic modalities and indications including rare diseases, autoimmune, neurodegenerative, and solid tumors.

Much of the focus in 2022 was on investing in our people and capabilities at a measured but healthy rate. In 2022 we made important investments across multiple areas to support growing global end-markets and in preparation for our partners' progression through the clinic towards commercial product launch. These critical initiatives included investments in our field science, regulatory, quality assurance, applications development, engineering and supply teams as well as expansion of the sales, alliance support and marketing teams. We also invested in expanding our manufacturing capability and in product development during 2022, achieving notable milestones with the opening of our new headquarters in Rockville, Maryland, and the launch of our ExPERT VLx Large Scale Transfection System.

In 2023, we will continue to make investments to fuel MaxCyte's future success and financial growth, as well as support our customers' and partners' progress. These investments include growing our commercial teams, continuing expansion of our manufacturing capabilities including scaling our production capacity, enhancing our process development capabilities, and investing in ongoing product development. In addition, we continue to make investments in our applications lab to enable the rapidly growing market in next-generation cell therapies. We believe our targeted investments in 2022 and business momentum across our customer base position us well over the long-term.

Even with this confidence in our future progress, we continue to expect a more challenging operating environment in 2023 which will impact the timing of our customers' development projects and capital investments. However, we see these developments as short term in a therapeutic space with great promise over the long term. Importantly, we continue to have confidence in the value our enablement provides to our industry and in the strength of our SPL partnerships and pipeline opportunities. We have made critical strategic investments, positioning MaxCyte to execute on our long-term goals. We are

honored to support our partners, and believe we remain the partner of choice for non-viral cell engineering technology to support critical programs through development to commercialization. The cell and gene therapy industry is in the early innings of significant global opportunity to deliver therapies to patients and we remain very optimistic about the medium-to-longer term growth for MaxCyte.

Thank you for your continued support of MaxCyte.

Doug Doerfler
Chief Executive Officer

FOCUS ON ENVIRONMENTAL, SOCIAL AND GOVERNANCE RESPONSIBILITY

"At MaxCyte we remain committed to being good corporate citizens while supporting our customers who strive to develop breakthrough therapies to improve the lives of their patients," said Doug Doerfler, President and CEO of MaxCyte. "We recognize the importance of good environmental, social and governance ("ESG") and recently established Board-level oversight of the Company's ESG strategy and practices in addition to adopting the Quoted Companies Alliance Corporate Governance Code (the "QCA Code") to ensure MaxCyte continues to be managed in an efficient, effective, and entrepreneurial manner."

Our inaugural ESG Summary Report, published in May 2023, can be found on our website at:

https://investors.maxcyte.com/environmental-social-governance, and is included in this Annual Report.

DIRECTORS' REPORT

The Directors of the Company present their Report and audited Financial Statements for the year ended 31 December 2022.

Principal activity

MaxCyte (NASDAQ: MXCT; LSE: MXCT) is a leading cell-engineering company focused on providing enabling platform technologies to advance the discovery, development and commercialization of next-generation cell-based therapeutics and to support innovative, cell-based research. Over the past twenty years, the Company has developed and commercialised its proprietary Flow Electroporation platform, which facilitates complex engineering of a wide variety of cells.

Electroporation is a method of transfection, or the process of deliberately introducing molecules into cells, that involves applying an electric field in order to temporarily increase the permeability of the cell membrane. This precisely controlled increase in permeability allows the intracellular delivery of molecules, such as genetic material and proteins, that would not normally be able to cross the cell membrane as easily.

With increased knowledge of cell complexity and systems biology in the scientific community, researchers have sought to leverage or repurpose cell functions and/or machinery for research or therapeutic purposes. The ability to engineer living cells by introducing foreign molecules, such as gene editing systems and transgenes, has led to a revolution in biological research and resulted in numerous biological discoveries. Living human cells can also be engineered *ex vivo*, or outside the body, where they are repaired or reprogrammed to fight disease. In this case, the engineered cell itself is the drug.

Cell therapy has emerged as one of the fastest growing and most promising treatment modalities to address a host of human diseases. The recent success of multiple U.S. Food and Drug Administration ("FDA") approved cell therapies providing long-lasting amelioration of symptoms or presence of disease has catalyzed tremendous investment—leading to exponential growth in cell-based therapies being evaluated for therapeutic applications. The Alliance for Regenerative Medicine ("ARM"), an international advocacy organization, estimates that the regenerative medicine sector, which consists of gene, cell, and tissue-based therapeutic developers, raised an aggregate of $12.6 billion in 2022 and that, as of January 2023, there were more than 2,220 active clinical trials focused on regenerative and advanced medicine, which includes gene therapy, cell-based immuno-oncology, cell therapy and tissue engineering.

Our ExPERT platform, which is based on our Flow Electroporation technology, has been designed to address this rapidly expanding cell therapy market and can be utilized across the continuum of the high-growth cell therapy sector, from discovery and development through commercialization of next-generation, cell-based medicines. The ExPERT family of products includes four instruments, which we call the ATx™, STx™, GTx™ and VLx™, as well as a portfolio of proprietary related disposables and consumables. We launched the ExPERT VLx™ instrument for very large-scale cell engineering in September 2022. Our disposables and consumables include PAs designed for use with our instruments,

as well as accessories supporting PAs such as electroporation buffer solution and software protocols. We have garnered meaningful expertise in cell engineering via our internal research and development efforts as well as our customer-focused commercial approach, which includes a growing application scientist team. The platform is also supported by a robust intellectual property portfolio with more than 150 granted U.S. and foreign patents and more than 95 pending patent applications worldwide.

From leading commercial cell therapy drug developers and top biopharmaceutical companies to top academic and government research institutions, including the U.S. National Institutes of Health, the Company's customers have extensively validated the Company's technology. The Company believes the features and performance of its platform have led to sustained customer engagement. The Company's existing customer base ranges from large biopharmaceutical companies, including all of the top 10, and 20 of the top 25, pharmaceutical companies based on 2021 global revenue, to hundreds of biotechnology companies and academic centers focused on translational research.

Dividends

The Directors do not recommend the payment of a dividend currently.

Employee involvement

The Company's policy is to encourage employee involvement at all levels, as it believes that this is essential for the success of the business.

Directors

The Directors, as of the date of this report, are as follows:

Executive

- Doug Doerfler, President and Chief Executive Officer

Non-Executive

- Richard Douglas, PhD, Chairman
- Yasir Al-Wakeel
- Will Brooke
- Patrick Balthrop (appointed on 30 November 2022)
- Stan Erck
- Rekha Hemrajani
- John Johnston
- Art Mandell

Board Member	Board & Committee Meetings Held During 2022*	Board & Committee Meetings Attended in 2022	Number of External Corporate Appointments Held During 2022
Doug Doerfler	19	19	0
Richard Douglas	8	8	2
Yasir Al-Wakeel	11	11	0
Patrick Balthrop	1	1	1
Will Brooke	16	16	1
Stan Erck	13	13	1
Rekha Hemrajani	10	10	3
John Johnston	11	11	1
Art Mandell	14	14	0

Advisers

Nominated adviser and broker
Panmure Gordon (UK) Limited,
40 Gracechurch Street
London
EC3V 0BT

Joint Corporate Broker
Stifel Niolaus Europe Limited,
150 Cheapside,
London EC2V 6ET

Auditors
CohnReznick LLP,
800 Towers Crescent Drive, Suite 1000,
Tysons, Virginia, U.S.A.

CohnReznick has expressed willingness to continue in office as auditor.

Registrars
Computershare Trust Company, N.A.
150 Royall Street
Canton, MA 02021

Counsel
Cooley (UK) LLP
22 Bishopsgate
London
EC2N 4BQ

Doug Doerfler
Executive Director, President and Chief Executive Officer

This report was approved by the Board on 19 June 2023.

CORPORATE GOVERNANCE REPORT

Principles of good corporate governance

The Directors are committed to maintaining high standards of corporate governance and, as a company dual-listed on the Nasdaq Global Select Market in the United States and AIM in the UK, and as appropriate for a company located in the United States with its size and stage of development, MaxCyte adopts the QCA Code as set forth on www.maxcyte.com. The underlying principle of the QCA Code is that "the purpose of good corporate governance is to ensure that the company is managed in an efficient, effective and entrepreneurial manner for the benefit of all stockholders over the longer term." Our corporate governance is based on the leadership of our Board for the entire Company, and we believe it is essential to our ability to deliver our business strategy.

The Company has adopted an appropriate share dealing code in order to comply with Rule 21 of the AIM Rules for Companies (the "AIM Rules"), as well as U.S. securities laws, relating to Directors and applicable employees dealing in the Company's securities. The Company takes all reasonable steps to ensure compliance with such by its Directors and employees.

As the Company grows, it will regularly review the extent and appropriateness of its corporate governance practices and procedures.

As our business grows, the Company and Board are committed to managing our growth while focusing on environmental, social and governance ("ESG") issues. In April 2023, the Nominating & Corporate Governance Committee of the Board of Directors expanded its charter to include oversight of the Company's ESG strategy and practices. We developed our own ESG policy, part of which, as applicable and as practicable, focuses on meeting the UN's Sustainable Development Goals ("SDGs"). We currently have a number of existing policies in place which are linked to broader ESG and SDG policies, such as: Anti-Bribery and Corruption Policy; Standards of Conduct and Business Ethics; Conflicts of Interest, EEO and Anti- Harassment; and Employee Sick and Safe Leave. In particular, the Company has adopted the MaxCyte, Inc. Code of Conduct and Ethics, further details of which are set out on page 15 of the enclosed proxy statement.

Application of principles of the QCA Code

Board of Directors

The Board comprises eight Non-Executive Directors (including the Chairman) and one Executive Director. All of the Non-Executive Directors are considered to be independent for the purposes of the QCA Code.

All Directors receive regular and timely information about the Company's operational and financial performance. Formal Board meetings are scheduled throughout each financial year. A formal agenda and the accompanying Board papers are circulated in advance of each meeting.

All the Directors commit the time necessary to fulfil their roles at the Company.

The Board is responsible for overall Company strategy, acquisition and divestment policy, approval of the budget, approval of significant borrowing and major capital expenditure projects, and consideration of significant operational and financial matters. The Board monitors the exposure to key business risks and reviews the progress of the Company towards achievement of its strategic goals, budgets and forecasts. One of the Board's key functions is informed oversight of the Company's risk management process. In particular, the Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for the Company. The Board oversees compliance with relevant legislation and regulations, including the AIM Rules, the UK Market Abuse Regulation and the QCA Code, as well as U.S. securities laws and Nasdaq rules. The Board also considers employee issues and key appointments. This is achieved by the close involvement of the Chief Executive Officer in the day-to-day running of the business and by regular reports submitted to and considered at meetings of the Board and its committees by the Chief Executive Officer and other executive officers.

In October 2021, the Board appointed Richard Douglas as its independent Chairman. Dr. Douglas has authority, among other things, to call and preside over Board meetings, including meetings of the independent directors, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Chairman has substantial ability to shape the work of the Board. The Company believes that separation of the positions of Chairman and Chief Executive Officer reinforces the independence of the Board in its oversight of the business and affairs of the Company. In addition, the Company believes that having an independent Chairman creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the Board to monitor whether management's actions are in the best interests of the Company and its stockholders. As a result, the Company believes that having an independent Chairman can enhance the effectiveness of the Board as a whole.

The Board receives training from the EVP, General Counsel, as required, in light of any changes to the law or best corporate governance. In particular, the Board receives regular training on the Company's obligations, and the individual responsibilities of each Director, under the UK Market Abuse Regulation.

The Board ensures it has appropriate expertise to meet the needs of the Company and the Board evaluates its performance on an ongoing basis.

Developing the Company's employees, in preparation for future advancement and making sure qualified employees are actively engaged by the Company, is a key focus of the Chief Executive Officer and other executive officers, with input from the Nominating and Corporate Governance Committee, Compensation Committee and the Board as a whole, as appropriate.

The Company's corporate governance is based on the leadership of our Board. The Chief Executive Officer and other executive officers regularly monitor the Company's cultural environment and seek to address any concerns that may arise.

The Board considers employee compensation, key appointments and other employee issues. This is achieved by the close involvement of the Chief Executive Officer and other executive officers in the day-to-day running of the business and by regular reporting at meetings of the Board and its committees.

The Board has an Audit Committee, a Compensation Committee and a Nominating and Corporate Governance Committee. Details of the composition and activities of the Audit Committee, the Compensation Committee and the Nominating and Corporate Governance Committee are found on pages 10 to 15 in the enclosed proxy statement.

All Directors are able to take independent professional advice in relation to their duties, as necessary, at the Company's expense. Each of the Board's committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board evaluates its performance on an ongoing basis. The Board does not currently undertake a formal annual evaluation process, provided all Board members are required to complete annual questionnaires to ensure their independence and that they possess the qualifications to sever as Directors of the Company.

In July 2021, the Board documented the governance practices to be followed by the Company by adopting Corporate Governance Guidelines to assure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed and to make decisions that are independent of the Company's management. The guidelines are also intended to align the interests of directors and management with those of the Company's stockholders. The Corporate Governance Guidelines set forth the practices the Board intends to follow with respect to board composition and selection including diversity, board meetings and involvement of senior management, Chief Executive Officer performance evaluation, succession planning and board committees and compensation.

The Directors are divided into three classes, as nearly equal in number as possible, designated: Class I, Class II and Class III. The Class I Directors are Doug Doerfler, Yasir Al-Wakeel and Rekha Hemrajani, whose term expires at the 2025 Annual Meeting. The Class II directors are Art Mandell, Stan Erck and Patrick Balthrop, whose term expires at the 2023 Annual Meeting and will be nominated for election at

that meeting for a three-year term expiring at the 2026 Annual Meeting. The Class III directors are Will Brooke, John Johnston and Richard Douglas, whose term expires at the 2024 Annual Meeting.

The role of the Chairman is to lead and oversee the Board, and to promote good corporate governance within the Company. The Chief Executive Officer has responsibility for the business operations, for implementing the Company's strategy and for the day-to-day running of the business.

Relationship with Stockholders

The Board attaches high importance to maintaining good relationships with all stockholders. The Chief Executive Officer and certain other executive officers hold regular meetings with institutional stockholders to keep them updated on the Company's performance, strategy, management and Board membership. The Chief Executive Officer and certain other executive officers give regular briefings to analysts who cover the industry and actively encourage more analysts to follow the Company.

Further, the Company holds an Annual Meeting for all stockholders to attend and encourages open discussion and dialogue. Beyond the Annual Meeting, the Chief Executive Officer meets regularly with investors to provide them with updates on the Company's business.

Details of the process by which stockholders may communicate with the Board or any of its directors are set out on page 15 of the enclosed proxy statement.

The Company has an investor relations team which can be contacted at IR@maxcyte.com.

The Company values its communications with all its stakeholders. The Company's website is updated on a regular basis and users have the ability to view the description of the Company's business as well as its financial statements and other relevant information as such becomes available.

The Chief Executive Officer and certain other executive officers are in regular communication with stockholders to share information regarding the Company and to understand the views of stockholders which are communicated to the Board as appropriate.

On behalf of the Board

Richard Douglas, PhD
Chairman
19 June 2023

DIRECTORS' RESPONSIBILITIES

The Directors, in addition to being responsible for defining and overseeing the corporate governance of the Company in accordance with the QCA Code, are responsible for ensuring the Annual Report and the Financial Statements are prepared in accordance with applicable law and regulations.

The AIM Rules require the Directors to ensure the financial statements are prepared for each financial year. Under those rules, the financial statements are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The Directors believe that the accounts should not be approved unless the Directors are satisfied that the accounts give a true and fair view of the state of the Company's affairs and of the profit or loss of the Company for the period presented. In preparing financial statements, the Directors are required to:

- Properly select and apply accounting policies;
- Present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information; and
- Provide additional disclosures when compliance with the specific requirements in U.S. GAAP are insufficient to enable users to understand the impact of particular transactions, other events, and conditions on the Company's financial position and financial performance.

The Directors are responsible for ensuring the Company maintains adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with U.S. GAAP and the AIM Rules. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors confirm that to the best of their knowledge the financial statements, prepared in accordance with U.S. GAAP, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company.

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-K

(Mark one)

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

For the fiscal year ended December 31, 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: 001-40674

MaxCyte, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**52-2210438**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

9713 Key West Avenue, Suite 400
Rockville, Maryland 20850
(Address of principal executive offices)

Registrant's telephone number, including area code: (301) 944-1700

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.01 per share	MXCT	The Nasdaq Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes☐ No☒
Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes☐ No☒
Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes☒ No☐

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

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

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

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

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

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

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates as of June 30, 2022, the last business day of the registrant's most recently completed second fiscal quarter, based on the closing sale price of the registrant's common stock of $4.73, as reported by the Nasdaq Global Select Market as of that date, was approximately $408.8 million.

As of March 8, 2023, the registrant had 102,904,745 shares of common stock, $0.01 par value per share, issued and outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's definitive proxy statement relating to the 2023 annual meeting of stockholders, which the registrant intends to file with the Securities and Exchange Commission not later than 120 days after the registrant's fiscal year ended December 31, 2022, are incorporated by reference into Part III of this Annual Report on Form 10-K.

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Risk Factors Summary

Our business is subject to numerous risks that you should carefully consider. These risks are more fully described in the section titled "Risk Factors" included in this Annual Report on Form 10-K. A summary of these risks that could materially and adversely affect our business, financial condition, operating results and prospects include the following:

- We are a cell engineering and life sciences company and have incurred significant losses since our inception, and we expect to incur losses for the foreseeable future. We have limited product offerings approved for commercial sale and may never achieve or maintain profitability.

- We are highly dependent on a limited number of product offerings. Our revenue has been primarily generated from the sale and licensing of our instruments, as well as sales of single-use disposable processing assemblies ("PAs"), which require a substantial sales cycle and are prone to quarterly fluctuations in revenue, as well as revenues earned based upon customer clinical development progress events which are outside of our control and highly variable from period to period.

- Our business is dependent on adoption of our products by biopharmaceutical companies and academic institutions for their research and development activities focused on cell-based therapeutics. If biopharmaceutical companies and academic institutions are unwilling to change current practices to adopt our products, it will negatively affect our business, financial condition, prospects and results of operations.

- We may be unable to compete successfully against our existing or future competitors.

- If we cannot maintain and expand current partnerships and enter into new partnerships, that generate marketed licensed products, our business could be adversely affected.

- The failure of our partners to meet their contractual obligations to us could adversely affect our business.

- Our partners may not achieve projected development and regulatory milestones and other anticipated key events in the expected timelines or at all, or may discontinue some or all of their programs, which could have an adverse impact on our business and could negatively impact the value of our company.

- In recent periods, we have depended on a limited number of partners for our revenue, the loss of any of which could have an adverse impact on our business.

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

- We depend on continued supply of high quality components and raw materials for our ExPERT™ instruments and PAs from third-party suppliers, and if shortages of these components or raw materials arise, we may not be able to secure enough components to build new products to meet customer demand or we may be forced to pay higher prices for these components.

- We have limited experience manufacturing our PAs and may be unable to manufacture our PAs in high-quality commercial quantities successfully and consistently to meet demand, which could limit our growth.

- Our results of operations will be harmed if we are unable to accurately forecast customer demand for our products and manage our inventory.

- If we are unable to successfully develop new products, adapt to rapid and significant technological change, respond to introductions of new products by competitors, make strategic and operational decisions to prioritize

certain markets, technology offerings or partnerships, and develop and capitalize on markets, technologies or partnerships, our business could suffer.

- New product development involves a lengthy and complex process and we may be unable to develop or commercialize products on a timely basis, or at all.

- Our systems are complex in design and may contain defects that are not detected until deployed by our customers, which could harm our reputation, increase our costs and reduce our sales. If our products do not perform as expected or the reliability of the technology on which our products are based is questioned, our operating results, reputation and business will suffer.

- Failure or perceived failure to comply with existing or future laws, regulations, contracts, self-regulatory schemes, standards, and other obligations related to data privacy and security (including security incidents) could harm our business. Compliance or the actual or perceived failure to comply with such obligations could increase the costs of our products, limit their use or adoption, and otherwise negatively affect our operating results and business.

- Our FDA Master File, and equivalent Technical Files in foreign jurisdictions, are an important part of our strategic offering which allows our partners to expedite their cellular therapies into and through the clinic. Delays in filing or obtaining (as applicable in a given jurisdiction), or our inability to obtain or retain, acceptance of such filings in individual countries could negatively impact the progress of our partners if they intend to run clinical trials in such countries, and as a result, could negatively affect our reputation and revenues or require disclosure of confidential information to our partners. Further, changes that we are required to make from time to time, or changes to regulations or negative data or adverse events for our partners, could impact references to our FDA Master File and Technical Files by our partners.

- We may need additional funding and may be unable to raise capital when needed, which would force us to delay, reduce, eliminate or abandon our commercialization efforts or product development programs.

- Our partners may not achieve projected development and regulatory milestones and other anticipated key events in the expected timelines or at all, or may discontinue some or all of their programs, which could have an adverse impact on our business and could cause the price of our common stock to decline.

- Our common stock is traded on two separate stock markets and investors seeking to take advantage of price differences between such markets may create unexpected volatility in our share price; in addition, investors may not be able to easily move shares for trading between such markets.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements about us and our industry involve substantial risks, uncertainties, and assumptions, including those described in “Risk Factors” and elsewhere in this report. All statements other than statements of historical facts contained in this report, including statements regarding our future results of operations or financial condition, business strategy and plans and objectives of management for future operations, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as “anticipate,” “believe,” “contemplate,” “continue,” “could,” “estimate,” “expect,” “intend,” “may,” “plan,” “potential,” “predict,” “project,” “should,” “target,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expected future growth and the success of our business model;

- the potential payments we may receive pursuant to our Strategic Platform Licenses (“SPLs”);

- the size and growth potential of the markets for our products, and our ability to serve those markets, increase our market share and achieve and maintain industry leadership;

- the rate and degree of market acceptance of our products within the cell engineering market;

- the expected future growth of our manufacturing capabilities and sales, support and marketing capabilities;

- our ability to expand our customer base and enter into additional SPL partnerships;

- our ability to accurately forecast and manufacture appropriate quantities of our products to meet clinical or commercial demand;

- our expectations regarding development of the cell therapy market, including projected growth in adoption of non-viral delivery approaches and gene editing manipulation technologies;

- our expectation that partners will have access to capital markets to develop and commercialize their cell therapy programs;

- our ability to maintain our FDA Master File and Master Files and Technical Files in other countries and expand Master and Technical Files into additional countries;

- our research and development for any future products, including our intention to introduce new instruments and processing assemblies and move into new applications;

- the development, regulatory approval, and commercialization of competing products and our ability to compete with the companies that develop and sell such products;

- our ability to retain and hire senior management and key personnel;

- regulatory developments in the United States and foreign countries;

- our expectations regarding the period during which we qualify as an emerging growth company under the JOBS Act (as defined below);

- our ability to develop and maintain our corporate infrastructure, including our internal controls;

- our financial performance and capital requirements;
- our expectations regarding our ability to obtain and maintain intellectual property protection for our products, as well as our ability to operate our business without infringing the intellectual property rights of others; and
- our use of available capital resources.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Annual Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled "Risk Factors" and elsewhere in this Annual Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this report. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

In addition, statements that "we believe" and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based on information available to us as of the date of this Annual Report on Form 10-K. And while we believe that information provides a reasonable basis for these statements, that information may be limited or incomplete. Our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all relevant information. These statements are inherently uncertain, and investors are cautioned not to unduly rely on these statements.

The forward-looking statements made in this Annual Report on Form 10-K relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Annual Report to reflect events or circumstances after the date of this Annual Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements, and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments.

You should read this Annual Report on Form 10-K and the documents that we file from time to time with the Securities and Exchange Commission (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.

In this Annual Report on Form 10-K, unless the context requires otherwise, all references to "we," "our," "us," "MaxCyte" and the "Company" refer to MaxCyte, Inc.

PART I

Item 1. Business

Overview

We are a leading commercial cell engineering company focused on providing enabling platform technologies to advance the discovery, development and commercialization of next-generation cell therapeutics and to support innovative cell-based research and development. Over more than two decades, we have developed and commercialized our proprietary Flow Electroporation® platform, which facilitates complex engineering of a wide variety of cells.

Electroporation is a method of transfection, or the process of deliberately introducing molecules into cells, that involves applying an electric field in order to temporarily increase the permeability of the cell membrane. This precisely controlled increase in permeability allows the intracellular delivery of molecules, such as genetic material and proteins, that would not normally be able to cross the cell membrane as easily.

With increased knowledge of cell complexity and systems biology in the scientific community, researchers have sought to leverage or repurpose cell functions and/or machinery for research or therapeutic purposes. The ability to engineer living cells by introducing foreign molecules, such as gene editing systems and transgenes, has led to a revolution in biological research and resulted in numerous biological discoveries. Living human cells can also be engineered *ex vivo*, or outside the body, where they are repaired or reprogrammed to fight disease. In this case, the engineered cell itself is the drug.

Cell therapy has emerged as one of the fastest growing and most promising treatment modalities to address a host of human diseases. The recent success of multiple U.S. Food and Drug Administration (the "FDA") approved cell therapies providing long-lasting amelioration of symptoms or presence of disease has catalyzed tremendous investment—leading to exponential growth in cell-based therapies being evaluated for therapeutic applications. The Alliance for Regenerative Medicine ("ARM"), an international advocacy organization, estimates that the regenerative medicine sector, which consists of gene, cell, and tissue-based therapeutic developers raised an aggregate of $12.6 billion in 2022 and that, as of January 2023, there were more than 2,220 active clinical trials focused on regenerative and advanced medicine, which includes gene therapy, cell-based immuno-oncology, cell therapy and tissue engineering.

Our ExPERT platform, which is based on our Flow Electroporation technology, has been designed to address this rapidly expanding cell therapy market and can be utilized across the continuum of the high-growth cell therapy sector, from discovery and development through commercialization of next-generation, cell-based medicines. The ExPERT family of products includes four instruments, which we call the ATx™, STx™, GTx™ and VLx™, as well as a portfolio of proprietary related disposables and consumables. We launched the ExPERT VLx™ instrument for very large-scale cell engineering in September 2022. Our disposables and consumables include PAs designed for use with our instruments, as well as accessories supporting PAs such as electroporation buffer solution and software protocols. We have garnered meaningful expertise in cell engineering via our internal research and development efforts as well as our customer-focused commercial approach, which includes a growing application scientist team. The platform is also supported by a robust intellectual property portfolio with more than 150 granted U.S. and foreign patents and more than 95 pending patent applications worldwide.

From leading commercial cell therapy drug developers and top biopharmaceutical companies to top academic and government research institutions, including the U.S. National Institutes of Health ("NIH"), our customers have extensively validated our technology. We believe the features and performance of our platform have led to sustained customer engagement. Our existing customer base ranges from large biopharmaceutical companies, including all of the top 10, and 20 of the top 25, pharmaceutical companies based on 2021 global revenue, to hundreds of biotechnology companies and academic centers focused on translational research.

Our Competitive Strengths

We believe our industry leadership position and continued growth will be driven by the following competitive strengths:

- ***Proprietary technology platform that unlocks the significant potential of cell-based therapeutics***. We built our ExPERT platform to advance the growing demands for non-viral delivery and next-generation cell and gene engineering approaches. Our ExPERT platform enables delivery of almost any molecule into almost any cell type. We believe our ExPERT platform leads the industry in performance, as measured by consistency, efficiency, viability, flexibility and scale. Our ExPERT platform is further supported by a robust intellectual property portfolio.

- ***Comprehensive, high-performance transfection platform***. We believe our ExPERT platform offers a unique value proposition given the flexibility to scale up from research to current good manufacturing practices ("cGMP") manufacturing on a single platform— enabling the engineering of cells ranging from tens of thousands of cells to more than tens of billions of cells in a single transfection run taking 30 minutes or less. Our long-term internal engineering expertise is supplemented by our customer focused approach—with a growing application scientist team working with our customers across increasingly diverse applications.

- ***Recognition as a leader in the large and growing next-generation cell therapy market with the ability to capitalize on rising demand for non-viral approaches.*** We believe we are well positioned to increase our market share within the large and growing next-generation cell therapy market. Since the FDA approved the first engineered CAR-T cell therapies to treat blood-based cancers in 2017, the number of cell therapy candidates being evaluated pre-clinically and clinically has grown exponentially. We expect growth to continue given the remaining high unmet medical need in cancer and other chronic conditions and predict increased investments in cell therapy product development across a variety of human diseases. We expect to grow our market share given the high performance of our platform and the ongoing adoption of non-viral delivery as the industry has trended towards developing advanced cell-based therapies with complex engineering strategies to improve efficacy, reduce time to patient treatment and expand into new indications.

- ***Innovative partnership business model focused on value creation and shared success***. Our SPL partnerships allow us to participate in the value creation of our customers' programs via precommercial milestones and in nearly all cases commercial sales-based payments. We intend to continue to build a portfolio of strategic partnerships with cell therapy developers, which provide us with a growing, diversified source of annual licenses and potential downstream revenue.

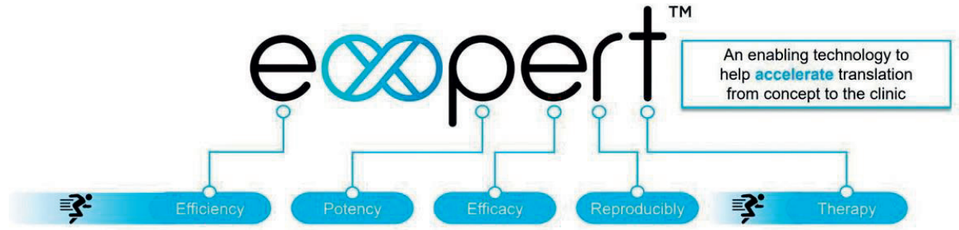
  In addition to the high performance and flexibility of the ExPERT platform, we believe our partnership model further reduces clinical risk and development timelines for our cell therapy partners. By entering into SPL partnerships with us, for example, our partners gain access to our FDA Master File to support their IND-enabling studies and potentially shorten clinical development. Our FDA Master File, which is a submission to the FDA with confidential detailed information about our products, methods, processes and data, was originally established in 2002 and has been continuously updated as platform improvements are implemented to support different applications and cell types. The FDA Master File and equivalent Technical Files in other countries can be referenced by our partners to support their own regulatory submissions with the goal of accelerating regulatory submissions processes for our partners. To date, our FDA Master File and Technical Files have been referenced by our customers in over 40 clinical trials.

- ***Recurring revenue model provides high visibility, with drivers of potential long-term upside.*** Our business model enables us to generate substantial revenue from five sources: sales of instruments, disposables and consumables to new customers; additional sales of instruments, disposables and consumables to our existing installed base; annual instrument license fees from cell therapy customers; potential precommercial milestones under SPL partnerships; and potential commercial sales-based payments under SPL partnerships. We generate recurring revenue from our ExPERT instrumentation licenses, as well as disposables and consumables (or buffer) sales, which provides high visibility into future near-term revenue. In addition to recurring revenue, we have the potential to receive meaningful precommercial and commercial payments under SPL partnerships as our customers achieve success in advancing programs through the clinic and into the commercial stage. In aggregate, given our SPLs entered into to-date, we have the potential to receive over $1.55 billion in precommercial milestone payments, if all of the programs were to be granted regulatory approvals.

- ***Leadership team and workforce with deep domain knowledge.*** Our management team combines strong and broad subject matter expertise with a demonstrated history of commercial and operational execution. Moreover, our workforce has deep domain knowledge across a range of scientific, engineering, regulatory and business disciplines. We have supplemented our diverse technical experience by assembling a deep operational team with expertise in manufacturing, legal, sales, marketing, customer service and finance. We believe the team we have assembled with talent from multiple disciplines and a science- and customer-focused culture represents a significant competitive advantage for us. As of December 31, 2022, of our 125 full-time employees, 68 have advanced degrees including 25 with Ph.D. degrees.

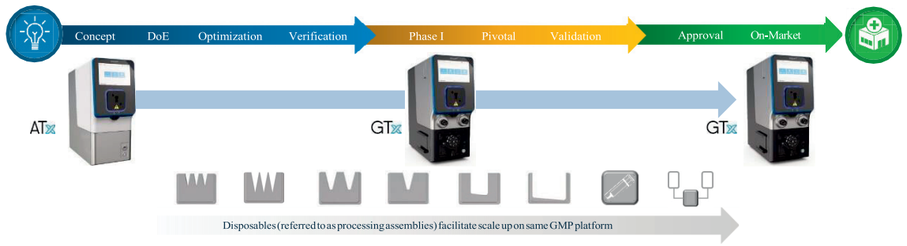
Our Technology Platform

The foundation of our technology is our proprietary and patented Flow Electroporation platform, which we have developed and optimized for more than 20 years. Electroporation, or electro-permeabilization, leverages the fundamental properties of cell membranes, the ability to create reversible permeability in the presence of an electric charge, as a universal method to introduce foreign molecules, or transfect, eukaryotic cells, which are cells with a cell membrane and nucleus. Electroporation can be applied to almost any eukaryotic cell type to deliver a broad range of molecules, including DNA, human messenger RNA ("mRNA"), siRNA and proteins. Our proprietary Flow Electroporation platform is fully scalable and can support small-scale research and development through large-scale cell engineering for development of commercial therapeutics.



Our technology platform is marketed under the ExPERT brand, the elements of which are depicted in the graphic above. The value of our ExPERT brand starts with Efficiency—with high delivery **Efficiency**, users can achieve **Potency**, with high Potency, users improve their chances of therapeutic **Efficacy**, and if this can be repeated, **Reproducibly** from patient to patient, users have a successful **Therapy**. By delivering high efficiency at any scale, the ExPERT platform is designed to improve our customer's ability to achieve the required therapeutic index, enabling accelerated, cost-efficient translation of complex cellular therapies from research to the clinic.

Our ExPERT platform consists of four instruments, the ATx, STx, GTx and VLx, which use a broad range of PAs, or disposables, of different volumes to enable scalable electroporation from tens of thousands to billions of cells to facilitate the translation of complex cellular therapies from concept to the clinic, in support of the intended therapeutic commercialization. Our family of instruments and disposables have been designed to support scale-up for cell therapy development, as shown in the picture below.



Overview of our ExPERT Platform

Our Flow Electroporation Technology was designed to meet the stringent demands of clinical use—namely, the ability to safely and reproducibly modify a broad range of primary human cells with high efficiency, low cytotoxicity, and at the scale required to enable the treatment of patients across a diverse range of diseases.

We believe the current ExPERT instrument family represents the next generation of our clinically validated, electroporation technology for complex and scalable cellular engineering. By delivering high transfection efficiency with enhanced functionality and ease of use, the ExPERT platform delivers the high-end performance that we believe is essential to enabling the next wave of biological and cellular therapeutics. The combination of the ExPERT instruments, associated disposables and universal electroporation buffer provides researchers, production scientists, and cGMP facilities with a solution to transfect cells with high efficiency, viability and consistency, which are the three attributes that are consistently ranked by our customers as the top requirements when choosing a cellular or gene engineering platform for clinical use. We believe our ExPERT platform is seen as a critical enabling technology by many of the leading cell therapy companies, helping them to achieve their program goals and milestones expeditiously. Our instruments are sold or licensed for research or clinical use, while the associated disposables and electroporation buffer are sold to support pre-clinical research and development work and are compatible for integration into cGMP manufacturing environments.

We believe that the following four components of our platform have allowed us to successfully address the increasing complexity of cellular engineering approaches in the industry:

- instrument design;
- electroporation and cell handling protocols;
- PAs (disposables); and
- universal electroporation buffer formulation (consumables).

In addition, we have implemented a global scientific and regulatory support strategy for our customers that is designed to accelerate clinical development and streamline the regulatory submission process, thereby potentially saving time and reducing cost and development risk.

We believe our ExPERT platform offers a compelling value proposition to our academic and biopharmaceutical customers due to: (i) the ability to use our technology to deliver almost any molecule into almost any cell type, including hard-to-transfect human primary cells, while maintaining high cell viability and function; (ii) the capacity to introduce larger and more diverse molecules, as well as multiple payloads, which exceeds the capabilities of other intracellular delivery technologies, such as viral vectors; and (iii) the flexibility to scale up from research to cGMP, manufacturing on a single platform—enabling the engineering of cells ranging from tens of thousands of cells to tens of billions of cells in a single transfection run in 30 minutes or less.

We believe our ExPERT intracellular delivery platform provides value across numerous applications in the life sciences market, including research, discovery, development, and manufacturing of next-generation, cell-based therapeutics, as well as in biomanufacturing, such as transient protein production for drug discovery and manufacturing of other proteins, including biological therapeutics, viral vectors and vaccines, and small molecule drug discovery.

Our ExPERT technology platform is being used in the clinic to support the development of next-generation cell therapy approaches to treat human disease. Following the successful clinical development leading to FDA approvals of CAR-T cell therapies in blood-based cancers, developers have focused on improving efficacy, lowering the cost of manufacturing and/or expanding engineered cell therapies into new indications, such as solid tumors, as well as autoimmune and neurogenerative diseases. To address these goals, the *ex vivo* cell therapy industry has trended towards developing more complex therapies that require sophisticated engineering and gene manipulation as well as the use of different starting cell types.

In addition, we are committed to continued research and development investments in technology and scientific innovation to maintain our market leadership position.

Our Industry Background

As the cell therapy market continues to evolve, more complex approaches are being deployed to improve efficacy, reduce time to treat patients and expand the application of cell therapy to additional indications. The use of viral vectors carries several challenges, however, especially given the increase in complexity of these “next-generation” ex vivo cell therapy approaches, such as:

- **Viral payload limitations.** Many methods of gene manipulation require insertion of relatively large molecules, including proteins such as CAS9 RNP for CRISPR or plasmids. Viral vectors, particularly Adeno-Associated Virus (“AAV”), have fundamental payload capacity limitations, curtailing their utility for complex engineering systems. Additionally, the industry has continued to shift to using complex molecules including combination of proteins and mRNA which cannot be delivered by viral means.

- **Concerns around toxicity.** Given viruses used in gene therapy by default infect human cells, there continue to be questions around the safety profile associated with viruses. In particular, there are concerns over the potential for random integration of lentivirus and the widespread presence of neutralizing antibodies against many AAV serotypes used in gene therapies.

- **Costs and time to market.** Concerns exist regarding viral vector manufacturing capacity and the cost associated with viral development and manufacturing. Additional bottlenecks arise from demand for viral approaches, which has led to subsequent demand for cGMP plasmids. Furthermore, vein-to-vein manufacturing times remain high and efficiencies are needed to deliver cell therapeutic medicines to patients faster.

Novel intracellular delivery approaches are needed to support the increased complexity of the burgeoning cell therapy pipeline. Characteristics include reducing immunogenicity risk of viral vectors, the need to drive high efficiency of multi-molecule delivery while maintaining high cell viability and potency, reducing the risk of potential genotoxicity of multiplex editing (potential for translocations), the need to deliver a large number of molecules at scale, the ability to deliver to a large number of cell types in a time efficient matter, and the need to manufacture in a cGMP environment—all at a manageable cost.

The challenges of viral delivery methods and increased complexity of next-generation cell therapies has driven increased adoption of non-viral delivery technologies, such as electroporation. We believe our ExPERT technology is well positioned as a non-viral delivery platform in the cell therapy market. Originally developed in 1999 for the cell therapy market, we have systematically designed and improved the platform to deliver any molecule, into any cell at any scale, with high efficiency and under cGMP conditions. Our ExPERT platform is now the delivery backbone for a number of next-generation cell therapy programs that are in the clinic.

Our Agreements with Customers

We have a diverse portfolio of clinical partners and licensees that mirror the overall next-generation engineered ex vivo cell therapies. While difficult to predict given uncertainty around regulatory approvals and clinical risk, according to Evaluate Pharma, a provider of commercial intelligence and predictive analytics to the pharmaceutical industry, the first next-generation ex vivo cell therapies using non-viral approaches could be approved in the United States as early as 2023.

Our platform's ability to engineer a diversity of cell types (including CAR-T, chimeric antigen receptor Natural Killer cells ("CAR-NK/NK"), T cell receptor ("TCR") and stem cells) and cell sources (autologous and allogeneic) enhances our opportunity by potentially providing SPL partnership revenues regardless of which approaches advance in the coming years. Additionally, our instruments and platform have been used in over 40 clinical trials to date for drugs being developed to treat a variety of indications, from hematological malignancies to solid tumors to inherited genetic disorders. We believe that the increasing number of publications highlighting the performance of our platform compared to other electroporation, transfection and transduction approaches will continue to drive acceptance of our products in the cellular engineering market segments.

In addition to sales of our instruments, as part of our business model we enter into the following types of instrument license agreements with our customers:

Research Licenses

Research licenses are agreements we have entered into with customers (which could be academic institutions or commercial entities), which provide access to the use of our instruments for preclinical research-only purposes, without the rights or ability to produce material for use in the clinic. Research licenses provide the customer with the ability to use the platform for research in exchange for a non-refundable, annual lease payment of typically $150,000 per instrument per year, or in certain circumstances under a sale of an instrument to a cell therapy user. We have entered into many research licenses to-date, either as (i) stand-alone research license agreements, (ii) research and clinical license agreements that do not have associated commercial rights or (iii) under an SPL partnership, which allows a customer to use the instrument for clinical development and potential commercial sale of a therapeutic product. Research licenses under a stand-alone research license agreement (as well as instruments purchased for research use) could represent opportunities for future SPL partnerships.

Clinical Licenses

Clinical licenses are agreements with academic institutions or commercial entities that provide access to the use of our instruments for the clinical evaluation and development of a therapeutic product intended for human use. In a clinical license, we retain title to the instrument and provide the customer with the ability to reference our FDA Master File (and international equivalents), use the platform for production of clinical material for human clinical use, as well as access to our application scientist team, all in exchange for an annual lease payment that typically approximates $250,000 per instrument per year for commercial customers. Academic clinical licenses can represent opportunities for future SPL partnerships to the extent that commercial entities seek and obtain rights to such programs from the academic institution.

Strategic Platform Licenses (SPLs)

Given our value proposition in non-viral delivery, we have established strategic relationships in the form of SPL partnerships with a growing number of leading cell therapy developers as they work to bring next-generation cell therapies into and through the clinic and advance those candidates to potential commercialization.

Under these SPL partnerships and other license agreements with our customers, we retain title to the licensed instrument and associated intellectual property, and in exchange for an annual license fee per instrument, we provide our customers with non-exclusive access, for a defined field of use to our:

- cGMP-compatible platform, which enables early-optimization and scale-up from pre-clinical research into clinical development using our intellectual property portfolio;
- FDA Master File and Technical Files, which may accelerate and streamline development and reduce regulatory risk in the creation and development of our partners' therapeutic drug candidates;
- experienced team of sales personnel and application scientists who work directly with our customers to solve cell engineering problems; and
- continuous know-how and cell engineering process improvements.

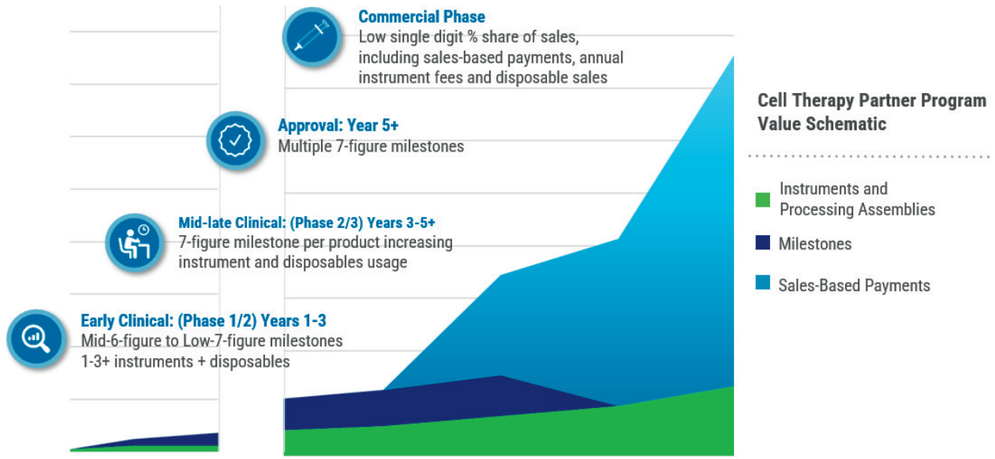
In return, these SPL partnerships provide us with the ability to receive downstream program-related precommercial milestone payments and, in most cases, commercial sales-based payments. In addition, from our SPL partnership customers, we receive both annual research and clinical license fees as well as payments from sales of our proprietary disposables as recurring revenue streams. Given growth in the cell therapy pipeline and increased investment in the space, we estimate that the number of potential SPL partnerships for us will continue to grow significantly, based on our estimates of growth in the cell therapy pipeline, growth in the number of therapeutic delivery entrants into the market and ongoing shift in the industry to non-viral delivery.

Our customer relationships may evolve to an SPL partnership after the customer's drug candidate optimization and verification process nears completion and the clinical process development stage begins. Specifically, if a customer wishes to use our products in the clinical phase of process development, they will need to enter into an SPL partnership, as a customer must obtain clinical rights to perform clinical process development, including for engineering runs. Customer discussion for an SPL partnership can take place any time during our engagement.

Our SPL customers typically pay an annual license fee per instrument per year for a research license (for preclinical use) or per instrument per year for a clinical license (for clinical or commercial use) or in certain circumstances may purchase an instrument for research use. Partners also purchase associated single-use disposables and consumables as needed. Our SPL partners also commit to pay precommercial milestone payments for each therapeutic licensed under the agreement and produced using our platform, as they achieve key precommercial clinical development events (including, for example, IND filing, dosing of an agreed number of patients in a Phase 1 clinical trial, initiating a pivotal clinical trial, and Biologics License applications ("BLA") approvals in specified regions). Almost all of our SPL partnerships also include a commitment to pay us post-approval sales-based payments for commercialized therapeutics.

We view our ability to sign SPL partnerships as a key measure of our success in partnering with leading therapeutic developers in the clinic, which then supports the performance of our platform.

The following graphic is an example of typical single-product revenues from a representative SPL partnership:



Our SPL partnerships and research and clinical licenses may be terminated at the option of our customers at any time. Annual instrument lease fees are non-refundable and customers may not use our instruments or process assemblies after terminating their agreement with us. We retain title to the leased instrument in each of our licenses. Upon contract termination, our customers would be responsible for any further clinical studies or data development that regulators may require to allow a change in their cell engineering methodology. We have entered into 19 SPL partnerships with commercial cell therapy developers and, to date, none of our SPL partnership licensees has ever terminated their contract with us.

Of the over 125 potential programs allowed under our current SPL partnerships, 16 are active in the clinic, meaning they have at least an FDA-cleared investigational new drug application ("IND"). An IND is a request for authorization from the FDA to administer a therapeutic being investigated in humans in a clinical research setting. An IND must become effective before human clinical trials may begin. The IND automatically becomes effective 30 days after receipt by the FDA, unless the FDA, within the 30-day time period, raises safety concerns or questions about the proposed clinical trial. Clinical trials then involve the administration of the investigational product to human subjects under the supervision of qualified investigators and are conducted under protocols detailing, among other things, the objectives of the study, the parameters to be used in monitoring safety and the effectiveness criteria to be evaluated.

Our 19 SPL partnerships have the potential to generate over $1.55 billion in precommercial milestone payments if all of the licensed programs were to achieve regulatory approvals. In addition, under the SPL partnerships, we typically have the potential to receive significant, sales-based commercial payments for approved products. However, clinical development involves a lengthy and expensive process with uncertain outcomes, including the results of pre-clinical research, as well as clinical trials demonstrating product safety and efficacy, and therefore our customers may not begin or complete clinical development, or may never receive FDA or other regulatory approval for all or any product candidates covered by their SPL partnership agreements with us, in which case we will not receive the full potential precommercial milestone payments or the sales-based commercial payments or royalties contemplated by our SPL agreements.

Our Products

ExPERT Instruments

The ExPERT instrument family was designed to provide a single unifying technology that can be used from concept to clinic, with both the research and clinical versions of the instrument incorporating the same underlying technology and protocols. Our customers have a choice of three different instrument versions that are standardized on the same technology to deliver equivalent high performance—the ATx, STx and GTx, as well as a portfolio of proprietary related disposables and consumables. In September 2022, we introduced a fourth instrument, the ExPERT VLx, for large-scale cell engineering. Customers can start with the lower to medium scale research instrument (ATx) and then scale up to the clinical version (GTx) without the need for re-optimization or re-validation. The STx provides the same scale as the GTx but is used for drug discovery applications, such as preclinical monoclonal antibody production, and not for human therapeutic use. The STx is not covered by our FDA Master File or our Technical Files.

We believe these systems will also be supportive of the commercial marketing of our partners' therapeutic products which we enable. By allowing our customers to perform their research and process optimization on a research platform and seamlessly scale to a clinically validated, cGMP environment and 21 CFR Part 11 compatible clinical platforms, significant time and cost savings can be realized.

All our instruments have been designed to provide customers with the key features required for a scalable high-performance transfection solution. Each of our ExPERT instruments are benchtop with the same small footprint and have integrated touch screens with an intuitive Graphical User Interface ("GUI"), designed for simple training and operation. To support use in the cGMP suite for clinical manufacturing, our GTx ExPERT software is network capable to enable upload of electronic batch records to a local shared drive and has a software intermediary to facilitate integration and automated data transfer to cloud-based data management solutions. We have integrated hardware and software design solutions, manufactured under cGMP, that are tailored for use in cGMP manufacturing of clinical products for advanced cellular therapies.

The following chart summarizes the features of the four ExPERT instruments:

Instrument	Touch Screen	LED Indicators	Static EP	Flow EP	21CFR	cGMP	Master File	Barcode Reader
							Coming soon	
VLx	●	●	●	●	●	●	○	
GTx	●	●	●	●	●	●	●	●
STx	●	●	●	●				
ATx	●	●	●					

ExPERT ATx: Research focused, static electroporation for small to medium scale transfection

Our ExPERT ATx static electroporation instrument is a research focused, high performance electroporation platform for small to medium scale transfection. The ATx instrument delivers high efficiency and viability at research scale and can utilize our range of PAs capable of transfecting from 75,000 up to 700 million cells. Additionally, our ATx instrument is compatible with all of our static PAs, which can also be used on our GTx instrument, allowing for a seamless transition to our clinical cGMP-compatible platform. The ATx is designed and used by our customers for early design of experiment and process optimization at small scale to minimize cell acquisition and reagent costs. Once optimized for the biological function with smaller numbers of cells, the process can be replicated and scaled before being transferred to the clinical platform (GTx) for eventual manufacturing in the cGMP suite or to the STx platform for drug discovery and bioprocessing applications.

ExPERT STx: Flow Electroporation for protein production and drug development

Our ExPERT STx, which is used in the field of protein production as well as other drug discovery applications, also incorporates our proprietary Flow Electroporation Technology for high yield transient expression of complex proteins, viral vectors, vaccines and biologics. Our STx instrument has high efficiency and can rapidly transfect from 75,000 up to 20 billion cells. When combined with flexible media strategies, the STx allows for substantial improvement in yields of high-quality, transiently expressed proteins while enabling reduced media costs.

Another key application area for the STx is expression of therapeutic targets for cell-based assays. Traditionally, drug screening has been performed using stable cell lines because conventional transfection technologies, such as lipofection, may induce changes to membrane composition, which does not offer the consistency and scalability that are critical for sensitive, high throughput screens. By enabling high efficiency transfection of multiple plasmids simultaneously into billions of cells, the STx provides drug developers with the ability to express complex, multi-subunit proteins, such as ion channels, in physiologically relevant cells. The high viability of our transfected cells leads to robust assay responses on multiple platforms, including automated electrophysiology and high content screening technologies.

Moreover, precise control over loading efficiency gives assay developers the ability to “dial in” optimal assay windows.

ExPERT GTx: Flow Electroporation for large scale transfection in therapeutic applications

The ExPERT GTx incorporates our proprietary Flow Electroporation Technology for use in the cGMP manufacturing of cellular therapies for use in the clinic. By incorporating the Flow Electroporation Technology, larger volumes of up to 20 billion cells can be electroporated within 15 to 20 minutes. With a processing potential that ranges from 75,000 to 20 billion cells on a cGMP, 21 CFR Part 11 compatible system, the GTx represents a platform for clinical electroporation at large scale.

The GTx integrates several design features that are critical for use in a cGMP setting, such as barcode reading capability to maintain positive identification of patient samples, 21 CFR Part 11 compatible software and networking capability for automated uploading of electronic batch records to either a central server or to a cloud-based data management platform. The GTx enables closed sample processing, on a system compatible with integration into cGMP manufacturing environments, and that has an established regulatory path supported by our FDA Master File and Technical Files.

ExPERT VLx: Designed for very large volume cell-engineering

The ExPERT VLx Large-Scale Transfection System is a cGMP compliant instrument specifically designed for very large volume cell-engineering. Using proprietary Flow Electroporation Technology, the VLx supports the ability to transfect up to 200 billion cells in less than 30 minutes—10 times the capacity of the STx and GTx. This system is designed for the rapid and large-scale production of recombinant proteins, monoclonal antibodies, viral vectors, vaccines, virus-like particles (“VLPs”), and allogeneic cell therapies. We launched the VLx under the ExPERT brand in September 2022 to provide customers with an easy to use, large-scale system that incorporates the benefits of the ExPERT platform for large-scale bioprocessing.

Disposables—Processing Assemblies (PAs)

Our range of disposable PAs is an important differentiator for us. We are not aware of any other company with the breadth and diversity of supported processing volumes that enable high efficiency electroporation flow, in single-well and multi-well formats, for use in both the research and clinical settings. We view our PA designs as one of the key contributors to the capacities, high efficiency and viability delivered by the ExPERT platform.

We have developed a broad range of PAs that are specially designed to process and electroporate the user’s chosen quantity of cells. Each PA contains two electrodes, between which a medical-grade gasket is sandwiched that has a unique well design consistent with the processing volume required and to allow maximum retrieval of cells. Our PAs are capable of electroporating cell volumes from small to large scale, in single and multi-well formats, for both research and clinical use. Cells are placed into the sample bag in large scale PAs, or into the well or wells in small scale PAs, and the

PA is then connected to the instrument for processing. The instrument touch screen allows the operator to select the desired cell protocol that encodes the electroporation parameters, select the type of PA to be used and enter any sample specific information. Once the sample information has been entered, the operator will touch the “Start Processing” icon on the user interface and the sample will be rapidly processed. Larger volumes of cells are accommodated by larger capacity PAs and a set of simple software commands through the intuitive GUI.

Our ExPERT system uses two PA designs — a static cuvette used for smaller cell volumes (from 75,000 cells up to 200 million cells) and a cartridge design that is used for both static and Flow Electroporation for larger cell volumes (700 million up to tens of billions of cells). The Flow Electroporation PA (Flow PA) allows for processing of cellular volumes ranging from 10 mL to 100 mL and up to tens of billions of cells. The Flow PA consists of bags and associated tubing, made from medical grade materials, that are connected to the electroporation cartridge. Users transfer their cells and loading molecules to the sample bag, and the pump on either the GTx or STx instrument pumps a fixed volume of cells into the cartridge chamber where they are electroporated. Once the electroporation is complete, the cells are pumped to the collection bag and the chamber is filled with the next volume of cells for electroporation. This process is repeated until the entire sample volume is processed. The maximum volume of 100 mL of cells can be processed in approximately 15–20 minutes.

Examples of our two ExPERT PA designs are shown in the pictures below:

ExPERT cuvette design
(Static Processing Assembly)

ExPERT Flow Electroporation design
(Flow Processing Assembly)

We have conducted extensive end-user research to continue improving the design of the PAs and the range of products available. We launched the ExPERT cuvette in 2020 based on customer feedback, which incorporated a new design to improve handling and ease of use and have continued to expand the availability the ExPERT PA portfolio design. We have also expanded our portfolio of multi-well cuvettes, which reduce manual handling and improve productivity in the lab, with the launch of our R-50x8. The R-50x8 is an 8-well cuvette capable of processing up to 225,000 cells in each well. By enabling eight samples to be processed in the same cuvette, a more efficient process can be achieved by users. We expect to convert our entire portfolio of PAs to the ExPERT design by the end of 2023. We plan to continue to support customers using legacy processing assemblies until they transition to our ExPERT products.

In 2022, we added the R-20K Flow Electroporation Processing Assembly for our STx and GTx platforms, which can process between 5 mL and 20 mL sample volumes, which can accommodate between 200 million and up to 4 billion cells. The R-20K assembly will allow clients to develop therapies at small or mid-scale volumes with improved cell recovery in a closed process adaptable format to assist in de-risking their manufacturing process at the electroporation step. To further support our customers’ sterile closed process workflows, we also introduced ‘Closed Process Electroporation Buffer’ products in two volume sizes, 500 mL and 1 Liter, which allow for the addition of our proprietary electroporation buffer to concentrated cell samples before electroporation. For our VLx Platform we introduced the R-1L Flow Electroporation Processing Assembly, which can process in 30 minutes or less between 100 mL and 1 Liter sample volume accommodating up to 200 billion cells in a single run. The R-1L assembly allows for

large volume sample processing that can be adapted to a closed and sterile workflow for continuous end-product production.

The following matrix shows our full line of currently available PAs and their respective specifications and features, including the ExPERT instruments with which they can be used:

Feature	OC-25x3	R-50x3	R-50x8	OC-100x2	OC-100	OC-400	R-/G-1000	CL-1.1	R-20K	CL-2	R-1L
PA Type											
Well Type											
Volume	15 - 25 µL	45 - 55 µL	45 - 55 µL	50 - 100 µL	50 - 100 µL	200 - 400 µL	400 µL - 1 mL	1 - 3.5 mL	5 - 20 mL	10 - 100 mL	100 - 1000 mL
# Samples	3	3	8	2	1	1	1	1	1	1	1
Well Cap./Cell No.	$7.5x10^4$ - $5x10^6$	$2.25x10^5$ - $1x10^7$	$2.25x10^5$ - $1x10^7$	$2.5x10^5$ - $2x10^7$	$2.5x10^5$ - $2x10^7$	$1x10^6$ - $8x10^7$	$2x10^6$ - $2x10^8$	$5x10^6$ - $7x10^8$	$2x10^6$ - $4x10^9$	$5x10^7$ - $2x10^{10}$	$2x10^{10}$ - $2x10^{11}$
ATx®	●	●	●	●	●	●	●	●			
GTx®	●	●	●	●	●	●	●	●	●	●	
STx®	●	●	●	●	●	●	●	●	●	●	
VLx™	●	●	●	●	●	●	●	●			●

We are committed to strategically investing in improvements in the PA design and range of products to ensure that customers have solutions that address all of their volume and use requirements, in both research and clinical settings, including current development of advancements for PA that support the VLx.

Supporting Products

Our proprietary electroporation buffer, a balanced salt solution that protects cells during transfection, is formulated for use with all our instrument platforms and PAs. This consumable is used for all cell types, eliminating the need to change buffers as users switch protocols, cell types or scale up. The buffer is made in a cGMP facility, is fully chemically defined and is free of human or animal components, and is tested to meet technical, sterility and endotoxin specifications. This buffer formulation is a key contributing factor, in combination with instrument and PA design features, to the flexibility, high efficiency and viability that can be achieved by customers across the broad range of cell types processed using our platform.

Sales and Marketing

We follow a direct sales model in North America, the United Kingdom, and Europe, while also selling through third-party distributors in Asia and some regions of Europe. As of December 31, 2022, we had over 25 field sales and application scientists located in the United States, the United Kingdom, and several regions in Europe and Asia. Since the commercial launch of our first Flow Electroporation instrument, the installed base of our instruments has grown to more than 600 instruments globally.

Our sales force and field application scientists and international partners inform our current and potential customers of current product offerings, new target applications and advances in our technologies and products. As our primary point of contact in the marketplace, our field teams focus on delivering a consistent marketing message and high level of customer support, while also working to help us better understand the evolving market and customer needs. We intend to

expand our sales, support, and marketing efforts in regions such as the Asia-Pacific region. We currently use distributors in countries in these regions, such as in China and Japan, supplemented by dedicated MaxCyte team members, and continuously assess the need for direct sales and local support personnel to supplement our distributors' resources. As we expand into a new geography, we generally rely initially on third-party distributors until we are able to recruit a direct sales force, field application scientists and business development resources in the country or region.

Our business model is focused on identifying new applications in cell engineering to enable our customers to develop better medicines and maximize use across our customers' value chains. This is enabled through customer partnerships that allows us to further understand the critical applications for our technology and inform our future developments and market expansion.

Research and Development

Investment in research and development is at the core of our business strategy. Members of our research and development team specialize in many functional areas including molecular biology, cellular biology, physics, gene editing, cell culture, protein manufacturing, process development, mechanical engineering, cell handling processes, electroporation algorithm development and customer technical support.

Our research and development teams are aligned into two teams, applications and instrumentation. The application team is responsible for developing data on key applications, including improving approaches to cell handling and cell culture; designing, developing and enhancing electroporation protocols; developing and enhancing cell engineering applications, and performing product testing and quality assurance activities. The instrumentation engineering team focuses on developing and improving electroporation instruments and PA disposables to meet our partners' wide range of needs from research to commercialization in a GMP environment. The research and development functional teams work together as a core team, following a stage-gate process to develop, qualify and launch new products to market.

Other research and development activities include customer technical support such as cell processing techniques, instrumentation training and application support. Most of our research and development operations are conducted in our Maryland facility.

We have made substantial investments in product and technology development since our inception. Research and development expenses totaled $19.5 million and $15.4 million in the years ended December 31, 2022 and 2021, respectively.

We expect our research and development expenses to increase significantly for the foreseeable future as we develop data supporting the use of our products in various applications and continue to enhance our existing products as well as develop new products for our current and new markets.

Manufacturing and Supply

We design, develop and manufacture our single use PA disposables and conduct final functional testing in our Maryland facility, and for risk mitigation, we utilize a third-party manufacturer for a portion of the PA disposables supply. In addition, we design, develop and manufacture our ExPERT instruments in-house. Our in-house manufacturing and design function is certified as ISO 9001 compliant and our manufacturing facility and controlled-access shipping, receiving and storage spaces are located at our current headquarters in Maryland. We relocated our operations, including inventory and manufacturing, to a significantly larger space in a new facility during 2022.

Instruments

Our range of ExPERT instruments are manufactured, tested and shipped from our Maryland facility under cGMP. Several custom components of our ExPERT instruments are fabricated by third-party suppliers. The assembly of technology-sensitive components and the final assembly is completed in-house. Presently, our Maryland manufacturing facility can support the production of ExPERT instruments in excess of anticipated demand, and we plan to continue obtaining the space and staffing necessary to meet customer demand for the foreseeable future.

Processing Assemblies

Our PAs are only available from us and are designed for use only with our instruments. The PAs are designed, developed, tested and shipped from our Maryland facility. We outsource supply and manufacturing of key PA components. Final clean-room disposables assembly is performed at our headquarters facility and at a third party. In-house cleanroom PA assembly activities were initiated in 2022 in order to enhance operational control over quality, expand capacity, enable automation implementation, provide for multiple manufacturing sites and improve other areas of operations. In addition, in-house manufacturing allows research and development to more rapidly develop new products and enhancements as a result of housing research and development in the same facility.

Supply

For both instrument and PA manufacturing, we regularly assess our supply chain to ensure availability of components, our ability to respond to customer demand for our products and to qualify multiple suppliers. We have relationships with multiple custom parts manufacturers and electronics suppliers that can provide components for our instruments, including components currently provided by a single source. Approximately 34% of our inventory held at December 31, 2022 was purchased from one supplier. Single source suppliers are chosen for their business stability and scalability to minimize risk. If a single source supplier has a part or process that is time-consuming to transfer to another supplier, our approach is to hold enough inventory of that part to allow adequate time for technical transfer and qualification wherever possible. Our ongoing strategy is to maintain adequate levels of inventories at all times and to qualify at least two suppliers for critical components, and we plan to continue the diversification of our supply chain as we scale. This inventory strategy was designed to minimize supply chain risk and as a result we are currently able to ship on demand and to date have never had a backorder for a product.

Competition

The life sciences market is highly competitive and dynamic, reflecting rapid technological evolution and continually evolving customer requirements. There are other companies, both established and early-stage, that have or are developing electroporation and other non-viral delivery technologies that could be applicable to both bioprocessing and cell engineering. These companies include Lonza Group AG, Thermo Fisher Scientific Inc., Miltenyi Biotec, Bio-Rad Laboratories, Inc. and Harvard Biosciences Inc. (BTX), as well as several other smaller companies, including spinouts from academic labs.

Some of these companies may have substantially greater financial and other resources than us, including larger research and development staff or more established sales forces. Other competitors are in the process of developing novel technologies for the life sciences market which may lead to products that rival or replace our products.

For further discussion of the risks we face as a result of competition, see "Risk Factors—Risks Related to Our Business and Growth Strategy—We may be unable to compete successfully against our existing or future competitors."

Intellectual Property

Our intellectual property strategy has been, and still is, to obtain patent protection in relevant jurisdictions over our instruments, methods utilizing our instruments, as well as design patents over the ExPERT system. As part of this strategy, we have focused on obtaining protection for our non-viral delivery platform to the extent possible, particularly in the United States and other key jurisdictions of commercial value. As of March 8, 2023, we have more than 150 granted U.S. and foreign patents, including in foreign jurisdictions such as Australia, Canada, Japan, China, South Korea and certain countries in Europe, as well as over 95 pending patent applications worldwide. The main focus of our patent coverage is to protect our Flow Electroporation process, as well as the processing assemblies/disposables, control and

process elements, and methods/applications of using our non-viral delivery platform. Our patent portfolio provides protection over our instruments and related methods through at least 2028 and over our electroporation applications and methods through 2034. We are also working to secure design protection of the ExPERT system, which has the potential to provide protection through at least 2036.

In addition to our granted patents and filed applications, we maintain and protect a number of different trade secrets related to our cell processing technology and other core technology areas, such as improvements made to protocols, pulsing patterns, proprietary buffer and formulations developed by us. Our years of accumulated know-how and the technical expertise of our employees provide us with a competitive advantage. We use our know-how and technical expertise to optimize and update our proprietary methods and protocols, such as cell handling and preparation techniques unique to different cells and target molecules, which we confidentially share with our customers.

We maintain the confidentiality of our trade secrets, know-how and proprietary methods and protocols to protect our intellectual property from competitors. One key element of this protection is our FDA Master File and Technical Files described in more detail below, which allow us to submit to the regulatory authorities confidential detailed information about our ExPERT system and disposables. The relevant submission can be referenced by our customers or licensees to support their own regulatory filings without the need for us to disclose the confidential information contained in the FDA Master File and Technical Files.

We also seek to protect our brand through procurement of trademark rights. As of March 8, 2023, we owned 17 registered trademarks in the United States, 191 registered foreign trademarks, 13 pending U.S. trademark applications, and more than 31 pending foreign trademark applications. Our registered trademarks and pending trademark applications include trademarks for our company name, a stylized version of ExPERT, and our logo. In order to supplement protection of our brand, we have also registered several internet domain names.

Government Regulation

The FDA and similar governmental authorities regulate, among other things, the research, development, testing, manufacturing, clearance, approval, labeling, storage, recordkeeping, advertising, promotion, marketing, distribution, post-market monitoring and reporting, as well as import and export of technologies including biological drug products.

Our biopharmaceutical and life sciences customers are subject to extensive regulations by the FDA and equivalent regulatory authorities in other countries, regarding the conduct of preclinical studies and clinical trials, in the manufacture of product candidates and products for use in humans (i.e., “Good Manufacturing Practice” laws and regulations) and the marketing authorization and commercialization of biological drug products.

The activities of sponsors, applicants and manufacturers are subject to regulation of those jurisdictions where the research or manufacturing occur, and also jurisdictions for which applications are planned or have been made and the product is intended to be marketed.

Although we are not engaged in directly regulated activities, our customers will generally assess our products for sufficiency in meeting their regulatory needs, and may impose rigorous quality or other regulatory compliance requirements on us as their supplier through supplier qualification processes and customer contracts.

We have established a quality management system (under ISO 9001:2015 standards) which is designed to respond to customer expectations and needs and support customer adherence to applicable regulatory requirements. The technologies we offer for potential use by customers in a cGMP environment are produced under this ISO 9001:2015 quality management system.

Master Files and Technical Files to Support Customer Regulatory Submissions

Our core business is focused on developing our proprietary and patented electroporation technology platform, which is used by our customers in research and development applications as well as for manufacture of commercial cell therapies. In order to support our customers’ use of our platform, we have voluntarily submitted a Master File to the FDA, Center for Biologics Evaluation and Research and Master Files or Technical Files to comparable regulatory authorities in other jurisdictions, including Canada, Japan, the United Kingdom and Austria, and provide nonexclusive Letters of Authorization to the Master or Technical Files under contractual agreements with our customers. We have also discussed the potential to submit a Master File with the Therapeutic Goods Administration in Australia. In this way, the regulatory body may review information on our platform in the context of its utilization by our partners in regulated products, for example, as described in our customers’ INDs or BLAs. We continuously update the Master and Technical Files in order to support the regulatory activities of our customers. The FDA and regulators in other countries allow Master and Technical Files, but they do not approve them. Rather, they review them in the context of evaluating the submissions by our customers that reference our files.

U.S. Healthcare Laws and Reform

In the United States, there are federal and state healthcare laws that constrain the business or financial arrangements and relationships through which our customers who use our platform and we, if we develop a product, research, sell, market and distribute products. Such laws include federal and state anti-kickback laws, false claims laws, transparency laws and health information privacy and security laws. Violations of these laws can lead to significant administrative, civil and criminal penalties, including sanctions, damages, disgorgement, monetary fines, possible exclusion from participation in government healthcare programs such as Medicare and Medicaid, imprisonment, additional reporting requirements and/or oversight obligations, contractual damages, reputational harm, diminished profits and future earnings and curtailment or restructuring of operations.

Additionally, in the United States and some foreign jurisdictions there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system in an effort to contain costs, improve quality, and expand access to care, including the proposed modification to some of the aforementioned laws. In the United States, there have been and continue to be a number of healthcare-related legislative initiatives that have significantly affected the healthcare industry. These reform initiatives may, among other things, result in modifications to the aforementioned laws and/or the implementation of new laws affecting the healthcare industry. Similarly, a significant trend in the healthcare industry is cost containment. Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Our ability to commercialize any of our products successfully, and our customers and collaborators’ ability to commercialize their products successfully, will depend in part on the extent to which coverage and adequate reimbursement for these products and will be available from third-party payors. As such, cost containment reform efforts may result in an adverse effect on our operations.

The Foreign Corrupt Practices Act

The Foreign Corrupt Practices Act (“FCPA”), prohibits any U.S. individual or business from paying, offering, or authorizing payment or offering of anything of value, directly or indirectly, to any foreign official, political party or candidate for the purpose of influencing any act or decision of the foreign entity in order to assist the individual or business in obtaining or retaining business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring the company to maintain books and records that accurately and fairly reflect all transactions of the corporation, including international subsidiaries, and to devise and maintain an adequate system of internal accounting controls for international operations.

Data Privacy and Security Laws and Regulations

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal information, such as clinical

trial data and other health data. Accordingly, we may be subject to numerous data privacy and security obligations, including federal, state, local, and foreign laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements and other obligations related to data privacy and security. These frameworks are evolving and may impose potentially conflicting obligations. Such obligations may include, without limitation, the Federal Trade Commission Act , the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 ("CPRA") (collectively, "CCPA"), the European Union's General Data Protection Regulation 2016/679 ("EU GDPR"), the EU GDPR as it forms part of United Kingdom law by virtue of section 3 of the European Union (Withdrawal) Act 2018 ("UK GDPR"), the ePrivacy Directive, and wiretapping laws. Further, the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA"), as amended by the Health Information Technology for Economic and Clinical Health Act ("HITECH"), imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. In addition, several states within the United States, such as Virginia, Colorado, Connecticut, and Utah, have enacted comprehensive data privacy laws, and similar laws are being considered at the federal, state, and local levels.

The EU GDPR, UK GDPR, and CCPA are examples of the increasingly stringent and evolving regulatory frameworks related to personal information processing that may increase our compliance obligations and exposure for any noncompliance. European data privacy and security laws (including the EU GDPR and UK GDPR) impose significant and complex compliance obligations on companies that are subject to those laws, notably with respect to the processing of health-related data from European Economic Area ("EEA") or United Kingdom-based individuals. Additionally, the CCPA applies to personal information of consumers, business representative, and employees who are California residents, imposes specific requirements on covered businesses, provides for administrative fines of up to $7,500 per violation and allows private litigants affected by certain data breaches to recover significant statutory damages. In addition, the CPRA expanded the CCPA's requirements. Furthermore, U.S. federal and state consumer protection laws may require us to publish statements that accurately and fairly describe how we handle personal information and choices individuals may have about the way we handle their personal information.

See the section titled "Risk Factors – Risks Related to Our Regulatory Environment and Our Industry" for additional information about the laws and regulations to which we are or may become subject and about the risks to our business associated with such laws and regulations.

Employees and Human Capital

As of December 31, 2022, we had 125 full-time employees, 68 of which have advanced degrees, including 25 with Ph.D. degrees.

Our human capital resources objectives include, as applicable, identifying, recruiting, retaining, training, incentivizing and integrating our existing and new employees, advisors and consultants. The principal purposes of our equity incentive plans are to attract, retain and reward personnel through the granting of equity-based compensation awards in order to increase shareholder value and the success of our company by motivating such individuals to perform to the best of their abilities and achieve our objectives.

None of our employees is represented by a labor organization or under any collective-bargaining arrangements. We consider our employee relations to be good.

Corporate Information

We were incorporated under the laws of the State of Delaware in July 1998 under the name Theramed, Inc. and changed our name to MaxCyte, Inc. in 2001. Our principal executive offices are located at 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850, and our telephone number is (301) 944-1700.

Available Information

Our website address is www.maxcyte.com. In addition to the information about us and our subsidiaries contained in this Annual Report, information about us can be found on our website. Our website and information included in or linked to our website are not part of this Annual Report.

Our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available free of charge through our website as soon as reasonably practicable after they are electronically filed with or furnished to the SEC. The SEC maintains an internet site that contains reports, proxy and information statements and other information that we file electronically with the SEC. The address of the SEC's website is www.sec.gov.

Item 1A. Risk Factors

You should consider carefully the following risks and other information contained in this Annual Report on Form 10-K, including the section of this report captioned "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our financial statements and related notes. If any of the events contemplated by the following discussion of risks should occur, our business, results of operations, financial condition and growth prospects could suffer significantly. As a result, the market price of our common stock could decline, and you may lose all or part of the money you paid to buy our common stock. The risks below are not the only ones we face. Additional risks that we currently do not know about or that we currently believe to be immaterial may also impair our business. Certain statements below are forward-looking statements. See "Cautionary Note Regarding Forward-Looking Statements" in this report.

Risks Related to Our Business and Growth Strategy

We are a cell engineering and life sciences company and have incurred significant losses since our inception, and we expect to incur losses for the foreseeable future. We have limited product offerings approved for commercial sale and may never achieve or maintain profitability.

We are a cell engineering and life sciences company focused on advancing the discovery, development and commercialization of next-generation cell-based medicines. The biopharmaceutical development industry, where the majority of our customers operate, is a highly speculative undertaking and involves a substantial degree of risk. We have incurred significant losses since inception and have financed our operations principally through private financings and public offerings of our securities. We have historically relied on sales and licensing of our instruments, as well as sales of our portfolio of single-use disposable PAs for the significant majority of our revenue. We may be unable to sell or license our instruments to new customers and existing customers may cease or reduce their utilization of our instruments or fail to renew licenses of our instruments. Our net losses were $23.6 million and $19.1 million for the years ended December 31, 2022 and 2021, respectively. As of December 31, 2022, we had an accumulated deficit of $137.9 million. Our losses have resulted principally from expenses incurred for research and development for our cell engineering platforms and from sales and marketing costs, manufacturing expenses, management and administrative costs as well as other expenses that we have incurred while building our business infrastructure.

We expect that our expenses and operating losses may continue for the foreseeable future as we expand our research and development efforts, expand the capabilities of our cell engineering platforms and operate as a public company in the United States. We anticipate that our expenses will increase as we:

- continue to advance our *ex vivo* cell engineering platforms and develop new technologies related to our platform;
- acquire and license technologies aligned with our *ex vivo* cell engineering platforms;
- expand our operational, financial and management systems and increase personnel, including staff to support our research and development, manufacturing and commercialization efforts;
- continue to develop, prosecute and defend our intellectual property portfolio; and
- incur additional legal, accounting and other expenses in operating our business, including the additional costs associated with operating as a public company in the United States.

We have devoted a significant portion of our financial resources and efforts to building our organization, developing our *ex vivo* cell engineering platforms, acquiring technology, building out our manufacturing capabilities, organizing and staffing the company, business planning, establishing our intellectual property portfolio, raising capital,

securing license and partnership arrangements with customers and providing general and administrative support for these operations.

To become and remain profitable, we must succeed in realizing meaningful precommercial milestone payments from our current SPLs and potentially secure future commercial partnership, licensing or collaboration arrangements for use of our cell engineering platforms and similar arrangements for cell therapy programs in development that have not yet been partnered. This will require us to be successful in a range of challenging activities, including continuing to develop our technology and products, accessing, developing and advancing manufacturing capacity, advancing our sales and marketing capabilities and commercializing and selling our products. We may never succeed in any or all of these activities and, even if we do, we may never generate a level of revenue that is sufficient to achieve profitability. Even if we do achieve profitability, we may not be able to sustain profitability or meet outside expectations for our financial results, including profitability. If we are unable to achieve or sustain profitability or to meet outside expectations for our financial results, the value of our shares of common stock could be materially adversely affected.

We are highly dependent on a limited number of product offerings. Our revenue has been primarily generated from the sale and licensing of our instruments, as well as sales of single-use disposable PAs, which require a substantial sales cycle and are prone to quarterly fluctuations in revenue, as well as revenues earned based upon customer clinical development progress events which are outside of our control and highly variable from period to period.

Our ExPERT technology platform and family of instruments was commercially launched in April 2019 with a new instrument launched in late 2022. Sales and licensing of ExPERT technology systems and related instruments together accounted for 51% and 54% of our revenue for the years ended December 31, 2022 and 2021, respectively. We expect that, for at least the foreseeable future, sales and licensing of our ExPERT technology systems will continue to account for a substantial portion of our revenue. The sales cycle for our cell engineering instruments is complex and can take up to 12 months or longer to complete.

Material, one-time milestone payments earned as SPL partners achieve clinical progress are also a significant portion of our revenue, although such milestone payments are not in our control, are unpredictable because of the early-stage nature of cell therapy clinical development, and may contribute materially to the volatility of our revenue. As a result of our lengthy and unpredictable sales cycle, we will be prone to quarterly fluctuations in our revenue. Quarterly fluctuations may make it difficult for us to predict our future operating results. Consequently, comparisons of our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance.

As a result of variability and unpredictability, we may also fail to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall short of the expectations of analysts or investors or any guidance we may provide, or if the guidance we provide falls short of the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met or exceeded any previously publicly stated guidance we may have provided.

We may be unable to successfully execute on our growth strategy.

We intend to grow our business and market opportunity by continuing to invest in technology and scientific innovation, broadening our distribution capabilities to expand our installed base of ExPERT products, pursuing SPLs with target customers, expanding our commercial infrastructure and considering opportunistic investments, partnerships and acquisitions, among other initiatives. Each of these growth strategies will require considerable time and resources, and we may not be successful in executing any or all of these strategies.

One of the components of our growth strategy is to sell our recently launched ExPERT VLx platform for large-scale bioprocessing applications, including viral vector production in suspension cell cultures and rapid production of proteins, including monoclonal antibodies. The success of the VLx, including new engineering modifications to the platform, may depend in part on the availability, compatibility and capability of appropriate technologies upstream and downstream of electroporation to support potential large-scale applications enabled by the VLx platform, our ability to develop and

launch GMP-compliant processing assemblies, and willingness of customers to adopt the VLx for new applications. We expect that additional investment will be needed to build out process development capabilities, manufacturing capacity, new processing assembly design and the addition of large-scale bioprocessing-specific field resources and those investments may not be successful. Further, we could encounter delays and setbacks in implementing engineering modifications necessary for certain large-scale applications, resulting in delayed acceptance by future customers and partners of such a large-scale system. In addition, the sales and implementation cycles of customers for such a large-scale platform may require more time than originally assumed as we may encounter delays in acceptance by potential customers for the VLx platform in large-scale applications, which could negatively impact forecasted revenues.

Another component of our growth strategy is expanding our SPL model, through which we build collaborative relationships with our customers as we facilitate their efforts to bring critical cell-based medicines to market. Even if we are able to enter into additional future SPL arrangements and similar arrangements for future therapeutic products that have not yet been partnered, there can be no assurance that any of the therapeutic products that are being or might be developed by our partners using our technology will continue to advance through clinical development, receive regulatory approvals or be successfully developed into commercially viable products. As a result, we may suffer setbacks in increasing awareness and adoption of our products in addition to the material impact on our financial results as a result of milestones not being realized and leased instruments being returned. Further, setbacks in the clinical trials of our current or future partners, such as serious adverse events, including patient deaths, could significantly impact capital available to customers and our ability to enter into future SPL agreements with new therapeutic product companies.

Our growth strategy also involves expanding our international operations. In addition to risks associated with international operations in general, we will also need to navigate complex foreign regulatory requirements with which we may not be familiar or have experience. To operate successfully in or obtain regulatory approval in other countries, we must comply with numerous and varying regulatory requirements of such countries regarding safety, efficacy, manufacturing, clinical trials, commercial sales, pricing and distribution of our products. Although our partners have repeatedly been able to reference our FDA Master File in the United States and our Technical Files in some other countries in the course of clinical development of their therapeutic products, we cannot ensure that we will obtain or establish a regulatory Technical File in other countries. If we fail to establish a regulatory Technical File in any jurisdiction, this could make customers in such jurisdictions less likely to adopt our instruments, and the geographic market for our products could be limited.

We believe there are several opportunities to grow our sales and product line. However, we have limited financial and managerial resources, and we may forego or delay pursuit of growth opportunities that later prove to have greater value to our business. Our resource allocation decisions may cause us to fail to capitalize on viable opportunities, and we could spend resources on strategies that are not ultimately successful.

Our estimates of market opportunity and forecasts of market growth may prove to be inaccurate, and even if the markets in which we compete are as large as we estimate or achieve their forecasted growth, our business could fail to grow at projected rates, if at all.

Market opportunity estimates and growth forecasts on which we develop our business strategies, including those estimates and forecasts we have generated ourselves, are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate. The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of customers covered by our market opportunity estimates will purchase our products at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost and perceived value associated with our products and those of our competitors. Even if the markets in which we compete meet our size estimates and growth forecasts, our business could fail to grow at projected rates, if at all. Our growth is subject to many factors, including our success in implementing our business strategy, which is subject to many risks and uncertainties. Accordingly, our forecasts of market size and growth, including those set forth in this Annual Report, should not be taken as indicative of our future growth.

We rely on assumptions and estimates and data to calculate certain of our key metrics, and real or perceived inaccuracies in such metrics may harm our reputation and negatively affect our business.

In addition to our financial results, our management regularly reviews a number of operating and financial metrics, including a breakdown of product and leased revenue into instrument sales, PAs, leased revenue (recurring revenue), product placements, cumulative product placements, revenue by customer market (cell therapy and drug discovery), and status or number of installed instruments, SPLs, program licenses (research, clinical and SPL) and potential precommercial milestones, to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. As both our business and the industry in which we operate evolve, the metrics by which we evaluate our performance may also change. In addition, while the calculation of the metrics we use is based on what we believe to be reasonable estimates, our internal tools are not independently verified by a third party and have a number of limitations and, furthermore, our methodologies for tracking these metrics may change over time, for example, the industry breakdown of our customer revenue. Accordingly, investors should not place undue reliance on these metrics.

Our future success is dependent upon our ability to increase penetration in our existing markets and expand into adjacent markets.

Our customer base includes biopharmaceutical and biotechnology companies and academic institutions focused on cell-based therapeutics. Our success will depend in part upon our ability to increase our market penetration by expanding sales to existing customers and acquiring new customers and partnerships within our existing markets, and our ability to market new products and applications to existing and new customers as we develop such products and applications. Attracting new customers and introducing new products and applications require substantial time and expense. For example, it may be difficult to identify, engage and market to customers who are unfamiliar with our current products. We cannot guarantee that we will be able to further penetrate our existing markets or that these markets will be able to sustain our current and future product and service offerings. Any failure to increase penetration in our existing markets would adversely affect our ability to improve our operating results.

Our success will also depend on our ability to further expand into adjacent markets, such as penetrating non-commercial customer opportunities, including translational academic centers. Our failure to further expand in adjacent markets and attract new customers could adversely affect our ability to improve our operating results.

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

We believe our platform has potential applications across a wide range of markets and we have targeted certain markets in which we believe we have a higher probability of success or revenue opportunity or for which the path to commercialize products and realizing or achieving revenue is shorter. For example, we believe our products have applications in markets for engineered cell therapies in immuno-oncology and inherited disorders. We seek to continue to prioritize opportunities and allocate our resources among our programs to maintain a balance between advancing near-term opportunities and exploring additional markets for our technology. However, due to the significant resources required for the development of new markets, we must make decisions regarding which markets to pursue and the amount of resources to allocate to each. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular markets or workflows may not lead to the development of any viable product and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties in respect of certain markets may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. In particular, if we are unable to develop additional relevant products and applications for markets such as cell therapy or large-scale bioprocessing, it could slow or stop our business growth and negatively impact our business, financial condition, results of operations and prospects.

Our business is dependent on adoption of our products by biopharmaceutical companies and academic institutions for their research and development activities focused on cell-based therapeutics. If biopharmaceutical companies and academic institutions are unwilling to change current practices to adopt our products, it will negatively affect our business, financial condition, prospects and results of operations.

Our primary strategy to grow our revenue is to market our products across key stakeholders in cell-based therapeutics, such as biopharmaceutical companies and academic institutions. Most of our potential customers already use expensive research systems in their laboratories and may be reluctant to replace those systems. While the number of customers using our products has increased in recent years, many biopharmaceutical companies and academic institutions have not yet adopted our products, and such institutions and companies may choose not to adopt our products for a number of reasons, including:

- inability to convince potential customers that our products are an attractive alternative to existing technologies and reluctance of potential customers to replace those existing technologies;
- inadequate recruiting or training of talented sales force and field application scientists in existing and new markets to facilitate outreach and further adoption and awareness of our products;
- lack of experience of potential customers with our products for cell engineering;
- perceived inadequacy of evidence supporting benefits or cost-effectiveness of our products over existing alternatives or negative publicity regarding cell engineering technologies;
- liability risks generally associated with the use of new products and processes;
- time and training required for potential customers to use and validate our products;
- delays in research and development activities using our products;
- competing products and alternatives; and
- introduction of other novel alternative products for cell engineering.

In addition, our customers may experience a change of control or otherwise consolidate with other biopharmaceutical companies and academic institutions. If as a result of such change of control, our customers choose or are forced to modify or terminate cell therapy strategies, adopt other products, or otherwise reduce their use of our products, our ability to execute our growth strategy will be impaired and it will negatively affect our business, financial condition, prospects and results of operations.

We believe that educating notable industry key opinion leaders ("KOLs"), and representatives of biopharmaceutical companies and academic institutions about the merits and benefits of our products for Flow Electroporation and cell engineering is one of the key elements of increasing the adoption of our products. If these KOLs, institutions and companies do not adopt our products for any reason, including those listed above, acceptance and adoption of our products will be slowed, our ability to execute our growth strategy will be impaired, and it will negatively affect our business, financial condition, prospects and results of operations.

We may be unable to compete successfully against our existing or future competitors.

We operate in a highly competitive market characterized by rapid technological change, evolving industry standards, changes in customer needs, emerging competition, new product introductions and strong price competition. We currently compete with both established and early-stage life sciences technologies companies that design,

manufacture and market electroporation and other non-viral cell engineering technology based on efficacy, price, ease of use, reimbursement and customer support services.

Our success depends, in part, on our ability to maintain a competitive position in the development of technologies, enhancements and products for use by our customers. Many of the companies developing or marketing competing or alternative products have competitive advantages when compared to us, including:

- greater financial and human resources for product development, sales and marketing;
- greater domestic and international name recognition and more product familiarity among users;
- broader and more established relationships with pharmaceutical companies and academic institutions;
- broader product lines and the ability to offer lower prices or rebates, integrate technologies more successfully to offer better workflow solutions, bundle products to offer greater discounts or incentives or offer more attractive milestone and partnership terms;
- broader intellectual property protection for their technology and products;
- larger sales forces and broader and more established domestic and international sales and marketing and distribution networks; and
- more experience in conducting research and development, manufacturing and preparing regulatory submissions, both in the United States and in foreign jurisdictions.

We primarily compete against products marketed by Lonza Group AG, Thermo Fisher Scientific Inc., Miltenyi Biotec, Bio-Rad Laboratories, Inc. and Harvard Bioscience, Inc. (BTX), as well as several other smaller companies, including spinouts from academic labs.

In addition to already marketed products, we also face competition from products that are or could be under development and that target the same applications as our products or applications that we may address in the future. Such product candidates may be developed by the above-mentioned entities and others, including life sciences tools companies, biotechnology companies, pharmaceutical companies, private and public research institutions and academic institutions or may come about as the result of consolidation in our industry. Our competitors may develop and patent processes or products earlier than we can, obtain regulatory clearance or approvals for competing products more rapidly than we can and develop more effective and/or less expensive products or technologies that render our technology or products obsolete or non-competitive. Despite the steps we have taken to maintain and protect our intellectual property, competitors may nevertheless attempt to, or succeed in, developing similar electroporation technology, including Flow Electroporation. We also compete with other organizations in recruiting and retaining qualified scientific and management personnel. If our competitors are more successful than us in these matters, we may be unable to compete successfully against our existing or future competitors.

Our business currently depends significantly on research and development spending by biopharmaceutical companies, a reduction in which could limit demand for our products and adversely affect our business and operating results.

A portion of our revenue is derived from sales to biopharmaceutical companies and academic institutions. Much of their funding is, in turn, provided by public and private financings, including investments from venture capital funds and, for public companies, the capital markets. In the near term, we expect that a portion of our revenue will continue to be derived from sales to biopharmaceutical companies and academic institutions. Accordingly, the spending policies and practices of these customers—which have been impacted by the COVID-19 pandemic, market conditions and other factors—could have a significant effect on the demand for our products. In addition, the demand for our products may

depend upon the research and development budgets of these customers, which are impacted by factors beyond our control, such as:

- macroeconomic conditions and the political climate;
- investor confidence in the biopharmaceutical industry and the amount of capital such investors provide to our potential customers;
- reduced pricing of approved therapeutics;
- scientists' and customers' opinions of the utility of new products or services;
- changes in the regulatory environment;
- differences in budgetary cycles;
- competitor product offerings or pricing;
- merger and acquisition activity within the industry;
- market-driven pressures to consolidate operations and reduce costs;
- market acceptance of relatively new technologies, such as ours;
- clinical trial or milestone failures that impact our customers' ability to raise capital; and
- inability to sustain capital requirements or bankruptcy.

In addition, while the majority of our revenues are derived from biopharmaceutical customers, various state, federal and foreign agencies that provide grants and other funding may be subject to stringent budgetary constraints that could result in spending reductions, reduced grant making, reduced allocations or budget cutbacks, which could jeopardize the ability of these customers, or the customers to whom they provide funding, to purchase our products. For example, congressional appropriations to the NIH have generally increased year-over-year in recent years, but the NIH also experiences occasional year-over-year decreases in appropriations. There is no guarantee that NIH appropriations will not decrease or cease in the future. A decrease in the amount of, or delay in the approval of, appropriations to NIH or other similar United States or foreign organizations, such as the Medical Research Council in the United Kingdom, could result in fewer grants benefiting life sciences research. These reductions or delays could also result in a decrease in the aggregate amount of grants awarded for life sciences research or the redirection of existing funding to other projects or priorities, any of which in turn could cause our customers and potential customers to reduce or delay purchases or licensing of our products.

Our operating results may fluctuate substantially due to the potential changes in our customers' resources as described above. Any decrease in our customers' budgets or expenditures, or in the size, scope or frequency of their capital or operating expenditures, could materially and adversely affect our business, operating results and financial condition.

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

Developing our products is expensive, and the investment in product development may involve a long payback cycle. Our investment in research and development may not result in the data we hope to develop to support marketing of our products or in marketable products or may result in products that take longer to generate revenue, or generate less revenue, than we anticipate. For the years ended December 31, 2022 and 2021, our research and development expenses were $19.5 million and $15.4 million, respectively, or approximately 44% and 46%, respectively, of our total revenue. Our

future plans include increased significant investments in research and development of product opportunities for expansion of our products and new application areas for our products. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain our competitive position. However, we may not receive significant revenue from these investments for several years, if at all.

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

International customers have typically accounted for a meaningful portion of our revenue. For the year ended December 31, 2022, approximately 32% of our revenue was derived from international customers, with the most significant markets being the United Kingdom, Switzerland and China. We expect that our international revenue and operations will continue to expand in the future. Our international operations are subject to a variety of risks that we do not face in the United States, including:

- difficulty of increased travel, infrastructure and legal compliance costs associated with developing international revenue;
- difficulties in enforcing contracts, collecting accounts receivable and longer payment cycles, especially in emerging markets;
- general economic conditions in the countries in which we operate;
- additional withholding taxes or other taxes on our foreign income, and tariffs or other restrictions on foreign trade or investment;
- compliance with data privacy and security requirements in foreign jurisdictions in which we operate;
- imposition of, or unexpected adverse changes in, foreign laws or regulatory requirements, many of which differ from those in the United States;
- costs and delays associated with developing products or technology in multiple languages, such as the software embedded in our products;
- compliance with foreign technical standards;
- increased length of time for shipping and acceptance of our products;
- increased exposure to foreign currency exchange rate risk;
- uncertainties related to geopolitical and economic environments;
- reduced protection for intellectual property rights in some countries, particularly in China; and
- political unrest, war, incidents of terrorism, or responses to such events.

In connection with the ongoing armed conflict between Russia and Ukraine, the U.S. government, United Kingdom and European Union countries have imposed enhanced export controls on certain products and sanctions on certain industry sectors and parties in Russia and the regions of Donetsk and Luhansk, as well as enhanced export controls on certain products and industries. These and any additional sanctions and export controls, as well as any counter responses by the governments of Russia or other jurisdictions, could adversely affect, directly or indirectly, the levels of government spending or the global supply chain, with negative implications on the availability and prices of raw materials, energy prices, and our customers, as well as the global financial markets. Although we do not currently conduct any operations in Russia or Ukraine, further escalation of geopolitical tensions could have a broader impact that

expands into other markets where we do business or conduct operations, which could adversely affect our business and sales of our products.

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

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

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

We differentiate ourselves from our competition through our commitment to an exceptional customer experience. Accordingly, high-quality customer service is important for the growth of our business and any failure to maintain such standards of customer service, or a related market perception, could affect our ability to sell products to existing and prospective customers. The number of our customers has grown significantly and such growth, as well as any future growth, will put additional pressure on our field application scientists and customer service organization. We may be unable to hire qualified staff quickly enough or to the extent necessary to accommodate increases in demand. Providing an exceptional customer experience requires significant time and resources from our customer service team. Therefore, failure to scale our customer service organization adequately may adversely impact our business results and financial condition.

Customers utilize our service teams and online content for help with a variety of topics, including how to use our products efficiently, how to integrate our products into existing workflows, and how to resolve technical, analysis and operational issues if and when they arise. While we have developed significant resources for remote training and customer service, including our virtual product demonstration process, if our customers do not adopt these resources, we may be required to increase the staffing of our customer service team, which would increase our costs. Also, as our business scales, we may need to engage third-party customer service providers, which could increase our costs and negatively impact the quality of the customer experience if such third parties are unable to provide service levels equivalent to ours.

In addition, as we continue to grow our operations and reach a global customer base, we need to be able to provide efficient customer service that meets our customers' needs globally at scale. In geographies where we sell through distributors, we often rely on those distributors to provide customer service. If these third-party distributors do not provide a high-quality customer experience, our business operations and reputation may suffer.

If we cannot maintain and expand current partnerships and enter into new partnerships that generate marketed licensed products, our business could be adversely affected.

We do not have our own pipeline of therapeutic candidates, and instead we focus our efforts on the development of our cell engineering offerings, including our ExPERT platform. Our partners then use our instruments and PAs for cell engineering to develop their own therapeutic candidates without our direct involvement. As a result, our success depends on our ability to expand the number and scope of our partnerships. Many factors may impact the success of these partnerships, including our ability to perform our obligations, our partners' satisfaction with our products, competitive offerings of other companies, our partners' ability to successfully develop, secure regulatory approval for and commercialize therapeutic candidates using our products, our partners' internal priorities (including fluctuations in research and developments budgets), our partners' resource allocation decisions and competitive opportunities, disagreements with partners, the costs required of either party to the partnerships and related financing needs, and operating, legal and other risks in any relevant jurisdiction, as well as severe adverse events in cell therapy trials regardless of association with our partners.

We engage in conversations with companies regarding potential partnerships on an ongoing basis. These conversations may not result in a commercial agreement. Even if an agreement is reached, the resulting relationship may not be successful, including due to factors beyond our control, such as our partners' inability to successfully develop or commercialize their therapeutic candidates. In such circumstances, we would not generate any substantial revenues from such a collaboration in the form of milestone payments, royalties or otherwise. Speculation in the industry about our existing or potential partnerships can be a catalyst for adverse speculation about us which can adversely affect our reputation and our business.

Further, our customers are subject to the extensive risks and uncertainties that apply to product candidates in this area including those associated with preclinical and clinical research and development and related regulatory and Institutional Review Board authorization and oversight, manufacturing challenges and compliance standards, the data requirements and review process for seeking marketing authorization, and the potential for safety and efficacy concerns to emerge at any stage of product development and even after approval.

If the quality or delivery of our products does not meet our customers' expectations and needs relative to their regulatory obligations, our reputation could suffer and ultimately our sales and financial results could be negatively impacted.

Our customers operate in a highly regulated industry. In the course of conducting our business, our customers will expect us to adequately address any quality issues suspected to be associated with our products, including defects in our engineering, design, manufacturing and delivery processes, as well as defects in third-party components included in our products. The occurrence of defects in our products may increase as we continue to introduce new products and rapidly scale up manufacturing to meet potentially increased customer demand. Although we have established internal procedures designed to reduce the risks of product quality issues that may arise, there can be no assurance that we will be able to eliminate or mitigate occurrences of these issues and associated potential liabilities. In addition, identifying the root cause of quality issues may be difficult, which increases the time needed to address quality issues as they arise and increases the risk that similar problems could recur. Finding solutions to quality issues can be expensive and we may incur significant costs or lost revenue in connection with, for example, shipment holds, product recalls or other service obligations. In addition, quality issues can impair our relationships with new or existing customers and adversely affect our brand image, and our reputation could suffer, which could adversely affect our business, financial condition, results of operations, cash flows and prospects.

The failure of our partners to meet their contractual obligations to us could adversely affect our business.

Our reliance on our partners poses a number of additional risks, including the risk that they may not perform their contractual obligations to us to our standards, in compliance with applicable legal or contractual requirements, in a timely manner or at all; they may not maintain the confidentiality of our proprietary information; and disagreements or disputes could arise that could cause delays in, or termination of, the research, development or commercialization of therapeutic candidates produced using our instruments and PAs.

In addition, certain of our partners are large, multinational organizations that run many programs concurrently, and we are dependent on their ability to accurately track and make milestone payments to us pursuant to the terms of our agreements with them. Any failure by them to inform us when milestones are reached and make related payments to us could adversely affect our results of operations.

Some of our partners operate in markets subject to political and social risk, corruption, infrastructure problems and natural disasters, and are often subject to country-specific data privacy and data security risk as well as burdensome legal and regulatory requirements. Any of these factors could adversely impact their financial condition and results of operations, which could impair their ability to meet their contractual obligations to us, which may have a material adverse effect on our business, financial condition and results of operations.

Our partners have significant discretion in determining when and whether to make announcements, if any, about the status of their clinical developments and timelines for advancing collaborative programs, and the price of our common stock may decline as a result of announcements of unexpected results or developments.

Our partners have significant discretion in determining when and whether to make announcements about the status of their programs that use our technology, including their preclinical and clinical programs, such as setbacks or terminations, and timelines for advancing therapeutic candidates developed using our platform. We do not plan to disclose the development status and progress of individual therapeutic candidates of our partners. Our partners may wish to report such information more or less frequently than we prefer or may not wish to report such information at all. In addition, if partners choose to announce a collaboration with us or their progress, there is no guarantee that we will concurrently recognize any fees or that such announcement will be indicative of future fees to us, as such fees are not due to us until our partner reaches certain specific activities or clinical progress events, for example IND submissions or start of pivotal trials. The price of our common stock may decline as a result of the public announcement of unexpected results or developments in our partnerships, or as a result of our partners withholding such information.

Our partners may not achieve projected development and regulatory milestones and other anticipated key events in the expected timelines or at all, or may discontinue some or all of their programs, which could have an adverse impact on our business and could cause the price of our common stock to decline.

From time to time, we may make public statements regarding the expected timing of certain milestones and key events, as well as regarding developments and milestones under our partnerships, to the extent that our partners have publicly disclosed such information or permit us to make such disclosures. Certain of our partners have also made public statements regarding their expectations for the development of programs under partnership with us and they and other partners may in the future make additional statements about their goals and expectations for the progress of their programs and/or their partnerships with us. The actual timing of these events and any resultant revenue to us can vary dramatically due to a number of factors such as delays or failures in our or our current and future partners' therapeutic discovery and development programs and the numerous uncertainties inherent in the development of therapeutics. As a result, there can be no assurance that our partners' current and future programs will advance or be completed in the time frames we or they expect, or at all.

In addition, we have very little visibility into, or advance notice of, any changes in our partners' development timelines and expectations, which means that we may not be able to swiftly react and adapt to changed expectations related to the achievement and payment of milestones under our agreements. If our partners fail to achieve one or more of these milestones or other key events as we or they expect, our business could be materially adversely affected and the price of our common stock could decline.

Biopharmaceutical drug and therapeutics development is inherently uncertain, and it is possible that none of the drug or therapeutic candidates discovered using our platform that are further developed by our partners will receive marketing approval or become viable commercial products, on a timely basis or at all.

We offer our cell engineering platform to partners who are engaged in drug and therapeutics discovery and development. These partners include large pharmaceutical companies, biotechnology companies of all sizes and non-profit and academic institutions. While we receive early payments generated through sales of our ExPERT instruments and PAs and recurring revenue through the annual licenses of the ExPERT instrument to our partners, we estimate that the vast majority of the economic value of the SPL partnerships that we enter into with our partners is in the downstream payments that are payable if certain milestones are met or approved products are sold. As a result, our future growth is dependent on the ability of our partners to successfully develop and commercialize therapies discovered or produced using our platform. Due to our reliance on our partners, the risks relating to product development, regulatory clearance, authorization or approval and commercialization apply to us derivatively through the activities of our partners. There can be no assurance that our partners will successfully develop, secure marketing approvals for and commercialize any drug or therapeutic candidates discovered or produced with our instruments. As a result, we may not realize the intended benefits of our partnerships. We have entered into 19 SPL partnerships resulting in a growing number of clinical milestone payments, but we have not yet had a licensed program receive regulatory marketing approval.

Due to the uncertain, time-consuming and costly clinical development and regulatory approval process, our partners may not successfully develop any drug or therapeutic candidates with our platform, or our partners may choose to discontinue the development of these drug candidates for a variety of reasons, including due to safety, risk versus benefit profile, exclusivity, competitive landscape, manufacturing challenges, commercialization potential, production limitations or prioritization of their resources. For product candidates of the type expected to be developed using our technology, there is the potential they could create a safety risk to patients and can also limit product efficacy. It is possible that none of these drug or therapeutic candidates will ever receive regulatory approval and, even if approved, such drug candidates may never be successfully commercialized resulting in clinical progress milestones and commercial sales-based payments not being earned.

Regulatory authorities have substantial discretion in the review and approval process and may refuse to accept any application or may decide that our partners' data are insufficient to support progression to further stages of preclinical or clinical development or for marketing approval and require additional preclinical, clinical or other studies. The number and types of preclinical studies and clinical trials that will be required for regulatory approval also varies depending on the product candidate (including cell therapies, for which development is inherently challenging), the disease or condition that the product candidate is designed to address, and the regulations applicable to any particular product candidate. Application of the legal and regulatory standards for approval, and the type and amount of clinical data and data supporting chemistry, manufacturing and control necessary to gain approval may change during the course of a product candidate's clinical development and may vary among jurisdictions. It is possible that any product candidates our partners may seek to develop in the future will never obtain the appropriate, necessary regulatory approvals.

In addition, even if these drug or therapeutic candidates receive regulatory approval in the United States, our partners may never obtain approval or commercialize them outside of the United States, which would limit their full market potential and therefore our ability to realize their potential downstream value. Furthermore, approved drugs or therapeutics may not achieve broad market acceptance among physicians, patients, the medical community and third-party payors, in which case revenue generated from their sales would be limited. Third-party payers may opt to implement efficacy-based payment mechanisms over a multi-year period, which could impact potential product sales in any given year. Likewise, our partners have to make decisions about which clinical stage and preclinical drug and therapeutic candidates to develop and advance, and our partners may not have the resources to invest in all of the drug or therapeutic candidates that are produced using our platform, or clinical data and other development considerations may not support the advancement of one or more drug candidates developed using our platform. Decision-making about which drug or therapeutic candidates to prioritize involves inherent uncertainty, and our partners' development program decision-making and resource prioritization decisions, which are outside of our control, may adversely affect the potential value of those partnerships. Additionally, subject to its contractual obligations to us, if one or more of our partners is involved in a business combination, the partner might deemphasize or terminate the development or commercialization of any drug or therapeutic candidate that utilizes our platform. If one of our SPL customers terminates its agreement with us, we may find it more difficult to attract new partners.

Our partners, and therefore our potential financial outcomes under our agreements, are also subject to inherent industry-wide FDA and other regulatory risk. The number of new drug applications and biologics license applications approved by the FDA varies significantly over time and if there were to be an extended reduction in the number of new drug applications and biologics license applications approved by the FDA, the industry would contract and our business would be materially harmed. Furthermore, regulatory agencies may introduce new submission requirements or implement new regulations for cell and gene therapies which could result in extended timelines for our partners, creating uncertainty or delays in achieving milestones. Such delays in these milestones will materially affect our ability to forecast and receive milestone payments outlined in our license agreements.

Our partners' failure to effectively advance, market and sell suitable drug and therapeutic candidates developed using our platform could have a material adverse effect on our business, financial condition, results of operations and

prospects, and cause the market price of our common stock to decline. In addition to the inherent uncertainty in drug development addressed above, our ability to forecast our future revenues may be limited.

In recent periods, we have depended on a limited number of partners for our revenue, the loss of any of which could have an adverse impact on our business.

For the year ended December 31, 2022, one cell therapy company with which we have entered into an SPL partnership accounted for 23% of our total revenue, and our six largest customers accounted for an aggregate of approximately 40% of our total revenue for the year through a combination of instrument license fees, milestones realized and processing assembly revenue. These partnerships cover a large number of programs under contract, and therefore represent a large portion of potential downstream value. In addition, our partnership agreements are typically terminable at will. As a result, if we fail to maintain our relationships with our partners or if any of our partners discontinue their programs or transition to alternative cell engineering technologies, our future results of operations could be materially and adversely affected.

An increasing portion of our revenue is derived from milestone payments from our SPL customers. Accordingly, we may be more dependent on the success of a limited number of our customers' programs than we would be if our revenue was derived more broadly from many customer contracts. The loss of any of our large customers, or significant delays or discontinuations in our customers' programs, would have an adverse effect on our ability to generate revenue.

Our customers' products or product candidates may cause undesirable side effects or have other properties that could delay or prevent their regulatory approval, limit their commercial potential or result in significant negative consequences following any potential marketing approval, which could cause our future results of operations to be materially and adversely affected.

Serious adverse events or undesirable side effects caused by our customers' products or product candidates could cause regulatory authorities to interrupt, delay or halt clinical trials and could result in a more restrictive label or the delay or denial of regulatory approval by the FDA, the European Medicines Agency or other authorities. Results of our customers' clinical trials could reveal a high and unacceptable severity and prevalence of side effects, toxicities or unexpected characteristics, including death.

If unacceptable side effects or deaths arise in the development of our customers' product candidates, the Institutional Review Boards at the institutions in which their studies are conducted, the FDA or any comparable foreign regulatory authority could suspend or terminate our customers' clinical trials or the FDA or other regulatory authorities could order them to cease clinical trials or deny approval of their product candidates for any or all targeted indications. Undesirable side effects or deaths in clinical trials with our customers' product candidates may cause the FDA or comparable foreign regulatory authorities to place a clinical hold on the associated clinical trials, to require additional studies or otherwise, to delay or deny approval of our customers' product candidates for any or all targeted indications. Treatment-related side effects could also affect patient recruitment or the ability of enrolled patients to complete the trial or result in potential product liability claims. In addition, these side effects may not be appropriately recognized or managed by the treating medical staff. Any of these occurrences could negatively impact the availability of capital for the broader cell therapy development market, reduce the demand for our products and harm our business, financial condition and prospects significantly.

We may pursue collaborations or licensing arrangements, joint ventures, strategic alliances, partnerships or other strategic investment or arrangements, which may fail to produce anticipated benefits and adversely affect our operations.

We may pursue opportunities for collaboration, out-license, joint ventures, acquisitions of products, assets or technology, strategic alliances or partnerships that we believe would advance our development. We may consider pursuing growth through the acquisition of technology, assets or other businesses that may enable us to enhance our technologies and capabilities. Proposing, negotiating and implementing these opportunities may be a lengthy and complex process. Other companies, including those with substantially greater financial, marketing, technology or other business resources, may compete with us for these opportunities or arrangements. We may not be able to identify, secure or

complete any such transactions or arrangements in a timely manner, on a cost-effective basis on acceptable terms or at all.

We have limited experience with respect to these business development activities. Management and integration of a licensing arrangement, collaboration, joint venture or other strategic arrangement may disrupt our current operations, decrease our profitability, result in significant expenses or divert management resources that otherwise would be available for our existing business. We may not realize the anticipated benefits of any such transaction or arrangement.

Furthermore, partners, collaborators or other parties to such transactions or arrangements may fail to fully perform their obligations or meet our expectations or cooperate with us satisfactorily for various reasons and subject us to potential risks, including the following:

- Partners, collaborators or other parties have significant discretion in determining the efforts and resources that they will apply to a transaction or arrangement;
- Partners, collaborators or other parties could independently develop, or develop with third parties, services and products that compete directly or indirectly with our product candidates;
- Partners, collaborators or other parties may stop, delay or discontinue clinical trials as well as repeat clinical trials or conduct new clinical trials by using our intellectual property or proprietary information;
- Partners, collaborators or other parties may not properly maintain or defend our intellectual property rights or may use our intellectual property or proprietary information in a way that gives rise to actual or threatened litigation that could jeopardize or invalidate our intellectual property or proprietary information or expose us to potential liabilities;
- Disputes may arise between us and partners, collaborators or other parties that cause the delay or termination of the research, development or commercialization of our product candidates, or that result in costly litigation or arbitration that diverts management's attention and resources;
- Partners, collaborators or other parties may be terminated and, if terminated, may result in a need for additional capital to pursue further development or commercialization of the applicable services and products; and
- Partners, collaborators or other parties may own or co-own intellectual properties covering our product candidates that results from our collaborating with them, and in such cases, we would not have the exclusive right to commercialize such intellectual properties.

Any such transactions or arrangements may also require actions, consents, approval, waiver, participation or involvement of various degrees from third parties, such as regulators, government authorities, creditors, licensors or licensees, related individuals, suppliers, distributors, shareholders or other stakeholders or interested parties. There is no assurance that such third parties will be cooperative as we desire, or at all, in which case we may be unable to carry out the relevant transactions or arrangements.

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

In the future, we may acquire companies, assets or technologies in an effort to complement our existing offerings to enhance our market position. We have not made any acquisitions to date and we currently have no plans, proposals or arrangements with respect to any acquisition. Should we choose to pursue an acquisition in the future, we may not be able to find suitable acquisition candidates and we may not be able to complete acquisitions on favorable terms, if at all. Any future acquisitions we make could subject us to a number of risks, including:

- Purchase prices we pay could significantly deplete our cash reserves, impair our future operating flexibility or result in dilution to our existing stockholders;

- We may find that the acquired company, assets or technology does not further improve our financial and strategic position as planned;

- We may find that we overpaid for the company, asset or technology, or that the economic conditions underlying our acquisition have changed;

- We may have difficulty integrating the operations and personnel of the acquired company;

- We may have difficulty retaining the employees with the technical skills needed to enhance and provide services with respect to the acquired assets or technologies;

- Acquisitions may be viewed negatively by customers, financial markets, or investors;

- We may have difficulty incorporating the acquired technologies or products with our existing products;

- We may encounter difficulty entering and competing in new product or geographic markets;

- We may encounter a competitive response, including price competition or intellectual property litigation;

- We may have product liability, customer liability or intellectual property liability associated with the sale of the acquired company's products;

- We may be subject to litigation by terminated employees or third parties;

- We may incur debt and restructuring charges;

- We may acquire goodwill and other intangible assets that are subject to impairment tests, which could result in future impairment charges;

- Our ongoing business and management's attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically or culturally diverse enterprises; and

- Our due diligence process may fail to identify significant existing issues with the target company's product quality, product architecture, financial disclosures, accounting practices, internal controls, legal contingencies, intellectual property and other matters.

Acquisitions may not generate sufficient revenue to offset the associated costs of the transactions or may result in other adverse effects, which could have a material adverse effect on our business, operating results, and financial condition. In addition, negotiations for acquisitions, collaborations or investments that are not ultimately consummated could result in significant diversion of management time, as well as substantial out-of-pocket costs, any of which could have a material adverse effect on our business, operating results and financial condition.

Risks Related to the Supply and Manufacturing of Our Products

We depend on continued supply of high-quality components and raw materials for our ExPERT instruments and PAs from third-party suppliers, and if shortages of these components or raw materials arise, we may not be able to secure enough components to build new products to meet customer demand or we may be forced to pay higher prices for these components.

We rely on a limited number of suppliers for certain key components utilized in the assembly of our ExPERT instruments and manufacture of our PAs and buffer, and in some cases, such as certain instrument components, for example CPU chips or PA electrodes, we rely on a single supplier for a particular component, subassembly or consumable. Approximately 34% of our inventory held at December 31, 2022 was purchased from one supplier. Although in many cases we use standard components in our products, in some cases, components may only be purchased from a limited number of suppliers or a single supplier. Identifying and qualifying alternate sources may take time and involve additional expense, and there is no guarantee that current suppliers or alternate sources will timely deliver materials that meet our needs. If our customers experience a shortage or delay in delivery of our ExPERT instruments, PAs or buffers our business could be materially and adversely impacted.

Neither we nor our contract manufacturers enter into long-term supply contracts for these components, and none of our third-party suppliers is obligated to supply products to us for any specific period or in any specific quantities, except as may be provided for in submitted and accepted purchase orders. We are not a major customer of many of our suppliers, and these suppliers may therefore give other customers' needs higher priority than ours. Our industry has experienced component shortages and delivery delays in the past, and we may experience shortages or delays of critical components in the future as a result of strong demand in the industry, high demand in unrelated industries such as shortages of electronic components due to digitization in the automotive industry, or other factors. Many of the other components required to build our ExPERT instruments are also occasionally in short supply. Global supply chain constraints during 2021 and 2022 have resulted in some of our suppliers having to prioritize certain customers. While we seek to maintain priority with our suppliers and have not experienced significant delays to date, there can be no guarantee that we will not experience shortages as a result of supply chain issues. In addition, geopolitical tensions, and sanctions imposed in response thereto, may create new supply chain issues or exacerbate current supply chain challenges. If shortages or delays arise, we may not be able to timely secure enough components at reasonable prices or of acceptable quality to build new products, resulting in an inability to meet customer demand or our own operating goals, which could adversely affect our customer relationships, business, operating results and financial condition.

Many of the components that we use are part of the global supply chain and may be manufactured overseas. Therefore, our access to, or ability to acquire, components may be impacted by trade disputes or importation restrictions resulting from such trade disputes between governments. These disputes may result in increased tariffs, duties or taxes that will increase the cost of the components and we may have to increase the price of our products, or incur an impact on our margins, both of which can materially affect customer demand and resulting revenues.

Additionally, damage to a manufacturing facility or other property of any of our suppliers or their distribution channels due to fire, flood or other natural disaster or casualty event may have a material adverse effect on our business, financial condition and results of operations.

We have limited experience manufacturing our PAs and may be unable to manufacture our PAs in high-quality commercial quantities successfully and consistently to meet demand, which could limit our growth.

We have limited experience manufacturing our products and only began to manufacture our PAs in-house in 2022. To manufacture our PAs in the quantities that we believe will be required to meet the currently anticipated market demand, we will need to increase manufacturing capacity, which will involve significant challenges and may require additional quality controls. We may not successfully complete any required increase to existing manufacturing capacity in a timely manner, or at all.

If there is a disruption to our manufacturing operations or inventory management, we may have limited or no other means of producing our products until we resolve such issues with our manufacturing facilities, develop alternative manufacturing facilities or contract with third-party manufacturers capable of producing our products. Additionally, any damage to or destruction of our manufacturing facilities and/or inventory or equipment may significantly impair our ability to supply PAs on a timely basis. There may also be unforeseen occurrences that increase our costs, such as increased prices of the components of our PAs, changes to labor costs or less favorable terms with third-party suppliers. There can be no assurance that we will not encounter such problems in the future.

If we are unable to manufacture PAs consistently and in sufficient quantities to meet anticipated customer demand, our business, financial condition, results of operations and prospects would be harmed. If we choose to scale the commercial production of our PA and increase our manufacturing capacity, we may encounter quality issues that could result in product defects, errors or recalls. Manufacturing delays related to quality control could negatively impact our ability to bring our PAs to market, harm our reputation and decrease our revenue. Any defects, errors or recalls could be expensive and generate negative publicity, which could impair our ability to market or sell our products, and adversely affect our results of operations. Our inability, or that of our suppliers, to find and retain the necessary qualified employees to achieve our manufacturing goals would also negatively impact our ability to meet customer needs.

Historically we have sourced components for our PAs from a limited number of manufacturers and, in some cases, sole source manufacturers. In 2022, we also began manufacturing PAs in our own facilities, however, we expect to continue to outsource a portion of the manufacturing of PAs for the foreseeable future. With respect to our PA manufacturers, we are neither a major customer, nor do we have long-term supply contracts. These manufacturers may therefore give other customers' needs higher priority than ours, and we may not be able to obtain adequate supply in a timely manner or on commercially reasonable terms. Qualifying new suppliers may be required from time to time and qualification can take many months. If we were to lose one or more of our sole or single source manufacturers or suppliers, it would take significant time and effort to qualify alternative suppliers, if available. Moreover, in the event that we transition to a new manufacturer, particularly from any of our single source manufacturers, doing so could be time-consuming and expensive, may result in interruptions in our ability to supply our products to the market and could affect the performance of our PAs, resulting in increased costs and negative customer perception and could have a material adverse effect on our business, financial condition and results of operations.

Our results of operations will be harmed if we are unable to accurately forecast customer demand for our products and manage our inventory.

To ensure adequate supply of our instruments, PAs and other products, we must forecast the inventory needs of our current and prospective customers and manufacture our products based on our estimates of future demand. Our ability to accurately forecast demand for our products could be negatively affected by many factors, many of which are beyond our control, including our failure to accurately manage our expansion strategy, product introductions or failures by competitors, an increase or decrease in customer demand for our products or for products of our competitors, the availability of capital for our customers, our failure to accurately forecast the success of our customers' therapeutic products, market acceptance of new products, changes in general market conditions, seasonal demands, regulatory matters or strengthening or weakening of general economic conditions.

We seek to maintain sufficient levels of inventory of our instruments and other products to protect ourselves from supply interruptions. We rely in part on our commercial team and distributors to supply forecasts of anticipated product orders in their respective territories. If we fail to accurately estimate customer demand for our products, our inventory forecasts may be inaccurate, resulting in shortages or excesses of inventory. Inventory levels in excess of customer demand may result in inventory write-downs or write-offs, which could negatively impact our business, prospects, financial condition and results of operations. Conversely, if we underestimate customer demand for our products, we may not be able to deliver products in a timely manner or at all, and this could result in reduced revenue and damage to our reputation and customer relationships. In addition, if we experience a significant increase in demand, we may not have adequate manufacturing capacity to meet such demand, and additional supplies may not be available when required on terms that are acceptable to us, or at all, or suppliers may not be able to allocate sufficient capacity in order to meet our increased

requirements, all of which would negatively affect our business, financial condition and results of operations. If we are unable to meet customer demand, we could lose our existing customers or lose our ability to acquire new customers, which would also negatively impact our business, financial condition and results of operations.

Risks Related to Our Product Sales

Our future success depends on our ability to develop and successfully introduce new and enhanced products that meet the needs of our customers.

Our offerings include products such as instruments, single-use disposables and the provision of support services to our customers with the goal of supporting the advancement of our customers' cell-therapies and/or drug discovery activities. We aim to collectively provide our customers with a single, integrated platform to discover, develop and manufacture safer, more targeted and increasingly complex cell-based therapies, designed for integration into customers' current good manufacturing practices environments. We cannot guarantee that the market for our current products will continue to generate significant or consistent demand. Demand for our current products could be significantly diminished by competitive technologies or products that replace them or render them obsolete or less desirable. Accordingly, we must continue to invest in research and development to develop competitive products. Restrictions resulting from the COVID-19 pandemic previously had a negative impact on the work of some of our, and our customers', research and development programs due to limitations on in-person lab work.

Our future success depends on our ability to anticipate our customers' needs and develop new products and enhance current products to address those needs. Introduction of new products and product enhancements will require that we effectively transfer production processes from research and development to manufacturing and coordinate our efforts with those of our suppliers to achieve the desired level of production. If we fail to transfer production processes effectively, develop product enhancements or introduce new products or enabling services in sufficient quantities to meet the needs of our customers, or effectively coordinate with our suppliers, our sales may be reduced and our business would be harmed.

The commercial success of all of our products will depend upon their acceptance by the life science and biopharmaceutical industries. Some of the products that we are developing are based upon new technologies or approaches. As a result, there can be no assurance that these new products, even if successfully developed and introduced, will be accepted by customers. If customers do not adopt our new products, services and technologies, our results of operations may suffer and, as a result, the market price of our common stock may decline.

If we are unable to successfully develop new products, adapt to rapid and significant technological change, respond to introductions of new products by competitors, make strategic and operational decisions to prioritize certain markets, technology offerings or partnerships, and develop and capitalize on markets, technologies or partnerships, our business could suffer.

We currently sell and license our products primarily in the cell therapy market, which is characterized by significant enhancements and evolving industry and regulatory standards and a high degree of regulatory scrutiny. As a result, our customers' needs are rapidly evolving. If we do not appropriately innovate and offer our customers comprehensive solutions and otherwise invest in new technologies, our offerings may become less desirable in the markets we serve, and our customers could move to new technologies offered by our competitors or make products themselves. Without the timely introduction of new instruments, single-use disposables software, services, enhancements and new product integrations with electroporation, our offerings may become less competitive over time, in which case our competitive position and operating results could suffer. Accordingly, we focus significant efforts and resources on the development and identification of new products and applications to further drive adoption of our platform. To the extent we fail to timely introduce new and innovative products, offer enhancements to our existing products, adequately predict our customers' needs or fail to obtain desired levels of market acceptance, our business may suffer and our operating results could be adversely affected.

We believe our products have potential applications across a wide range of markets and we have targeted certain markets in which we believe our technology has significant advantages, or for which we believe we have a higher probability of success or significant revenue opportunity. For example, we are committed to developing our platform's applications within the life sciences market, including research, discovery, development, and manufacturing of next-generation autologous and allogeneic cell-based therapeutics, as well as drug discovery, including protein production for biological therapeutics, viral vectors, vaccines and for the discovery of small molecule drugs. We seek to maintain a process of prioritization and resource allocation among our programs to maintain a balance between advancing near-term opportunities and exploring additional markets and uses for our technology. However, due to the significant resources required for the development of applications data for our products or services for new markets, we must make decisions on which markets to pursue and the amount of resources to allocate to each. Our decisions concerning the allocation of research, development, collaboration, management and financial resources toward particular markets, products or services may not lead to the development of any viable products or services and may divert resources away from better opportunities. Similarly, our potential decisions to delay, terminate or collaborate with third parties in respect of certain markets may subsequently also prove to be suboptimal and could cause us to miss valuable opportunities. In particular, if we are unable to successfully achieve on-going adoption of our electroporation platform technology, it could slow or stop our business growth and negatively impact our business, financial condition, results of operations and prospects.

New product development involves a lengthy and complex process and we may be unable to develop or commercialize products on a timely basis, or at all.

Products from our research and development programs will take time and considerable resources to develop, and may include improvements or changes to our current products, and we may not be able to complete development and commercialization of new or enhanced products on a timely basis, or at all. There can be no assurance that our research and development efforts will produce commercially viable products and solutions and before we can commercialize any new products, we will need to expend significant funds in order to, for example:

- conduct substantial research and development;
- in some cases, obtain necessary regulatory clearance or approval;
- further develop and scale our laboratory, engineering and manufacturing processes to accommodate different products;
- source and enter into agreements with new suppliers and manufacturers; and
- further develop and scale our infrastructure.

Our product development processes involve a high degree of risk, and these efforts may be delayed or fail for many reasons, including failure of the product to perform as expected and failure to reliably demonstrate the advantages of the product.

Even if we are successful in developing new products, it will require us to make significant additional investments in marketing and selling resources to commercialize any such products. As a result, we may be unsuccessful in commercializing new products that we develop, which could adversely affect our business, financial condition, results of operations and prospects.

Our systems are complex in design and may contain defects that are not detected until deployed by our customers, which could harm our reputation, increase our costs and reduce our sales. If our products do not perform as expected or the reliability of the technology on which our products are based is questioned, our operating results, reputation and business will suffer.

Our success depends on our ability to provide reliable, high-quality products that enable high performance cell engineering through flexible, efficient and cost-effective solutions. Our systems are complex in design and involve a

highly complex and precise manufacturing process. As a result of the technological complexity of our systems, changes in our suppliers' manufacturing processes or the inadvertent use of defective materials by us or our suppliers could result in a product recall, or an adverse effect on our ability to achieve acceptable manufacturing quality and product reliability. To the extent that we do not achieve and maintain our projected quality or product reliability, our reputation, business, operating results, financial condition and customer relationships would be adversely affected.

Our customers may discover defects in our products after the products have been fully installed and operated. In addition, some of our products include components from other vendors, which may contain defects. As a result, should problems occur, it may be difficult to identify the source of the problem. If we are unable to identify and fix defects or other problems, we could experience, among other things:

- product recalls and replacement costs;
- loss of customers or orders;
- damage to our brand reputation;
- failure to attract new customers;
- diversion of development, engineering and manufacturing resources;
- regulatory actions by governmental authorities; and
- legal actions by our customers.

We believe that customers in our target markets are likely to be particularly sensitive to product defects and errors. Our reputation and the image of our products, services and technologies in our target markets may be impaired if our products or services fail to perform as expected. If our products do not perform, or are perceived to not have performed, as expected or favorably in comparison to competitive products, our operating results, reputation and business will suffer, and we may also be subject to legal claims arising from product limitations, errors, or inaccuracies. Any of the foregoing could have an adverse effect on our business, financial condition and results of operations.

Although our products are tested in accordance with industry standards prior to shipment, defects or errors could nonetheless occur. For example, our instruments or PAs could fail or our partners could use our technology improperly and blame a failure on our systems, resulting in customer complaints and significant resources dedicated to finding the cause of the failure and/or developing a solution. Our operating results depend on our ability to execute and, when necessary, improve our quality management strategy and systems and our ability to effectively train and maintain our employees with respect to quality management. A failure of our quality control systems could result in problems with facility operations or preparation or provision of products. In each case, such problems could arise for a variety of reasons, including equipment malfunction, failure to follow specific protocols and procedures, problems with raw materials or environmental factors and damage to, or loss of, manufacturing operations.

We provide a standard one-year warranty on sold instruments. Existing and future warranties place us at the risk of incurring future repair and/or replacement costs. Since a large portion of our revenue is derived from sales of our PAs, which can only be used when our instruments are functioning, if our instruments fail to function and our customers choose to use alternative cell engineering methods our financial condition and results of operations would suffer. In addition, even after any underlying concerns or problems are resolved, any lingering concerns in our target markets regarding our technology or any manufacturing defects or performance errors, either actual or simply perceived, in our products or services could continue to result in lost revenue, delayed market acceptance, damage to our reputation and claims against us.

If we are unable to successfully expand our commercial operations, including hiring additional qualified sales representatives, application scientists, engineers, scientific personnel and customer support staff, our business may be adversely affected.

Our sales will depend, in large part, on our ability to develop and substantially expand our sales and applications scientist infrastructure, particularly as we enter into new markets, rollout new products and platforms and manage inbound interest from new customers. We sell our products through our direct sales force and field application scientists located in North America, the United Kingdom and Europe, and have field application scientists located in the Asia-Pacific region where sales are currently managed by distributors. Our sales and marketing efforts are targeted at pharmaceutical and biotechnology companies and academic institutions focused on cell engineering and drug discovery. To continue driving adoption of our products and to support our global brand, we will need to further expand our field sales and application scientist infrastructure by hiring additional, highly qualified sales representatives, field application scientists, engineers and scientific personnel and customer support staff, in addition to increasing our marketing efforts.

Identifying and recruiting qualified personnel globally with sufficient industry experience and training them requires significant time, expense and attention. If we provide inadequate training, fail to increase our sales and marketing capabilities or fail to develop broad brand awareness in our target markets in a cost-effective manner, our business may be harmed. In addition, if our efforts to expand do not generate a corresponding increase in revenue or result in a decrease in our operating margin, our financial results will be adversely impacted. If we are unable to hire, develop and retain talented sales personnel or if new sales personnel are unable to achieve desired productivity levels in a reasonable period of time, we may not be able to realize the expected benefits of this investment or increase our revenue.

Additionally, our highly specialized application scientists and scientific personnel work closely with researchers, clinicians and current and prospective customers to optimize and implement cell engineering methods, processes and applications to meet their specific needs. Hiring these highly skilled application scientists and scientific personnel is competitive due to the limited number of people available with the necessary scientific and technical backgrounds and ability to understand our products at a technical level, and training such individuals requires significant time, expense and attention. Furthermore, we face intense competition in the labor market for such highly skilled specialists from competitors in our industry, our customers and companies in other industries, particularly because of the recent rapid growth in the cell therapy field. To effectively support current and potential customers, we will need to hire, maintain, train and grow globally the number of our applications scientists and add to our customer support staff. If we are unable to maintain, attract, train or retain the number of qualified support personnel that our business needs, our business and prospects will suffer.

If we are unable to expand or leverage the number of peer-reviewed articles published using data generated through the use of our products or otherwise increase brand awareness in our target markets, the demand for our products and our business may be adversely affected.

We rely on a significant base of peer-reviewed publications to showcase and validate the application of our technology in academic and clinical research settings. To date, there have been multiple peer-reviewed articles published, including in prominent journals, using data generated through the use of our technology across a wide range of key scientific research areas, including research, discovery, development and manufacturing of next-generation, cell-based therapeutics, as well as drug discovery including protein production for biological therapeutics, viral vectors, vaccines and small molecule discovery. We believe that expanding the number and breadth of these publications, and otherwise developing and maintaining awareness of our brand in our target markets in a cost-effective, manner is critical to achieving broad acceptance of our products and attracting new customers. Such publications and other brand promotion activities may not generate customer awareness or increase revenue and, even if they do, any increase in revenue may not offset the costs and expenses we incur in building our brand. If we fail to successfully promote, maintain and protect our brand, we may fail to attract or retain the customers necessary to realize a sufficient return on our brand-building efforts, or to achieve the reputation and widespread brand awareness that is critical for broad customer adoption of our products.

Risks Related to Our Regulatory Environment and Our Industry

Our FDA Master File, and equivalent Technical Files in foreign jurisdictions, are an important part of our strategic offering which allows our partners to expedite their cellular therapies into and through the clinic. Delays in filing or obtaining (as applicable in a given jurisdiction), or our inability to obtain or retain, acceptance of such filings in individual countries could negatively impact the progress of our partners if they intend to run clinical trials in such countries, and as a result, could negatively affect our reputation and revenues or require disclosure of confidential information to our partners. Further, changes that we are required to make from time to time, or changes to regulations or negative data or adverse events for our partners, could impact references to our FDA Master File and Technical Files by our partners.

Providing our customers with an established regulatory path for use of our technology in the development of their therapeutics is an important value we provide to our customers. We have established and maintained an FDA Master File and equivalent Technical Files in certain other countries to provide that regulatory path. We may be unable in a timely manner, or at all, to provide similar filings in all countries where our customers desire to perform clinical trials, and regulators may refuse to accept such filings or may change their approach to such filings in a manner that weakens our ability to support our customers. If regulators at any point find that such filings have not been sufficiently maintained or are insufficient to support clinical trials or drug approvals, as a result we may need to disclose confidential information to our partners to allow them to include such information in their filings.

In addition, while we believe our FDA Master File and equivalent Technical Files have the potential to create certain efficiencies and reduce certain regulatory development risks for our customers, there is no guarantee that referencing our FDA Master File or Technical File, as applicable, will result in success in customers' submissions seeking authorization for clinical trials or marketing authorization. We cannot be certain that the FDA or foreign regulators will not require audits of and information on our ExPERT systems used in the clinic as our partners advance their cellular therapies from preclinical through clinical development toward marketing approval. Such additional information requests and audits of our facilities could result in delays in the development and potential regulatory approval of our partners' cellular therapy product candidates, affecting timing of milestone payments and our future ability to enter into new SPL agreements. Failure to adequately respond to any such regulatory requests could result in the regulator preventing our electroporation system from being utilized for a partner's cellular therapy. This could result in our partners not utilizing our ExPERT system for their other clinical programs and negatively impact our ability to enter into partnership agreements with other cellular therapy developers.

Changes in tariffs or other government trade policies may materially adversely affect our business and results of operations, including by reducing demand for our products.

The imposition of tariffs and trade restrictions as a result of international trade disputes or changes in trade policies may adversely affect our sales and profitability. For example, in recent years, the U.S. government imposed and proposed, among other actions, new or higher tariffs on specified imported products originating from China in response to what it characterized as unfair trade practices, and China responded by imposing and proposing new or higher tariffs on specified U.S. products. There can be no assurance that a broader trade agreement will be successfully negotiated between the United States and China to reduce or eliminate these tariffs. These tariffs, and the related geopolitical uncertainty between the United States and China, may cause decreased demand for our products or increase cost of components used in our products, which could have a material adverse effect on our business and results of operations. For example, certain of our foreign customers may respond to the imposition of tariffs or threat of tariffs on products we produce by delaying purchase orders or purchasing products from our competitors. Ongoing international trade disputes and changes in trade policies could also impact economic activity and lead to a general contraction of customer demand. In addition, tariffs on components that we may import from China or other nations will adversely affect our profitability unless we are able to exclude such components from the tariffs or we raise prices for our products, which may result in our products becoming less attractive relative to products offered by our competitors. Future actions or escalations by either the United States or China that affect trade relations may also negatively affect our business, or that of our suppliers or customers,

and we cannot provide any assurances as to whether such actions will occur or the form that they may take. To the extent that our sales or profitability are negatively affected by any such tariffs or other trade actions, our business and results of operations may be materially adversely affected.

We are subject to governmental export controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws.

Exports of our products are subject to export controls and sanctions laws and regulations imposed by the U.S. government and administered by the U.S. Departments of State, Commerce and Treasury. U.S. export control laws may require a license or other authorization to export products to certain destinations and end users. In addition, U.S. economic sanctions laws include restrictions or prohibitions on the sale or supply of certain products to U.S. embargoed or sanctioned countries, governments, persons and entities. Obtaining export licenses can be difficult, costly and time-consuming and we may not always be successful in obtaining necessary export licenses, and our failure to obtain required export approval for our products or limitations on our ability to export or sell our products imposed by export control or sanctions laws may harm our revenues and adversely affect our business, financial condition, and results of operations. Noncompliance with these laws could have negative consequences, including government investigations, penalties and reputational harm.

We are subject to stringent and changing U.S. and foreign laws, regulations, rules, contractual obligations, policies and other obligations related to data privacy and security. Our actual or perceived failure to comply with such obligations could lead to adverse business consequences.

In the ordinary course of business, we collect, receive, store, process, generate, use, transfer, disclose, make accessible, protect, secure, dispose of, transmit, and share (collectively, process) personal information and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, data previously collected about clinical trial participants, and sensitive third-party data collected under confidentiality agreements with our customers and potential customers, including scientific plans (collectively, sensitive information). Our data processing activities subject us to numerous data privacy and security obligations, such as various laws, regulations, guidance, industry standards, external and internal privacy and security policies, contractual requirements, and other obligations that govern the processing of personal information in the jurisdictions in which we operate.

In the United States, federal, state, and local governments have enacted numerous data privacy and security laws, including data breach notification laws, personal information privacy laws, consumer protection laws (e.g., Section 5 of the Federal Trade Commission Act), and other similar laws (e.g., wiretapping laws). For example, HIPAA, as amended by HITECH, imposes specific requirements relating to the privacy, security, and transmission of individually identifiable health information. In addition, the CCPA applies to personal information of consumers, business representatives, and employees, and requires businesses to provide specific disclosures in privacy notices and honor requests of California residents to exercise certain rights related to their personal information. The CCPA allows for statutory fines for noncompliance (up to $7,500 per violation) and allows private litigants affected by certain data breaches to recover significant statutory damages. Although the CCPA exempts some data processed in the context of clinical trials, the CCPA increases compliance costs and potential liability with respect to other personal information we maintain about California residents. In addition, the CPRA, expanded the CCPA's requirements, including by adding a new right for individuals to correct their personal information and establishing a new regulatory agency, the California Privacy Protection Agency, to implement and enforce the law, which could increase the risk of enforcement. Other states, such as Virginia, Colorado, Connecticut and Utah, have enacted comprehensive data privacy laws, and similar laws have been proposed in several other states, as well as at the federal, state, and local levels — while some of these also exempt data processed in the context of clinical trials, these data privacy laws could nonetheless further complicate compliance efforts.

Outside the United States, an increasing number of laws, regulations, and industry standards apply to data privacy and security. For example, the EU GDPR, the UK GDPR, and China's Personal Information Protection Law ("PIPL") impose strict requirements for processing personal information. Under the EU and UK GDPR, government regulators

may impose temporary or definitive bans on data processing and other corrective actions; fines of up to €20 million (£17.5 million under the UK GDPR) or up to 4% of the total worldwide annual turnover of the preceding financial year, whichever is higher; or private litigation related to the processing of personal information brought by classes of data subjects or consumer protection organizations authorized at law to represent their incidents. Furthermore, the EU GDPR provides that EEA Member States may introduce specific requirements related to the processing of "special categories of personal data," including personal information related to health and genetic information, which we may process in connection with clinical trials or otherwise. In the United Kingdom, the UK Data Protection Act 2018 complements the UK GDPR in this regard. This fact may lead to greater divergence on the law that applies to the processing of such personal information across the EEA and/or United Kingdom, which may increase our costs and overall compliance risk. We also target customers in Asia and have operations, distributors, contractors or employees located or active in Asian countries including, but not limited to China, Japan, Australia, and South Korea and are subject to new and emerging data privacy regimes in Asia, including China's Personal Information Protection Law, Japan's Act on the Protection of Personal Information, and Singapore's Personal Data Protection Act.

In the ordinary course of business, we may transfer personal information from Europe and other jurisdictions to the United States or other countries. Europe and other jurisdictions have enacted data localization laws and cross-border personal information transfer laws. For example, the EEA and the United Kingdom have significantly restricted the transfers of personal information, to the United States and other countries whose privacy laws they believe are inadequate. Although there are currently various mechanisms that may be used to legally transfer personal information from the EEA and United Kingdom to the United States, such as the EEA and United Kingdom's standard contractual clauses, these mechanisms are subject to potential legal challenges and there exists some uncertainty regarding whether the standard contractual clauses will remain a valid, reliable mechanism for lawfully transferring personal information to the United States. If we are unable to implement a valid solution for cross-border data transfers, or if the requirements for a legally-compliant transfer are too onerous, we may face significant adverse consequences, including limitations on our ability to collaborate with partners as well as other service providers, contractors and other companies in Europe; the need to increase our processing capabilities within Europe at significant expense or otherwise change the geographical location or segregation of our relevant systems and operations, and increased exposure to regulatory actions, substantial fines and penalties, and injunctions against our processing or transferring of personal information necessary to operate our business —any or all of which could adversely affect our operations or financial results. Additionally, companies that transfer personal information out of the EEA and United Kingdom to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the EU and UK GDPR's cross-border data transfer limitations. Furthermore, other countries outside of Europe have enacted or are considering enacting similar cross-border data transfer restrictions and laws requiring local data residency, which could increase the cost and complexity of delivering our services and operating our business.

In addition to data privacy and security laws, we are contractually subject to industry standards adopted by industry groups and may become subject to such obligations in the future. We are also bound by contractual obligations related to data privacy and security, and our efforts to comply with such obligations may not be successful. For example, certain privacy laws, such as the EU and UK GDPR and the CCPA, require us to impose specific contractual restrictions on our service providers. We publish privacy policies, marketing materials and other statements regarding data privacy and security. If these policies, materials or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators or other adverse consequences.

Our obligations related to data privacy and security are quickly changing, becoming increasingly stringent, and creating regulatory uncertainty. Additionally, these obligations may be subject to differing applications and interpretations, which may be inconsistent or conflict among jurisdictions. Preparing for and complying with these obligations requires us to devote significant resources (including, without limitation, financial and time-related resources),which could distract management or divert resources from other initiatives and projects, interrupt or delay our development activities, or necessitate changes to our information technologies, systems, and practices and to those of any third parties that process personal information on our behalf. In addition, these obligations may require us to change our business model. Although we endeavor to comply with all applicable data privacy and security obligations, we may at times fail (or be perceived to have failed) to do so. Moreover, despite our efforts, our personnel or third parties upon

whom we rely may fail to comply with such obligations, which could negatively impact our business operations and compliance posture. If we or the third parties on which we rely fail, or are perceived to have failed, to address or comply with applicable data privacy and security obligations, we could face significant consequences, including but not limited to: government enforcement actions (e.g., investigations, fines, penalties, audits, inspections, and similar); litigation (including class-related claims);additional reporting requirements and/or oversight; temporary or permanent bans on all or some processing of personal information; orders to destroy or not use personal information; and imprisonment of company officials.

Further, individuals or other relevant stakeholders could bring a variety of claims against us for our actual or perceived failure to comply with all applicable data privacy and security obligations. Any of these events could have a material adverse effect on our reputation, business or financial condition, including but not limited to: loss of actual or prospective customers, collaborators or partners; interruptions or stoppages in our business operations (including clinical trials); inability to process personal information or to operate in certain jurisdictions; limited ability to develop or commercialize our products; expenditure of time and resources to defend any claim or inquiry; adverse publicity; or revision or restructuring of our business model or operations.

We are subject to U.S. and certain foreign anti-corruption and anti-money laundering laws and regulations. We can face criminal liability and other serious consequences for violations, which can harm our business.

We are subject to anti-corruption and anti-money laundering laws and regulations, including the FCPA, the U.S. domestic bribery statute contained in 18 U.S.C.§ 201, the U.S. Travel Act, the USA PATRIOT Act, and other state and national anti-bribery and anti-money laundering laws in the countries in which we conduct or may in the future conduct activities. Anti-corruption laws are interpreted broadly and prohibit companies and their employees, agents, contractors and other third-party collaborators from authorizing, promising, offering, providing, soliciting or receiving, directly or indirectly, improper payments or anything else of value to or from persons in the public or private sector. The FCPA also requires public companies to make and keep books and records that accurately and fairly reflect the transactions of the corporation and to devise and maintain an adequate system of internal accounting controls.

In addition to selling our products internationally directly through our sales teams, we currently engage third parties outside of the United States and may engage additional third parties outside of the United States, to sell our products internationally and to obtain necessary permits, licenses, patent registrations and other regulatory approvals. We have direct or indirect interactions with officials and employees of government agencies or government-affiliated hospitals, universities and other organizations. We can be held liable for the corrupt or other illegal activities of our employees, agents, contractors and other third-party collaborators, even if we do not explicitly authorize or have actual knowledge of such activities. Any violations of the laws and regulations described above may result in substantial civil and criminal fines and penalties, imprisonment, the loss of export or import privileges, debarment, tax reassessments, breach of contract and fraud litigation, reputational harm, and other consequences.

Our customers who use our platform and we, if we develop a product, may be exposed to broadly applicable U.S. federal and state healthcare laws and regulations, including those relating to kickbacks and false claims, transparency, and health information privacy and securitylaw. Failure to comply with such laws and regulations may result in substantial penalties.

Our customers who use our platform and we, if we develop a product, may be subject to broadly applicable healthcare laws and regulations that may constrain the business or financial arrangements and relationships through which we research, market, sell, and distribute our products. Such laws include federal and state anti-kickback laws, false claims laws, transparency laws, and health information privacy and security laws.

Violations of such laws may result in substantial criminal, civil and administrative penalties, including imprisonment, exclusion from participation in federal healthcare programs, such as Medicare and Medicaid, and significant fines, monetary penalties, forfeiture, disgorgement and damages, contractual damages, reputational harm, administrative burdens, diminished profits and future earnings and the curtailment or restructuring of operations.

Additionally, in the United States and some foreign jurisdictions there have been, and continue to be, several legislative and regulatory changes and proposed reforms of the healthcare system in an effort to contain costs, improve quality and expand access to care, including the proposed modification to some of the aforementioned laws. In the United States, there have been and continue to be a number of healthcare-related legislative initiatives that have significantly affected the healthcare industry. These reform initiatives may, among other things, result in modifications to the aforementioned laws and/or the implementation of new laws affecting the healthcare industry. Similarly, a significant trend in the healthcare industry is cost containment. Third-party payors have attempted to control costs by limiting coverage and the amount of reimbursement for particular medications. Our ability to commercialize any of our products successfully, and our customers and collaborators' ability to commercialize their products successfully, will depend in part on the extent to which coverage and adequate reimbursement for these products and will be available from third-party payors. As such, cost containment reform efforts may result in an adverse effect on our operations.

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

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

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

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

Risks Related to Our Financial Position and Capital Requirements

We may need additional funding and may be unable to raise capital when needed, which would force us to delay, reduce, eliminate or abandon our commercialization efforts or product development programs.

We cannot be certain that our anticipated cash flow from operations will be sufficient to meet all of our cash requirements or our growth plan. We intend to continue to make investments to support our business growth and may require additional funds to:

- expand the commercialization of our products and execute on our growth strategy;
- fund our operations and product development;
- finance the expansion into new international markets;
- expand our manufacturing capabilities;
- defend, in litigation or otherwise, any claims that we infringe, misappropriate or otherwise violate third-party patents or other intellectual property rights;

- commercialize our new products, if any such products receive regulatory clearance or approval for commercial sale; and

- acquire companies and in-license products or intellectual property.

We believe our existing cash balances and cash receipts generated from sales of our products will be sufficient to meet our anticipated cash requirements for the foreseeable future. However, we may need additional funding sooner than expected and our business and future funding requirements can change unpredictably due to a variety of factors, including acquisitions, which could affect our funding needs or cash flows from operations. We may be unable to raise additional funds in a timely manner or on terms that are acceptable to us. If we do not have, or are not able to obtain, sufficient funds, we may have to delay the further development or commercialization of our products. We also may have to reduce marketing, customer support or other resources devoted to our products.

Our results of operations and liquidity needs could be materially and adversely affected by market fluctuations, an economic downturn, inflation, increases in interest rates and other macroeconomic conditions.

Our results of operations and liquidity could be materially and adversely affected by economic conditions generally, both in the United States and elsewhere around the world. Domestic and international equity and debt markets experienced in 2022, and may continue to experience, heightened volatility and turmoil, including, among other things, severely diminished liquidity and credit availability, declines in consumer confidence, declines in economic growth, supply chain shortages, increases in inflation rates, higher interest rates and uncertainty about economic stability. The Federal Reserve recently raised interest rates multiple times in response to concerns about inflation and it may raise them again. Higher interest rates, coupled with reduced government spending and volatility in financial markets may increase economic uncertainty and affect consumer or business spending. In the event the markets continue to remain volatile, our results of operations and liquidity could be adversely affected by those factors in many ways, including making it more difficult or costly for us to raise funds if necessary, and our stock price may decline. Increased inflation rates can adversely affect us by increasing our costs, including labor and employee benefit costs. In addition, we maintain significant amounts of cash and cash equivalents at one or more financial institutions, some of which may not be federally insured. If economic instability were to occur, we cannot be certain that we would not experience losses on these cash and cash equivalents.

In addition, our available cash and cash equivalents are held in accounts managed by third party financial institutions and consist of cash in our operating accounts and cash invested in money market funds. At any point in time, the funds in our operating accounts may exceed the Federal Deposit Insurance Corporation insurance limits. While we monitor the cash balances in our operating accounts and adjust the cash balances as appropriate, these cash balances could be impacted if the underlying financial institutions fail. To date, we have experienced no material loss or material lack of access to cash in our operating accounts or our invested cash or cash equivalents; however, we can provide no assurances that access to our operating cash or invested cash and cash equivalents will not be impacted by adverse conditions in the financial markets.

Our operating results may fluctuate significantly, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we may provide.

Our quarterly and annual operating results may fluctuate significantly, which makes it difficult for us to predict our future operating results. These fluctuations may occur due to a variety of factors, many of which are outside of our control, including, but not limited to the:

- level of demand for any of our products, which may vary significantly;

- timing and cost of, and level of investment in, research, development, manufacturing, regulatory approval and commercialization activities relating to our products, which may change from time to time;

- size, seasonality and customer mix of the cell engineering market;

- start, milestone attainment and completion of programs in which our platform is utilized;

- sales and marketing efforts and expenses we incur;

- rate at which we grow our sales force and the speed at which newly-hired salespeople become effective; changes in the productivity of our sales force;

- positive or negative coverage in the media or publications of our products or competitive products;

- cost of manufacturing our products, which may vary depending on the quantity of production and the terms of our arrangements with our suppliers;

- degree of competition in our industry and any change in the competitive landscape of our industry, including the introduction of new products or enhancements or technologies by us or others in the cell engineering market and competition-related pricing pressures;

- changes in governmental regulations or in the status of our regulatory approvals or applications;

- future accounting pronouncements or changes in our accounting policies;

- disruptions to our business and operations or to the business and operations of our suppliers, distributors, and other third parties with whom we conduct business resulting from the COVID-19 pandemic or other widespread health crises;

- future global financial crises and economic downturns, including those caused by widespread public health crises or geopolitical tensions; and

- general market conditions and other factors, including factors unrelated to our operating performance or the operating performance of our competitors.

The cumulative effects of the factors discussed above could result in large fluctuations and unpredictability in our quarterly and annual operating results. As a result, comparing our operating results on a period-to-period basis may not be meaningful. Investors should not rely on our past results as an indication of our future performance. This variability and unpredictability could also result in our failing to meet the expectations of industry or financial analysts or investors for any period. If our revenue or operating results fall below the expectations of analysts or investors or below any guidance we may provide, or if the guidance we provide is below the expectations of analysts or investors, the price of our common stock could decline substantially. Such a stock price decline could occur even when we have met any previously publicly stated guidance we may provide.

Our ability to use our net operating losses, business tax credits and similar tax attributes to offset future taxable income or taxes may be subject to certain limitations.

As of December 31, 2022, we had U.S. federal and state net operating loss carryforwards of $93.9 million and $54.5 million, respectively. Under current law, U.S. federal net operating losses incurred in tax years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses in tax years beginning after December 31, 2020 is limited to 80% of taxable income. It is uncertain if and to what extent various states will conform to federal tax laws. In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which generally is defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss and tax credit carryforwards to offset its post-change income or taxes may be limited. We previously experienced an ownership change and we may experience additional ownership changes in the future as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations. Similar provisions of state law also may

apply to limit the use of our state net operating loss carryforwards. In addition, at the state level, there may be periods during which the use of net operating losses is suspended or otherwise limited, which could accelerate or permanently increase state taxes owed.

Risks Related to Our Operations

A pandemic, epidemic or outbreak of an infectious disease in the United States or worldwide could adversely affect our business and the businesses of our partners.

If a pandemic, epidemic or outbreak of an infectious disease occurs in the United States or worldwide, our business may be adversely affected, by, among other things, disrupting the research and development activities of our customers, disrupting the development of our collaboration partners' product candidates, disrupting our ability to enter into new collaborations with potential partners in a timely manner, causing disruptions in the operations of our third-party manufacturing organizations upon whom we rely for the production and supply of our products, and causing other disruptions to our operations. In response to the COVID-19 pandemic, in 2020 we temporarily closed our headquarters and other offices, and our employees and contractors who are able to perform their duties remotely continue to do so. We have also implemented travel restrictions and other significant changes in how we operate our business. The operations of our partners and customers have likewise been altered. While the ultimate impact of the COVID-19 pandemic depends on future developments and potential resurgences that cannot be predicted, potential implications, some of which we have already experienced, include:

- our customer prospects and our existing customers may experience slowdowns in their businesses, and our academic institution customers may experience decreases in government funding of research and development, which in turn may result in reduced demand for our products, lengthening of sales cycles, loss of customers, difficulties in collections, and inaccurate inventory forecasting;

- limitations on our business operations by local, state, provincial and/or federal governments that could impact our ability to sell products to customers, and visit customers for process optimization of their cellular therapies;

- delays in negotiations with partners and potential partners;

- interruption of or delays in receiving supplies from the third parties we rely on to manufacture components to our products, which may impair our ability to sell our products;

- interruption of or delays in installation of our products for our customers and partners;

- interruption of or delays in the shipments of purchased products to customers or to our distribution partners;

- decreased employee productivity and morale, with increased employee attrition and risk of a cyberattack resulting from our employees working from home;

- disruptions and significant costs to our growth planning, such as for facilities and international expansion;

- costs in fully returning to work from our facilities around the world, including changes to the workplace, such as space planning, food service and amenities;

- legal liability for safe workplace claims;

- loss of critical vendors or third-party partners, which may go out of business; and

- continued cancellation of in-person marketing events, including industry conferences, and prolonged delays in our ability to reschedule or conduct in-person marketing events and other sales and marketing activities.

The impact of any of the foregoing, individually or collectively, could adversely affect our business, financial condition, and results of operations.

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

We rely to a large extent upon sophisticated information technology systems to operate our business. In the ordinary course of business, we process personal information (such as health-related data), and other sensitive information, including proprietary and confidential business data, trade secrets, intellectual property, data previously collected about clinical trial participants, and sensitive third-party data collected under confidentiality agreements with our customers and potential customers, including scientific plans.

Cyber-attacks, malicious internet-based activity, online and offline fraud, and other similar activities threaten the confidentiality, integrity, and availability of our sensitive information and information technology systems, and those of the third parties upon which we rely. Such threats are prevalent and continue to increase, are becoming increasingly difficult to detect, and come from a variety of sources, including traditional computer "hackers," threat actors, "hacktivists," organized criminal threat actors, personnel (such as through theft or misuse), sophisticated nation-states, and nation-state-supported actors. Some actors now engage and are expected to continue to engage in cyber-attacks including without limitation nation-state actors for geopolitical reasons and in conjunction with military conflicts and defense activities. During times of war and other major conflicts, we and the third parties upon which we rely may be vulnerable to a heightened risk of these attacks, including retaliatory cyberattacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell and distribute our goods. These risks, as well as the number and frequency of cybersecurity events globally, may also be heightened during times of geopolitical tension or instability between countries, including, for example, the ongoing armed conflict between Russia and Ukraine, from which a number of cybersecurity events have been alleged to have originated.

We and the third parties upon which we rely are subject to a variety of evolving threats, including but not limited to, malicious code (such as viruses and worms), personnel misconduct or error, malware (including as a result of advanced persistent threat intrusions), ransomware attacks, denial-of-service attacks (such as credential stuffing), credential harvesting, social-engineering attacks (including through phishing attacks), ransomware attacks, supply-chain attacks, personnel misconduct or error, software bugs, server malfunctions, software or hardware failures, loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats. In particular, severe ransomware attacks, including those perpetrated by organized criminal threat actors, nation-states, and nation-state-supported actors, are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of sensitive information and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments. Remote work has become more common and also poses increased risks to our information technology systems and data, as more of our employees utilize network connections, computers and devices outside our premises or network, including working at home, while in transit and in public locations. Future or past business transactions (such as acquisitions or integrations) could also expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

We have outsourced significant elements of our operations to third parties, including significant elements of our information technology infrastructure and, as a result, we are managing many independent vendor relationships with third parties who may have access to our information. The size and complexity of our information security systems, and those of our third-party vendors with whom we contract (and the large amounts of information that is present on them), make such systems potentially vulnerable to service interruptions or to security breaches from inadvertent or intentional actions by our employees, vendors or from malicious attacks by third parties. Our ability to monitor these third parties' cybersecurity practices is limited, and these third parties may not have adequate information security measures in place. We may share or receive sensitive information with or from third parties. If our third-party service providers experience a security incident or other interruption, we could experience adverse

consequences. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, any award may be insufficient to cover our damages, or we may be unable to recover such award. In addition, supply-chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our supply chain or our third-party partners' supply chains have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our information technology systems (including our products) or the third-party information technology systems that support us and our services.

Any of the previously identified or similar threats could cause a security incident or other interruption in our systems that could result in unauthorized, unlawful, or accidental acquisition, modification, destruction, loss, alteration, encryption, disclosure of, or access to our sensitive information or our information technology systems, or those of the third parties upon whom we rely. A security incident or other interruption could disrupt our ability (and that of third parties upon whom we rely) to provide our products. We may expend significant resources or modify our business activities (including our clinical trial activities) in an effort to protect against security incidents. Certain data privacy and security obligations may require us to implement and maintain specific security measures, or industry-standard or reasonable security measures to protect our information technology systems and sensitive information.

While we have invested significantly in the implementation of security measures designed to protect against security incidents, there can be no assurance that our efforts will prevent service interruptions or security incidents. We take steps to detect and remediate vulnerabilities, but we may not be able to detect and remediate all vulnerabilities in our information technology systems because such threats and techniques used to exploit the vulnerability change frequently, are often sophisticated in nature, and may not be detected until after a security incident has occurred. Despite our efforts to identify and remediate vulnerabilities, if any, in our information technology systems, our efforts may not be successful. These vulnerabilities pose material risks to our business. Further, we may experience delays in developing and deploying remedial measures designed to address any such identified vulnerabilities.

Applicable data privacy and security obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. If we (or a third party upon whom we rely) experience a cyberattack or security incident or are perceived to have experienced a security incident, we may experience adverse consequences, such as government enforcement actions (for example, investigations, fines, penalties, audits, and inspections; additional reporting requirements and/or oversight; restrictions on processing sensitive information, including personal information; litigation, including class claims; indemnification obligations; negative publicity; harm to our reputation; monetary fund diversions; interruptions in our operations (including availability of data); financial loss; and other similar harms. Security incidents and attendant consequences may cause customers to stop using our products, deter new customers from using our products, and negatively impact our ability to grow and operate our business. In addition, we could be subject to regulatory actions and/or claims made by individuals and groups in private litigation related to data collection and use practices and other data privacy laws and regulations, including claims for misuse or inappropriate disclosure of data as well as unfair or deceptive practices.

Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our data privacy and security obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy and security practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. Although we have cyber-insurance coverage that may cover certain events described above, this insurance is subject to deductibles and coverage limitations and we may not be able to maintain this insurance.

We are highly dependent on our senior management team and key personnel and our business could be harmed if we are unable to attract and retain personnel necessary for our success.

We are highly dependent on our senior management team and key personnel. Our success will depend on our ability to retain senior management and to attract and retain qualified personnel in the future, including sales, marketing, scientific and technical professionals, and to integrate current and additional personnel in all departments. The loss of members of our senior management, sales, marketing, scientific and technical professionals could result in lower than

expected sales and delays in product development. If we are not successful in attracting and retaining highly qualified personnel, it would have a negative impact on our business, financial condition and results of operations.

Competition for skilled personnel in our market is intense and may limit our ability to hire and retain highly qualified personnel on acceptable terms, or at all. To induce valuable employees to remain at our company, in addition to salary and cash incentives, we have issued, and will in the future issue, equity awards that vest over time. The value to employees of equity awards that vest over time may be significantly affected by movements in our stock price that are beyond our control and may at any time be insufficient to counteract more lucrative offers from other companies. Despite our efforts to retain valuable employees, they may terminate their employment with us on short notice. Our employment arrangements with our employees provide for at-will employment, which means that any of our employees could leave our employment at any time, with or without notice.

Many of the other cell engineering or therapeutic development companies that we compete against for qualified personnel have greater financial and other resources, different risk profiles and a longer history in the industry than we do. They may also provide more diverse opportunities, better chances for career advancement and higher compensation. Some of these characteristics are more appealing to high-quality candidates than what we can offer. Further, if we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached legal obligations, resulting in a diversion of our time and resources and, potentially, damages.

In addition, job candidates and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived benefits of our stock awards decline, either because we are a public company or for other reasons, it may harm our ability to recruit and retain highly skilled employees. Many of our employees have become or will soon become vested in a substantial amount of their equity awards. Our employees may be more likely to leave us if the equity they own have significantly appreciated in value relative to the original purchase prices of the shares, or if the exercise prices of the options that they hold are significantly below the market price of our common stock.

Our future success also depends on our ability to continue to attract and retain additional executive officers and other key employees as we expand our business and operations. If we fail to attract new personnel or fail to retain and motivate our current personnel, it will negatively affect our business, financial condition and results of operations.

We have increased the size of our organization and expect to further increase it in the future, and we may experience difficulties in managing our growth. If we are unable to manage the anticipated growth of our business, our future revenue and operating results may be harmed.

As of December 31, 2022, we had 125 full-time employees, which represents a significant increase from 84 employees at the end of the prior year. As our sales and marketing strategies develop, we expect to need additional managerial, operational, sales, marketing, financial and other personnel. Future growth would impose significant added responsibilities on members of management, including:

- identifying, recruiting, integrating, maintaining and motivating additional employees;
- managing our internal development efforts effectively, while complying with our contractual obligations to contractors and other third parties; and
- improving our operational, financial and management controls, reporting systems and procedures.

We have experienced significant growth in recent years and anticipate further growth in our business operations both inside and outside the United States. This future growth could strain our organizational, administrative and operational infrastructure, including quality control, operational, finance, customer service and sales organization management. We expect to continue to increase our headcount and to hire more specialized personnel in the future as we grow our business. We will need to continue to hire, train and manage additional qualified scientists, engineers, technical

personnel, sales and marketing staff, and improve and maintain our products to properly manage our growth. Rapid expansion in personnel could mean that less experienced people develop, market and sell our products, which could result in inefficiencies and unanticipated costs, reduced quality and disruptions to our operations. If our new hires perform poorly, if we are unsuccessful in hiring, training, managing and integrating these new employees or if we are not successful in retaining our employees, our business may be harmed. We may not be able to maintain the quality or expected turnaround times of our products or satisfy customer demand as it grows. Our ability to manage our growth properly will require us to continue to improve our operational, financial and management controls as well as our reporting systems and procedures. The time and resources required to implement these new systems and procedures is uncertain, and failure to complete this in a timely, efficient and effective manner could adversely affect our operations.

Our officers, employees, independent contractors, consultants and commercial partners may engage in misconduct or activities that are improper under other laws and regulations, or make significant errors, which would create liability for us.

We are exposed to the risk that our officers, employees, independent contractors, consultants, commercial partners, suppliers, and third-party distributors may engage in fraudulent conduct or other illegal activity. Misconduct by these parties could include intentional, reckless or negligent conduct or disclosure of unauthorized activities to us. These laws and regulations may restrict or prohibit a wide range of pricing, discounting, marketing and promotion, sales commission, customer incentive programs and other business arrangements. Misconduct by these parties could also involve the improper use of individually identifiable information, which could result in regulatory sanctions and serious harm to our reputation. While we have programs in place to address this conduct, it is not always possible to identify and deter misconduct, and the precautions we take to detect and prevent this activity may not be effective in controlling unknown or unmanaged risks or losses or in protecting us from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against us, and we are not successful in defending ourselves or asserting our rights, those actions could have a significant impact on our business, including the imposition of significant civil, criminal, and administrative penalties, including without limitation, damages, fines, imprisonment, exclusion from participation in government healthcare programs, and the curtailment or restructuring of our operations.

If we were to be sued for product liability, we could face substantial liabilities that exceed our resources, limit sales of our existing products and limit commercialization of any products that we may develop.

The marketing, sale and use of our products could lead to the filing of product liability claims where someone may allege that our products identified inaccurate or incomplete information or otherwise failed to perform as designed. We may also be subject to liability for errors, in a misunderstanding of or inappropriate reliance, upon the information we provide in the ordinary course of our business activities. A product liability claim could result in substantial damages and be costlyand time-consuming for us to defend. If we cannot successfully defend ourselves against product liability claims, we will incur substantial liabilities and reputational harm. In addition, regardless of merit or eventual outcome, product liability claims may result in:

- substantial litigation costs;
- distraction of management's attention from our primary business;
- the inability to commercialize our products or new products;
- decreased demand for our products;
- damage to our business reputation;
- product recalls or withdrawals from the market;
- loss of sales; or

- termination of existing agreements by our partners and potential partners failing to partner with us.

We maintain product liability insurance, but this insurance may not fully protect us from the financial impact of defending against product liability claims. Any product liability claim brought against us, with or without merit, could increase our insurance rates or prevent us from securing insurance coverage in the future.

While we may attempt to manage our product liability exposure by proactively recalling or withdrawing from the market any defective products, any recall or market withdrawal of our products may delay the supply of those products to our customers and may impact our reputation. We may not be successful in initiating appropriate market recall or market withdrawal efforts that may be required in the future and these efforts may not have the intended effect of preventing product malfunctions and the accompanying product liability that may result. Such recalls and withdrawals may also harm our reputation with customers, which could negatively affect our business, financial condition and results of operations.

If our customers fail to safely and appropriately use our products, or if we are unable to train our customers on the safe and appropriate use of our products, our reputation may be negatively impacted and we may be unable to achieve our expected sales, growth or profitability.

An important part of our sales process includes training our customers on how to safely and appropriately use our products. If our customers are not properly trained, they may misuse or ineffectively use our products. Any improper use of our products may result in unsatisfactory outcomes, negative publicity or lawsuits against us, any of which could harm our reputation and affect future product sales. Even if our products are used improperly by customers, we may face reputational damage if our products are associated with negative outcomes or injuries. Damage to our reputation could make it more difficult for us to sell our products and enter into new partnerships. Accordingly, if our customers fail to safely and appropriately use our products or if we are unable to train our customers on the safe and appropriate use of our products, our reputation may be negatively impacted and we may be unable to achieve our expected sales, growth or profitability.

Litigation and other legal proceedings may harm our business.

While we have never been involved in legal proceedings relating to patent and other intellectual property matters, product liability claims, employee claims, tort or contract claims, federal or state regulatory investigations, securities class actions and other legal proceedings or investigations, we may become involved in such legal proceedings which could have a negative impact on our reputation, business and financial condition and divert the attention of our management from the operation of our business. Litigation is inherently unpredictable and can result in excessive or unanticipated verdicts and/or injunctive relief that affect how we operate our business. We could incur judgments or enter into settlements of claims for monetary damages or for agreements to change the way we operate our business, or both. There may be an increase in the scope of these matters or there may be additional lawsuits, claims, proceedings or investigations in the future, which could harm our business, financial condition and results of operations. Adverse publicity about regulatory or legal action against us could damage our reputation and brand image, undermine our customers' confidence and reduce long-term demand for our products, even if the regulatory or legal action is unfounded or not material to our operations.

We may be subject to damages resulting from claims that we or our employees have wrongfully used or disclosed alleged trade secrets of our employees' former employers.

As we continue to expand our workforce, some employees may have previously been employed at universities or other life sciences companies, including our competitors or potential competitors. Although no claims against us are currently pending, we or our employees may be subject to claims that these employees or we have inadvertently or otherwise used or disclosed trade secrets or other proprietary information of their former employers. Litigation may be necessary to defend against these claims. If we fail in defending such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights. A loss of key research personnel's work product could hamper or prevent our ability to commercialize certain potential products, which could severely harm our business. Even if we are

successful in defending against these claims, litigation could result in substantial costs and be a distraction to management.

Business disruptions could seriously harm our future revenue and financial condition and increase our costs and expenses.

Our operations, including our manufacturing operations, and the operations of our customers, partners, distributors and collaborators could be subject to earthquakes, power shortages, telecommunications failures, water shortages, floods, hurricanes, typhoons, fires, extreme weather conditions, medical epidemics and pandemics, including the COVID-19 pandemic, and other natural or man-made disasters or business interruptions, for which we are predominantly self-insured. Our ability to obtain components for our products could be disrupted if the operations of our suppliers were affected by a man-made or natural disaster or other business interruption. The occurrence of any of these business disruptions could seriously harm our operations and financial condition and increase our costs and expenses.

We manufacture our ExPERT instruments at our manufacturing facilities located in Maryland, and we rely on various suppliers in the United States. Should our manufacturing facilities or the facilities of our suppliers be damaged or destroyed by natural or man-made disasters, such as earthquakes, fires or other events, or should events such as political unrest unfold, it could take months to relocate or rebuild, during which time our manufacturing and the operations of our suppliers would cease or be delayed and our products may be unavailable. The inability to perform our manufacturing activities, combined with our limited inventory of materials and components and manufactured products, or the inability of our suppliers to continue their operations, may cause us to be unable to meet customer demand or harm our reputation, and we may be unable to reestablish relationships with such customers in the future. Consequently, a catastrophic event or business interruption at our manufacturing facilities or at our suppliers' facilities could harm our business, financial condition and results of operations.

Our insurance policies are expensive and protect us only from some business risks, which leaves us exposed to significant uninsured liabilities.

We do not carry insurance for all categories of risk that our business may encounter. Although we have general and product liability insurance that we believe is appropriate, this insurance is subject to deductibles and coverage limitations. Our current product liability insurance may not continue to be available to us on acceptable terms, if at all, and, if available, coverage may not be adequate to protect us against any future product liability claims. If we are unable to obtain insurance at an acceptable cost or on acceptable terms or otherwise protect against potential product liability claims, we could be exposed to significant liabilities. A product liability claim, recall or other claim with respect to uninsured liabilities or for amounts in excess of insured liabilities could negatively affect our business, financial condition and results of operations. We do not carry specific hazardous waste insurance coverage, and our property, casualty and general liability insurance policies specifically exclude coverage for damages and fines arising from hazardous waste exposure or contamination. Accordingly, in the event of contamination or injury, we could be held liable for damages or be penalized with fines in an amount exceeding our resources, and our clinical trials or regulatory approvals could be suspended. Although we carry cyber insurance, the coverage may not be sufficient to cover our losses in the event of a security incident that results in any data loss, deletion or destruction; unauthorized access to, or acquisition, disclosure or exposure of information; or compromise related to the security, confidentiality, integrity or availability of information technology, software, services, communications or data.

Operating as a public company in the United States has also made it more difficult and more expensive for us to obtain director and officer liability insurance, and we may in the future be required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage that we currently have. As a result, it may be more difficult for us to attract and retain qualified people to serve on our board of directors, on our board committees or as executive officers. We do not know, however, if we will be able to maintain existing insurance with adequate levels of coverage. Any significant uninsured liability may require us to pay substantial amounts, which would negatively affect our business, financial condition and results of operations.

The majority of our operations are currently conducted at a single location and any disruption at our facility could negatively impact our operations and increase our expenses.

Our headquarters in Maryland contains most of our corporate and administrative functions, the majority of our research, and all of our in-house manufacturing, inventory and distribution functions. A natural or other disaster, such as a fire or flood, could cause substantial delays in our operations, damage or destroy our manufacturing equipment or inventory, and cause us to incur additional expenses. The insurance we maintain against fires, floods and other natural disasters may not be adequate to cover our losses in any particular case. With or without insurance, damage to our manufacturing facility or our other property, or to any of our suppliers, due to fire, flood or other natural disaster or casualty event may have a material adverse effect on our business, financial condition and results of operations.

We may face exposure to foreign currency exchange rate fluctuations.

Our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates, particularly changes in the Euro and the British pound. We expect our non-U.S. operations to continue to grow in the near term and we are continually monitoring our foreign currency exposure to determine if we should consider a hedging program. Today, our non-U.S. contracts are generally denominated in U.S. Dollars, while our non-U.S. operating expenses are often denominated in local currencies. Additionally, as we expand our non-U.S. operations, a larger portion of our operating expenses may be denominated in local currencies. Therefore, increases in the value of the U.S. Dollar and decreases in the value of foreign currencies could result in the dollar equivalent of our revenue being lower, which would negatively affect our reported results of operations.

Risks Related to Our Intellectual Property

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

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

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

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

Furthermore, we have adopted a strategy of seeking limited patent protection both in the United States and in foreign countries with respect to the technologies used in or relating to our products. Although we generally apply for patents in those countries where we expect to have material sales of our patented products, we may not accurately predict all of the countries where patent protection will ultimately be desirable. If we fail to timely file a patent application in any such country, we may be precluded from doing so at a later date. We do not know whether any of our pending patent applications will result in the issuance of patents or whether the examination process will require us to narrow our claims, and even if patents are issued, they may be contested, circumvented, modified, revoked, found to be unenforceable, or invalidated over the course of our business. Moreover, the rights granted under any issued patents may not provide us with proprietary protection, barriers to entry or competitive advantages, and, as with any technology, competitors may be able to develop and obtain patents for technologies that are similar to or superior to our technologies. If that happens, we may need to license these technologies and we may not be able to obtain licenses on reasonable terms, if at all, thereby causing great harm to our business. Additionally, the determination that a patent application or patent claim meets all of the requirements for patentability is a subjective determination based on the application of law and jurisprudence. The ultimate determination by the United States Patent and Trademark Office (the "USPTO"), or by a court or other trier of fact in the United States, or corresponding foreign national patent offices or courts, on whether a claim meets all requirements of patentability cannot be assured. Accordingly, we cannot predict the breadth of claims that may be allowed or enforced in our patents or patent applications, in our licensed patents or patent applications or in third-party patents. Moreover, patents have a limited term, and certain of our patents have recently or will expire in the near future.

We rely on our trademarks, trade names, and brand names to distinguish our products from the products of our competitors and have registered or applied to register many of these trademarks. We cannot assure you that our trademark applications will be approved. Third parties may also oppose our trademark applications, or otherwise challenge our use of the trademarks. In the event that our trademarks are successfully challenged, we could be forced to rebrand our products, which could result in loss of brand recognition, and could require us to devote resources to the advertising and marketing of new brands.

Legal proceedings to assert our intellectual property rights could be costly and could impair our operations.

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

We may be sued by third parties for alleged infringement of their proprietary rights, which could be costly, time-consuming and limit our ability to use certain technologies in the future or to develop future products.

We may be subject to claims that our technologies infringe upon the intellectual property or other proprietary rights of third parties. Any claims, even those without merit, could be time-consuming and expensive, and could divert our management's attention away from the execution of our business plan. Moreover, any settlement or adverse judgment resulting from the claim could require us to pay substantial amounts or obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. There can be no assurance that we would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all, that we would be able to develop alternative technology on a timely basis, if at all, or that we would be able to obtain a license to use a suitable alternative technology to permit us to continue offering, and our customers to continue using, our affected product.

Changes in U.S. patent law could diminish the value of patents in general, thereby impairing our ability to protect our products.

Depending on future actions by the U.S. Congress, the federal courts and the USPTO, the laws and regulations governing patents could change in unpredictable ways that could weaken our ability to obtain new patents or to enforce our existing patents and patents that we might obtain in the future. We cannot predict how this and future decisions by the courts, the U.S. Congress or the USPTO may impact the value of our patents. Any similar adverse changes in the patent laws of other jurisdictions could also harm our business, financial condition, results of operations and prospects.

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

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

General Risk Factors Associated with an Investment in Our Common Stock

Our common stock is traded on two separate stock markets and investors seeking to take advantage of price differences between such markets may create unexpected volatility in our share price; in addition, investors may not be able to easily move shares for trading between such markets.

Our shares of common stock are traded on both AIM, a market operated by the London Stock Exchange Plc (the "London Stock Exchange"), and the Nasdaq Global Select Market. Price levels for our common stock may fluctuate significantly on either market, independent of our common stock price on the other market. Investors could seek to sell or buy our common stock to take advantage of any price differences between the two markets through a practice referred to as arbitrage. Any arbitrage activity could create unexpected volatility in both our common stock prices on either exchange and the volumes of shares of our common stock available for trading on either exchange. In addition, holders of common stock on either market will not be immediately able to transfer such common stock for trading on the other market without affecting necessary procedures with our transfer agent. This could result in time delays and additional costs for our stockholders. Further, if we are unable to continue to meet the regulatory requirements for admission to AIM or listing on the Nasdaq Global Select Market, we may lose our admission to AIM or listing on the Nasdaq Global Select Market, which could impair the liquidity of shares of our common stock. Investors whose source of funds for the purchase of shares of our common stock is denominated in a currency other than U.S. Dollars may also be adversely affected by fluctuations in the exchange rate between such currency and the U.S. Dollar.

Securities traded on AIM may carry a higher risk than securities traded on other exchanges, which may impact the value of your investment.

Our shares of common stock are currently traded on AIM. Investment in equities traded on AIM is sometimes perceived to carry a higher risk than an investment in equities quoted on exchanges with more stringent listing requirements, such as the main market of the London Stock Exchange, New York Stock Exchange or Nasdaq. This is because AIM is less heavily regulated, imposes less stringent corporate governance and ongoing reporting requirements than those other exchanges. In addition, AIM requires only half-yearly, rather than quarterly, financial reporting. You should be aware that the value of our shares of common stock may be influenced by many factors, some of which may be specific to us and some of which may affect AIM companies generally, including the depth and liquidity of the market,

our performance, a large or small volume of trading in our shares of common stock, legislative changes and general economic, political or regulatory conditions, and that the prices may be volatile and subject to extensive fluctuations. Therefore, the current market price of our shares of common stock may not reflect the underlying value of our company.

The price of our common stock is likely to be volatile and may fluctuate due to factors beyond our control.

The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including:

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in our projected operating and financial results;
- announcements by us or our competitors of significant business developments, acquisitions, or new offerings;
- announcements by our partners on clinical development delays for products being enabled by our technology;
- announcements or concerns regarding real or perceived safety or efficacy issues with our products or similar products of our competitors;
- adoption of new regulations applicable to our industry or the expectations concerning future regulatory developments;
- our involvement in litigation;
- future sales of our common stock by us or our stockholders;
- changes in senior management, the board of directors or key personnel;
- the trading volume of our common stock;
- changes in the anticipated future size and growth rate of our market; and
- general economic and market conditions.

Broad market and industry fluctuations, as well as general economic, political, regulatory and market conditions, may also negatively impact the market price of our common stock.

If securities or industry analysts do not publish research, or publish inaccurate or unfavorable research, about our business, the price of our common stock and our trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. If no or too few securities or industry analysts commence coverage of us, the trading price for our common stock could be negatively affected. In the event securities or industry analysts initiate coverage, if one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our common stock could decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our common stock could decrease, which might cause the price of our common stock and trading volume to decline.

We incur significant costs as a result of operating as a U.S.-listed public company, and our management and board of directors are required to devote substantial time to new compliance initiatives and corporate governance practices.

As a U.S.-listed public company, we incur significant legal, accounting and other expenses that we did not incur as a private company or as a company with shares traded only on AIM. The Sarbanes-Oxley Act of 2002, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the Nasdaq Global Select Market and other applicable securities rules and regulations impose various requirements on public companies, including the establishment and maintenance of effective disclosure and financial controls and corporate governance practices. In addition, our shares of common stock are currently traded on AIM and will continue to be subject to AIM's admission and compliance requirements, which differ in many respects from the requirements of the Nasdaq Global Select Market and U.S. securities rules.

Our management, board of directors and other personnel need to devote a substantial amount of time to these compliance initiatives. Moreover, these rules and regulations have increased our legal and financial compliance costs and make some activities more time-consuming and costly. However, these rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices.

Increasing scrutiny and evolving expectations from customers, regulators, investors, and other stakeholders with respect to our environmental, social and governance practices may impose additional costs on us or expose us to new or additional risks.

Companies are facing increasing scrutiny from customers, regulators, investors and other stakeholders related to their environmental, social and governance ("ESG") practices and disclosure. Investor advocacy groups, investment funds and influential investors are also increasingly focused on these practices, especially as they relate to the environment, health and safety, diversity, labor conditions and human rights. Increased ESG-related compliance costs could result in increases in our overall operational costs. Failure to adapt to or comply with regulatory requirements or investor or stakeholder expectations and standards could negatively impact our reputation, ability to do business with certain partners, and our stock price. New government regulations could also result in new or more stringent forms of ESG oversight and expanding mandatory and voluntary reporting, diligence and disclosure.

Future sales of our common stock in the public market could cause our share price to fall.

Our stock price could decline as a result of sales of a large number of shares of our common stock or the perception that these sales could occur, including by our officers, directors and their respective affiliates. These sales, or the possibility that these sales may occur, also might make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate.

We register the offer and sale of all shares of common stock that we may issue under our equity compensation plans. In addition, in the future, we may issue additional shares of common stock or other equity or debt securities convertible

into common stock in connection with a financing, acquisition, litigation settlement, employee arrangements or otherwise. Any such future issuance could result in substantial dilution to our existing stockholders and could cause our stock price to decline.

Because we do not expect to pay dividends on our common stock in the foreseeable future, capital appreciation, if any, would be your sole source of gain.

We have never declared or paid any dividends on our common stock. We currently anticipate that we will retain future earnings for the development, operation and expansion of our business and do not anticipate declaring or paying any cash dividends for the foreseeable future. The decision to pay future dividends to stockholders will be at the discretion of our board of directors after taking into account various factors including our business prospects, cash requirements, financial performance and new product development. Accordingly, investors cannot rely on dividend income from our common stock and any returns on an investment in our common stock will likely depend entirely upon any future appreciation in the price of our common stock.

Provisions in our governing documents will require disclosure of information about stockholders that would not otherwise be required to be disclosed under applicable U.S. state or federal laws.

In accordance with the AIM Rules for Companies published by the London Stock Exchange (the "AIM Rules"), we are required to disclose information regarding the legal and beneficial owners of three percent or more of our outstanding common stock. In order to allow us to comply with the AIM Rules, our certificate of incorporation contains a provision requiring any legal or beneficial owner of three percent or more of the voting power attributable to our outstanding common stock to notify us of his, her or its holdings, as well as of any change in his, her or its legal or beneficial ownership above three percent of our outstanding common stock, which increases or decreases his, her or its holding through any single percentage. Comparatively, none of the U.S. state or federal laws, or the rules of the SEC or the Nasdaq Global Select Market require stockholders to report this beneficial ownership information to us or us to disclose this information to the public or a regulatory body. We are required to make this information public in the United Kingdom under the AIM Rules.

We are an "emerging growth company" and a "smaller reporting company," and we cannot be certain if the reduced reporting requirements applicable to "emerging growth companies" and "smaller reporting companies" will make our common stock less attractive to investors.

We are an "emerging growth company," as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, or Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of: (i) December 31, 2026, which is the last day of the fiscal year following the fifth anniversary of our initial public offering in the United States; (ii) the last day of the first fiscal year in which our annual gross revenue is $1.235 billion or more; (iii) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (iv) the last day of the

fiscal year in which the market value of our common stock held by non-affiliates exceeded $700 million as of June 30 of such fiscal year.

We are also a "smaller reporting company" as defined by Rule 12b-2 of the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies and will be able to take advantage of these scaled disclosures for so long as the market value of our common stock held by non-affiliates is less than $250.0 million measured on the last business day of our second fiscal quarter, or our annual revenue is less than $100.0 million during the most recently completed fiscal year and the market value of our common stock held by non-affiliates is less than $700.0 million measured on the last business day of our second fiscal quarter.

We cannot predict if investors will find our common stock less attractive if we choose to rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future results of operations may not be as comparable to the results of operations of certain other companies in our industry that adopted such standards. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock, and our stock price may be more volatile.

If we fail to maintain an effective system of internal control over financial reporting, we may not be able to accurately report our financial results or prevent fraud. As a result, stockholders could lose confidence in our financial and other public reporting, which would harm our business and the trading price of our common stock.

Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, are designed to prevent fraud. Any failure to implement required new or improved controls, or difficulties encountered in their implementation could cause us to fail to meet our reporting obligations. In addition, any testing by us conducted in connection with Section 404, or any subsequent testing by our independent registered public accounting firm, may reveal deficiencies in our internal controls over financial reporting that are deemed to be material weaknesses or that may require prospective or retroactive changes to our financial statements or identify other areas for further attention or improvement. Inferior internal controls could also cause investors to lose confidence in our reported financial information, which could have a negative effect on the trading price of our common stock.

We will be required to disclose changes made in our internal controls and procedures on a quarterly basis and our management is required to assess the effectiveness of these controls annually. However, for as long as we are an "emerging growth company" under the JOBS Act, our independent registered public accounting firm will not be required to attest to the effectiveness of our internal controls over financial reporting pursuant to Section 404. An independent assessment of the effectiveness of our internal controls could detect problems that our management's assessment might not. Undetected material weaknesses in our internal controls could lead to financial statement restatements and require us to incur the expense of remediation.

Anti-takeover provisions in our charter documents and under Delaware law could make an acquisition of our company more difficult, limit attempts by our stockholders to replace or remove our current management and limit the market price of our common stock.

Provisions in our current certificate of incorporation and bylaws, and provisions of Delaware law applicable to us, may have the effect of delaying or preventing a change of control or changes in our management. Our current certificate of incorporation and bylaws include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our common stock;

- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;

- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our chief executive officer;

- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;

- establish that our board of directors is divided into three classes, with each class serving three- year staggered terms;

- prohibit cumulative voting in the election of directors;

- provide that our directors may be removed (i) with or without cause, upon the vote of at least 50% of the outstanding shares of voting stock or (ii) with cause, by the affirmative vote or consent of at least two-thirds of the other members of our board of directors; and

- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder.

Our certificate of incorporation designates the Court of Chancery of the State of Delaware and, to the extent enforceable, the federal district courts of the United States of America as the exclusive forums for substantially all disputes between us and our stockholders, which will restrict our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our current certificate of incorporation provides that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law:

- any derivative action or proceeding brought on our behalf;

- any action asserting a breach of a fiduciary duty;

- any action asserting a claim against us arising pursuant to the Delaware General Corporation Law, our certificate of incorporation, or our bylaws; or

- any action asserting a claim against us that is governed by the internal affairs doctrine.

The provisions would not apply to suits brought to enforce a duty or liability created by the Securities Act or the Securities Exchange Act of 1934, as amended. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions.

Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These choice of forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees. If a court were to find either choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could seriously harm our business.

Item 1B. Unresolved Staff Comments.

None.

Item 2. Properties.

During 2022, we relocated our corporate headquarters, research and development facilities and manufacturing and distribution centers to Rockville, Maryland, where we currently lease approximately 67,000 square feet of space under an operating lease.

The lease term for our facilities continues through August 31, 2035, subject to three five-year options that we may exercise to extend the term of the lease.

We believe that our current facilities are adequate and suitable to meet our current requirements. We may need to obtain additional facility space to meet future needs as our operations grow over time. We believe we will be able to obtain additional space on acceptable and commercially reasonable terms if and as required.

Item 3. Legal Proceedings.

From time to time, we may become involved in legal proceedings arising in the ordinary course of our business. We are not currently a party to any material legal proceedings, and we are not aware of any pending or threatened legal proceedings against us that we believe will have, individually or in the aggregate, a material adverse effect on our business, financial condition or results of operations.

Item 4. Mine Safety Disclosures.

Not applicable**.**

PART II

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

Certain Information Regarding the Trading of Our Common Stock

Our common stock trades under the symbol "MXCT" on the Nasdaq Global Select Market. Trading of our common stock commenced on July 30, 2021 in connection with our initial public offering ("IPO"), in the United States. Prior to that time, there was no established public market for our common stock in the United States. Since 2016, our common stock has traded on AIM, and currently trades on AIM under the symbol "MXCT."

Holders of Our Common Stock

As of March 8, 2023, there were approximately 160 holders of record of our common stock. The actual number of holders of our common stock is greater than this number of record holders and includes stockholders who are beneficial owners, but whose shares are held in "street name" by brokers or held by other nominees. The number of holders of record also does not include stockholders whose shares may be held in trust by other entities.

Dividend Policy

We have never declared or paid any dividends on our common stock. We currently intend to retain all available funds and future earnings, if any, to fund the development and expansion of our business, and we do not anticipate declaring or paying any cash dividends in the foreseeable future.

Recent Sales of Unregistered Equity Securities

None.

Use of Proceeds from Initial Public Offering

On August 3, 2021, we closed our IPO, in which we issued and sold 15,525,000 shares of common stock at a price to the public of $13.00 per share, inclusive of 2,025,000 shares sold pursuant to the full exercise of the underwriters' option to purchase additional shares. The IPO generated gross proceeds to us of $201.8 million. We received net proceeds of $184.3 million after deducting aggregate underwriting commissions and offering expenses of $17.6 million. All of the shares of common stock issued and sold in the offering were registered under the Securities Act pursuant to a registration statement on Form S-1 (File No. 333 257810), which was declared effective by the SEC on July 29, 2021. The joint book-running managers of the offering were Cowen and Company, LLC, Stifel, Nicolaus & Company, Incorporated and William Blair & Company, L.L.C.

In connection with our IPO, no payments were made by us to directors, officers or persons owning ten percent or more of our common stock or to their associates or to our affiliates.

Cash used since the IPO is described elsewhere in the "Management's Discussion and Analysis of Financial Condition and Results of Operations" section of our periodic reports filed with the SEC. As of the date of this filing, there has been no material change in the planned use of proceeds from the IPO as described in the final prospectus for our IPO.

Issuer Purchases of Equity Securities

None.

Item 6. [RESERVED]

Item 7. 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 in conjunction with our consolidated financial statements and related notes thereto included elsewhere in this Annual Report on Form 10-K, as well as the other information provided from time to time in our other filings with the SEC. Some of the information contained in this discussion and analysis or set forth elsewhere in this annual report, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. As a result of many factors, our actual results could differ materially from those discussed in or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section of this Annual Report on Form 10-K titled "Risk factors." Please also see the section titled "Special note regarding forward-looking statements."

Overview

We are a leading commercial cell engineering company focused on providing enabling platform technologies to advance the discovery, development and commercialization of next-generation cell therapeutics and to support innovative cell-based research and development. Over more than two decades, we have developed and commercialized our proprietary Flow Electroporation platform, which facilitates complex engineering of a wide variety of cells. Electroporation is a method of transfection, or the process of deliberately introducing molecules into cells, that involves applying an electric field in order to temporarily increase the permeability of the cell membrane. This precisely controlled increase in permeability allows the intracellular delivery of molecules, such as genetic material and proteins, that would not normally be able to cross the cell membrane as easily.

Our ExPERT platform, which is based on our Flow Electroporation technology, has been designed to address this rapidly expanding cell therapy market and can be utilized across the continuum of the high-growth cell therapy sector, from discovery and development through commercialization of next-generation, cell-based medicines. The ExPERT family of products includes four instruments, which we call the ATx, STx, GTx and VLx, and related software protocols, as well as a portfolio of proprietary related disposables and consumables. We launched the VLx instrument in September 2022.

Our disposables and consumables include PAs designed for use with our instruments, as well as accessories supporting PAs such as electroporation buffer solution and software protocols. We have garnered meaningful expertise in cell engineering via our internal research and development efforts as well as our customer-focused commercial approach, which includes a growing application scientist team. The platform is also supported by a robust intellectual property portfolio with more than 150 granted U.S. and foreign patents and more than 95 pending patent applications worldwide.

From leading commercial cell therapy drug developers and top biopharmaceutical companies to top academic and government research institutions, including the NIH, our customers have extensively validated our technology. We believe the features and performance of our platform have led to sustained customer engagement. Our existing customer base ranges from large biopharmaceutical companies, including all of the top 10, and 20 of the top 25, pharmaceutical companies based on 2021 global revenue, to hundreds of biotechnology companies and academic centers focused on translational research. As of December 31, 2022, we have placed more than 600 of our electroporation instruments worldwide.

Historically, we have financed our operations primarily from the issuance and sale of equity securities, previous debt borrowings and cash flows from operations. On August 3, 2021, we issued and sold 15,525,000 shares of common stock in our U.S. IPO at a price to the public of $13.00 per share, inclusive of 2,025,000 shares issued pursuant to the full exercise of the underwriters' option to purchase additional shares. The IPO generated gross proceeds to us of $201.8 million. We received aggregate net proceeds of $184.3 million after deducting aggregate underwriting commissions and offering costs of $17.6 million.

We believe that our current cash, cash equivalents and short-term investments will enable us to fund our operating expenses and capital expenditure requirements for the foreseeable future. We have based this estimate on assumptions that may prove to be wrong, however, and we could exhaust our available capital resources sooner than we expect. See "Liquidity and Capital Resources" below for more information about our current capital resources.

Since our inception, we have incurred significant operating losses. Our ability to generate revenue sufficient to achieve profitability will depend on the successful further development and commercialization of our products. We generated revenue of $44.3 million and $33.9 million for the years ended December 31, 2022 and 2021, respectively, and incurred net losses of $23.6 million and $19.1 million for those same years. As of December 31, 2022, we had an accumulated deficit of $137.9 million. We expect to continue to incur net losses as we focus on growing commercial sales of our products in both the United States and international markets, including growing our sales teams, scaling our manufacturing operations, continuing research and development efforts to develop new products and further enhance our existing products.

We believe we have a diversified revenue model with revenue generated from multiple sources including instrument leases with recurring license fees, sales of instruments and related disposables and participation in the clinical and commercial success of some of our customers through milestone and sales-based payments under SPL agreements.

Key Factors Affecting Our Performance

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

Sales and Leases of Instruments

Our financial performance has largely been driven by, and in the future will continue to be impacted by, the rate of sales and leases of our ExPERT family of proprietary Flow Electroporation instruments to existing and new customers. We currently market four versions of our instruments, the ATx, the STx, the GTx and the VLx. The ATx is primarily sold in all our markets. The STx is primarily sold to end users for research and drug discovery purposes, and the GTx is leased to customers for research, clinical or commercial use or sold for research use in certain circumstances or sold to academic centers for research or clinical use. We launched the VLx in September 2022 to provide our customers with an easier to use system that incorporates the benefits of the ExPERT platform. We view the demand for our instruments, whether in the form of sales or leases, as an indicator of the health of our current business and as a predictor of future instrument sale and lease revenue. As described below, we separately sell proprietary single-use disposables, which we call PAs, that are necessary for our customers to use our electroporation instruments. Therefore, depending on the number of instruments that have been sold or are under active lease, we have insight into the demand for PAs that will also translate to future revenue for us.

Our sales model varies based on the activity of the end customer, such as whether they are a translational research center, an academic center, a company focused on drug discovery, or a company engaged in cell therapy development, and the customer's intended use of our platform. If our customer intends to use our platform for research or drug discovery only, we typically sell the instrument outright. Each of the ATx, STx, GTx and VLx instruments have different prices based on the instrument's features, with the VLx being the most expensive. When we sell an instrument, we also provide a non-exclusive license to our intellectual property for the customer to use the instrument broadly for research or drug discovery, as applicable. In the case of a sale, title to the instrument conveys to the buyer, but we retain ownership of intellectual property rights and software and protocols loaded onto the instruments.

The sales cycle for our cell engineering instruments varies widely and typically ranges from approximately six to approximately 12 months, with the actual period depending on project stage, budget process, equipment prioritization and the general financial status of the customer or the market in general. As a result of this lengthy and unpredictable sales cycle, we expect that we will be prone to quarterly fluctuations in our instrument sales revenue.

For cell therapy customers who use our technology to develop engineered cells for human therapeutic use in clinical trials or, if approved by regulatory authorities, for commercial sale, we license our platform on a non-exclusive basis in exchange for an annual fee per instrument licensed. This license fee varies based on whether the instrument is being used for preclinical or clinical purposes. Once we have leased an instrument to a customer, we generally have high visibility into future lease revenue from this customer. It is possible, however, that our future lease revenue could be impacted by failure of the customer therapeutic candidates to progress through clinical development for reasons unrelated to the successful use of our instruments, such as drug toxicity, lack of efficacy, funding constraints, changes in development priorities, patient access limitations or regulatory challenges. For any of these reasons, a customer could determine not to renew or to enter into additional instrument leases with us.

Our installed base of electroporation instruments has grown to over 600 instruments as of December 31, 2022. This installed base includes both instruments sold to customers and instruments licensed for research and clinical use. Because of the size of the drug discovery market and our long history in that market, the installed base of instruments is currently weighted more heavily towards instruments sold for drug discovery and research applications. However, since each licensed instrument provides us with ongoing license revenues, the share of revenues from licensed instruments may grow as a share of our total revenue mix.

We plan to further grow our installed base of ExPERT instruments through additional sales and leases to our current customers and through the sale or lease of instruments to new cell therapy, drug discovery and academic customers. To achieve this goal, we intend to further expand our commercial infrastructure, including through the expansion of our sales force and field application scientists. We have expanded our sales force and field application scientist count over the past several years and now have over 25 dedicated field sales and application scientist professionals globally. Our candidate identification and hiring process is stringent, and there can be no assurance that we will be able to continue to recruit the high level of candidates that make up our current team.

In addition, we have numerous collaborations in place with academic and commercial institutions to further expand our capabilities and supporting data in new cell engineering applications. Recent sales efforts have also focused on expanding our presence in translational academic centers, which we view as a potentially meaningful source of installed base expansion given the increased industry focus on, and government funding allocated to, cell therapy. Academic translational centers have been a strong source of cell therapy innovation and commercial spinouts in the cell therapy sector.

We expect revenue from instruments leased to cell therapy customers to continue to grow as those customers move their existing drug development programs into later-stage clinical trials and advance their preclinical pipeline programs into clinical development. In addition, we expect new customers to emerge and contribute to these revenues, particularly given the underlying growth in the cell therapy pipeline among companies in this industry, availability of capital to support such companies, and in particular the switch by some of these cell therapy companies away from viral approaches to non-viral approaches.

Sales of Processing Assemblies

In addition to instrument sales, our current and future revenue is dependent on sales of our proprietary PAs, as well as the sale of our proprietary electroporation buffer solution, for use with our instruments. We sell PAs that are intended either to support research use or use in cGMP clinical research applications. The PAs differ in terms of their volume capacities and the associated numbers of cells that can be processed in each electroporation sequence with a particular PA, as well as the number of transfection experiments that can be performed in a single electroporation process. Our PA pricing varies based on the volume of cells processed and the number of transfections per PA.

We expect that as our installed instrument base grows, our sales of PAs and electroporation buffer solutions will grow accordingly, especially as cell therapy programs continue to progress through the clinic and potentially become commercial-stage, thereby increasing the number of PAs needed by customers. We are also developing and intend to launch new PAs that target previously unserved subsegments across the bioprocessing and cell therapy markets, which could further increase our PA sales. However, both the number of PAs used per instrument, as well as the specific PA used, is highly variable across our customer base and depends on several factors, including:

- the purpose for which the customer is using the platform;
- the relative pricing of our PAs;
- the progression of cell therapy products through preclinical and clinical development;
- whether the cell therapy customer uses a centralized or decentralized manufacturing process;
- the customer's target indication, which can result in variations in patient numbers needed for clinical trials; and
- whether the cells to be processed using our platform are patient-derived, donor-derived or cell line-derived.

With considerable variability of processes, even within the same indication, such as is the case for allogeneic genetically-modified cell therapies, such as CAR-Ts and the nascency of the cell therapy industry, we expect that it may take several years for us to gain visibility into how these factors will impact our PA revenue over time.

We continuously re-evaluate our PA portfolio based on customer needs and have introduced, and intend to continue to introduce, new PAs, improvements to existing PAs, and complementary products. Some new PAs may fail to be used in line with our expectations when they are launched. While we also price PAs based on the value provided to the customer, introduction of new PAs could cannibalize our existing PA portfolio more than we had anticipated as customers find the new products to be a better solution for their applications or workflows.

Strategic Platform Licenses (SPLs)

Typically, our cell therapy customers will either purchase our ATx instrument for research purposes or purchase or obtain a research use license under lease of our GTx instrument technology in order to validate the use of our technology in their programs and to progress their preclinical work towards clinic trials. However, once a cell therapy customer using one of our ExPERT instruments advances their preclinical research to a stage where they are planning to enter clinical development, they need to enter into a licensing arrangement with us for the rights to clinical and/or commercial use of our instrument. Our customers typically negotiate the terms of those licenses during research and preclinical development.

We refer to these arrangements as SPL partnerships, the terms of which contain not only higher annual, non-exclusive license fees for the clinical use of the instrument, but also allow us to share in the economics of the customer's programs. From 2017 through February 2023, we have entered into 19 SPL partnerships with commercial cell therapy developers, and those licenses currently allow for over 125 clinical development programs in the aggregate. On average, our current SPL partnerships allow for approximately six product candidates per license, although this average may change over time. SPL partnerships typically include potential payments to us upon the customer's achievement of specified clinical development or regulatory milestones, as well as potential sales-based payments to us, which could be payments based upon the achievement of specified sales levels and/or royalty payments that are a percentage of the customer's net sales. The amount of each milestone payment is typically correlated in size with value-creating, precommercial clinical progress events or commercial sales levels.

Of the over 125 programs associated with our current SPLs, 16 of those programs are currently active in the clinic, meaning they have at least an FDA-cleared IND. Our 19 SPLs have the potential to generate over $1.55 billion in precommercial milestone payments, if all product candidates allowed under those agreements were to fully progress through clinical development and obtain regulatory approval. However, our actual milestone revenue from these agreements will likely be considerably lower than this amount, as not all programs covered by each agreement will become and remain active programs in a customer's development pipeline or successfully complete the clinical development process. Further, each agreement typically includes programs that have not been specifically identified, or for which a candidate may never be identified or developed by the customer.

Our strategy is to capitalize on the growth in the number of cell therapy developers by entering into new SPL partnerships. We entered into three agreements in 2022 and one so far in 2023.

For the year ended December 31, 2022, one cell therapy company with which we have entered into an SPL accounted for 23% of our total revenue, and our six largest SPL partners accounted for an aggregate of approximately 40% of our total revenue for the year through a combination of instrument license fees, milestones realized and processing assembly revenue.

Our future milestone revenue under our SPL partnerships will depend in large part on the clinical and regulatory achievements of our customers. Generally, precommercial milestone payments become larger as programs move through the clinic. We rely in part on our customers' public disclosures around regulatory timelines to forecast our receipt of precommercial milestone payments. While we expect our forecasting ability to improve over time as more of our customers' programs advance through the clinic and the number of clinical programs covered by our licenses expands, given the early nature of the cell therapy clinical market, we expect our realization of precommercial milestones to be somewhat unpredictable.

In addition, the potential for sales-based payments once a customer's product is approved and in commercial use is unknown and variable based on a number of factors, including inherent clinical risk, potential changes in the customer's strategy, the designated indication and its impact on the potential number of patients to be served and the competitive products available to patients, product pricing and reimbursement structures, our customer's commercial manufacturing plans and the inherent unknowns in adoption of next-generation cell therapies relative to other modalities.

Gross Margins

We have generated overall gross margins of near 90% for the past several years, although our margins vary depending on our revenue mix from instruments, PAs and milestones under SPL partnerships and other factors. We price our instruments at a premium given what we believe to be the broad benefits of our platform, and the limited availability of alternative, clinically validated non-viral delivery approaches. However, the market for non-viral delivery is highly competitive, and introduction of a GMP-grade platform by a competitor that delivers similar performance across a similar diversity of cell types could negatively impact our business and lead to increased price pressure that negatively impacts our gross margins. In addition, part of our growth strategy is to expand into new regional markets, which could require the use of distributors and/or our participation in more competitive environments, which could impact our ability to price our instruments at a premium and could negatively impact our ability to enter into SPL partnerships on terms similar to those currently in effect.

We expect our gross margins to benefit from realization of the economics from our SPL partnership agreements described above, to the extent that such milestones and/or sales-based payments grow to be a significant proportion of overall revenues, as there is no cost of goods sold associated with such revenue. However, realization of these potential revenues is uncertain. Margins may also experience downward pressure during the investment phase of our internal PA production ramp up, increases in labor and materials costs, expansion of our PA portfolio, future design changes or the mix of PAs sold, or other factors, but may benefit in the mid-to-long term as PA production becomes more automated.

Key Business Metrics

In addition to revenue, we regularly review several key business metrics to evaluate our business, measure our performance, identify trends affecting our business, formulate financial projections and make strategic decisions. These key metrics include:

- the number of cumulative instruments that we have placed with our customers, either by sale or lease, which we refer to as our installed base and consider to be an indication of our traction within the non-viral delivery market and other markets and indicative of the potential future recurring revenue generated from those instruments, including disposables and annual license fees;
- the number of active (customers with rights to develop one or more clinical programs) SPL partnerships that we have entered into with cell therapy developers, as well as the total number of our customers' clinical programs, whether active or contemplated, that are covered by such active SPL partnerships and the percentage of those

clinical programs that are under an active IND application (or foreign equivalent), meaning that the customer is cleared to commence clinical trials;

- the aggregate potential precommercial milestone payments under active SPL partnerships, representing the maximum potential milestone payments to us if all programs covered by each SPL partnership were to achieve regulatory approval;

- the aggregate number of potential programs licensed for clinical use, whether active or contemplated, that are covered by our SPL partnerships; and

- the aggregate number of programs licensed for clinical use and covered by our SPL partnerships that are currently in the clinic.

With respect to the numbers of programs under license, in many cases we make estimates of such programs based on our contract terms with our customers and our knowledge about our customers' clinical progression of their programs. We rely, in part, on our customers' public disclosures around regulatory timelines to forecast our receipt of precommercial milestone payments. However, it is possible that some programs may have become dormant or inactive without our knowledge, some new programs may be identified and some programs may progress further in clinical development without our knowledge if the customer has not made a public announcement. While we expect our forecasting ability to improve over time as more of our customers' programs move through the clinic and the number of clinical programs covered by our licenses expands, given the early nature of the cell therapy clinical market, we expect our realization of precommercial milestones to be somewhat unpredictable. This number may fluctuate due to the success of our commercial partners. Additionally, the addition of a large multi-product (program) SPL partnership may dilute the percentage of commercial programs currently in the clinic.

As of the dates presented, our key metrics described above were as follows:

	December 31,		
	2022	2021	2020*
Installed base of instruments (sold or leased)	>600	>500	>400
Number of active SPL partnerships	18	15	12
Total number of licensed clinical programs (SPL partnerships only)	>125	>95	>75
Total number of active licensed clinical programs under SPL partnerships currently in the clinic **	16	15	7
Total potential precommercial milestones under SPL partnerships	>$1.55 billion	>$1.25 billion	>$950 million

* Amounts presented as of December 31, 2020 give effect to one SPL partnership entered into and additional INDs cleared in January 2021.
** Number of licensed clinical programs under SPL partnerships are by number of product candidates and not by indication.

Components of Our Results of Operations

Revenue

We generate revenue principally from the sale of instruments, single-use PAs and buffer as well as from the lease of instruments to our customers. Our SPL partnerships also include associated clinical progress milestones and sales-based payments to us, in addition to annual lease payments. Sales of instruments and disposables under contracts with customers are classified as product sales in our consolidated financial statements. Revenue from instrument leases, including payments that we may receive from our customers based on their achievement of specified clinical development or commercialization milestones, are classified as leased elements in our consolidated financial statements.

Our business and revenue growth strategy currently consists of the sale or lease of instruments and the sale of disposables. We record revenue from the sale of instruments or PAs upon shipment to a customer. Instrument leases are typically invoiced annually at the start of each instrument license period and are accounted for as monthly revenue over the lease term with the expectation of continuing customer renewals of their instrument leases. As our customers achieve clinical progress milestones and/or sales-based payment milestones, we recognize the full value of the milestone as revenue. In addition, as customers use instruments they have either purchased or leased, they typically replenish their supplies of disposables through recurring purchases. Although customers are not contractually obligated to renew their instrument leases or to purchase additional disposables and may decide not to do so solely at their own discretion, leased instruments and disposables revenue streams have historically formed an important component of our future revenues, and we believe they provide insight into our future performance. We consider these sales and lease revenue streams to be recurring revenues.

In order to evaluate how our sales are trending across key markets, as well as the contribution of program economics from our SPL partnerships, we separately analyze revenue derived from our cell therapy customers and drug discovery customers, as well as the performance-based milestone revenues we recognize under our SPL partnerships. Cell therapy includes revenue from instruments sold, annual license fees for instruments under lease, and sales of our proprietary disposables. Drug discovery includes revenue from instruments sold, sales of our proprietary disposables and, occasionally, instruments leased, in each case under contracts with drug discovery customers. Program-related revenue includes precommercial milestones earned and recognized as revenue during the period. Once SPL customers achieve regulatory approval for and commercialize their products, in nearly all cases we will also be entitled to receive sales-based payments which may be milestone payments upon achievement of specified levels of net sales and/or royalties expressed as a percentage of net sales. We have not received any commercial payments from our SPL customers to date. As our customers progress their programs and achieve additional milestones, our SPL program revenue is expected to constitute a growing portion of our total revenues in future periods.

We also offer our customers extended warranty and service plans. Our extended warranty and service plans are offered for periods beyond the standard no-fee, one-year warranty that customers who purchase instruments receive. Leases of instruments include warranty during the lease term without additional charge. Extended warranty and service plans generally have fixed fees and terms ranging from one additional year to four additional years and include an annual calibration. We recognize revenue from the sale of extended warranty and service plans over the respective coverage period, which approximates the service effort provided by us. Warranties are typically not a material revenue stream for us.

Product Sales

Revenue from contracts with customers includes revenue from the sale of instruments, PAs and buffer. Customers purchase an ATx, STx, GTx or VLx depending upon their intended use and all customers purchase PAs for use with our instruments. Commercial customers may not use a purchased instrument for clinical or commercial processes.

We expect product sales revenue to increase in future periods as our market and customer base grow.

Leased Elements

Revenue from leased elements consists of revenue from the leasing of instruments to customers (typically the GTx). Our leases of instruments to customers consist of fixed license/lease payments and variable milestone payments that are dependent on our customer's achievement of clinical milestones. Typically, instrument leases that provide for clinical or commercial use also include sales-based milestone payments (and/or sales-based royalties in some cases) upon the commercialization of the customer's product. Under our instrument lease arrangements, we lease our instruments to customers and provide associated software licenses to allow customers non-exclusive use of our technology for research and/or specific clinical programs, typically along with rights for commercial use upon regulatory approval of the customer's products. We also provide scientific and regulatory support to our clinical use licensees to help them improve process optimization and facilitate their regulatory submission process.

We expect leased elements revenue to increase in future periods as our market and customer base grow.

Cost of Goods Sold

Cost of goods sold primarily consists of costs for raw material parts, contract manufacturer costs, salaries, overhead, other direct costs related to sales recognized as revenue in the period, and leased equipment depreciation.

We expect that our cost of goods sold will increase or decrease primarily to the extent that our instrument and disposables revenue increases and decreases.

Gross Profit and Gross Margin

Gross profit is calculated as revenue less cost of goods sold. Gross margin is gross profit expressed as a percentage of revenue. Our gross profit in future periods will depend on a variety of factors, including sales mix among instruments, disposables and milestones, the specific mix among types of instruments or disposables, the proportion of revenues associated with instrument leases as opposed to sales, the share of revenues composed of milestones, changes in the costs to produce our various products, the launch of new products or changes in existing products, our cost structure for manufacturing including changes in production volumes, the proportion of sales made through third-party distributors, and the pricing of our products which may be impacted by market conditions.

Operating Expenses

Research and Development

Research and development expenses consist primarily of costs incurred for our research activities related to advancing our technology and development of applications for our technology, including research into specific applications and associated data development, process development, product development (e.g., development of instruments and disposables, including hardware and software engineering) and design and other costs not directly charged to inventory or cost of goods sold, such as supply chain development and design and management of quality systems.

These expenses include employee-related costs, such as salaries, benefits, incentive compensation, stock-based compensation, and travel, as well as consultant services, facilities, and other expenses, laboratory supplies and materials expenses for employees and contractors engaged in research and development. These expenses are exclusive of depreciation and amortization. We expense research and development costs as incurred in the period in which the underlying activity is undertaken.

We previously developed CARMA, our proprietary platform technology for the development of non-viral, mRNA-based, CAR, or TCR redirected immune cell therapies.

In the first quarter of 2021, we conducted a strategic review of our CARMA activities and made the decision to cease further preclinical and clinical activities with respect to the CARMA platform and associated candidates (MCY-M11 and other identified targets) for our own internal purposes and instead to focus on out-licensing the CARMA platform manufacturing processes and associated intellectual property to third-party customers. For periods through the first half of 2021, our research and development expenses include costs associated with developing the CARMA platform principally for a clinical trial that has concluded. There were no material CARMA-related expenses after the first half of 2021.

We believe that our continued investment in research and development is essential to our long-term competitive position. We expect to continue to incur substantial research and development expenses as we invest in research and development to support our customers, develop new uses for our existing technology and develop improved and/or new offerings to our customers and partners. As a result, we expect that our research and development expenses will continue to increase in absolute dollars in future periods and vary from period to period as a percentage of revenue.

Sales and Marketing

Our sales and marketing expenses consist primarily of salaries, commissions and other variable compensation, benefits, stock-based compensation and travel costs for employees within our commercial sales and marketing functions, as well as third-party costs associated with our marketing activities. These expenses are exclusive of depreciation and amortization.

We expect our sales and marketing expenses to increase in future periods as we expand our commercial sales, marketing and business development teams, increase our presence globally, and increase marketing activities to drive awareness and adoption of our products.

General and Administrative

General and administrative expenses primarily consist of salaries, benefits, stock-based compensation and travel costs for employees in our executive, accounting and finance, legal, corporate development, human resources, and office administration functions as well as professional services fees, such as consulting, audit, tax and legal fees, general corporate costs, facilities and allocated overhead expenses and costs associated with being a Nasdaq and AIM listed public company such as director fees, U.K. NOMAD and broker fees, investor relations consultants and insurance costs. These expenses are exclusive of depreciation and amortization.

We expect that our general and administrative expenses will continue to increase in absolute dollars in future periods, primarily due to increased headcount to support anticipated growth in the business and due to incremental costs associated with operating as a public company listed on a U.S. exchange, including insurance (particularly directors and officers insurance), costs to comply with the rules and regulations applicable to companies listed on a U.S. securities exchange and costs related to compliance and reporting obligations pursuant to the rules and regulations of the SEC and stock exchange listing standards, investor relations and professional services. We expect these expenses to vary from period to period as a percentage of revenue.

Depreciation and Amortization

Depreciation expense consists of the depreciation of property and equipment used actively in the business, primarily by research and development activities. Amortization expense includes the amortization of intangible assets over their respective useful lives.

Other Income (Expense)

Interest Expense

Interest expense consists primarily of interest related to borrowings under credit facility agreements.

We previously had a $5.0 million term loan (the “Term Loan”). In March 2021, we repaid the Term Loan in full.

Other Income (Expense), Net

We previously classified an outstanding warrant for the purchase of shares of our common stock as a liability on our consolidated balance sheets since the warrant’s strike price was in a currency other than our functional currency. The warrant liability was initially recorded at fair value at the date of issuance and was subsequently remeasured to fair value at each reporting date. Changes in the fair value of the warrant liability were recognized as a component of other income (expense). In a cashless settlement in August 2021, the holder fully exercised the warrant in exchange for 64,603 shares of common stock. As of December 31, 2021, we no longer had any outstanding warrants.

Other income (expense), net also includes interest earned on cash balances in our cash accounts and interest earned on money market funds, commercial paper and corporate bonds as well as miscellaneous income unrelated to our core operations.

Provision for Income Taxes

We did not recognize a benefit for the net operating losses we incurred for the years ended December 31, 2022 and 2021. As of December 31, 2022, we had U.S. net operating loss carryforwards of $93.9 million, which may be available to offset future taxable income and begin to expire in 2025, as well as net operating losses in the various states in which we file. We have recorded a full valuation allowance against our net deferred tax assets at each balance sheet date since, due to our history of net losses, we have determined that it is not currently more likely than not that our net deferred tax assets are recoverable.

Results of Operations

Comparison of the Years Ended December 31, 2022 and 2021

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

	Year Ended December 31,	
	2022	2021
	(in thousands)	
Total revenue	$ 44,262	$ 33,894
Cost of goods sold	5,098	3,647
Gross profit	39,163	30,247
Operating expense		
Research and development	19,514	15,407
Sales and marketing	18,653	13,003
General and administrative	25,829	18,676
Depreciation and amortization	2,528	1,349
Total operating expense	66,524	48,435
Operating loss	(27,361)	(18,189)
Other income (expense)		
Interest and other expense	(127)	(1,044)
Interest and other income	3,917	151
Total other income (expense)	3,790	(894)
Net loss	$ (23,571)	$ (19,082)

Revenue

The following table provides details regarding the sources of our revenue for the periods presented:

	Year Ended December 31,		Change	
	2022	2021	Amount	%
(in thousands, except percentages)				
Cell therapy	$ 30,546	$ 22,984	$ 7,562	33%
Drug discovery	9,100	8,395	705	8%
Program-related	4,616	2,515	2,101	83%
Total revenue	$ 44,262	$ 33,894	$ 10,367	31%

Total revenue for the year ended December 31, 2022 was $44.3 million, an increase of $10.4 million, or 31%, compared to revenue of $33.9 million during the year ended December 31, 2021.

Our overall increase in revenue was primarily driven by growth in sales and licenses of instruments and sales of disposables to cell therapy customers. In the cell therapy market, revenue from instrument sales and licenses of instruments increased by $4.0 million, which was primarily due to growth in the number of cell therapy customers, particularly SPL partners, as well as continued high levels of capital invested in companies operating in our target markets, while disposables sales increased by $3.3 million as a result of the continued progression of our cell therapy partners' clinical development programs and growth in our customer base. In the drug discovery market, the $0.7 million increase was principally due to an increase in sales of disposables, including both single-well and multi-well processing assemblies, and an increase in sales of instruments, including the VLx, which was launched in September 2022.

The $2.1 million increase in program-related revenues resulted from achievement of contractually specified clinical progress milestones and reflects the expected variability from period to period in the level of program-related revenue given the small number of individual triggering events which currently generate this portion of revenue. We expect program-related revenue to continue to experience variability for some time, although we anticipate that variability may moderate as the volume of SPL partnerships and associated milestones grows.

Cost of Goods Sold and Gross Profit

	Year Ended December 31,		Change	
	2022	2021	Amount	%
(in thousands, except percentages)				
Cost of goods sold	$ 5,098	$ 3,647	$ 1,451	40%
Gross profit	$ 39,163	$ 30,247	$ 8,916	29%
Gross margin	88%	89%		

Cost of goods sold increased by $1.5 million, or 40%, for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was primarily driven by higher sales of instruments and disposables.

Gross profit increased by $8.9 million, or 29%, for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was primarily driven by increased revenue from instrument sales and licenses and disposable sales as well as increased program-related revenue.

Operating Expenses

Research and Development

	Year Ended December 31,		Change	
	2022	2021	Amount	%
(in thousands, except percentages)				
Research and development	$ 19,514	$ 15,407	$ 4,107	27%

Research and development expenses increased by $4.1 million, or 27%, for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was primarily driven by a $3.1 million increase in compensation expenses associated with headcount increases, a $1.8 million increase in stock-based compensation expense, a $1.2 million increase in lab supplies expenses and product development costs, a $0.8 million increase in occupancy expense, a $0.5 million increase in travel expenses, and a $0.6 million increase in professional service fees and other expenses, partially offset by a $4.4 million decrease in CARMA expenses as a result of the wind-down of our CARMA operations in 2021.

Sales and Marketing

(in thousands, except percentages)	Year Ended December 31, 2022	2021	Change Amount	%
Sales and marketing	$ 18,653	$ 13,003	$ 5,650	43%

Sales and marketing expenses increased by $5.7 million, or 43%, for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was primarily driven by a $2.5 million increase in compensation expenses as a result of increases in headcount and commissions on sales, a $2.0 million increase in marketing and travel expenses, and a $1.1 million increase in stock-based compensation expense.

General and Administrative

(in thousands, except percentages)	Year Ended December 31, 2022	2021	Change Amount	%
General and administrative	$ 25,829	$ 18,676	$ 7,153	38%

General and administrative expense increased by $7.2 million, or 38%, for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was primarily driven by a $2.1 million increase in expense associated with the costs of our common stock being listed on the Nasdaq stock exchange, including insurance and related legal expenses, a $2.0 million increase in compensation expense associated with headcount and salary increases, a $1.1 million increase in occupancy expense related to our new office lease, a $1.0 million increase in stock-based compensation expense, and a $0.7 million increase in other general office expenses, including taxes.

Depreciation and Amortization

(in thousands, except percentages)	Year Ended December 31, 2022	2021	Change Amount	%
Depreciation and amortization	$ 2,528	$ 1,349	$ 1,179	87%

Depreciation and amortization expense increased by $1.2 million, or 87%, for the year ended December 31, 2022, compared to the year ended December 31, 2021. The increase was primarily driven by increases in leasehold improvements and investments in laboratory equipment and consignment instruments.

Interest and Other Income (Expense)

(in thousands, except percentages)	Year Ended December 31, 2022	2021	Change Amount	%
Interest and other expense	$ 127	$ 1,044	$ (918)	(88%)
Interest and other income	3,917	151	3,766	NM

Interest and other expense decreased by $0.9 million, or 88%, for the year ended December 31, 2022, compared to the year ended December 31, 2022. The decrease was primarily driven by the repayment of the Term Loan in March 2021 and the cashless exercise of a warrant in August 2021, which resulted in us no longer incurring interest expense on indebtedness or warrant fair value adjustments. The increase of $3.8 million in interest and other income was primarily driven by significantly higher average balances of short-term investments resulting from the IPO proceeds received in

August 2021 and increases in interest rates during 2022. Interest and other income were not material for the year ended December 31, 2021.

Liquidity and Capital Resources

Since our inception, we have experienced losses and negative cash flows from operations. For the years ended December 31, 2022 and 2021, we incurred net losses of $23.6 million and $19.1 million, respectively. As of December 31, 2022, we had an accumulated deficit of $137.9 million. To date, we have funded our operations primarily with proceeds from sales of common stock, borrowings under loan agreements and cash flows associated with sales and licenses of our products to customers. On August 3, 2021, we completed our Nasdaq IPO, generating gross proceeds of $201.8 million. We received net proceeds of $184.3 million after deducting aggregate underwriting commissions and offering expenses of $17.6 million. As of December 31, 2022, we had cash and cash equivalents and short-term investments of $227.3 million.

We expect to incur near-term operating losses as we continue to invest in expanding our business through growing our sales and marketing efforts, continued research and development, product development and expanding our product offerings. Based on our current business plan, we believe that our existing cash, cash equivalents, short-term investments and internally generated cash flows will enable us to fund our operating expenses and capital expenditure requirements for at least the next 12 months.

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

- transaction and capital expenditures necessitated by strategic activities;
- 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 and successful development of data supporting use of our products for new applications, and timely launch of new features and products;
- sales to existing and new customers and the progress of our SPL partners in developing their pipelines of product candidates;
- our ability to enter into additional SPL partnerships and licenses for clinical use of our platform in the future;
- changes in the amount of capital available to existing and emerging customers in our target markets;
- the effect of competing technological and market developments; and
- the level of our selling, general and administrative expenses.

If we are unable to execute on our business plan and adequately fund operations, or if the business plan requires a level of spending in excess of cash resources, we will have to seek additional equity or debt financing. If additional financings are required from outside sources, we may not be able to raise such capital on terms acceptable to us or at all. To the extent that we raise additional capital through the sale of equity or debt securities, the ownership interest of our stockholders will be diluted, and the terms of these securities may include liquidation or other preferences that adversely affect the rights of our common stockholders. Debt financing, if available, may involve agreements that include covenants restricting our ability to take specific actions, such as incurring additional debt, selling or licensing our assets, making product acquisitions, making capital expenditures or declaring dividends. 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 are unable to raise additional

capital when desired, we may have to delay development or commercialization of future products. We also may have to reduce marketing, customer support or other resources devoted to our existing products.

Cash Flows

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

	Year Ended December 31,	
(in thousands)	2022	2021
Net cash provided by (used in):		
Operating activities	$ (14,783)	$ (10,680)
Investing activities	(24,823)	(195,013)
Financing activities	2,889	234,720
Net (decrease) increase in cash and cash equivalents	$ (36,718)	$ 29,027

Operating Activities

Net cash used in operating activities for the year ended December 31, 2022 was $14.8 million, and consisted primarily of our net loss of $23.6 million, offset in part by net non-cash expenses of $12.0 million, including stock-based compensation of $11.8 million, depreciation and amortization expenses of $2.7 million, offset by the amortization of $2.7 million of discounts on short-term investments. We also had net cash outflows of $3.2 million due to net changes in our operating assets and liabilities. Net changes in our operating assets and liabilities consisted primarily of an increase in the net effect of our right-of- use assets and lease liabilities of $6.2 million, an increase in other liabilities of $0.9 million and a decrease in prepaid expenses and other current assets of $0.5 million, partially offset by a $4.8 million increase in accounts receivable, a $3.5 million increase in inventory, a $1.9 million increase in tenant improvement allowances receivable and a $0.5 million decrease in other assets.

Net cash used in operating activities for the year ended December 31, 2021 was $10.7 million, and consisted primarily of our net loss of $19.1 million, offset in part by net non-cash expenses of $10.0 million, including stock-based compensation of $8.0 million, depreciation and amortization expenses of $1.4 million, and warrant liability fair value adjustments of $0.6 million. We also had net cash outflows of $1.6 million due to net changes in our operating assets and liabilities. Net changes in our operating assets and liabilities consisted primarily of an increase in deferred revenue (consisting primarily of unrecognized instrument license revenue) of $1.9 million and an increase in accounts payable and accrued expenses of $2.1 million, partially offset by a $2.3 million increase in prepaid expenses and other current assets, a $1.7 million increase in accounts receivable and a $1.4 million increase in inventory.

Investing Activities

Cash used in investing activities during the year ended December 31, 2022 was $24.8 million, which was primarily attributable to maturities of short-term marketable securities of $284.6 million, partially offset by purchases of short-term marketable securities of $290.9 million, capitalized lease-related construction expenses of $14.2 million, purchases of equipment and furniture of $3.9 million and capitalized internal-use software of $1.0 million. Purchases of short-term marketable securities are made as part of ordinary course investing activities in compliance with our investment policy which has as its primary objective preservation of principal.

Cash used in investing activities during the year ended December 31, 2021 was $195.0 million, which was primarily attributable to net purchases of short-term marketable securities of $191.2 million, as well as purchases of property and equipment of $1.5 million and capitalized new product development costs of $2.3 million.

Financing Activities

Net cash provided by financing activities during the year ended December 31, 2022 was $2.9 million, which consisted exclusively of proceeds from the exercise of stock options.

Net cash provided by financing activities during the year ended December 31, 2021 was $234.7 million, which was primarily attributable to net proceeds of $236.1 million, including $51.8 million from the issuance of common stock in the first quarter and $184.3 million from the IPO in the third quarter of 2021, and proceeds of $3.6 million from the exercise of stock options, partially offset by the repayment of the Term Loan of $4.9 million.

Contractual Obligations and Commitments

Our contractual obligations and commitments as of December 31, 2022 consisted exclusively of operating lease obligations. In May 2021, we entered into an operating lease for new office, lab and warehouse/manufacturing space. The lease for the new facility consists of three phases, with Phase 1 having commenced in December 2021 and Phase 2 having commenced in the first quarter of 2022. Phase 3 is expected to begin before November 1, 2023. The lease term for all phases expires on August 31, 2035. We designed and constructed the leasehold improvements with the approval of the landlord. The lease provides that the landlord will reimburse us for costs of property improvements up to amounts specified in the lease. The total incremental non-cancellable lease payments under the lease agreement are $29.6 million through the lease term. We expect to be able to fund our obligations under the new lease, both in the short term and in the long term, from cash on hand, short-term investments and operating cash flows. See Part I, Item 2, “Facilities” in this Annual Report for additional information regarding the new office lease.

On June 8, 2021, we exercised our option to early terminate one of our office and lab space lease arrangements associated with our former headquarters facility. That amended office lease expired on June 7, 2022. In June 2022, we exercised our option to early terminate our remaining subleased office, laboratory, manufacturing and other spaces associated with our former headquarters facility, which became effective in July and August 2022. These subleases previously had expiration dates in October 2023.

In August 2021, we terminated a finance lease and following that termination, we had no finance lease obligations as of December 31, 2022.

We had no debt obligations as of December 31, 2022 or 2021.

Purchase orders or contracts for the purchase of supplies and other goods and services are based on our current procurement or development needs and are generally fulfilled by our vendors within short time horizons.

Critical Accounting Estimates

We have prepared our consolidated financial statements in accordance with generally accepted accounting principles in the United States. Our preparation of these consolidated financial statements requires us to make estimates, assumptions and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures. We evaluate our estimates and judgments on an ongoing basis. We base our estimates on historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources.

Actual results could therefore differ materially from these estimates under different assumptions or conditions.

While our significant accounting policies are described in more detail in Note 2 to our audited consolidated financial statements included elsewhere in this Annual Report, we believe the following accounting policies to be critical to the judgments and estimates used in the preparation of our consolidated financial statements.

Revenue Recognition

We derive revenue from two primary sources, product sales, which are comprised primarily of instrument and disposables revenue, and leased elements, which are comprised of revenue associated with instrument leases.

For revenue generated pursuant to contracts with customers, we recognize revenue when our customer obtains control of promised goods or services, in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. In determining the appropriate amount of revenue to be recognized as we fulfill our obligations under our arrangements, we perform the following steps: (i) identification of the promised goods or services in the contract; (ii) determination of whether the promised goods or services are performance obligations, including whether they are distinct in the context of the contract; (iii) measurement of the transaction price, including the assessment of the constraint on variable consideration; (iv) allocation of the transaction price to the performance obligations; and (v) recognition of revenue when, or as, we satisfy each performance obligation. At contract inception, we assess the goods or services promised within each contract, determine which goods or services are performance obligations and assess whether each promised good or service is distinct.

We enter into instrument lease and licensing arrangements that are accounted for using lease accounting rather than accounted for as pursuant to contracts with customers. Under these arrangements, we license to third parties the rights to use our products and embedded software. The terms of these arrangements typically include payment to us of one or more of the following: instrument lease fees, and clinical progress milestones and may, under the terms of existing agreements, include regulatory and/or sales milestone payments and/or royalties. Revenue from instrument leases is recognized ratably over the determined contractual term of the lease agreement and revenue from associated milestones is recognized when each specific milestone event is achieved by the customer.

In some product sale arrangements, products and services have been sold together representing distinct performance obligations. In such arrangements we allocate the sale price to the various performance obligations in the arrangement on a relative standalone selling price basis. Under this basis, the Company determines the estimated selling price of each performance obligation in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis.

Taxes, such as sales, value-add and other taxes, collected from customers concurrent with revenue generating activities and remitted to governmental authorities are not included in revenue. Shipping and handling costs associated with outbound freight are primarily directly paid by customers as pass-through costs.

Amounts received under lease arrangements prior to revenue recognition are recorded as deferred revenue in our consolidated balance sheets. Amounts expected to be recognized as revenue within the 12 months following the balance sheet date are classified as current portion of deferred revenue in our consolidated balance sheets. Amounts not expected to be recognized as revenue within the 12 months following the balance sheet date are classified as other liabilities in our consolidated balance sheets.

Stock-based Compensation

We maintain an incentive compensation plan under which stock options and restricted stock units are granted primarily to employees, consultants and non-employee directors. We measure stock-based compensation expense on the date of grant and recognize the corresponding compensation expense of those awards over the requisite service period, which is generally the vesting period of the respective award. We record forfeitures as they occur.

We estimate the fair value of stock options granted to our employees and directors based on the closing price of our common stock on the grant date and the resulting stock-based compensation expense using the Black-Scholes option-pricing model. For grants prior to July 30, 2021, the fair value was based on the value of our common stock on the AIM; for grants after that date, the fair value is based on the value of our common stock on the Nasdaq Global Select Market on the grant date. The Black-Scholes option-pricing model requires the use of assumptions regarding a number of variables that are complex, subjective and generally require significant judgment to determine. The assumptions include expected volatility using either publicly traded peer group companies' common stock (for grants before July 1, 2022) or the Company's own common stock (for grants beginning on July 1, 2022), expected dividend yield, risk-free rate of interest and the expected term using the simplified method.

Recent Accounting Pronouncements

A description of recently issued accounting pronouncements that may potentially impact our financial position, results of operations or cash flows is disclosed in Note 2 to our consolidated financial statements in this Annual Report.

Emerging Growth Company Status

We are an "emerging growth company," or EGC, under the JOBS Act. Section 107 of the JOBS Act provides that an EGC can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. Thus, an EGC can delay the adoption of certain accounting standards until those standards would otherwise apply to private companies. We have elected to avail ourselves of the delayed adoption of new and revised accounting standards and, therefore, we will be subject to the same requirements to adopt new or revised accounting standards as private entities. We also intend to rely on other exemptions provided by the JOBS Act, including not being required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

We will remain an EGC until the earliest of: (i) December 31, 2026, which is the last day of the fiscal year following the fifth anniversary of our initial public offering in the United States; (ii) the last day of the first fiscal year in which our annual gross revenue is $1.235 billion or more; (iii) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (iv) the last day of the fiscal year in which the market value of our common stock held by non-affiliates exceeded $700 million as of June 30 of such fiscal year.

We are also a "smaller reporting company," as defined by Rule 12b-2 of the Exchange Act. We may continue to be a smaller reporting company if either (i) the market value of our stock held by non-affiliates is less than $250 million as of the last business day of our second fiscal quarter or (ii) our annual revenue is less than $100 million during the most recently completed fiscal year and the market value of our stock held by non-affiliates is less than $700 million as of the last business day of our second fiscal quarter. If we are a smaller reporting company at the time we cease to be an emerging growth company, we may continue to rely on exemptions from certain disclosure requirements that are available to smaller reporting companies. Specifically, as a smaller reporting company we have elected to present only the two most recent fiscal years of audited financial statements in this Annual Report. In addition, similar to emerging growth companies, smaller reporting companies have reduced disclosure obligations regarding executive compensation.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

Interest Rate Risk

We are exposed to market risk for changes in interest rates related primarily to balances of our financial instruments including cash and cash equivalents and short-term investments. The primary objective of our investment approach is to preserve principal and provide liquidity. As a result, a 10% change in the level of market interest rates would not be expected to have a material effect on our business, financial condition or results of operations.

Foreign Currency Risk

We are exposed to financial risks as a result of exchange rate fluctuations between the U.S. Dollar and certain foreign currencies and the volatility of these rates. In the normal course of business, we earn revenue primarily denominated in U.S. Dollars as well as in Euros and British Pounds. We incur expenses primarily in U.S. Dollars as well as in Euros, British Pounds and other currencies. Our reporting currency is the U.S. Dollar. We hold our cash primarily in U.S. Dollars as well as in Euros and British Pounds. We do not expect that foreign currency gains or losses will have a material effect on our financial position or results of operations in the foreseeable future. We have not entered into any hedging arrangements with respect to foreign currency risk. As our international operations grow, we will continue to reassess our approach to managing risks relating to fluctuations in currency exchange rates.

Inflation Risk

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

Item 8. Financial Statements and Supplementary Data.

MaxCyte, Inc.

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of MaxCyte, Inc.

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of MaxCyte, Inc. (the "Company") as of December 31, 2022 and 2021, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for the years then ended, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and the results of their operations and cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

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

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

/s/ CohnReznick LLP

We have served as the Company's auditor since 2018.

Tysons, Virginia
March 15, 2023

MaxCyte, Inc.

Consolidated Balance Sheets

	December 31, 2022	December 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 11,064,700	$ 47,782,400
Short-term investments, at amortized cost	216,274,900	207,261,400
Accounts receivable	11,654,600	6,877,000
Accounts receivable - TIA (Note 9)	1,912,400	—
Inventory	8,580,800	5,204,600
Prepaid expenses and other current assets	2,778,800	3,307,400
Total current assets	**252,266,200**	**270,432,800**
Property and equipment, net	23,724,700	7,681,200
Right-of-use asset - operating leases	9,853,500	5,689,300
Other assets	809,000	316,700
Total assets	**$ 286,653,400**	**$ 284,120,000**
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 531,800	$ 1,820,300
Accrued expenses and other	8,025,300	6,523,500
Operating lease liability, current	156,800	527,200
Deferred revenue, current portion	6,712,600	6,746,800
Total current liabilities	**15,426,500**	**15,617,800**
Operating lease liability, net of current portion	15,938,100	5,154,900
Other liabilities	1,321,600	450,200
Total liabilities	**32,686,200**	**21,222,900**
Commitments and contingencies (Note 9)		
Stockholders' equity		
Preferred stock, $0.01 par value; 5,000,000 shares authorized and no shares issued and outstanding at December 31, 2022 and December 31, 2021	—	—
Common stock, $0.01 par value; 400,000,000 shares authorized, 102,397,913 and 101,202,705 shares issued and outstanding at December 31, 2022 and December 31, 2021, respectively	1,024,000	1,012,000
Additional paid-in capital	390,818,500	376,189,600
Accumulated deficit	(137,875,300)	(114,304,500)
Total stockholders' equity	**253,967,200**	**262,897,100**
Total liabilities and stockholders' equity	**$ 286,653,400**	**$ 284,120,000**

See accompanying notes to consolidated financial statements.

MaxCyte, Inc.

Consolidated Statements of Operations

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenue	**$ 44,261,500**	**$ 33,894,100**
Cost of goods sold	5,098,400	3,647,400
Gross profit	**39,163,100**	**30,246,700**
Operating expenses:		
Research and development	19,514,400	15,407,300
Sales and marketing	18,652,900	13,002,900
General and administrative	25,828,700	18,676,000
Depreciation and amortization	2,527,600	1,349,100
Total operating expenses	**66,523,600**	**48,435,300**
Operating loss	**(27,360,500)**	**(18,188,600)**
Other income (expense):		
Interest and other expense	(126,900)	(1,044,400)
Interest income	3,916,600	150,800
Total other income (expense)	**3,789,700**	**(893,600)**
Provision for income taxes	**—**	**—**
Net loss	**$ (23,570,800)**	**$ (19,082,200)**
Basic and diluted net loss per share	**$ (0.23)**	**$ (0.21)**
Weighted average shares outstanding, basic and diluted	**101,702,664**	**90,619,057**

See accompanying notes to consolidated financial statements.

MaxCyte, Inc.

Consolidated Statements of Changes in Stockholders' Equity

	Common Stock		Additional Paid-in Capital	Accumulated Deficit	Total Stockholders' Equity
	Shares	Amount			
Balance at December 31, 2020	**77,382,473**	**$ 773,800**	**$ 127,673,900**	**$ (95,222,300)**	**$ 33,225,400**
Issuance of common stock, net of issuance costs	5,740,000	57,400	51,751,500	—	51,808,900
Issuance of common stock upon initial public offering, net of issuance costs	15,525,000	155,300	184,113,100	—	184,268,400
Stock-based compensation expense	—	—	7,958,800	—	7,958,800
Exercise of stock options	2,490,629	24,900	3,606,300	—	3,631,200
Cashless exercise of warrant	64,603	600	1,086,000	—	1,086,600
Net loss	—	—	—	(19,082,200)	(19,082,200)
Balance at December 31, 2021	**101,202,705**	**1,012,000**	**376,189,600**	**(114,304,500)**	**262,897,100**
Stock-based compensation expense	—	—	11,752,400	—	11,752,400
Exercise of stock options	1,195,208	12,000	2,876,500	—	2,888,500
Net loss	—	—	—	(23,570,800)	(23,570,800)
Balance at December 31, 2022	**102,397,913**	**$ 1,024,000**	**$ 390,818,500**	**$ (137,875,300)**	**$ 253,967,200**

See accompanying notes to consolidated financial statements.

MaxCyte, Inc.

Consolidated Statements of Cash Flows

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash flows from operating activities:		
Net loss	$ (23,570,800)	$ (19,082,200)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	2,697,900	1,423,900
Net book value of consigned equipment sold	76,400	51,600
Loss on disposal of fixed assets	139,500	32,500
Fair value adjustment of liability classified warrant	—	645,400
Stock-based compensation	11,752,400	7,958,800
Amortization of discounts on short-term investments	(2,667,400)	(70,300)
Non-cash interest expense	—	5,400
Changes in operating assets and liabilities:		
Accounts receivable	(4,777,600)	(1,705,100)
Accounts receivable – TIA	(1,912,400)	—
Inventory	(3,493,300)	(1,405,800)
Prepaid expense and other current assets	528,600	(2,304,400)
Right of use asset – operating leases	(4,164,200)	(3,806,200)
Right of use asset – finance lease	—	63,500
Other assets	(492,300)	(282,800)
Accounts payable, accrued expenses and other	(149,700)	2,090,900
Operating lease liability	10,412,800	3,874,900
Deferred revenue	(34,200)	1,903,800
Other liabilities	871,400	(73,500)
Net cash used in operating activities	(14,782,900)	(10,679,600)
Cash flows from investing activities:		
Purchases of short-term investments	(290,942,100)	(268,683,600)
Maturities of short-term investments	284,596,000	77,500,000
Purchases of property and equipment	(18,477,200)	(3,834,200)
Proceeds from sale of equipment	—	4,600
Net cash used in investing activities	(24,823,300)	(195,013,200)
Cash flows from financing activities:		
Net proceeds from issuance of common stock	—	51,808,900
Net proceeds from issuance of common stock upon initial public offering	—	184,268,400
Principal payments on notes payable	—	(4,922,400)
Proceeds from exercise of stock options	2,888,500	3,631,200
Principal payments on finance leases	—	(66,100)
Net cash provided by financing activities	2,888,500	234,720,000
Net (decrease) increase in cash and cash equivalents	(36,717,700)	29,027,200
Cash and cash equivalents, beginning of year	47,782,400	18,755,200
Cash and cash equivalents, end of year	$ 11,064,700	$ 47,782,400
Supplemental cash flow information:		
Cash paid for interest	$ —	$ 420,900
Supplemental disclosure of non-cash investing and financing activities:		
Property and equipment purchases included in accounts payable	$ 363,000	$ 296,400
Reduction of lease right-of-use asset due to early termination	$ 540,000	$ 304,600
Right-of-use assets obtained in exchange for new operating lease obligations	$ 5,476,300	$ 4,804,800
Other liability reduction due to exercise of warrant	$ —	$ 1,086,600

See accompanying notes to consolidated financial statements.

MaxCyte, Inc.
Notes to Consolidated Financial Statements

1. Organization and Description of Business

MaxCyte, Inc. (the "Company" or "MaxCyte") was incorporated as a majority owned subsidiary of EntreMed, Inc. ("EntreMed") on July 31, 1998, under the laws and provisions of the state of Delaware and commenced operations on July 1, 1999. In November 2002, MaxCyte was recapitalized and EntreMed was no longer deemed to control the Company.

MaxCyte is a global life sciences company focused on advancing the discovery, development and commercialization of next-generation cell therapies. MaxCyte leverages its proprietary cell engineering technology platform to enable the programs of its biotechnology and pharmaceutical company customers who are engaged in cell therapy, including gene editing and immuno-oncology, as well as in drug discovery and development and biomanufacturing. The Company licenses and sells its instruments and technology and sells its consumables to developers of cell therapies and to pharmaceutical and biotechnology companies for use in drug discovery and development and biomanufacturing.

The Company's registration statement on Form S-1 related to its initial public offering of common stock in the United States (the "IPO") was declared effective on July 29, 2021, and the Company's common stock began trading on the Nasdaq Global Select Market on July 30, 2021. On August 3, 2021, the Company issued and sold 15,525,000 shares of common stock in the IPO at a price to the public of $13.00 per share, inclusive of 2,025,000 shares issued pursuant to the full exercise of the underwriters' option to purchase additional shares. The IPO generated gross proceeds to the Company of $201.8 million. The Company received aggregate net proceeds of $184.3 million from the IPO after deducting aggregate underwriting commissions and offering costs of $17.6 million.

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

Use of Estimates

The preparation of consolidated financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of revenues and expenses during the reporting period. In the accompanying consolidated financial statements, estimates are used for, but not limited to, revenue recognition, stock-based compensation, allowance for doubtful accounts, allowance for inventory obsolescence, accruals for contingent liabilities, deferred taxes and valuation allowance, and the depreciable lives of fixed assets. Actual results could differ from those estimates.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its wholly-owned subsidiary. All significant intercompany balances have been eliminated in consolidation.

Concentrations of Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash and cash equivalents, short-term investments and trade receivables. The Company's cash and cash equivalents balances may exceed federally insured limits and cash may also be deposited in foreign bank accounts that are not covered by federal deposit insurance. The Company does not believe that this results in any significant credit risk. The Company

invests its excess cash in money market funds, commercial paper and corporate debt. The Company has established guidelines relative to credit ratings, diversification and maturities that seek to maintain safety and liquidity.

Significant customers are those that accounted for 10% or more of the Company's total revenue for the period or accounts receivable as the end of a reporting period. During the years ended December 31, 2022 and 2021, one customer represented 23% and 21% of revenue, respectively. As of December 31, 2022, one customer accounted for 14% of accounts receivable. Two customers accounted for 16% and 13% of accounts receivable, respectively, at December 31, 2021.

Certain components included in the Company's products are obtained from a single source or a limited group of suppliers. Of the inventory on hand at December 31, 2022 and 2021, the Company purchased approximately 34% and 33%, respectively, from a single supplier. At December 31, 2022, amounts payable to two suppliers totaled 34% of total accounts payable. As of December 31, 2021, amounts payable to one supplier totaled 14% of total accounts payable.

Foreign Currency

The Company's functional currency is the US Dollar; transactions denominated in foreign currencies are transacted at the exchange rate in effect at the date of each transaction. Differences in exchange rates during the period between the date a transaction denominated in foreign currency is consummated and the date on which it is either settled or at the reporting date are recognized in the consolidated statements of operations as general and administrative expense. For the years ended December 31, 2022 and 2021, the Company recognized $79,100 and $72,000 in foreign currency transaction loss, respectively.

Fair Value

Fair value is the price that would be received from the sale of an asset or paid to transfer a liability assuming an orderly transaction in the most advantageous market at the measurement date. US GAAP establishes a hierarchical disclosure framework which prioritizes and ranks the level of observability of inputs used in measuring fair value. These tiers include:

- Level 1—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

- Level 2—Observable market-based inputs other than quoted prices in active markets for identical assets or liabilities.

- Level 3—Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

See Note 7 for additional information regarding fair value.

Cash and Cash Equivalents and Short-term Investments

Cash and cash equivalents consist of financial instruments including money market funds and commercial paper with original maturities of less than 90 days. Short-term investments consist of commercial paper and corporate bonds with original maturities greater than 90 days and less than one year. All money market funds, commercial paper and corporate debt instruments are recorded at amortized cost unless they are deemed to be impaired on an other-than-temporary basis, at which time they are recorded at fair value using Level 2 inputs.

Inventory

The Company sells or licenses products to customers. The Company uses the average cost method of accounting for its inventory and adjustments resulting from periodic physical inventory counts are reflected in costs of goods sold in the

period of the adjustment. Inventory is carried at the lower of cost or net realizable value. Inventory that is obsolete or in excess of forecasted usage is written down to its estimated net realizable value based on assumptions about future demand and market conditions. Inventory write-downs are charged to cost of goods sold and establish a new cost basis for the inventory.

Accounts Receivable

Accounts receivable are reduced by an allowance for doubtful accounts, if needed. The allowance for doubtful accounts reflects the best estimate of probable losses determined principally on the basis of historical experience and specific allowances for known troubled accounts. All accounts or portions thereof that are deemed to be uncollectible or to require an excessive collection cost are written off to the allowance for doubtful accounts. The Company determined no allowance was necessary at December 31, 2022 and 2021.

Property and Equipment

Property and equipment are stated at cost. Depreciation is computed using the straight-line method. Office equipment (principally computers) is depreciated over an estimated useful life of three years. Laboratory equipment is depreciated over an estimated useful life of five years. Furniture is depreciated over a useful life of seven years. Leasehold improvements are amortized over the shorter of the estimated lease term or useful life. Instruments represent equipment held at a customer's site that is typically leased to customers on a short-term basis and is depreciated over an estimated useful life of five years.

Property and equipment include capitalized costs to develop internal-use software. Applicable costs are capitalized during the development stage of the project and include direct internal costs, third-party costs and allocated interest expenses as appropriate.

Management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of the long-lived asset is measured by a comparison of the carrying amount of the asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the estimated fair value of the assets. The Company recognized no impairment in either of the years ended December 31, 2022 or 2021.

Deferred Offering Costs

The Company capitalizes certain legal, accounting and other third-party fees that are directly associated with in-process equity financings as deferred offering costs (non-current) until such financings are consummated or determined not to be probable of consummation. After consummation of the equity financing, these costs are recorded in stockholders' equity as a reduction of proceeds received as a result of the offering. If the equity financing is no longer considered probable of being consummated, all deferred offering costs will be charged to operating expenses in the consolidated statement of operations at such time.

During the third quarter of 2021, the Company netted $17.6 million in issuance costs against IPO proceeds (see Note 1) and additional paid-in capital. As of December 31, 2022 and 2021, there were no capitalized deferred offering costs in the consolidated balance sheets.

Revenue Recognition

The Company analyzes contracts to determine the appropriate revenue recognition using the following steps: (i) identification of contracts with customers; (ii) identification of distinct performance obligations in the contract; (iii) determination of contract transaction price; (iv) allocation of contract transaction price to the performance obligations; and (v) determination of revenue recognition based on timing of satisfaction of the performance obligations.

In some arrangements, product and services have been sold together representing distinct performance obligations. In such arrangements the Company allocates the sale price to the various performance obligations in the arrangement on a relative selling price basis. Under this basis, the Company determines the estimated selling price of each performance obligation in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis.

The Company recognizes revenue upon the satisfaction of its performance obligation (generally upon transfer of control of promised goods or services to its customers) in an amount that reflects the consideration to which it expects to be entitled in exchange for those goods or services.

The Company defers incremental costs of obtaining a customer contract and amortizes the deferred costs over the period that the goods and services are transferred to the customer. The Company had no material incremental costs to obtain customer contracts in any period presented.

Deferred revenue results from amounts billed in advance to customers or cash received from customers in advance of services being provided.

Cost of Goods Sold

Cost of goods sold primarily consists of costs for raw material parts, contract manufacturer costs, salaries, overhead, leased equipment depreciation and other direct costs related to sales recognized as revenue in the period.

Research and Development Costs

Research and development costs consist of independent proprietary research and development costs and the costs associated with work performed for fees from third parties. Research and development costs are expensed as incurred. Research costs performed for fees paid by customers are included in cost of goods sold.

Stock-Based Compensation Expense

Stock-based compensation expense is measured based on grant-date fair value. The Company grants stock-based awards in exchange for employee, consultant and non-employee director services. The value of the award is recognized as expense on a straight-line basis over the requisite service period.

The Company uses the market closing price of its common stock as reported on the Nasdaq Global Select Market for the fair value of equity awards. The grant-date fair value of stock options is estimated using the Black-Scholes option pricing model for estimating fair value of its stock options granted. Option valuation models, including the Black-Scholes option pricing model, require the input of highly subjective assumptions, and changes in the assumptions used can materially affect the grant-date fair value of an award. These assumptions include the expected volatility, expected dividend yield, risk-free rate of interest and the expected life of the award. Historically, the Company exclusively used identified comparable companies' stock price volatility to calculate expected volatility for the periods presented due to lack of history with its own common stock available to determine its volatility. Beginning with the third quarter of 2022, the Company has observed sufficient historical information regarding its common stock to use the Company's common stock for the estimate of volatility in the Black-Scholes option pricing model. Management's methodology for developing other assumptions has not changed from prior periods. A discussion of management's methodology for developing each of the assumptions used in the Black-Scholes option pricing model is as follows:

Expected Volatility

Volatility is a measure of the amount by which a financial variable such as a share price has fluctuated (historical volatility) or is expected to fluctuate (expected volatility) during a period. For 2021 and the first two quarters of 2022, the Company identified several public entities of similar size, complexity and stage of development to calculate historical volatility using the volatility of these companies. Beginning with the third

quarter of 2022, the Company estimates its expected stock volatility based on historical volatility of its own common stock.

Expected Dividend Yield

The Company has never declared or paid common stock dividends and has no plans to do so in the foreseeable future. Therefore, the Company used an expected dividend yield of zero.

Risk-Free Interest Rate

This approximates the US Treasury rate for the day of each option grant during the year, having a term that closely resembles the expected term of the option.

Expected Term

This is the period that the options granted are expected to remain unexercised. Options granted have a maximum term of ten years. The Company estimates the expected term of the options to be approximately six years for options, with a majority vesting over a four-year period, using the simplified method. Over time, management intends to track estimates of the expected term of the option term so that estimates will approximate actual behavior for similar options.

Expected Forfeiture Rate

The Company records forfeitures as they occur.

The fair value of stock options was estimated using the Black-Scholes option-pricing model based on the following assumptions during the years ended:

	December 31,	
	2022	2021
Expected volatility	44-58%	55-57%
Risk-free interest rate	1.9-4.0%	0.7-1.3%
Expected term (in years)	6	6

Income Taxes

The Company uses the asset and liability method of accounting for income taxes. Deferred tax assets and liabilities are determined based on differences between the financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws that are expected to be in effect when the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the period that such tax rate changes are enacted. The measurement of a deferred tax asset is reduced, if necessary, by a valuation allowance if it is more-likely-than-not that all or a portion of the deferred tax asset will not be realized.

Management uses a recognition threshold and a measurement attribute for the financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return, as well as guidance on derecognition, classification, interest and penalties and financial statement reporting disclosures. For those benefits to be recognized, a tax position must be more-likely-than-not to be sustained upon examination by taxing authorities. The Company recognizes interest and penalties accrued on any unrecognized tax exposures as a component of income tax expense. The Company has not identified any uncertain income tax positions that could have a material impact on the consolidated financial statements.

The Company is subject to taxation in various jurisdictions in the United States and abroad and remains subject to examination by taxing jurisdictions for 2018 and all subsequent periods. The Company has a federal Net Operating Loss

("NOL") carryforward of approximately $93.9 million as of December 31, 2022, of which approximately $32.7 million begins to expire in 2025. Certain of the Company's NOLs were initially limited on an annual basis pursuant to Section 382 of the Internal Revenue Code of 1986 ("Section 382"), as amended, as a result of a cumulative change in ownership that occurred in 2016; however, as of December 31, 2022 the Company has determined that the cumulative limitation amount exceeds the NOLs subject to the limitation and, as a result, no annual limitation remains.

Leases

Right-of-use ("ROU") assets represent the Company's right to use an underlying asset for the lease term and lease liabilities represent its obligation to make lease payments arising from the lease. In transactions where the Company is the lessee, at the inception of a contract, the Company determines if the arrangement is, or contains, a lease. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. Lease expense is recognized on a straight-line basis over the lease term.

The Company has made certain accounting policy elections for leases where it is the lessee whereby the Company (i) does not recognize ROU assets or lease liabilities for short-term leases (those with original terms of 12-months or less) and (ii) combines lease and non-lease elements of its operating leases. See Note 9 for additional details about leases where the Company is the lessee.

All transactions in which the Company is the lessor are short-term (one year or less) and have been classified as operating leases. All leases require upfront payments covering the full period of the lease and thus, there are no future payments expected to be received from existing leases. See Note 3 for details about revenue recognition related to lease agreements.

Loss Per Share

Basic loss per share is computed by dividing net loss available to common stockholders by the weighted average number of shares of Common Stock outstanding during the period.

For periods of net income, and when the effects are not anti-dilutive, diluted earnings per share is computed by dividing net income available to common stockholders by the weighted-average number of shares outstanding plus the impact of all potential dilutive common shares, consisting primarily of common stock options and stock purchase warrants using the treasury stock method.

For periods of net loss, diluted loss per share is calculated similarly to basic loss per share because the impact of all dilutive potential common shares is anti-dilutive. The number of anti-dilutive shares, consisting of stock options and restricted stock units excluded from the computation of diluted loss per share, was 15.0 million and 12.4 million for the years ended December 31, 2022 and 2021, respectively.

Recent Accounting Pronouncements

New Accounting Pronouncements Not Yet Adopted

In June 2016, the Financial Accounting Standards Board ("FASB") issued guidance with respect to measuring credit losses on financial instruments, including trade receivables. The guidance eliminates the probable initial recognition threshold that was previously required prior to recognizing a credit loss on financial instruments. The credit loss estimate can now reflect an entity's current estimate of all future expected credit losses. Under the previous guidance, an entity only considered past events and current conditions. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. The adoption of certain amendments of this guidance must be applied on a modified retrospective basis and the adoption of the remaining amendments must be applied on a prospective basis. The Company is currently evaluating the impact, if any, that this new accounting pronouncement will have on its consolidated financial statements.

The Company has evaluated all other issued and unadopted Accounting Standards Updates and believes the adoption of these standards will not have a material impact on its results of operations, financial position or cash flows.

3. Revenue

Revenue is principally from the sale of instruments and processing assemblies, and extended warranties and the lease of instruments, which lease agreements also include customer-specific milestone payments. In some arrangements, product and services have been sold together representing distinct performance obligations. In these arrangements the Company allocates the sale price to the various performance obligations in the arrangement on a relative selling price basis. Under this basis, the Company determines the estimated selling price of each performance obligation in a manner that is consistent with that used to determine the price to sell the deliverable on a standalone basis.

Revenue is recognized at the time control is transferred to the customer and the performance obligation is satisfied. Revenue from the sale of instruments and processing assemblies is generally recognized at the time of shipment to the customer, provided no significant vendor obligations remain and collectability is reasonably assured. Revenue from equipment leases is recognized ratably over the contractual term of the lease agreement and when specific milestones are achieved by a customer. Licensing fee revenue is recognized ratably over the license period. Revenue from fees for research services is recognized when services have been provided.

Disaggregated revenue for the year ended December 31, 2022 was as follows:

	Year ended December 31, 2022		
	Revenue from Contracts with Customers	Revenue from Lease Elements	Total Revenue
Product sales	$ 27,730,400	$ —	$ 27,730,400
Lease elements	—	15,512,600	15,512,600
Other	1,018,500	—	1,018,500
Total	$ 28,748,900	$ 15,512,600	$ 44,261,500

Disaggregated revenue for the year ended December 31, 2021 was as follows:

	Year ended December 31, 2021		
	Revenue from Contracts with Customers	Revenue from Lease Elements	Total Revenue
Product sales	$ 20,786,800	$ —	$ 20,786,800
Lease elements	—	12,322,700	12,322,700
Other	784,600	—	784,600
Total	$ 21,571,400	$ 12,322,700	$ 33,894,100

Additional disclosures relating to Revenue from Contracts with Customers

Changes in deferred revenue for the years ended December 31, 2022 and 2021 were as follows:

	Year Ended December 31,	
	2022	2021
Balance at January 1	$ 7,197,000	$ 5,014,300
Revenue recognized in the current period from amounts included in the beginning balance	(6,738,400)	(4,828,000)
Current period deferrals, net of amounts recognized in the current period	6,577,100	7,010,700
Balance at December 31	$ 7,035,700	$ 7,197,000

Remaining contract consideration for which revenue has not been recognized due to unsatisfied performance obligations with a duration greater than one year was $551,400 at December 31, 2022, of which the Company expects to recognize $228,400 in 2023, $113,800 in 2024, $45,800 in 2025, $25,400 in 2026, and $138,000 thereafter.

In the years ended December 31, 2022 and 2021, the Company did not incur, and therefore did not defer, any material incremental costs to obtain contracts or costs to fulfil contracts.

4. Debt

In 2019, the Company entered into a credit facility with MidCap Financial SBIC, LP (“MidCap”) that provided for a $5 million term loan maturing on November 1, 2024. In March 2021, the Company repaid the MidCap loan in full. The Company incurred fees of $260,000 associated with early repayment of the loan. The unamortized debt discounts and fees were expensed and recorded as interest expense.

5. Stockholders’ Equity

Common Stock

In February 2021, the Company completed an equity capital raise on the AIM, a market operated by the London Stock Exchange Plc, issuing 5,740,000 shares of its common stock at a price of £7.00 (or approximately $9.64) per share. The transaction generated gross proceeds of £40.2 million (or $55.3 million). In conjunction with the transaction, the Company incurred costs of $3.5 million, which resulted in the Company receiving net proceeds of $51.8 million.

In August 2021, the Company completed the IPO and received aggregate net proceeds of $184.3 million (see Note 1). During the year ended December 31, 2021, the Company also issued 2,490,629 shares of common stock as a result of stock option exercises, receiving gross proceeds of $3.6 million.

During the year ended December 31, 2022, the Company issued 1,195,208 shares of common stock as a result of stock option exercises, receiving gross proceeds of $2.9 million.

Preferred Stock

In July 2021, upon stockholder approval, the Company amended its certificate of incorporation to authorize 5,000,000 shares of preferred stock, par value $0.01 per share. As of December 31, 2022 and 2021, no shares of preferred stock were issued or outstanding.

Warrant

In connection with the 2019 credit facility (see Note 4) the Company issued the lender a warrant to purchase 71,168 shares of Common Stock at an exercise price of £1.09081 per share. The warrant was exercisable at any time through the

tenth anniversary of issuance. The warrant was classified as a liability as its strike price is in a currency other than the Company's functional currency. The warrant was recorded at fair value at the end of each reporting period with changes from the prior balance sheet date recorded on the consolidated statements of operations (see Note 7).

In a cashless settlement in August 2021, the lender fully exercised the warrant in exchange for 64,603 shares of common stock.

Stock Incentive Plans

The Company adopted the MaxCyte, Inc. Long-Term Incentive Plan (the "2016 Plan") in January 2016 to provide for the awarding of (i) stock options, (ii) restricted stock, (iii) incentive shares, and (iv) performance awards to employees, officers, and directors of the Company and to other individuals as determined by the board of directors.

In December 2021, the Company adopted the MaxCyte, Inc. 2021 Inducement Plan (the "Inducement Plan") to provide for the awarding of (i) non-qualified stock options; (ii) stock appreciation rights; (iii) restricted stock awards; (iv) restricted stock unit awards; (v) performance awards; and (vi) other awards only to persons eligible to receive grants of awards who satisfy the standards for inducement grants under Nasdaq Marketplace Rule 5635(c)(4) or 5635(c)(3), if applicable, and the related guidance under Nasdaq IM 5635-1. The board of directors reserved 2,500,000 shares for issuance under the Inducement Plan, and as of December 31, 2021 no awards had been granted. As of December 31, 2022, options to purchase 855,900 shares had been granted under the Inducement Plan.

In May 2022, the Company's board of directors adopted, and in June 2022 the Company's stockholders approved, the MaxCyte, Inc. 2022 Equity Incentive Plan (the "2022 Plan") to provide for the awarding of (i) incentive stock options, (ii) non-qualified stock options, (iii) stock appreciation rights, (iv) restricted stock awards, (v) restricted stock unit awards, (vi) performance awards, and (vii) other awards. Following the approval of the 2022 Plan, no additional awards can be granted under the 2016 Plan or the Inducement Plan, but all outstanding awards will continue to remain subject to the terms of the applicable plan.

Upon the effectiveness of the 2022 Plan, a total of 3,692,397 shares were initially reserved for issuance pursuant to future awards under the 2022 Plan, consisting of 1,928,000 new shares and 1,764,397 shares previously available under the 2016 Plan. If and to the extent that outstanding options under the 2016 Plan or the Inducement Plan are forfeited, the shares underlying such forfeited options will become available for issuance under the 2022 Plan.

The Company has not issued performance awards under any plan.

Stock Option Activity

A summary of stock option activity for the years ended December 31, 2022 and 2021 is as follows:

	Number of Options	Weighted Average Exercise Price	Weighted-Average Remaining Contractual Life (in years)	Aggregate Intrinsic Value
Outstanding at December 31, 2020	12,864,230	$ 2.11	7.1	$ 65,576,300
Granted	4,117,956	13.96		
Exercised	(2,490,629)	1.44		$ 25,133,200
Forfeited	(2,057,818)	4.54		
Outstanding at December 31, 2021	12,433,739	$ 6.03	7.5	$ 66,547,300
Granted	4,408,400	6.45		
Exercised	(1,195,208)	2.38		$ 4,163,300
Forfeited	(1,285,839)	7.31		
Outstanding at December 31, 2022	14,361,092	5.94	7.2	$ 23,825,000
Exercisable at December 31, 2022	7,653,735	$ 4.15	5.8	$ 21,348,700

The weighted-average fair value of the options granted during the years ended December 31, 2022 and 2021 was estimated to be $3.48 and $7.39, respectively.

The value of a stock option is recognized as expense on a straight-line basis over the requisite service period. As of December 31, 2022, total unrecognized compensation expense for outstanding stock options was $26,287,100, which will be recognized over the next 2.7 years.

Restricted Stock Unit Activity

During the year ended December 31, 2022, the Company issued restricted stock unit awards ("RSUs") under the 2022 Plan. Each RSU represents the contingent right to receive one share of common stock. The Company had not issued RSUs in any prior period.

RSUs activity for the year ended December 31, 2022 is presented below:

	Number of RSUs	Weighted Average Market Price	Weighted-Average Remaining Contractual Life (in years)
Outstanding at January 1, 2022	—	$ —	
Granted	662,900	5.56	
Forfeited	(19,300)	5.39	
Outstanding at December 31, 2022	643,600	5.57	3.2
Exercisable at December 31, 2022	—	$ —	

The weighted-average fair value of the RSUs granted during the year ended December 31, 2022 was $5.56.

The value of an RSU is recognized as expense on a straight-line basis over the requisite service period. As of December 31, 2022, total unrecognized compensation expense for outstanding RSUs was $2,914,700, which will be recognized over the next 2.1 years.

Stock-based Compensation Expense

Stock-based compensation expense recognized in connection with stock options and RSUs for the years ended December 31, 2022 and 2021 was classified as follows on the consolidated statements of operations:

	Year Ended December 31,	
	2022	2021
General and administrative	$ 5,621,400	$ 4,609,900
Research and development	3,614,200	1,894,100
Sales and marketing	2,516,800	1,454,800
Total	$ 11,752,400	$ 7,958,800

6. Consolidated Balance Sheet Components

Inventory

The following tables show the components of inventory:

	December 31, 2022	December 31, 2021
Raw materials inventory	$ 5,650,500	$ 2,684,100
Finished goods inventory	2,930,300	2,520,500
Total inventory	$ 8,580,800	$ 5,204,600

The Company determined no allowance for obsolescence was necessary at December 31, 2022 or 2021.

Property and Equipment, Net

Property and equipment, net comprised the following:

	December 31, 2022	December 31, 2021
Leasehold improvements	$ 14,195,500	$ 641,400
Furniture and equipment	9,516,500	4,914,500
Internal-use software	3,220,500	2,125,600
Instruments	2,440,300	3,208,900
Construction and internal-use software in process	627,400	1,163,200
Accumulated depreciation and amortization	(6,275,500)	(4,372,400)
Property and equipment, net	$ 23,724,700	$ 7,681,200

For the years ended December 31, 2022 and 2021, the Company transferred $265,300 and $517,000, respectively, of instruments previously classified as inventory to property and equipment leased to customers.

For the years ended December 31, 2022 and 2021, the Company incurred depreciation and amortization expense of $2,697,900 and $1,423,900, respectively.

Maintenance and repairs are charged to expense as incurred.

7. Fair Value

The Company's consolidated balance sheets include various financial instruments (primarily cash and cash equivalents, short-term investments, accounts receivable and accounts payable) that are carried at cost, which approximates fair value due to the short-term nature of the instruments.

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company had an outstanding warrant accounted for as a liability and measured at fair value on a recurring basis, using Level 3 inputs. The lender exercised the warrant, in whole, in August 2021 (see Note 5). The Company did not have any outstanding warrants at December 31, 2022 and 2021.

The following table presents the activity for those items measured at fair value on a recurring basis using Level 3 inputs for the year ended December 31, 2021:

	Mark-to-market liabilities — warrant
	Year Ended December 31, 2021
Balance at January 1	$ 441,200
Issuance	—
Change in fair value	645,400
Exercise of warrant	(1,086,600)
Balance at December 31	$ —

The gains and losses resulting from the changes in the fair value of the liability classified warrant were classified as other income or expense in the accompanying 2021 consolidated statements of operations. The fair value of the warrant was determined based on the Black-Scholes option pricing model or other option pricing models as appropriate and included the use of unobservable inputs such as the expected term, anticipated volatility and expected dividends.

The Company has no other financial assets or liabilities measured at fair value on a recurring basis.

Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

Money market funds, commercial paper and corporate debt instruments classified as held-to-maturity are measured at fair value on a non-recurring basis when they are deemed to be impaired on an other-than-temporary basis. No such fair value impairment was recognized during the years ended December 31, 2022 or 2021.

The following table summarizes the Company's financial instruments that were measured at fair value on a non-recurring basis at December 31, 2022:

Description	Classification	Amortized cost	Gross unrecognized holding gains	Gross unrecognized holding losses	Aggregate fair value
Money market funds and cash equivalents	Cash equivalents	$ 5,741,800	$ —	$ —	$ 5,741,800
Commercial paper	Short-term investments	172,740,700	156,400	(235,700)	172,661,400
Corporate debt	Short-term investments	5,792,000	—	(42,700)	5,749,300
US Treasury securities and government agency bonds	Short-term investments	37,742,200	4,500	(196,100)	37,550,600
Total cash equivalents and short-term investments		$ 222,016,700	$ 160,900	$ (474,500)	$ 221,703,100

The following table summarizes the Company's financial instruments that were measured at fair value on a non-recurring basis at December 31, 2021:

Description	Classification	Amortized cost	Gross unrecognized holding gains	Gross unrecognized holding losses	Aggregate fair value
Money market funds	Cash equivalents	$ 19,341,500	$ —	$ —	$ 19,341,500
Commercial paper	Cash equivalents	25,492,200	4,400	—	25,496,600
Corporate debt	Short-term investments	4,909,200	—	(1,800)	4,907,400
Commercial paper	Short-term investments	202,352,200	22,900	—	202,375,100
Total cash equivalents and short-term investments		$ 252,095,100	$ 27,300	$ (1,800)	$ 252,120,600

Non-Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The Company has no non-financial assets and liabilities that are measured at fair value on a recurring basis.

Non-Financial Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company measures its long-lived assets, including property and equipment, at fair value on a non-recurring basis. These assets are recognized at fair value when they are deemed to be impaired. No such fair value impairment was recognized during the years ended December 31, 2022 or 2021.

8. Income Taxes

The Company's provision (benefit) for income taxes in 2022 and 2021 consisted of the following:

	December 31, 2022	December 31, 2021
Current provision (benefit):		
Federal	$ —	$ —
State	—	—
Total current provision	—	—
Deferred tax provision (benefit):		
Federal	(2,581,400)	(7,780,600)
State	(659,100)	(702,100)
Change in valuation allowance	3,240,500	8,482,700
Total deferred provision	—	—
Total provision (benefit) for income taxes	$ —	$ —

The Company is required to establish a valuation allowance for deferred tax assets if, based on the weight of available evidence, it is more likely than not that some or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. The Company considers projected future taxable income and tax planning strategies in making this assessment. As of December 31, 2022 and 2021, the Company established a full valuation allowance against its net deferred tax assets.

Net deferred tax assets as of December 31, 2022 and 2021 are presented in the table below:

	December 31, 2022	December 31, 2021
Deferred tax assets:		
Net operating loss carryforwards	$ 22,297,700	$ 22,306,600
Research and experimental expenditures	3,733,100	—
Stock-based compensation	5,649,200	3,177,500
Deferred revenue	1,807,600	1,873,100
Lease liability	4,135,100	1,478,800
Tenant incentive	1,329,500	—
Accruals and other	1,250,200	1,103,900
Deferred tax liabilities:		
ROU asset	(2,531,600)	(1,480,700)
Depreciation	(4,605,300)	(70,100)
	33,065,500	28,389,100
Valuation allowance	(33,065,500)	(28,389,100)
Net deferred tax assets	$ —	$ —

The difference between the expected income tax provision (benefit) from applying the U.S. Federal statutory rate to pre-tax income (loss) and the actual income tax provision (benefit) for the years ended December 31, 2022 and 2021 relates primarily to the effect of the following:

	Year Ended December 31, 2022	Year Ended December 31, 2021
Federal income taxes (benefit) at statutory rates	$ (4,949,900)	$ (4,007,300)
State income taxes (benefit), net of Federal benefit	(968,200)	(959,100)
Excess tax benefits	(562,900)	(6,082,100)
Permanent differences, rate changes and other	3,240,500	2,565,800
Change in valuation allowance	3,240,500	8,482,700
Total Income Tax Expense	$ —	$ —

On August 16, 2022, the U.S. Inflation Reduction Act of 2022 (the "Inflation Reduction Act") was signed into law. The Inflation Reduction Act includes, among other provisions, (i) a new corporate alternative minimum tax of 15 percent on the adjusted financial statement income (AFSI) of corporations with average AFSI exceeding $1.0 billion over a three-year period, and (ii) a new excise tax of 1 percent on the fair market value of net corporate stock repurchases. The provisions of the Inflation Reduction Act are effective for tax years beginning after December 31, 2022. The Company does not expect the Inflation Reduction Act to have a material impact on its provision for income taxes.

The Tax Cuts and Jobs Act of 2017 (TCJA) amended IRC Section 174 to require capitalization of all research and developmental ("R&D") costs incurred in tax years beginning after December 31, 2021. These costs are required to be amortized over five years if the R&D activities are performed in the United States or over 15 years if the activities were performed outside the United States. The Company capitalized approximately $16.1 million of R&D expenses incurred during the year ended December 31, 2022.

9. Commitments and Contingencies

Leases

Operating Leases

The Company was a party to various leases for office and laboratory and other space that were terminated in 2022. One portion of leased space was an operating lease (the "Original Headquarters Lease"), which was originally scheduled to expire in October 2023. The Original Headquarters Lease was early terminated as allowed for under the lease on June 9, 2022. The Company was also a sublessee of certain additional office, laboratory, and other space under several subleases (the "Original Headquarters Subleases") that were originally scheduled to expire in October 2023, all of which were terminated as allowed for under the subleases on various dates between June and August 2022.

A member of the Company's board of directors is the Chief Executive Officer and a member of the board of directors of the sublandlord under the Original Headquarters Subleases, and the Company's Chairman is also a member of the sublandlord's board of directors. The Company's rent payments to the sublandlord totaled $296,300 and $692,000 in the years ended December 31, 2022 and 2021, respectively.

In May 2021, the Company entered into a lease for its new headquarters (the "New Headquarters Lease"), consisting of an operating lease agreement, as amended, for new office, laboratory, manufacturing and other space. The New Headquarters Lease consists of three phases, with Phase 1 having commenced in December 2021 and Phase 2 having commenced in the first quarter of 2022. Phase 3 will commence no later than November 1, 2023. The current lease term for all phases will expire on August 31, 2035. The Company designed and constructed the leasehold improvements with the approval of the landlord. The New Headquarters Lease agreement includes a landlord-provided tenant improvement allowance ("TIA") of $6.3 million to offset the cost of construction of leasehold improvements. As of December 31, 2022, the Company had received TIA reimbursements of $4.3 million. Under the New Headquarters Lease, the Company has three five-year options to extend the term of the lease. However, the Company is not reasonably certain to exercise any of these options.

The initial monthly base rents for Phases 1 and 2 are $66,000 and $72,100, respectively, with such base rent increasing during the initial term by 3% annually on the anniversary of the commencement date. The Company is obligated to pay its portion of real estate taxes and costs related to the lease premises, including costs of operations, maintenance, repair, replacement and management of the new leased premises. The Phase 1 and 2 lease commencements resulted in the Company establishing approximately $10.3 million of ROU assets and $10.2 million of lease liabilities. The Company used an incremental borrowing rate of 6.5% in calculating its Phase 1 and 2 lease liability. The total incremental non-cancellable lease payments under the New Headquarters Lease are approximately $29.6 million over the lease term.

Finance Leases

In 2020, the Company entered into a three-year laboratory equipment lease that provided for monthly payments of approximately $9,200 per month and included an end of lease bargain purchase option. The lease was classified as a finance lease. The Company used a discount rate of 5.5% in calculating its lease liability under this finance lease resulting in the establishment of approximately a $301,700 ROU asset and offsetting lease liabilities.

In August 2021, the Company exercised its purchase option under the finance lease and acquired the associated leased laboratory equipment. At December 31, 2022 and 2021, the Company had no ROU finance asset or lease liability.

All Leases

The components of lease cost and balance sheet information for the Company's lease portfolio were as follows:

	Year ended December 31, 2022	Year ended December 31, 2021
Finance lease cost		
Amortization of right-of-use asset	$ —	$ 55,600
Interest expense	—	7,000
Operating lease cost	1,623,500	714,100
Short-term lease cost	47,400	43,300
Variable lease cost	530,200	302,400
Total lease cost	$ 2,201,100	$ 1,122,400

	As of December 31, 2022	As of December 31, 2021
Operating leases		
Assets:		
Operating lease right-of-use assets	$ 9,853,500	$ 5,689,300
Liabilities		
Current portion of operating lease liabilities	$ 156,800	$ 527,200
Operating lease liabilities, net of current portion	15,938,100	5,154,900
Total operating lease liabilities	$ 16,094,900	$ 5,682,100
Other information		
Weighted-average remaining lease term (in years)	12.7	11.7
Weighted-average discount rate	6.5%	6.6%

As of December 31, 2022, maturities of lease liabilities that had commenced prior to December 31, 2022 were as follows:

	Operating Leases
2023	$ 1,226,700
2024	1,734,500
2025	1,777,700
2026	1,822,100
2027	1,867,700
2028 and thereafter	15,963,200
Total undiscounted lease payments	24,391,900
Discount factor	(8,297,000)
Present value of lease liabilities	$ 16,094,900

401(k) Retirement Plan

The Company sponsors a defined-contribution 401(k) retirement plan covering eligible employees. Participating employees may voluntarily contribute up to limits provided by the Internal Revenue Code of 1986, as amended. The Company matches employee contributions equal to 50% of the salary deferral contributions, with a maximum Company contribution of 5% of the employees' eligible compensation. In the years ended December 31, 2022 and 2021, Company matching contributions amounted to $723,100 and $378,900, respectively.

Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.

None.

Item 9A. Controls and Procedures.

Evaluation of Disclosure Controls and Procedures

We carried out an evaluation, under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of our "disclosure controls and procedures" as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act as of December 31, 2022, the end of the period covered by this Annual Report. The term "disclosure controls and procedures," as defined in Rules 13a-15(e) and 15d-15(e) under 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, or persons performing similar functions, 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. Based on our evaluation, our Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as of December 31, 2022, at the reasonable assurance level.

Management's Annual Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act). Under the supervision and with the participation of our management, including our principal executive officer and principal financial officer, we conducted an assessment of the effectiveness of our internal control over financial reporting as of December 31, 2022 based on the criteria set forth in Internal Control – Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013). Based on this assessment, management has concluded that our internal control over financial reporting was effective as of December 31, 2022 to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with U.S. GAAP.

This Annual Report on Form 10-K does not include an attestation report of our independent registered public accounting firm on internal control over financial reporting due to the deferral allowed under the JOBS Act for emerging growth companies.

Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting (as defined in Rule 13a-15(f) under the Exchange Act) during the fourth quarter of 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Item 9B. Other Information.

None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections.

None.

PART III

We will file a definitive Proxy Statement for our 2023 Annual Meeting of Stockholders (the "2023 Proxy Statement") with the SEC, pursuant to Regulation 14A, not later than 120 days after the end of our fiscal year. Accordingly, certain information required by Part III has been omitted under General Instruction G(3) to Form 10-K. Only those sections of the 2023 Proxy Statement that specifically address the items set forth herein are incorporated by reference.

Item 10. Directors, Executive Officers and Corporate Governance.

The information required by this item is hereby incorporated by reference to the sections of the 2023 Proxy Statement under the captions "Information Regarding the Board of Directors and Corporate Governance," "Election of Directors," and "Executive Officers."

Item 11. Executive Compensation.

The information required by this item is hereby incorporated by reference to the sections of the 2023 Proxy Statement under the captions "Executive Compensation" and "Director Compensation."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.

The information required by this item is hereby incorporated by reference to the sections of the 2023 Proxy Statement under the captions "Security Ownership of Certain Beneficial Owners and Management" and "Securities Authorized for Issuance under Equity Compensation Plans."

Item 13. Certain Relationships and Related Transactions, and Director Independence.

The information required by this item is hereby incorporated by reference to the sections of the 2023 Proxy Statement under the captions "Transactions with Related Persons" and "Independence of the Board of Directors."

Item 14. Principal Accountant Fees and Services.

The information required by this item is hereby incorporated by reference to the sections of the 2023 Proxy Statement under the caption "Ratification of Selection of Independent Auditors."

PART IV

Item 15. Exhibits and Financial Statement Schedules.

(a) The following documents are filed as part of this Annual Report on Form 10-K:

(1) Financial Statements

The financial statements filed as part of this Annual Report are included in Part II, Item 8 of this Annual Report.

(2) Financial Statement Schedules

Financial statement schedules have been omitted in this Annual Report because they are not applicable, not required under the instructions or the information requested is set forth in the financial statements or related notes thereto.

(3) List of Exhibits required by Item 601 of Regulation S-K

See the Exhibit Index in Item 15(b) below.

(b) Exhibit Index.

		Incorporated by Reference			
Exhibit Number	Description	Form	File No.	Exhibit	Filing Date
3.1	Amended and Restated Bylaws of the Registrant.	8-K	001-40674	3.1	August 4, 2021
3.2	Fifteenth Amended and Restated Certificate of Incorporation.	S-1	333-257810	3.1	July 26, 2021
4.1	Description of Certain of Registrant's Securities.	10-K	001-40674	4.1	March 22, 2022
10.1#	MaxCyte, Inc. Long-Term Incentive Plan.	S-1/A	333-257810	10.1	July 26, 2021
10.2#	Form of New Hire Stock Option Agreements under the MaxCyte, Inc. Long-Term Incentive Plan.	S-1/A	333-257810	10.2	July 26, 2021
10.3#	Form of Performance Stock Option Agreements under the MaxCyte, Inc. Long-Term Incentive Plan.	S-1/A	333-257810	10.3	July 26, 2021
10.4#	Form of Director Stock Option Agreements under the MaxCyte, Inc. Long-Term Incentive Plan.	S-1/A	333-257810	10.4	July 26, 2021
10.5#	MaxCyte, Inc. Inducement Plan.	10-K	001-40674	10.5	March 22, 2022
10.6#	MaxCyte, Inc. Form of Stock Option Grant Notice (2021 Inducement Plan), dated as of January 1, 2022.	10-Q	001-40674	10.4	August 10, 2022
10.7#	Form of 2022 Employee Stock Purchase Plan.	S-8	333-266133	99.2	July 14, 2022
10.8#	Form of Indemnification Agreement by and between the Registrant and each director and executive officer.	S-1/A	333-257810	10.8	July 26, 2021
10.9#	MaxCyte, Inc. 2022 Equity Incentive Plan.	8-K	001-40674	10.1	June 30, 2022
10.10#	MaxCyte, Inc. Form of RSU Award Grant Notice (2022 Equity Incentive Plan), dated as of July 19, 2022.	10-Q	001-40674	10.5	August 10, 2022
10.11#	MaxCyte, Inc. Form of Stock Option Grant Notice (2022 Equity Incentive Plan), dated as of July 19, 2022.	10-Q	001-40674	10.6	August 10, 2022
10.12#	Severance Agreement, dated July 20, 2021, between the Registrant and Doug Doerfler.	S-1/A	333-257810	10.13	July 26, 2021
10.13#	Separation Agreement, by and between the Company and Amanda Murphy, dated as of May 6, 2022.	10-Q	001-40674	10.2	August 10, 2022
10.14#	Consulting Agreement, by and between the Company and Amanda Murphy, effective as of April 15, 2022.	10-Q	001-40674	10.3	August 10, 2022
10.15*#	Severance Agreement, dated March 8, 2017, between the Registrant and Ron Holtz.				
10.16*	Deed of Lease, dated as of May 27, 2021, between Key West MD Owner LLC and Registrant.				
10.17*	Amendment to Deed of Lease, dated as of November 16, 2021, between Key West MD Owner LLC and Registrant.				
21.1*	Subsidiaries of the Registrant.				
23.1*	Consent of Independent Registered Public Accounting Firm.				
24.1*	Power of Attorney (contained on the signature page to this Form 10-K).				
31.1*	Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
31.2*	Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.				
32.1@	Certification of Principal Executive Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
32.2@	Certification of Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.				
101.INS*	Inline XBRL Instance Document.				
101.SCH*	XBRL Taxonomy Extension Schema Document				
101.CAL*	XBRL Taxonomy Extension Calculation Linkbase Document				
101.DEF*	XBRL Taxonomy Extension Definition Linkbase Document				
101.LAB*	XBRL Taxonomy Extension Label Linkbase Document				
101.PRE*	XBRL Taxonomy Extension Presentation Linkbase Document				

104*	Cover Page Interactive Data File (formatted as inline XBRL with applicable taxonomy extension information contained in Exhibits 101.SCH, 101.CAL, 101.DEF, 101.LAB and 101.PRE).

* Filed herewith.

# Indicates management contract or compensatory plan.

@ This exhibit shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act of 1934, whether made before or after the date hereof and irrespective of any general incorporation language in such filings.

Item 16. Form 10-K Summary

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

MaxCyte Inc.

Date: March 15, 2023

By: /s/ Douglas Doerfler
Name: Douglas Doerfler
Title: President and Chief Executive Officer
(On Behalf of the Registrant)

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints Doug Doerfler and Maher Masoud, jointly and severally, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in his or her name, place and stead, in any and all capacities, to sign this Annual Report on Form 10-K of MaxCyte, Inc., and any or all amendments thereto, and to file the same, with all exhibits thereto, and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents full power and authority to do and perform each and every act and thing requisite or necessary to be done in and about the premises hereby ratifying and confirming all that said attorneys-in-fact and agents, or his, her or their substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Douglas Doerfler Douglas Doerfler	President, Chief Executive Officer and Director *(Principal Executive Officer)*	March 15, 2023
/s/ Ron Holtz Ron Holtz	Chief Financial Officer *(Principal Financial Officer and Principal Accounting Officer)*	March 15, 2023
/s/ Richard Douglas Richard Douglas, PhD	Chairman of the Board of Directors	March 15, 2023
/s/ Yasir Al-Wakeel Yasir Al-Wakeel, BM BCh	Director	March 15, 2023
/s/ Patrick J. Balthrop, Sr. Patrick J. Balthrop, Sr.	Director	March 15, 2023
/s/ Will Brooke Will Brooke	Director	March 15, 2023
/s/ Stanley C. Erck Stanley C. Erck	Director	March 15, 2023
/s/ Rekha Hemrajani Rekha Hemrajani	Director	March 15, 2023
/s/ John Johnston John Johnston	Director	March 15, 2023
/s/ Art Mandell Art Mandell	Director	March 15, 2023

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BOARD OF DIRECTORS

Doug Doerfler, Director
President and Chief Executive Officer

Richard Douglas, Chairman of the Board of Directors

Yasir Al-Wakeel, Director
Chief Financial Officer and Head of Corporate Development, Kronos Bio, Inc.

Patrick J. Balthrop, Director

Will Brooke, Director

Stan Erck, Director

Rekha Hemrajani, Director

John Johnston, Director

Art Mandell, Director

EXECUTIVE OFFICERS

Doug Doerfler
President and Chief Executive Officer

Douglas Swirsky
Chief Financial Officer

Ron Holtz
Executive Vice President, Administration

Thomas M. Ross
Executive Vice President, Global Sales and Marketing

Maher Masoud
Executive Vice President, General Counsel and Secretary

Cenk Sumen
Chief Scientific Officer

CORPORATE HEADQUARTERS

MaxCyte, Inc.
9713 Key West Avenue, Suite 400
Rockville, Maryland 20850

T: (301) 944-1700
www.maxcyte.com

COMMON STOCK LISTING

Nasdaq Global Select Market
Ticker Symbol: MXCT

ANNUAL MEETING OF STOCKHOLDERS

Tuesday, June 22, 2023, at 11:00 a.m. Eastern Time
at: *www.proxyvote.com*

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company, N.A.
150 Royall Street
Canton, MA 02021

LEGAL COUNSEL

Cooley LLP
Reston, VA

INDEPENDENT AUDITORS

CohnReznick LLP,
800 Towers Crescent Drive, Suite 1000,
Tysons, Virginia, U.S.A.

INVESTOR RELATIONS

MaxCyte, Inc.
Investor Relations
9713 Key West Avenue, Suite 400,
Rockville, Maryland 20850
E: ir@maxcyte.com
T: (301) 944-1700

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MAXCYTE, INC.
9713 Key West Avenue, Suite 400
Rockville, Maryland 20850

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To Be Held On June 22, 2023

Dear Stockholder:

You are cordially invited to attend the 2023 Annual Meeting of Stockholders (the "***Annual Meeting***") of **MaxCyte, Inc.**, a Delaware corporation (the "***Company***"). The meeting will be held on Thursday, June 22, 2023 at 11:00 a.m. Eastern Time at 9713 Key West Avenue, Suite 400, Rockville, MD 20850. The meeting will be held for the following purposes:

1. To elect the Board's three nominees, Patrick J. Balthrop, Sr., Stanley C. Erck and Art Mandell, to the Board of Directors to hold office until the 2026 Annual Meeting of Stockholders.

2. To approve an amendment and restatement of the MaxCyte, Inc. 2022 Equity Incentive Plan (the "2022 Plan").

3. To ratify the selection by the Audit Committee of the Board of Directors of CohnReznick LLP as the independent registered public accounting firm of the Company for its fiscal year ending December 31, 2023.

4. To conduct any other business properly brought before the meeting.

These items of business are more fully described in the Proxy Statement accompanying this Notice.

The record date for the Annual Meeting is April 24, 2023. Only stockholders of record at the close of business on that date may vote at the meeting or any adjournment thereof.

Important Notice Regarding the Availability of Proxy Materials for the Stockholders' Meeting to Be Held on Thursday, June 22, 2023 at 9713 Key West Avenue, Suite 400, Rockville, MD 20850:

The proxy statement and annual report to stockholders are available at www.proxyvote.com.

By Order of the Board of Directors

Maher Masoud
Secretary

Rockville, Maryland
April 28, 2023

You are cordially invited to attend the meeting in person. Whether or not you expect to attend the meeting, please complete, date, sign and return the enclosed proxy, or vote over the telephone or the internet as instructed in these materials, as promptly as possible in order to ensure your representation at the meeting. A return envelope (which is postage prepaid if mailed in the United States) has been provided for your convenience. Even if you have voted by proxy, you may still vote in person if you attend the meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the meeting, you must obtain a proxy issued in your name from that record holder.

MAXCYTE, INC.
9713 Key West Avenue, Suite 400
Rockville, Maryland 20850

PROXY STATEMENT
FOR THE 2023 ANNUAL MEETING OF STOCKHOLDERS

To Be Held On June 22, 2023

PROXY SUMMARY

In this Proxy Statement, we refer to MaxCyte, Inc. as the "Company," "MaxCyte," "we," or "us" and the Board of Directors as our "Board." When we refer to MaxCyte's fiscal year, we mean the year ended December 31 of the stated year. This summary highlights information contained elsewhere in this Proxy Statement. This summary does not contain all of the information you should consider and you should read the entire Proxy Statement before voting.

MEETING AGENDA

Proposals	Page	Voting Standard	Board Recommendation
Election of Directors	6	Plurality	For each director nominee
Approval of an amendment and restatement of the 2022 Plan	17	Majority of shares present in person or represented by proxy and entitled to vote on the matter	For
Ratification of the selection of CohnReznick LLP as the Company's independent registered public accounting firm for fiscal 2023	28	Majority of shares present in person or represented by proxy and entitled to vote on the matter	For

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QUESTIONS AND ANSWERS ABOUT THESE PROXY MATERIALS AND VOTING

Why am I receiving these materials?

We have sent you these proxy materials because the Board of Directors (the "***Board***") of MaxCyte, Inc. (sometimes referred to as the "***Company***" or "***MaxCyte***") is soliciting your proxy to vote at the 2023 Annual Meeting of Stockholders (the "***Annual Meeting***"), including at any adjournments or postponements of the meeting. You are invited to attend the Annual Meeting to vote on the proposals described in this proxy statement. However, you do not need to attend the meeting to vote your shares. Instead, you may simply complete, sign and return the enclosed proxy card, or follow the instructions below to submit your proxy over the telephone or through the internet.

We intend to mail these proxy materials on or about May 3, 2023 to all stockholders of record entitled to vote at the Annual Meeting.

How do I attend the Annual Meeting?

The meeting will be held on Thursday, June 22, 2023 at 11:00 a.m. Eastern Time at 9713 Key West Avenue, Suite 400, Rockville, MD 20850. Information on how to vote in person at the Annual Meeting is discussed below.

Who can vote at the Annual Meeting?

Only stockholders of record at the close of business on April 24, 2023 will be entitled to vote at the Annual Meeting. On the record date, there were 103,050,899 shares of common stock outstanding and entitled to vote.

Stockholder of Record: Shares Registered in Your Name

If on April 24, 2023 your shares were registered directly in your name with MaxCyte's transfer agent, Computershare Trust Company N.A. ("***Computershare***"), then you are a stockholder of record. As a stockholder of record, you may vote in person at the meeting or vote by proxy. Whether or not you plan to attend the meeting, we urge you to fill out and return the enclosed proxy card or vote by proxy over the telephone or on the internet as instructed below to ensure your vote is counted.

Beneficial Owner: Shares Registered in the Name of a Broker or Bank

If on April 24, 2023 your shares were held, not in your name, but rather in an account at a brokerage firm, bank or other similar organization, then you are the beneficial owner of shares held in "street name" and these proxy materials are being forwarded to you by that organization. The organization holding your account is considered to be the stockholder of record for purposes of voting at the Annual Meeting. As a beneficial owner, you have the right to direct your broker, bank or other agent regarding how to vote the shares in your account. You are also invited to attend the Annual Meeting. However, since you are not the stockholder of record, you may not vote your shares in person at the meeting unless you request and obtain a valid proxy from your broker, bank or other agent.

What am I voting on?

There are three matters scheduled for a vote:

- Election of three directors (Proposal 1);
- Approval of an amendment and restatement of the 2022 Plan (Proposal 2); and
- Ratification of selection by the Audit Committee of the Board of CohnReznick LLP as independent registered public accounting firm of the Company for its fiscal year ending December 31, 2023 (Proposal 3).

What if another matter is properly brought before the meeting?

The Board knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on those matters in accordance with their best judgment.

How do I vote?

You may either vote "For" all the nominees to the Board or you may "Withhold" your vote for any nominee you specify. For each of the other matters to be voted on, you may vote "For" or "Against" or abstain from voting.

The procedures for voting are fairly simple:

Stockholder of Record: Shares Registered in Your Name

If you are a stockholder of record, you may vote at the Annual Meeting, vote by proxy using the enclosed proxy card, vote by proxy over the telephone or vote by proxy through the internet. Whether or not you plan to attend the meeting, we urge you to vote by proxy to ensure your vote is counted. You may still attend the meeting and vote at the meeting even if you have already voted by proxy.

- To vote in person, come to the Annual Meeting and we will give you a ballot when you arrive.
- To vote ***prior*** to the Annual Meeting (until 11:59 p.m. Eastern Time on Wednesday, June 21, 2023), you may vote via the internet, by telephone or by completing and returning the proxy card or voting instruction form, each as described below.
  - To vote through the **internet** prior to the meeting, go to www.proxyvote.com and follow the instructions to submit your vote on an electronic proxy card. You will be asked to provide the company number and Control Number from the Notice. Your internet vote must be received by 11:59 p.m. Eastern Time on Wednesday, June 21, 2023 to be counted.
  - To vote over the **telephone**, dial toll-free 1-800-690-6903 using a touch-tone phone and follow the recorded instructions. You will be asked to provide the company number and Control Number from the **Notice**. Your telephone vote must be received by 11:59 p.m. Eastern Time on Wednesday, June 21, 2023 to be counted.
  - To vote using the **proxy card**, simply complete, sign and date the enclosed proxy card and return it promptly in the envelope provided. If you return your signed proxy card to us before the Annual Meeting, we will vote your shares as you direct. You should mail your signed proxy card sufficiently in advance for it to be received by Wednesday, June 21, 2023.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If you are a beneficial owner of shares registered in the name of your broker, bank or other agent, you should have received a voting instruction form with these proxy materials from that organization rather than from MaxCyte. Simply complete and mail the voting instruction form to ensure that your vote is counted. Alternatively, you may vote by telephone or over the internet as instructed by your broker or bank. To vote at the Annual Meeting, you may be required to obtain a valid proxy from your broker, bank or other agent. Follow the instructions from your broker, bank or other agent included with these proxy materials, or contact that organization to request a proxy form.

Internet proxy voting is provided to allow you to vote your shares online, with procedures designed to ensure the authenticity and correctness of your proxy vote instructions. However, please be aware that you must bear any costs associated with your internet access, such as usage charges from internet access providers and telephone companies.

How many votes do I have?

On each matter to be voted upon, you have one vote for each share of common stock you owned as of April 24, 2023.

If I am a stockholder of record and I do not vote, or if I return a proxy card or otherwise vote without giving specific voting instructions, what happens?

If you are a stockholder of record and do not vote by completing your proxy card, by telephone, through the internet or in person at the Annual Meeting, your shares will not be voted.

If you return a signed and dated proxy card or otherwise vote without marking voting selections, your shares will be voted, as applicable, "For" the election of all three nominees for director (Proposal 1), "For" the approval of an amendment and restatement of the 2022 Plan (Proposal 2) and "For" the ratification of CohnReznick as the independent registered public accounting firm for the fiscal year ending December 31, 2023 (Proposal 3). If any other matter is properly presented at the meeting, your proxyholder (one of the individuals named on your proxy card) will vote your shares using his or her best judgment.

If I am a beneficial owner of shares held in street name and I do not provide my broker or bank with voting instructions, what happens?

If you are a beneficial owner of shares held in street name and you do not instruct your broker, bank or other agent how to vote your shares, your broker, bank or other agent may still be able to vote your shares in its discretion. In this regard, under applicable rules, brokers, banks and other securities intermediaries may use their discretion to vote your "uninstructed" shares with respect to matters considered to be "routine" under such rules, but not with respect to "non-routine" matters. Proposals 1 and 2 are considered to be "non-routine" under such rules, meaning that your broker may not vote your shares on these proposals in the absence of your voting instructions. However, Proposal 3 is considered to be "routine" under such rules, meaning that if you do not return voting instructions to your broker by its deadline, your shares may be voted by your broker in its discretion on Proposal 3.

If you a beneficial owner of shares held in street name, and you do not plan to attend the meeting, in order to ensure your shares are voted in the way you would prefer, you must provide voting instructions to your broker, bank or other agent by the deadline provided in the materials you receive from your broker, bank or other agent.

Who is paying for this proxy solicitation?

We will pay for the entire cost of soliciting proxies. In addition to these proxy materials, our directors and employees may also solicit proxies in person, by telephone, or by other means of communication. Directors and employees will not be paid any additional compensation for soliciting proxies. We may also reimburse brokerage firms, banks and other agents for the cost of forwarding proxy materials to beneficial owners.

We have engaged D.F. King & Co., Inc. to assist us in the solicitation of proxies for the Annual Meeting. We expect to pay D.F. King a fee of approximately $20,000 plus out-of-pocket expenses. You may contact D.F. King at:

United Kingdom:

D.F. King Ltd
65 Gresham St,
London EC2V 7NQ, United Kingdom
Email: proxy@dfkingltd.com
Telephone: +44 20 7920 9700

United States:

D.F. King & Co., Inc.
48 Wall Street, 22nd Floor
New York, NY 10005
Email: mxct@dfking.com
Telephone: +1 212 269 5550

What does it mean if I receive more than one set of proxy materials?

If you receive more than one set of proxy materials, your shares may be registered in more than one name or in different accounts. Please follow the voting instructions on the proxy cards in the proxy materials to ensure that all of your shares are voted.

Can I change my vote after submitting my proxy?

Stockholder of Record: Shares Registered in Your Name

Yes. You can revoke your proxy at any time before the final vote at the meeting. If you are the record holder of your shares, you may revoke your proxy in any one of the following ways:

- You may submit another properly completed proxy card with a later date.
- You may grant a subsequent proxy by telephone or through the internet.
- You may send a timely written notice that you are revoking your proxy to MaxCyte's Secretary at 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850.
- You may attend the Annual Meeting and vote in person. Simply attending the meeting will not, by itself, revoke your proxy.

Your most current proxy card or telephone or internet proxy is the one that is counted.

Beneficial Owner: Shares Registered in the Name of Broker or Bank

If your shares are held by your broker, bank or other agent, you should follow the instructions provided by that organization.

When are stockholder proposals and director nominations due for next year's Annual Meeting?

To be considered for inclusion in next year's proxy materials, your proposal must be submitted in writing by January 2, 2024, to our Corporate Secretary at 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850. If you wish to nominate an individual for election at, or bring business other than through a stockholder proposal before, the 2024 Annual Meeting of Stockholders, you must deliver your notice to our Corporate Secretary at the address above between February 23, 2024 and March 24, 2024. In addition, stockholders who intend to solicit proxies in support of director nominees other than our Board's nominees must also comply with the additional requirements of the SEC's Rule 14a-19(b). In the event that next year's annual meeting is scheduled to be held before May 23, 2024, or after July 22, 2024, then you must deliver your notice to our Corporate Secretary at the foregoing address at least 90 days, but not more than 120 days, prior to the date of next year's annual meeting, or not more than 10 days after we publicly announce the date of next year's annual meeting. Your notice to the Corporate Secretary must set forth information specified in our Amended and Restated Bylaws, including your name and address and the number of shares of our stock that you beneficially own.

If you propose to bring business before an annual meeting other than a director nomination, your notice must also include, as to each matter proposed: 1) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting that business at the annual meeting; and 2) any material interest you have in that business. If you propose to nominate an individual for election as a director, your notice must also include, as to each person you propose to nominate for election as a director: 1) the name, age, business address and residence address of the person; 2) the principal occupation or employment of the person; 3) the number of shares of our stock that are owned of record and beneficially owned by the person; 4) the date or dates on which the shares were acquired and the investment intent of the acquisition; and 5) any other information concerning the person as would be required to be disclosed in a proxy statement soliciting proxies for the election of that person as a director in an election contest (even if an election contest is not involved), or that is otherwise required to be disclosed pursuant to Section 14 of the Securities Exchange Act of 1934 (the "***Exchange Act***"), and the rules and regulations promulgated under the Exchange Act, including the person's written consent to being named as a nominee and to serving as a director if elected. We may require any proposed nominee to furnish other information as we may reasonably require to determine the eligibility of the proposed nominee to serve as an independent director or that could be material to a reasonable stockholder's understanding of the independence, or lack of independence, of the proposed nominee.

For more information, and for more detailed requirements, please refer to our Amended and Restated Bylaws, filed as an exhibit to our most recent Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "***SEC***").

How are votes counted?

Votes will be counted by the inspector of election appointed for the meeting, who will separately count: with respect to Proposal 1, votes "For," "Withhold" and broker non-votes; and, with respect to Proposals 2

and 3, votes "For," "Against" and abstentions, as well as broker non-votes if applicable. Broker non-votes on Proposals 1 and 2 will have no effect and will not be counted towards the vote totals for these proposals. We do not expect broker non-votes on Proposal 3. Abstentions on Proposals 2 and 3 will be counted towards the vote totals for these proposals and will have the same effect as "Against" votes.

What are "broker non-votes"?

A "broker non-vote" occurs when your broker submits a proxy for the meeting with respect to "routine" matters but does not vote on "non-routine" matters because you did not provide voting instructions on these matters. These un-voted shares are counted as "broker non-votes." Proposals 1 and 2 are considered to be "non-routine" and we therefore expect broker non-votes on these proposals. However, because Proposal 3 is considered "routine," we do not expect broker non-votes on this proposal.

As a reminder, if you are a beneficial owner of shares held in street name, in order to ensure your shares are voted in the way you would prefer, you must provide voting instructions to your broker, bank or other agent by the deadline provided in the materials you receive from your broker, bank or other agent.

How many votes are needed to approve each proposal?

For the election of directors (Proposal 1), the three nominees receiving the most "For" votes from the holders of shares present in person or represented by proxy and entitled to vote on the election of directors will be elected. Only votes "For" will affect the outcome.

To be approved, Proposal 2, approval of an amendment and restatement of the 2022 Plan, must receive "For" votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter. If you mark your proxy to "Abstain" from voting, it will have the same effect as an "Against" vote. Broker non-votes will have no effect.

To be approved, Proposal 3, ratification of the selection of CohnReznick LLP as the Company's independent registered public accounting firm for the year ending December 31, 2023, must receive "For" votes from the holders of a majority of shares present in person or represented by proxy and entitled to vote on the matter. If you mark your proxy to "Abstain" from voting, it will have the same effect as an "Against" vote. Since brokers have authority to vote on your behalf with respect to Proposal 3, we do not expect broker non-votes on this proposal.

What is the quorum requirement?

A quorum of stockholders is necessary to hold a valid meeting. A quorum will be present if stockholders holding at least a majority of the outstanding shares entitled to vote are present at the meeting or represented by proxy. On the record date, there were 103,050,899 shares outstanding and entitled to vote. Thus, the holders of 51,525,450 shares must be present in person or represented by proxy at the meeting to have a quorum.

Your shares will be counted towards the quorum only if you submit a valid proxy (or one is submitted on your behalf by your broker, bank or other nominee) or if you vote at the meeting. Abstentions and broker non-votes will be counted towards the quorum requirement. If there is no quorum, either the chairperson of the meeting or the holders of a majority of shares present at the meeting or represented by proxy may adjourn the meeting to another date.

How can I find out the results of the voting at the Annual Meeting?

Preliminary voting results will be announced at the Annual Meeting. In addition, final voting results will be published in a current report on Form 8-K that we expect to file within four business days after the Annual Meeting.

What proxy materials are available on the internet?

The proxy statement and annual report to stockholders are available at www.proxyvote.com.

PROPOSAL 1

ELECTION OF DIRECTORS

MaxCyte's Board is divided into three classes. Each class has a three-year term. Vacancies on the Board may be filled only by persons elected by a majority of the remaining directors. A director elected by the Board to fill a vacancy in a class, including vacancies created by an increase in the number of directors, shall serve for the remainder of the full term of that class and until the director's successor is duly elected and qualified.

The Board presently has nine members. There are three directors in Class II whose term of office expires in 2023. Each of the three nominees listed below is currently a director of the Company. Mr. Erck and Mr. Mandell were previously elected by the stockholders. Mr. Balthrop was appointed by the Board in November 2022 and was identified by a third-party search firm for evaluation by the Nominating and Corporate Governance Committee of the Board. If elected at the Annual Meeting, each of these three nominees would serve until the 2026 annual meeting and until his successor has been duly elected and qualified, or, if sooner, until the director's death, resignation or removal. It is the Company's policy to encourage directors and nominees for director to attend the Annual Meeting, in person or telephonically. All of our directors attended the 2022 Annual Meeting of Stockholders.

Directors are elected by a plurality of the votes of the holders of shares present in person or represented by proxy and entitled to vote on the election of directors. Accordingly, the three nominees receiving the highest number of affirmative votes will be elected. Shares represented by executed proxies will be voted, if authority to do so is not withheld, for the election of the three nominees named below. If any nominee becomes unavailable for election as a result of an unexpected occurrence, shares that would have been voted for that nominee will instead be voted for the election of a substitute nominee proposed by MaxCyte. Each person nominated for election has agreed to serve if elected. The Company's management has no reason to believe that any nominee will be unable to serve.

The following is a brief biography of each nominee for director and each director whose term will continue after the Annual Meeting, including a discussion of the specific experience, qualifications, attributes or skills of each nominee and continuing director that led the Nominating and Corporate Governance Committee (the "***N&CG Committee***") of the Board to recommend that person as a nominee for director or that describes the reasons as to why the Company believes that the director should continue to serve on the Board.

The N&CG Committee seeks to assemble a board that, as a whole, possesses the appropriate balance of professional and industry knowledge, financial expertise and high-level management experience necessary to oversee and direct the Company's business. To that end, the N&CG Committee has identified and evaluated nominees in the broader context of the Board's overall composition, with the goal of recruiting members who complement and strengthen the skills of other members and who also exhibit integrity, collegiality, sound business judgment and other qualities that the N&CG Committee views as critical to effective functioning of the Board. To provide a mix of experience and perspective on the Board, the N&CG Committee also takes into account gender, age and ethnic diversity.

Nominees for Election for a Three-year Term Expiring at the 2026 Annual Meeting

***Art Mandell**, age 70*

Art Mandell has served on our Board since 2006. Mr. Mandell served as president and chief operating officer of Prestwick Pharmaceuticals, Inc. from 2005 to 2007. Prior to Prestwick, Mr. Mandell was president and chief executive officer and a director of Cellective Therapeutics, Inc. from 2004 to 2005, when it was acquired by Astra Zeneca/MedImmune. Before Cellective, Mr. Mandell served as president and chief executive officer and director of Stemron Corporation from 2001 to 2003, and as senior vice president and chief business officer of Human Genome Sciences, Inc. from 1997 to 2001. Mr. Mandell began his healthcare career at Syntex Pharmaceutical Corporation where he spent 14 years in various senior management positions both domestically and abroad. More recently, Mr. Mandell has provided consulting services to healthcare and technology companies. Mr. Mandell received his B.S. from San Jose State University and his M.B.A. from

Santa Clara University. Our Board believes Mr. Mandell's extensive knowledge and experience in the pharmaceuticals and biotechnology industries qualify him to serve as a director.

***Stanley C. Erck**, age 75*

Stanley Erck has served on our Board since 2005. Mr. Erck served as president and chief executive officer of Novavax, Inc. from 2011, and as a director of Novavax from 2009, until his retirement in January 2023. Mr. Erck previously served as executive chairman of Novavax from 2010 to 2011 and interim chief financial officer from 2017 to 2018. From 2000 to 2008, Mr. Erck served as president and chief executive officer of Iomai Corporation, a developer of vaccines and immune system therapies, which was acquired in 2008 by Intercell AG. He also previously held leadership positions at Procept, a publicly traded immunology company, Integrated Genetics, now Sanofi Genzyme and Baxter International. Within the past five years, Mr. Erck served on the board of directors of BioCryst Pharmaceuticals. Mr. Erck currently serves on the board of directors of MDBio Foundation. Mr. Erck received a B.S. in economics from the University of Illinois and an M.B.A. from the University of Chicago. During his tenure as chief executive officer of Novavax, Mr. Erck led the company from preclinical development through global commercialization with first year revenues of over $2 billion. Our Board believes Mr. Erck's public company board experience and extensive knowledge and experience in the biotechnology industry qualify him to serve as a director.

***Patrick J. Balthrop**, age 66*

Patrick Balthrop has served on our Board since November 2022. Mr. Balthrop has more than three decades of experience in the healthcare sector, particularly in diagnostics, life science tools and medical devices. From 2004 until his retirement in 2014, Mr. Balthrop was President, Chief Executive Officer and a director of Luminex Corporation, a publicly held life science tools and molecular diagnostics company. From 2002 to 2004, he served as president of Fisher Healthcare, now a division of Thermo Fisher Scientific, Inc. He previously served for more than 20 years in roles of increasing responsibility with Abbott Laboratories, including as head of Abbott Vascular and Corporate VP of Worldwide Operations for Abbott Diagnostics. He currently serves as chairman of the board of the privately held life sciences companies Agendia, Inc. and Discovery Life Sciences, as director of the privately held contract research and instrument manufacturing company Burke Porter Group, and as director of the privately held life sciences company Pattern Biosciences. Within the past five years, he served as a director of the publicly held diagnostics company Oxford Immunotec Global PLC, including as its chairman from June 2019 until March 2021. He also served as a member of the board of directors of Personalis, Inc., a publicly held cancer genomics company, from 2015 until March 2021. In 2015, Mr. Balthrop founded and has since served as Principal of Apalachee Ventures, LLC, an investment and advisory firm. He also serves as executive advisor to Water Street Healthcare Partners, a healthcare-focused private equity firm. Mr. Balthrop holds a B.S. in Biology from Spring Hill College and an M.B.A. from the Kellogg School of Management at Northwestern University. Our Board believes Mr. Balthrop's public company board experience and extensive knowledge and experience in the biotechnology industry qualify him to serve as a director.

The Board Of Directors Recommends
A Vote In Favor Of Each Named Nominee.

Directors Continuing in Office Until the 2024 Annual Meeting

***Will Brooke**, age 67*

Will Brooke has served on our Board since 2004. Mr. Brooke retired from Harbert Management Corporation ("***HMC***"), in December 2021, having served in various capacities since he co-founded HMC in 1993. He most recently served as Executive Vice President and Limited Partner prior to his retirement from HMC and also served as Managing Partner of HMC's venture capital funds family from 2003 to 2014. Mr. Brooke has been advising and investing in early-stage and growth companies for more than 30 years, and previously served on the boards of numerous pharmaceutical and medical equipment companies such as nContact, Inc., NovaMin Technology, Inc. and Emageon Corporation. Since December 2018 he has also served as a board member of KPX, LLC, an environmental, social and governance advisory firm serving the investment and advisory sectors. Prior to joining HMC, Mr. Brooke practiced law for a decade. Mr. Brooke

received a B.S. in Business Management and a J.D. from the University of Alabama. Our Board believes Mr. Brooke's extensive business experience and deep financial knowledge qualify him to serve as a director.

***John Johnston**, age 64*

John Johnston has served on our Board since 2016. From 2011 until his retirement from his financial career in 2013, Mr. Johnston served as managing director of institutional sales at Nomura Code Securities Ltd, a brokerage company, and from 2008 to 2011, he was director of sales and trading at the investment bank Seymour Pierce. In 2003, Mr. Johnston founded Revera Asset Management, where he oversaw an investment trust, a unit trust and a hedge fund, which he ran until 2007. Mr. Johnston began his investment career at the Royal Bank of Scotland and previously held positions at investment firms Legg Mason Investors and Murray Johnstone. Within the past five years, Mr. Johnston served as a non-executive director of the publicly held company Midatech Pharma plc (now Biodexa Pharmaceuticals plc). Mr. Johnston received his B.A. in commerce from Abertay University and his M.B.A. from the University of Dundee. Our Board believes Mr. Johnston's executive leadership and operational experience qualify him to serve as a director.

***Richard Douglas, PhD**, age 70*

Richard Douglas has served on our Board since 2018 and as our Non-Executive Chairman since October 2021. Dr. Douglas served as the senior vice president of corporate development of Genzyme Corporation where he worked from 1989 until 2011 when Genzyme was acquired by Sanofi. Prior to joining Genzyme, Dr. Douglas served in science and corporate development capacities at Integrated Genetics prior to its acquisition by Genzyme in 1989. Since 2011, Dr. Douglas has served as an adviser to RedSky Partners, a biotechnology-focused advisory firm, and also as executive director of Labyrinth Choir, Inc. He is chairman of the board of directors of the publicly held company Aldeyra Therapeutics, which he joined in 2016, and has been a board member of Novavax, Inc. since 2010. He has a B.S. in chemistry from the University of Michigan, where he now serves as chair of the National Advisory Board for the Office of Technology Transfer, and a Ph.D. in biochemistry from the University of California, Berkeley. Our Board believes that Dr. Douglas's significant business experience and scientific background qualify him to serve as a director.

Directors Continuing in Office Until the 2025 Annual Meeting

***Doug Doerfler**, age 67*

Doug Doerfler has served as our president and chief executive officer and on our Board since co-founding our company in 1998. Mr. Doerfler previously served as president and chief executive officer and as a director of Immunicon Corporation and held executive positions at the life sciences company Life Technologies Corporation (now Thermo Fisher). Mr. Doerfler currently serves as chair emeritus of the Maryland Tech Council and on the executive committee of the Biotechnology Innovation Organization. Mr. Doerfler received his B.S. in finance from the University of Baltimore School of Business. Our Board believes that Mr. Doerfler's life science and cell therapy industry knowledge and public company management experience qualify him to serve as a director.

***Yasir Al-Wakeel, BM BCh**, age 41*

Yasir Al-Wakeel has served on our Board since June 2021. Dr. Al-Wakeel has served as Chief Financial Officer and Head of Corporate Development of Kronos Bio, Inc. since August 2020. Prior to joining Kronos Bio, Dr. Al-Wakeel served as the Chief Financial Officer of Neon Therapeutics, Inc. from 2017 to May 2020. Previously, Dr. Al-Wakeel served as the Chief Financial Officer and Head of Corporate Development at Merrimack Pharmaceuticals, Inc. from 2015 until 2017. Dr. Al-Wakeel previously served in various capacities at Credit Suisse, an investment banking firm, from 2008 to 2015. While at Credit Suisse, Dr. Al-Wakeel was Director of Healthcare Investment Banking, focused on biotechnology, and, prior to that role, he was an Equity Research Analyst covering the biotechnology and specialty pharmaceuticals sectors. Before joining Credit Suisse, Dr. Al-Wakeel was a practicing physician, holding both clinical and academic medical posts. Dr. Al-Wakeel received his BM BCh (Doctor of Medicine and Surgery) from Oxford University and his M.A. in theology from Cambridge University. Our Board believes that Dr. Al-Wakeel's significant scientific and finance background qualifies him to serve as a director.

Rekha Hemrajani, age 53

Rekha Hemrajani has served on our Board since June 2021. Ms. Hemrajani served as Chief Executive Officer and a director of Jiya Acquisition Corporation, a special purpose acquisition company, from its inception in August 2020 until November 2022. She previously served as President and Chief Executive Officer and a director of Aravive, Inc., a clinical-stage biotechnology company, from January 2020 to April 2020. From March 2019 to September 2019, Ms. Hemrajani served as the Chief Operating Officer and Chief Financial Officer of Arcus Biosciences, a biotechnology company. From 2016 to March 2019, she served as Chief Operating Officer of FLX Bio, Inc. (now RAPT Therapeutics, Inc.), a biotechnology company. From 2015 to 2016, Ms. Hemrajani served as Chief Financial Officer and Senior Vice President of Business and Financial Operations at 3-V Biosciences, Inc. (now Sagimet Biosciences, Inc.), a biotechnology company. From 2013 to 2015, Ms. Hemrajani advised privately held companies on strategic corporate development and financing activities at Ravinia Consulting, a consulting firm she founded. Ms. Hemrajani currently serves as a director of the publicly held company ALX Oncology Holdings Inc. and within the past five years also served as a director of the publicly held company Adverum Biotechnologies, Inc. She holds a B.S. in Economics and Computer Science from the University of Michigan and an M.B.A. from the Kellogg Graduate School of Management at Northwestern University. Our Board believes Ms. Hemrajani is qualified to serve as a director due to her executive and financial experience at multiple companies in the biopharmaceutical and biotechnology industries.

Board Diversity

The Board Diversity Matrix, below, provides the diversity statistics for our Board of Directors for the current year.

Board Diversity Matrix (As of March 31, 2023)

Total Number of Directors	**9**			
	Female	**Male**	**Non-Binary**	**Did Not Disclose Gender**
Part I: Gender Identity				
Directors	1	8	—	—
Part II: Demographic Background				
African American or Black	—	—	—	—
Alaskan Native or Native American	—	—	—	—
Asian	1	—	—	—
Hispanic or Latinx	—	—	—	—
Native Hawaiian or Pacific Islander	—	—	—	—
White	—	8*	—	—
Two or More Races or Ethnicities	—	—	—	—
LGBTQ+			—	
Did Not Disclose Demographic Background			—	

* Includes one director who is Middle Eastern.

Our Board Diversity Matrix as of April 30, 2022 can be found in our proxy statement for the 2022 Annual Meeting filed with the SEC on May 26, 2022.

INFORMATION REGARDING THE BOARD OF DIRECTORS AND CORPORATE GOVERNANCE

Independence of The Board of Directors

As required under the Nasdaq Stock Market ("***Nasdaq***") listing standards, a majority of the members of a listed company's board of directors must qualify as "independent," as affirmatively determined by the board of directors. The Board consults with the Company's counsel to ensure that the Board's determinations are consistent with relevant securities and other laws and regulations regarding the definition of "independent," including those set forth in pertinent listing standards of Nasdaq, as in effect from time to time.

Consistent with these considerations, after review of all relevant identified transactions or relationships between each director, or any of his or her family members, and the Company, its senior management and its independent auditors, the Board has affirmatively determined that the following eight directors are independent directors within the meaning of the applicable Nasdaq listing standards: Dr. Al-Wakeel, Mr. Brooke, Dr. Douglas, Ms. Hemrajani, Mr. Erck, Mr. Johnston, Mr. Mandell and Mr. Balthrop. In making this determination, the Board found that none of these directors or nominees for director had a material or other disqualifying relationship with the Company.

Board Leadership Structure

The Board has an independent chairman, Dr. Douglas, who has authority, among other things, to call and preside over Board meetings, including meetings of the independent directors, to set meeting agendas and to determine materials to be distributed to the Board. Accordingly, the Chairman has substantial ability to shape the work of the Board. The Company believes that separation of the positions of Chairman and Chief Executive Officer reinforces the independence of the Board in its oversight of the business and affairs of the Company. In addition, the Company believes that having an independent Chairman creates an environment that is more conducive to objective evaluation and oversight of management's performance, increasing management accountability and improving the ability of the Board to monitor whether management's actions are in the best interests of the Company and its stockholders. As a result, the Company believes that having an independent Chairman can enhance the effectiveness of the Board as a whole.

Role of the Board in Risk Oversight

One of the Board's key functions is informed oversight of the Company's risk management process. The Board does not have a standing risk management committee, but rather administers this oversight function directly through the Board as a whole, as well as through various Board standing committees that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure, including a determination of the nature and level of risk appropriate for the Company. The Audit Committee of our Board (the "***Audit Committee***") has the responsibility to consider and discuss our major financial risk exposures and the steps our management has taken to monitor and control these exposures, including guidelines and policies to govern the process by which risk assessment and management is undertaken. The Audit Committee also monitors compliance with legal and regulatory requirements, in addition to oversight of the performance of our internal audit function. Audit Committee responsibilities also include oversight of cybersecurity risk management, and, to that end, the Audit Committee typically meets twice annually with both IT and business personnel responsible for cybersecurity risk management and receives periodic reports from the head of cybersecurity risk management, as well as incidental reports as matters arise. Our N&CG Committee monitors the effectiveness of our corporate governance guidelines, including whether they are successful in preventing illegal or improper liability-creating conduct. The Compensation Committee of our Board (the "***Compensation Committee***") assesses and monitors whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Typically, the entire Board meets with the head of the Company's risk management group at least annually, and the applicable Board committees meet at least annually with the employees responsible for risk management in the committees' respective areas of oversight. Both the Board as a whole and the various standing committees receive periodic reports from the head of risk management, as well as incidental reports as matters may arise. It is the responsibility of the committee chairs to report findings regarding material risk exposures to the Board as quickly as possible. The Board has delegated to the Board's lead independent

director the responsibility of coordinating between the Board and management with regard to the determination and implementation of responses to any problematic risk management issues.

Meetings of The Board of Directors

The Board met five times during the last fiscal year. Each Board member attended 75% or more of the aggregate number of meetings of the Board and of the committees on which he or she served, held during the portion of the last fiscal year for which he or she was a director or committee member.

Information Regarding Committees of the Board of Directors

The Board has three committees: the Audit Committee, the Compensation Committee and the N&CG Committee. The following table provides membership and meeting information for each of the Board committees:

Name	Audit Committee	Compensation Committee	Nominating and Corporate Governance Committee
Dr. Yasir Al-Wakeel	X		
Mr. Will Brooke	X*	X	
Dr. Richard Douglas			X
Ms. Rekha Hemrajani		X*	
Mr. Stanley C. Erck		X	X
Mr. John Johnston	X		
Mr. Art Mandell	X		X*
Mr. Patrick Balthrop			X

* Committee Chairperson

Each of the committees has authority to engage legal counsel or other experts or consultants, as it deems appropriate to carry out its responsibilities. The Board has determined that each member of each committee meets the applicable Nasdaq rules and regulations regarding "independence" and each member is free of any relationship that would impair his or her individual exercise of independent judgment with regard to the Company.

Below is a description of each committee of the Board.

Audit Committee

The Audit Committee was established by the Board in accordance with Section 3(a)(58)(A) of the Exchange Act to oversee the Company's corporate accounting and financial reporting processes and audits of its financial statements. Specific responsibilities of our Audit Committee include:

- helping our Board oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related person transactions;

- obtaining and reviewing a report by the independent registered public accounting firm at least annually that describes our internal quality control procedures, any material issues with such procedures and any steps taken to deal with such issues when required by applicable law; and
- approving or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm.

The Audit Committee is currently composed of four directors: Dr. Al-Wakeel and Messrs. Brooke, Johnston and Mandell, with Mr. Brooke serving as chairman. The Audit Committee met six times during the fiscal year ended December 31, 2022. The Board has adopted a written Audit Committee charter that is available to stockholders on the Company's website at https://investors.maxcyte.com/corporate-governance/documents-charters.

The Board reviews the Nasdaq listing standards definition of independence for Audit Committee members on an annual basis and has determined that all members of the Company's Audit Committee are independent (as independence is currently defined in Rule 5605(c)(2)(A)(i) and (ii) of the Nasdaq listing standards).

The Board has also determined that Mr. Brooke and Dr. Al-Wakeel each qualify as an "audit committee financial expert," as defined in applicable SEC rules. The Board made a qualitative assessment of each of Mr. Brooke's and Dr. Al-Wakeel's level of knowledge and experience based on a number of factors, including their formal education and experience.

Report of the Audit Committee of the Board of Directors*

The Audit Committee has reviewed and discussed the audited financial statements for the fiscal year ended December 31, 2022 with management of the Company. The Audit Committee has discussed with the independent registered public accounting firm the matters required to be discussed by the applicable requirements of the Public Company Accounting Oversight Board ("***PCAOB***") and the SEC. The Audit Committee has also received the written disclosures and the letter from the independent registered public accounting firm required by applicable requirements of the PCAOB regarding the independent accountants' communications with the Audit Committee concerning independence, and has discussed with the independent registered public accounting firm the accounting firm's independence. Based on the foregoing, the Audit Committee has recommended to the Board that the audited consolidated financial statements be included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2022.

Mr. Will Brooke
Mr. John Johnston
Mr. Art Mandell
Dr. Yasir Al-Wakeel

Compensation Committee

The Compensation Committee is currently composed of three directors: Messrs. Brooke and Erck and Ms. Hemrajani, with Ms. Hemrajani serving as the chairperson. All members of the Compensation Committee are independent (as independence is currently defined in Rule 5605(d)(2) of the Nasdaq listing standards). The Compensation Committee met five times during the fiscal year ended December 31, 2022. The Board has adopted a written Compensation Committee charter that is available to stockholders on the Company's website at https://investors.maxcyte.com/corporate-governance/documents-charters.

The Compensation Committee of the Board acts on behalf of the Board to review, adopt and oversee the Company's compensation strategy, policies, plans and programs. Specific responsibilities of our Compensation Committee include:

- reviewing and approving the compensation of our chief executive officer, other executive officers and senior management;

* *The material in this report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.*

- reviewing and recommending to our Board the compensation paid to our non-executive directors;
- administering our equity incentive plans and other benefit programs;
- reviewing, adopting, amending and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections and any other compensatory arrangements for our executive officers and other senior management; and
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy.

Once required by SEC rules, the Compensation Committee will review with management the Company's Compensation Discussion and Analysis and consider whether to recommend that it be included in proxy statements and other filings.

Compensation Committee Processes and Procedures

Typically, the Compensation Committee meets at least four times annually and with greater frequency if necessary. The agenda for each meeting is usually developed by the Chairman of the Compensation Committee, in consultation with the Company's Chief Executive Officer and other executives, and its compensation consultant. The Compensation Committee meets regularly in executive session. Various members of management and other employees as well as outside advisors or consultants may be invited by the Compensation Committee to make presentations, to provide data and other background information or advice or to otherwise participate in Compensation Committee meetings. The Chief Executive Officer may not participate in, or be present during, any deliberations or determinations of the Compensation Committee regarding his compensation. The charter of the Compensation Committee grants the Compensation Committee full access to all books, records, facilities and personnel of the Company. In addition, under the charter, the Compensation Committee has the authority to obtain, at the expense of the Company, advice and assistance from compensation consultants and internal and external legal, accounting or other advisors and other external resources that the Compensation Committee considers necessary or appropriate in the performance of its duties. The Compensation Committee has direct responsibility for the oversight of the work of any consultants or advisers engaged for the purpose of advising the Committee. In particular, the Compensation Committee has the sole authority to retain, in its sole discretion, compensation consultants to assist in its evaluation of executive and director compensation, including the authority to approve the consultant's reasonable fees and other retention terms. Under the charter, the Compensation Committee may select, or receive advice from, a compensation consultant, legal counsel or other adviser to the Compensation Committee, other than in-house legal counsel and certain other types of advisers, only after taking into consideration six factors, prescribed by the SEC and Nasdaq, that bear upon the adviser's independence; however, there is no requirement that any adviser be independent.

During the past fiscal year, after taking into consideration the six factors prescribed by the SEC and Nasdaq described above, the Compensation Committee engaged Arnosti Consulting, Inc. ("***Arnosti***") as compensation consultants. The Compensation Committee requested that Arnosti:

- evaluate the efficacy of the Company's existing compensation strategy and practices in supporting and reinforcing the Company's long-term strategic goals; and
- assist in refining the Company's compensation strategy and in developing and implementing an executive compensation program to execute that strategy.

As part of its engagement, Arnosti was requested by the Compensation Committee to develop a comparative group of companies and to perform analyses of competitive performance and compensation levels for that group. Arnosti provided data and guidance in developing recommendations for compensation of executives, and made direct recommendations to the Compensation Committee with regards to compensation of non-executive directors.

Historically, the Compensation Committee has made most of the significant adjustments to annual compensation, determined bonus and equity awards and established new corporate performance objectives at one or more meetings held during the first quarter of the year. The Compensation Committee also considers matters related to individual compensation, such as compensation for new executive hires, as well as high-level

strategic issues, such as the effectiveness of our compensation strategy, potential modifications to that strategy and new trends, plans or approaches to compensation, at various meetings throughout the year. Generally, the Compensation Committee's process comprises two related elements: the determination of compensation levels and the establishment of performance objectives for the current year. For executives other than the Chief Executive Officer, the Compensation Committee solicits and considers evaluations and recommendations submitted to the Compensation Committee by the Chief Executive Officer. In the case of the Chief Executive Officer, the evaluation of his performance is conducted by the Compensation Committee for recommendation to the full Board, which determines any adjustments to his compensation as well as equity awards to be granted. For all executives and directors as part of its deliberations, the Compensation Committee may review and consider, as appropriate, the results of the self-evaluation questionnaires provided by the N&CG Committee to our independent directors, as well as materials such as financial reports and projections, operational data, tax and accounting information, tally sheets that set forth the total compensation that may become payable to executives in various hypothetical scenarios, executive and director stock ownership information, stock performance data, analyses of historical executive compensation levels and current Company-wide compensation levels and recommendations of the Compensation Committee's compensation consultant, including analyses of executive and director compensation paid at other companies in our peer group.

Nominating and Corporate Governance Committee

The N&CG Committee of the Board is responsible for identifying, reviewing and evaluating candidates to serve as directors of the Company (consistent with criteria approved by the Board), reviewing and evaluating incumbent directors, recommending to the Board for selection candidates for election to the Board, making recommendations to the Board regarding the membership of the committees of the Board, assessing the performance of management and the Board, and developing a set of corporate governance principles for the Company.

The N&CG Committee is currently composed of four directors: Messrs. Mandell, Erck and Balthrop and Dr. Douglas, with Mr. Mandell serving as chairman. All members of the N&CG Committee are independent (as independence is currently defined in Rule 5605(a)(2) of the Nasdaq listing standards). The N&CG Committee met three times during the fiscal year ended December 31, 2022. The Board has adopted a written N&CG Committee charter that is available to stockholders on the Company's website and https://investors.maxcyte.com/corporate-governance/documents-charters.

The N&CG Committee believes that candidates for director should have certain minimum qualifications, including the ability to read and understand basic financial statements, being over 21 years of age and having the highest personal integrity and ethics. The N&CG Committee also considers such factors as possessing relevant expertise upon which to be able to offer advice and guidance to management, having sufficient time to devote to the affairs of the Company, demonstrated excellence in his or her field, having the ability to exercise sound business judgment and having the commitment to rigorously represent the long-term interests of the Company's stockholders. However, the N&CG Committee retains the right to modify these qualifications from time to time. Candidates for director nominees are reviewed in the context of the current composition of the Board, the operating requirements of the Company and the long-term interests of stockholders. In conducting this assessment, the N&CG Committee typically considers diversity (including gender, racial and ethnic diversity), age, skills and such other factors as it deems appropriate, given the current needs of the Board and the Company, to maintain a balance of knowledge, experience and capability. We have no formal policy regarding board diversity.

The N&CG Committee appreciates the value of thoughtful Board refreshment, and regularly identifies and considers qualities, skills and other director attributes that would enhance the composition of the Board. In the case of incumbent directors whose terms of office are set to expire, the N&CG Committee reviews these directors' overall service to the Company during their terms, including the number of meetings attended, level of participation, quality of performance and any other relationships and transactions that might impair the directors' independence. The N&CG Committee will also take into account the results of the Board's self-evaluation, conducted annually on a group and individual basis. In the case of new director candidates, the N&CG Committee also determines whether the nominee is independent for Nasdaq purposes, which determination is based upon applicable Nasdaq listing standards, applicable SEC rules and regulations and

the advice of counsel, if necessary. The N&CG Committee then uses its network of contacts to compile a list of potential candidates, but may also engage, if it deems appropriate, a professional search firm. The N&CG Committee conducts any appropriate and necessary inquiries into the backgrounds and qualifications of possible candidates after considering the function and needs of the Board. The N&CG Committee meets to discuss and consider the candidates' qualifications and then selects a nominee for recommendation to the Board by majority vote.

The N&CG Committee will consider director candidates recommended by the Company's stockholders. The N&CG Committee does not intend to alter the manner in which it evaluates a candidate for nomination to the Board based on whether or not the candidate was recommended by a stockholder of the Company.

Stockholders who wish to recommend individuals for consideration by the N&CG Committee to become nominees for election to the Board at an annual meeting of stockholders must do so by delivering a written recommendation to the Nominating and Corporate Governance Committee c/o MaxCyte, Inc., 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850, Attn: General Counsel. Each submission must set forth:

- the name and address of the stockholder on whose behalf the submission is made;
- the number of shares of the Company's common stock that are owned beneficially by such stockholder as of the date of the submission;
- the full name of the proposed candidate;
- a description of the proposed candidate's business experience for at least the previous five years;
- complete biographical information for the proposed candidate; and
- a description of the proposed candidate's qualifications as a director.

Any such submission must be accompanied by the written consent of the proposed candidate to be named as a nominee and to serve as a director if elected. All written submissions received from stockholders that include the information described above will be reviewed by the N&CG Committee at its next appropriate meeting. If a stockholder wishes the N&CG Committee to consider a director candidate for nomination at an annual meeting of stockholders, then the recommendation must be provided at least 90 days, but not more than 120 days, prior to the anniversary date of the preceding year's annual meeting of stockholders.

Communications With The Board Of Directors

The Board has adopted a process by which stockholders may communicate with the Board or any of its directors. Stockholders who wish to communicate with the Board may do so by sending written communications addressed to the Board or such director c/o MaxCyte, Inc., 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850, Attn: General Counsel. Each communication must set forth:

- the name and address of the stockholder on whose behalf the communication is sent; and
- the number of shares of the Company's common stock that are owned beneficially by such stockholder as of the date of the communication.

The General Counsel will review each communication. The General Counsel will forward such communication to the Board or to any individual director to whom the communication is addressed unless the communication contains advertisements or solicitations or is unduly hostile, threatening or similarly inappropriate, in which case the General Counsel will discard the communication.

Code of Ethics

The Company has adopted the MaxCyte, Inc. Code of Conduct and Ethics that applies to all officers, directors and employees. The Code of Business Conduct and Ethics is available on the Company's website at https://investors.maxcyte.com/corporate-governance/documents-charters. If the Company makes any substantive amendments to the Code of Business Conduct and Ethics or grants any waiver from a provision of the Code of Business Conduct and Ethics to any executive officer or director, the Company will promptly disclose the nature of the amendment or waiver on its website.

Corporate Governance Guidelines

In 2021, the Board documented the governance practices to be followed by the Company by adopting Corporate Governance Guidelines to assure that the Board will have the necessary authority and practices in place to review and evaluate the Company's business operations as needed and to make decisions that are independent of the Company's management. The guidelines are also intended to align the interests of directors and management with those of the Company's stockholders. The Corporate Governance Guidelines set forth the practices the Board intends to follow with respect to board composition and selection including diversity, board meetings and involvement of senior management, Chief Executive Officer performance evaluation, succession planning and board committees and compensation.

Hedging Policy

We do not currently have any practices or policies regarding hedging or offsetting any decrease in the market value of our equity securities.

PROPOSAL 2

APPROVAL OF AN AMENDMENT AND RESTATEMENT OF THE 2022 EQUITY INCENTIVE PLAN

Background

Our Board approved an amendment and restatement of the MaxCyte, Inc. 2022 Equity Incentive Plan (the "2022 Plan") in April 2023, subject to approval by our stockholders. For purposes of this Proposal 2, we refer to the 2022 Plan, as amended and restated by our Board in April 2023 and attached hereto as Appendix A, as the "Amended 2022 Plan." The Amended 2022 Plan contains the following changes from the 2022 Plan:

- The aggregate number of shares of our common stock that may be issued under the 2022 Plan has been increased by 6,069,000 shares under the Amended 2022 Plan, subject to adjustment for certain changes in our capitalization.
- The liberal share recycling provision for Appreciation Awards (as defined below) in the 2022 Plan has been removed. As a result, the Amended 2022 Plan does not contain any liberal share recycling provisions. Accordingly, the following shares will not become available again for issuance under the Amended 2022 Plan:

  (i) shares that are reacquired or withheld (or not issued) by us to satisfy the exercise or strike price of an Appreciation Award or the purchase price of a Full Value Award (each as defined below);

  (ii) shares that are reacquired or withheld (or not issued) by us to satisfy a tax withholding obligation in connection with an Appreciation Award or Full Value Award;

  (iii) shares repurchased by us on the open market with the proceeds of the exercise or strike price of an Appreciation Award or the purchase price of a Full Value Award; and

  (iv) in the event that a stock appreciation right is settled in shares of common stock, the gross number of shares of common stock subject to the award.

An "Appreciation Award" is a stock option or stock appreciation right with an exercise or strike price that is at least 100% of the fair market value of our common stock on the date of grant, and a "Full Value Award" is an equity award that is not an Appreciation Award.

- The definition of shares that can be returned to the Amended 2022 Plan from prior plans has been revised as set forth below under the section entitled "Requested Shares."

Approval of the Amended 2022 Plan by our stockholders will allow us to continue to grant stock options, restricted stock unit awards and other awards at levels determined appropriate by our Board or Compensation Committee. The Amended 2022 Plan will allow us to continue to grant a broad array of equity incentives and performance cash incentives in order to secure and retain the services of our employees, consultants and directors, and to provide long-term incentives that align the interests of our employees, consultants and directors with the interests of our stockholders. Our Board believes that the Amended 2022 Plan is an integral part of our long-term compensation philosophy and that the Amended 2022 Plan is necessary to continue providing the appropriate levels and types of equity compensation.

Requested Shares

Subject to adjustment for certain changes in our capitalization, if this Proposal 2 is approved by our stockholders, the aggregate number of shares of common stock that may be issued under the Amended 2022 Plan will not exceed the sum of (i) 6,069,000 new shares, plus (ii) the 1,928,000 shares originally reserved under the 2022 Plan, plus (iii) the number of unallocated shares remaining available for grant under the MaxCyte, Inc. Long-Term Incentive Plan (the "LTIP") as of the original effective date of the 2022 Plan, plus (iii) the Prior Plans' Returning Shares (as defined below), as such shares become available from time to time.

The term "Prior Plans' Returning Shares" refers to the following shares of our common stock subject to any outstanding award granted under the LTIP or the MaxCyte, Inc. 2021 Inducement Plan (the "Inducement Plan") and that following the effective date of the 2022 Plan: (i) are not issued because the stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued; (ii) are not issued because such stock award or any portion thereof is settled in cash; or (iii) are forfeited back to or repurchased by us because of the failure to meet a contingency or condition required for the vesting of such shares. Previously, under the terms of the 2022 Plan, clause (ii) applied only to Appreciation Awards (whereas under the Amended 2022 Plan it applies to all awards), and the definition included, for Appreciation Awards only, shares withheld or reacquired to satisfy an exercise, strike or purchase price and shares withheld or reacquired to satisfy a tax withholding obligation (whereas under the Amended 2022 Plan the definition excludes such shares, such that they will not return to the Amended 2022 Plan for future grant).

Retirement of the Inducement Plan and LTIP

In December 2021, the Board adopted the Inducement Plan consisting of 2,500,000 shares of common stock, which is a non-stockholder approved stock plan adopted pursuant to the "inducement exception" provided under Nasdaq listing rules. Simultaneous with approval of the 2022 Plan, we retired the Inducement Plan and only issue shares of common stock under the 2022 Plan.

In addition, following approval of the 2022 Plan, we no longer grant awards under the LTIP.

Why We Believe It Is Important to Vote to Approve the Amended 2022 Plan

Equity Awards Are an Important Part of Our Compensation Philosophy

Our Board believes that our future success depends, in large part, on our ability to maintain a competitive position in retaining and motivating our employees, consultants and directors and that the issuance of equity awards is a key element in accomplishing these goals. The Amended 2022 Plan will allow us to continue to provide performance-based incentives to our eligible employees. Therefore, the Board believes that the Amended 2022 Plan is in the best interests of the Company and its stockholders and recommends a vote in favor of this Proposal 2.

The Size of Our Share Reserve Request Is Reasonable

As of April 24, 2023, we had 745,083 shares available for grant under the 2022 Plan. If the Amended 2022 Plan and the additional share reserve of 6,069,000 shares is approved by our stockholders, we will have 6,814,083 shares available for grant under the Amended 2022 Plan immediately after the Annual Meeting (based on shares available as of April 24, 2023). We anticipate this to be a pool of shares necessary for retaining and motivating employees, consultants and directors. If the Amended 2022 Plan is not approved by our stockholders, the 2022 Plan will continue in effect, but we will be extremely limited in the grants that we will be able to make, which could place us in a disadvantageous position as compared with our competitors, resulting in lack of employee retention and difficulty recruiting key positions.

We Manage Our Equity Incentive Award Use Carefully, and Dilution Is Reasonable

We continue to believe that equity awards are a vital part of our overall compensation program. However, we recognize that equity awards dilute existing stockholders, and, therefore, we must responsibly manage the growth of our equity compensation program. We are committed to effectively monitoring our equity compensation share reserve, including our "burn rate," to ensure that we maximize stockholders' value by granting the appropriate number of equity incentive awards necessary to attract, reward, and retain employees. The tables below show our overhang and burn rate information.

Overhang

The following table provides certain additional information regarding our equity incentive program.

	As of April 24, 2023 (Record Date)
Total number of shares subject to outstanding stock options	15,503,181
Weighted-average exercise price of outstanding stock options	$ 5.8
Weighted-average remaining term of outstanding stock options	7.4
Total number of shares subject to outstanding full value awards	1,457,070
Total number of shares available for grant under the 2022 Plan	745,083
Total number of shares outstanding	16,960,251
Per-share closing price of common stock as reported on Nasdaq Global Market	$ 4.99

Burn Rate

The following table provides detailed information regarding the activity related to our equity incentive plans for fiscal years 2022, 2021 and 2020.

	Fiscal Year		
	2022	2021	2020
Total number of shares subject to stock options granted	4,408,400	4,117,956	3,849,448
Total number of shares subject to full value awards granted	662,900	—	—
Weighted-average number of shares outstanding	101,702,664	90,619,057	69,464,751
Gross Burn Rate[(1)]	5.0%	4.5%	5.5%

(1) Calculated as: (shares subject to stock options granted plus shares subject to full value awards granted) divided by weighted-average common shares.

Key Plan Features

The Amended 2022 Plan includes provisions that are designed to protect our stockholders' interests and to reflect corporate governance best practices including:

- *Repricing is not allowed without stockholder approval*. The Amended 2022 Plan prohibits the repricing of outstanding stock options and stock appreciation rights and the cancelation of any outstanding stock options or stock appreciation rights that have an exercise or strike price greater than the then-current fair market value of our shares in exchange for cash or other stock awards under the Amended 2022 Plan without prior stockholder approval.
- *Stockholder approval is required for additional shares*. The Amended 2022 Plan does not contain an annual "evergreen" provision. The Amended 2022 Plan authorizes a fixed number of shares, so that stockholder approval is required to issue any additional shares, allowing our stockholders to have direct input on our equity compensation programs.
- *Fungible share counting structure*. The Amended 2022 Plan contains a "fungible share counting" structure, whereby the number of shares of our common stock available for issuance under the Amended 2022 Plan will be reduced by: (i) one share for each share issued pursuant to an Appreciation Award; and (ii) 1.14 shares for each share issued pursuant to a Full Value Award. This structure helps to ensure that we are using the share reserve effectively and with regard to the value of each type of equity award.
- *No liberal share counting*. The following shares will not become available again for issuance under the Amended 2022 Plan: (i) shares that are reacquired or withheld (or not issued) by us to satisfy the exercise or strike price of an Appreciation Award or the purchase price of a Full Value Award; (ii) shares that are reacquired or withheld (or not issued) by us to satisfy a tax withholding obligation in connection with an Appreciation Award or Full Value Award; (iii) shares repurchased by us on the open market with the proceeds of the exercise or strike price of an Appreciation Award or the purchase price of a Full Value Award; and (iv) in the event that a stock appreciation right is settled in shares of common stock, the gross number of shares of common stock subject to the award.
- *Minimum vesting provision*. No award may vest (and/or, if applicable, be exercisable) until at least 12 months following the date of grant of the award; provided, however, that up to 5% of the share reserve may be subject to awards that do not meet such vesting (and/or, if applicable, exercisability) requirements.
- *Restrictions on dividends*. The Amended 2022 Plan provides that (i) no dividends or dividend equivalents may be paid with respect to any shares of our common stock subject to an equity award before the date such shares have vested, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be subject to all of the terms and conditions applicable to such shares under the terms of the applicable equity award agreement (including any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to us on the date such shares are forfeited to or repurchased by us due to a failure to vest.
- *Specific disclosure of equity award vesting upon a corporate transaction or change in control*. The Amended 2022 Plan specifically provides that in the event of a corporate transaction or change in control of the Company (each, a "Transaction"), if the surviving or acquiring corporation (or its parent company) does not assume or continue outstanding equity awards under the Amended 2022 Plan, or substitute similar equity awards for such outstanding equity awards, then with respect to any such equity awards that have not been assumed, continued or substituted and that are held by participants whose continuous service has not terminated prior to the Transaction, the vesting of such equity awards will be accelerated in full (and with respect to any performance-based equity awards, vesting will be deemed to be satisfied at the target level of performance).
- *Limit on non-employee director compensation*. The aggregate value of all cash and equity-based compensation paid or granted by us to any individual for service as a non-employee director of our Board with respect to any fiscal year of the Company will not exceed (i) $900,000 in total value or (ii) in the event such non-employee director is first appointed or elected to the Board during such fiscal year, $1,400,000 in total value, in each case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.
- *No discounted stock options or stock appreciation rights*. All stock options and stock appreciation rights must have an exercise price equal to or greater than the fair market value of our shares on the date the stock option or stock appreciation right is granted.
- *Awards subject to forfeiture/clawback*. Awards granted under the Amended 2022 Plan will be subject to recoupment in accordance with our clawback policy that we adopted in May 2022. In the event that we are required to prepare a material restatement of our financials for a reporting period, the clawback policy generally allows us to seek to recover the portion of any incentive compensation that vested, or was granted to or earned by any current or former executive officer, in the 12 months prior to the restatement, in excess of the amount that the executive officer would otherwise have received based on the restated financial results. For purposes of the policy, "incentive compensation" includes any cash- or equity-based compensation that is granted, earned or vested based in whole or part on the attainment of a financial reporting measure. In addition, we may impose other clawback, recovery or recoupment provisions in an award agreement, including a reacquisition right in respect of previously acquired shares or other cash or property upon the occurrence of cause. Furthermore, upon finalization of relevant stock exchange rules regarding clawback policies, we will adopt an updated policy to comply with such requirements.
- *Administration by independent committee*. The Amended 2022 Plan will be administered by the members of our Compensation Committee, all of whom are "non-employee directors" within the meaning of Rule 16b-3 under the Exchange Act and "independent" within the meaning of the Nasdaq listing standards.

Description of the Amended 2022 Plan

The material features of the Amended 2022 Plan are described below. The following description of the Amended 2022 Plan is a summary only and is qualified in its entirety by reference to the complete text of the Amended 2022 Plan. Stockholders are urged to read the actual text of the Amended 2022 Plan in its entirety, which is appended as Appendix A to the copy of this proxy statement filed with the SEC, which may be accessed from the SEC's website at www.sec.gov.

General. The Amended 2022 Plan provides for the grant of incentive stock options to our employees and employees of certain affiliates, and for the grant of nonstatutory stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance stock awards, performance cash awards, and other forms of stock awards to our employees, directors and consultants and the employees and consultants of our affiliates.

Authorized Shares and Share Counting Provisions. Subject to adjustment for certain changes in our capitalization, the aggregate number of shares of our common stock that may be issued under the Amended 2022 Plan will not exceed the sum of (i) 6,069,000 new shares, plus (ii) the 1,928,000 shares originally reserved under the 2022 Plan, plus (iii) the number of unallocated shares remaining available for grant under the LTIP as of the original effective date of the 2022 Plan, plus (iv) the Prior Plans' Returning Shares, as such shares become available from time to time. The number of shares available for issuance under the Amended 2022 Plan will be reduced by: (a) one share for each share issued pursuant to an Appreciation Award; and (b) 1.14 shares for each share issued pursuant to a Full Value Award. The number of shares available for issuance under the Amended 2022 Plan will be increased by: (A) one share for each share subject to an Appreciation Award that returns from the LTIP, Inducement Plan or Amended 2022 Plan; and (B) 1.14 shares for each Prior Plans' Returning Share or Amended 2022 Plan Returning Share (as defined below) subject to a Full Value Award.

The aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 37,200,000 shares.

The following actions will not result in an issuance of shares under the Amended 2022 Plan and accordingly do not reduce the number of shares subject to the share reserve and available for issuance under the Amended 2022 Plan: (i) the expiration or termination of any portion of an award without the shares covered by such portion of the award having been issued; or (ii) the settlement of any portion of an award granted under the Amended 2022 Plan in cash.

The following shares of our common stock (collectively, the "Amended 2022 Plan Returning Shares") will become available again for issuance under the Amended 2022 Plan: any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares;

The following shares of our common stock will not become available again for issuance under the Amended 2022 Plan: (1) any shares that are reacquired or withheld (or not issued) by the Company to satisfy the exercise or strike price of an Appreciation Award or the purchase price of a Full Value Award; (2) any shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with an Appreciation Award or a Full Value Award; (3) any shares repurchased by us on the open market with the proceeds of the exercise or strike price of an Appreciation Award or the purchase price of a Full Value Award; and (4) in the event that a stock appreciation right is settled in shares of common stock, the gross number of shares of common stock subject to such award.

Plan Administration. Our Board, or a duly authorized committee of our Board, administers the Amended 2022 Plan. Our Board may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under the Amended 2022 Plan, our Board has the authority to determine the terms of awards, including recipients, the exercise, purchase or strike price of stock awards, if any, the number of shares subject to each stock award, the fair market value of a share, the vesting schedule applicable to the awards, together with any vesting acceleration, the form of consideration, if any, payable upon exercise or settlement of the award and the terms of the award agreements.

No Repricing Without Stockholder Approval. Under the Amended 2022 Plan, the plan administrator does not have the authority to reprice any outstanding stock option or stock appreciation right by reducing the exercise or strike price of the stock option or stock appreciation right or to cancel any outstanding stock option or stock appreciation right that has an exercise or strike price greater than the then-current fair market value of our common stock in exchange for cash or other stock awards without obtaining the approval of our stockholders. Such approval must be obtained within 12 months prior to such an event.

Minimum Vesting Requirements. Under the Amended 2022 Plan, no award may vest (and/or, if applicable, be exercisable) until at least 12 months following the date of grant of the award; provided, however, that up to 5% of the share reserve may be subject to awards that do not meet such vesting (and/or, if applicable, exercisability) requirements.

Dividends and Dividend Equivalents. The Amended 2022 Plan provides that dividends or dividend equivalents may be paid or credited with respect to any shares of our common stock subject to an award, as determined by the plan administrator and contained in the applicable award agreement; *provided, however*, that (i) no dividends or dividend equivalents may be paid with respect to any such shares before the date such shares have vested, (ii) any dividends or dividend equivalents that are credited with respect to any such shares will be subject to all of the terms and conditions applicable to such shares under the terms of the applicable award agreement (including any vesting conditions), and (iii) any dividends or dividend equivalents that are credited with respect to any such shares will be forfeited to us on the date such shares are forfeited to or repurchased by us due to a failure to vest.

Stock Options. Incentive stock options and nonstatutory stock options are granted pursuant to stock option agreements adopted by the plan administrator. The plan administrator determines the exercise price for stock options, within the terms and conditions of the Amended 2022 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of a share on the date of grant. Options granted under the Amended 2022 Plan vest at the rate specified in the stock option agreement as determined by the plan administrator.

Restricted Stock Unit Awards. Restricted stock unit awards are granted pursuant to restricted stock unit award agreements adopted by the plan administrator. Restricted stock unit awards may be granted in consideration for any form of legal consideration that may be acceptable to our Board, or a duly authorized committee of our Board, and permissible under applicable law. A restricted stock unit award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator or in any other form of consideration set forth in the restricted stock unit award agreement. Except as otherwise provided in the applicable award agreement, restricted stock units that have not vested will be forfeited upon the participant's cessation of continuous service for any reason.

Restricted Stock Awards. Restricted stock awards are granted pursuant to restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft or money order, past services to us or any other form of legal consideration that may be acceptable to our Board, or a duly authorized committee of our Board, and permissible under applicable law. The plan administrator determines the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ceases for any reason, we may receive through a forfeiture condition or a repurchase right any or all of the shares held by the participant that have not vested as of the date the participant terminates service with us.

Stock Appreciation Rights. Stock appreciation rights are granted pursuant to stock appreciation grant agreements adopted by the plan administrator. The plan administrator determines the purchase price or strike price for a stock appreciation right, which generally cannot be less than 100% of the fair market value of a share on the date of grant. A stock appreciation right granted under the Amended 2022 Plan vests at the rate specified in the stock appreciation right agreement as determined by the plan administrator.

Performance Awards. The Amended 2022 Plan permits the grant of performance-based stock and cash awards. Our Compensation, Nominating and Corporate Governance Committee may structure awards so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period.

Other Stock Awards. The plan administrator may grant other awards based in whole or in part by reference to our shares. The plan administrator will set the number of shares under the stock award and all other terms and conditions of such awards.

Changes to Capital Structure. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under the Amended 2022 Plan, (2) the class and maximum number of shares that may be issued upon the exercise of incentive stock options, (3) the class and maximum number of shares subject to stock awards that can be granted in a calendar year and (4) the class and number of shares and exercise price, strike price or purchase price, if applicable, of all outstanding stock awards.

Corporate Transaction and Change in Control

The following provisions will apply to outstanding awards under the Amended 2022 Plan in the event of a corporate transaction (as defined in the Amended 2022 Plan and described below) or a change in control (as defined in the Amended 2022 Plan and described below) unless otherwise provided in the instrument evidencing the award, in any other written agreement between us or one of our affiliates and the participant, or in our director compensation policy. For purposes of this Proposal 2, the term "Transaction" will mean such corporate transaction or change in control.

In the event of a Transaction, any surviving or acquiring corporation (or its parent company) may assume or continue any or all outstanding awards under the Amended 2022 Plan, or may substitute similar stock awards for such outstanding awards (including, but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Transaction), and any reacquisition or repurchase rights held by the Company in respect of shares issued pursuant to any outstanding awards under the Amended 2022 Plan may be assigned by the Company to the surviving or acquiring corporation (or its parent company).

In the event of a Transaction in which the surviving or acquiring corporation (or its parent company) does not assume or continue outstanding awards under the Amended 2022 Plan, or substitute similar stock awards for such outstanding awards, then with respect to any such awards that have not been assumed, continued or substituted and that are held by participants whose continuous service has not terminated prior to the effective time of the Transaction (the "Current Participants"), the vesting (and exercisability, if applicable) of such awards will be accelerated in full (and with respect to any such awards that are subject to performance-based vesting conditions or requirements, vesting will be deemed to be satisfied at the target level of performance to a date prior to the effective time of the Transaction (contingent upon the closing or completion of the Transaction) as the plan administrator will determine, and such awards will terminate if not exercised (if applicable) prior to the effective time of the Transaction in accordance with the exercise procedures determined by the plan administrator, and any reacquisition or repurchase rights held by the Company with respect to such awards will lapse (contingent upon the closing or completion of the corporate transaction).

In the event of a Transaction in which the surviving or acquiring corporation (or its parent company) does not assume or continue outstanding awards under the Amended 2022 Plan, or substitute similar stock awards for such outstanding awards, then with respect to any such awards that have not been assumed, continued or substituted and that are held by participants other than the Current Participants, such awards will terminate if not exercised (if applicable) prior to the effective time of the Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such awards will not terminate and may continue to be exercised notwithstanding the Transaction.

In the event any outstanding award under the Amended 2022 Plan held by a participant will terminate if not exercised prior to the effective time of a Transaction, the plan administrator may provide that the participant may not exercise such award but instead will receive a payment, in such form as may be determined by the plan administrator, equal in value to the excess, if any, of (i) the value of the property the participant would have received upon the exercise of such award immediately prior to the effective time of the Transaction, over (ii) any exercise price payable by the participant in connection with such exercise.

For purposes of the Amended 2022 Plan, a "corporate transaction" generally will be deemed to occur in the event of the consummation of:

- a sale or other disposition of all or substantially all of the consolidated assets of the Company and its subsidiaries;
- a sale or other disposition of at least 50% of the outstanding securities of the Company;
- a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or
- a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of common stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

For purposes of the Amended 2022 Plan, a "change in control" generally will be deemed to occur in the event:

- a person, entity or group acquires, directly or indirectly, our securities representing more than 50% of the combined voting power of our then outstanding securities, other than by virtue of a merger, consolidation, or similar transaction;
- there is consummated a merger, consolidation, or similar transaction and, immediately after the consummation of such transaction, our stockholders immediately prior thereto do not own, directly or indirectly, more than 50% of the combined outstanding voting power of the surviving entity or the parent of the surviving entity in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction;
- there is consummated a sale or other disposition of all or substantially all of our consolidated assets, other than a sale or other disposition to an entity in which more than 50% of the entity's combined voting power is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such sale or other disposition; or
- a majority of our Board becomes comprised of individuals whose nomination, appointment, or election was not approved by a majority of the Board members or their approved successors.

Transferability. A participant may not transfer stock awards under the Amended 2022 Plan other than by will, the laws of descent and distribution or as otherwise provided under the Amended 2022 Plan.

Plan Amendment or Termination. Our Board has the authority to amend, suspend or terminate the Amended 2022 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No incentive stock options may be granted after the tenth anniversary of the date our Board adopted the Amended 2022 Plan. No stock awards may be granted under the Amended 2022 Plan while it is suspended or after it is terminated.

U.S. Federal Income Tax Consequences

The information set forth below is a summary only and does not purport to be complete. The information is based upon current federal income tax rules and therefore is subject to change when those rules change. Because the tax consequences to any recipient may depend on his or her particular situation, each recipient should consult the recipient's tax adviser regarding the federal, state, local, and other tax consequences of the grant or exercise of an award or the disposition of stock acquired as a result of an award. The Amended 2022 Plan is not qualified under the provisions of Section 401(a) of the Code and is not subject to any of the provisions of the Employee Retirement Income Security Act of 1974.

Nonstatutory Stock Options

Generally, there is no taxation upon the grant of a nonstatutory stock option if the stock option is granted with an exercise price equal to the fair market value of the underlying stock on the grant date. On exercise, an optionholder will recognize ordinary income equal to the excess, if any, of the fair market value on

the date of exercise of the stock over the exercise price. If the optionholder is employed by us or one of our affiliates, that income will be subject to withholding taxes. We will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the optionholder.

Incentive Stock Options

The Amended 2022 Plan provides for the grant of stock options that qualify as "incentive stock options," as defined in Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"). Under the Code, an optionholder generally is not subject to ordinary income tax upon the grant or exercise of an incentive stock option ("ISO") (although, in certain circumstances, there may be an item of adjustment included for alternative minimum tax purposes). If the optionholder holds a share received on exercise of an ISO for more than two years from the date the stock option was granted and more than one year from the date the stock option was exercised, which is referred to as the required holding period, the difference, if any, between the amount realized on a sale or other taxable disposition of that share and the holder's tax basis in that share will be long-term capital gain or loss. If, however, an optionholder disposes of a share acquired on exercise of an ISO before the end of the required holding period, which is referred to as a disqualifying disposition, the optionholder generally will recognize ordinary income in the year of the disqualifying disposition equal to the excess, if any, of the fair market value of the share on the date the ISO was exercised over the exercise price.

We are not allowed an income tax deduction with respect to the grant or exercise of an ISO or the disposition of a share acquired on exercise of an ISO after the required holding period. If there is a disqualifying disposition of a share, however, we are generally allowed a deduction in an amount equal to the ordinary income includible in income by the optionholder.

Restricted Stock Awards

Generally, the recipient of a restricted stock award will recognize ordinary income at the time the stock is received equal to the excess, if any, of the fair market value of the stock received over any amount paid by the recipient in exchange for the stock. If, however, the stock is not vested when it is received (for example, if the employee is required to work for a period of time in order to have the right to sell the stock), the recipient generally will not recognize income until the stock becomes vested, at which time the recipient will recognize ordinary income equal to the excess, if any, of the fair market value of the stock on the date it becomes vested over any amount paid by the recipient in exchange for the stock. A recipient may, however, file an election with the Internal Revenue Service, within 30 days following his or her receipt of the stock award, to recognize ordinary income, as of the date the recipient receives the award, equal to the excess, if any, of the fair market value of the stock on the date the award is granted over any amount paid by the recipient for the stock. We will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock award.

Restricted Stock Unit Awards

Generally, the recipient of a stock unit structured to conform to the requirements of Section 409A of the Code or an exception to Section 409A of the Code will recognize ordinary income at the time the stock is delivered equal to the excess, if any, of the fair market value of the shares received over any amount paid by the recipient in exchange for the shares.

We will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock award.

Stock Appreciation Rights

We may grant under the Amended 2022 Plan stock appreciation rights separate from any other award or in tandem with other awards under the Amended 2022 Plan.

Where the stock appreciation rights are granted with a strike price equal to the fair market value of the underlying stock on the grant date, the recipient will recognize ordinary income equal to the fair market value of the stock or cash received upon such exercise. We will generally be entitled to a tax deduction equal to the taxable ordinary income realized by the recipient of the stock appreciation right.

Section 162(m) Limitations

Under Section 162(m) of the Code ("Section 162(m)"), compensation paid to each of the Company's "covered employees" that exceeds $1 million per taxable year is generally non-deductible. Although the Compensation Committee will continue to consider tax implications as one factor in determining executive compensation, the Compensation Committee also looks at other factors in making its decisions and retains the flexibility to provide compensation for the Company's named executive officers in a manner consistent with the goals of the Company's executive compensation program and the best interests of the Company and its stockholders, which may include providing for compensation that is not deductible by the Company due to the deduction limit under Section 162(m).

New Plan Benefits

We cannot currently determine the benefits or number of shares subject to awards that may be granted in the future to executive officers, directors, and employees under the Amended 2022 Plan. We do not presently have any current plans, proposals or arrangements, written or otherwise, to issue any of the newly available authorized shares under the Amended 2022 Plan, except as set forth below with respect to non-employee directors. As of March 31, 2023, we had 135 employees, six consultants and seven non-employee directors who would be eligible to receive grants under the 2022 Plan. Awards granted under the Amended 2022 Plan to our non-employee directors are not subject to set benefits or amounts under the terms of the Amended 2022 Plan itself. However, our director compensation policy provides for certain equity award grants to our non-employee directors. On and after the date of the Annual Meeting, if this Proposal 2 is approved by our stockholders, any such equity award grants will be made under the Amended 2022 Plan. If this Proposal 2 is not approved by our stockholders, any such equity award grants will be made under the LTIP. For additional information regarding our current compensation program for non-employee directors, please see below in the section entitled "Director Compensation".

Plan Benefits under Amended 2022 Plan

The following table shows, for each of the named executive officers and the various groups indicated, the number of stock options underlying shares of common stock that have been granted (even if not currently outstanding) under the 2022 Plan since its approval by stockholders in June 2022.

Name and position	Stock Options Granted	Weighted Average Exercise Price
Doug Doerfler *President, Chief Executive Officer and Director*	400,000	$4.19
Cenk Sumen *Chief Scientific Officer*	120,000	$4.19
Maher Masoud *Executive Vice President and General Counsel*	120,000	$4.19
All current executive officers as a group	1,220,000	$4.19
All current directors who are not executive officers as a group	368,300	$5.19
All employees, including all current officers who are not executive officers, as a group	3,588,390	$4.67

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides certain information with respect to all of the Company's equity compensation plans in effect as of December 31, 2022.

Plan Category	(a) Number of securities to be issued upon exercise of outstanding options, warrants and rights	(b) Weighted-average exercise price of outstanding options, warrants and rights	(c) Number of securities remaining available for issuance under equity compensation plans (excluding securities reflected in column (a))
Equity compensation plans approved by security holders			
2022 Equity Incentive Plan	1,272,800	$4.65	745,083
Long-Term Incentive Plan	13,104,192	$6.70	—
Equity compensation plans not approved by security holders			
Inducement Plan[1]	627,700	$5.60	—
Total			

(1) In December 2021, the Board adopted the Inducement Plan, which is a non-stockholder approved stock plan adopted pursuant to the "inducement exception" provided under Nasdaq listing rules. Simultaneous with approval of the 2022 Plan, we retired the Inducement Plan.

Required Vote

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the Annual Meeting will be required to approve the Amended 2022 Plan. Broker non-votes will have no effect and will not be counted towards the vote total for this proposal. Abstentions on this proposal will be counted towards the vote total and will have the same effect as an "Against" vote.

Proposed Resolutions

It is proposed that at the Annual Meeting the following resolution be adopted:

"RESOLVED, that the MaxCyte, Inc. 2022 Equity Incentive Plan, as amended and restated, in the form attached as Appendix A to this proxy statement, dated April 28, 2023, relating to the 2023 Annual Meeting of Stockholders, be, and hereby is, approved."

THE BOARD OF DIRECTORS RECOMMENDS A VOTE IN FAVOR OF PROPOSAL 2.

PROPOSAL 3

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Audit Committee has selected CohnReznick LLP as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2023 and has further directed that management submit the selection of its independent registered public accounting firm for ratification by the stockholders at the Annual Meeting. CohnReznick LLP has audited the Company's financial statements since the financial year ended December 31, 2019. Representatives of CohnReznick LLP are expected to be present at the Annual Meeting. They will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither the Company's Amended and Restated Bylaws nor other governing documents or law require stockholder ratification of the selection of CohnReznick LLP as the Company's independent registered public accounting firm. However, the Audit Committee is submitting the selection of CohnReznick LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain that firm. Even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of different independent auditors at any time during the year if they determine that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote on the matter at the Annual Meeting will be required to ratify the selection of CohnReznick LLP. Abstentions on this proposal will be counted towards the vote total and will have the same effect as an "Against" vote. Since brokers have authority to vote on your behalf with respect to this proposal, we do not expect broker non-votes on this proposal.

Principal Accountant Fees And Services

The following table represents aggregate fees billed to the Company for the fiscal years ended December 31, 2022 and 2021 by CohnReznick LLP, the Company's principal accountant.

	Fiscal Year Ended December 31,	
	2022	2021
	(in thousands)	
Audit Fees	$306	$482
Tax Fees	33	45
Total Fees	**$339**	**$526**

Audit fees consist of fees billed for professional services provided in connection with the audit of our annual financial statements, the review of our quarterly financial statements, and audit services that are normally provided by the independent registered public accounting firm in connection with regulatory filings. For 2021, the audit fees also include fees for professional services provided in connection with our initial public offering in 2021.

Tax fees consist of fees for tax compliance, consultation and related matters.

All fees described above were pre-approved by the Audit Committee.

Pre-Approval Policies And Procedures

The Audit Committee has adopted a policy and procedures for the pre-approval of audit and non-audit services rendered by the Company's independent registered public accounting firm, CohnReznick LLP. The policy generally pre-approves specified services in the defined categories of audit services, audit-related services and tax services up to specified amounts. Pre-approval may also be given as part of the Audit Committee's approval of the scope of the engagement of the independent auditor or on an individual, explicit, case-by-case basis before the independent auditor is engaged to provide each service. The pre-approval of services may be

delegated to one or more of the Audit Committee's members, but the decision must be reported to the full Audit Committee at its next scheduled meeting.

The Audit Committee has determined that the rendering of services other than audit services by CohnReznick LLP is compatible with maintaining the principal accountant's independence.

THE BOARD OF DIRECTORS RECOMMENDS
A VOTE IN FAVOR OF PROPOSAL 3.

EXECUTIVE OFFICERS

The following table sets forth information for our executive officers, including their ages as of March 31, 2023:

Name	Age	Position
Doug Doerfler	67	President, Chief Executive Officer and Director
Douglas Swirsky	53	Chief Financial Officer
Ron Holtz	65	Executive Vice President, Administration
Thomas M. Ross	62	Executive Vice President, Global Sales
Maher Masoud	48	Executive Vice President, General Counsel and Secretary
Cenk Sumen	50	Chief Scientific Officer

The biography of Mr. Doerfler is set forth in "Proposal 1: Election of Directors" above.

Douglas Swirsky has served as our chief financial officer since March 2023. Prior to joining MaxCyte, Mr. Swirsky served as Chief Financial Officer and Treasurer of Aavantibio, Inc., a gene therapy company, from February 2021 until its acquisition by Solid Biosciences, Inc. in December 2022, initially joining AavantiBio as its Interim President and a director in May 2020. Mr. Swirsky served as President, Chief Executive Officer and a director of the publicly held company Rexahn Pharmaceuticals, Inc. beginning in November 2018, where he led that company's merger with Ocuphire Pharma, Inc. in November 2020. Prior to joining Rexahn as its President and Chief Financial Officer in January 2018, Mr. Swirsky served as President, Chief Executive Officer and a director of GenVec, Inc., a publicly traded biotechnology company, a position he held from 2013 through the sale of the company in 2017 to Intrexon Corporation (now known as Precigen, Inc.). He joined GenVec in 2006 as its Chief Financial Officer. Prior to GenVec, Mr. Swirsky was a Managing Director and the Head of Life Sciences Investment Banking at Stifel Nicolaus from 2005 to 2006 and held investment banking positions at Legg Mason from 2002 until Stifel Financial's acquisition of the Legg Mason Capital Markets business in 2005. He also previously held investment banking positions at UBS, PaineWebber and Morgan Stanley. Mr. Swirsky currently serves as the Chairman of the Board of the publicly traded company Cellectar Biosciences, Inc. Within the last five years, Mr. Swirsky served on the board of directors of NeuroBo Pharmaceuticals, Inc. and also served on the board of directors of then-publicly traded life sciences companies Pernix Therapeutics Holdings, Inc. and Fibrocell Science, Inc. Mr. Swirsky is a certified public accountant and a CFA® charterholder. He received his B.S. in Business Administration from Boston University and his M.B.A. from the Kellogg School of Management at Northwestern University.

Ron Holtz has served as our executive vice president of administration since March 2023, having previously served as our chief financial officer from 2005 to September 2020 and again from April 2022 to March 2023 and as our senior vice president and chief accounting officer from September 2020 to April 2022. Mr. Holtz also served on our Board from 2016 to July 2021. From 2000 to 2004, Mr. Holtz served as chief financial officer of B2eMarkets Inc., an e-sourcing tools provider. Mr. Holtz served as chief financial officer of RWD Technologies from 1996 to 1999 and previously spent time in Ernst & Young LLP's Financial Advisory Services Group. Mr. Holtz received his B.S. in mathematics from the University of Wisconsin, an M.B.A. from the University of Maryland and is a certified public accountant.

Thomas M. Ross has served as our executive vice president of global sales since 2014. Prior to joining MaxCyte, Mr. Ross was senior vice president of commercial operations at OpGen from 2012 to 2014. Mr. Ross also served as chief commercial officer at Predictive BioScience and vice president of North America medical diagnostics sales at Qiagen/Digene Corporation. Prior to working at Digene Corporation, Mr. Ross held several senior leadership roles in manufacturing operations at Life Technologies Corporation and Cambrex. Mr. Ross received his B.A. in business administration from The Citadel.

Maher Masoud has served as our executive vice president and general counsel since January 2020 and previously as our vice president of legal from 2017 to January 2020. He was appointed as our corporate secretary in July 2021. From 2015 to 2017, Mr. Masoud served as assistant general counsel and corporate secretary for Wellstat Management Company and previously served as co-founding partner of Rossi/Masoud LLC, a specialized law firm for the biotech, pharmaceutical and IT sectors. Previously, Mr. Masoud was a corporate attorney at Human Genome Sciences, Inc. from 2006 until 2012 until its acquisition by

GlaxoSmithKline plc. Mr. Masoud received his J.D. from Michigan State University College of Law and a B.S. in cell and molecular biology genetics from the University of Maryland. Mr. Masoud is a member of the Maryland state bar.

Cenk Sumen has served as our chief scientific officer since March 2022. From September 2019 to February 2022, Dr. Sumen was chief technology officer of Stemson Therapeutics Corporation, a cell therapy company, where he led all aspects of technology, scale-up, process development and automation. From April 2018 to July 2019, Dr. Sumen worked as a director at Thermo Fisher Scientific, and from 2014 to April 2018 he served in roles of increasing responsibility at Hitachi Chemical Advanced Therapeutics Solutions, most recently as senior manager, business development. Earlier in his career, Dr. Sumen held sales and business development roles at PerkinElmer, Inc., STEMCELL Technologies Inc. and Life Technologies Corporation. He received his B.S. in biology from the Massachusetts Institute of Technology and holds a Ph.D. in Microbiology and Immunology from Stanford University. He completed his post-doctoral training at Harvard Medical School and held a Cancer Research Institute fellowship, working at Memorial Sloan Kettering Cancer Center. Dr. Sumen is also currently an Adjunct Professor in the Department of Chemical and Biomolecular Engineering at the NYU Tandon School of Engineering.

DELINQUENT SECTION 16(A) REPORTS

Section 16(a) of the Exchange Act requires the Company's directors and executive officers, and persons who own more than ten percent of a registered class of the Company's equity securities, to file with the SEC initial reports of ownership and reports of changes in ownership of common stock and other equity securities of the Company. Officers, directors and greater than ten percent shareholders are required by SEC regulation to furnish the Company with copies of all Section 16(a) forms they file.

To the Company's knowledge, based solely on a review of the copies of such reports filed on the SEC's EDGAR system and written representations that no other reports were required, during the fiscal year ended December 31, 2022, all Section 16(a) filing requirements applicable to its officers, directors and greater than ten percent beneficial owners were complied with, except that (a) a Form 4 report was filed late by Dr. Sumen, our Chief Scientific Officer, reporting his initial stock option award and (b) each of the seven Form 4s reporting the annual grant of stock options to our non-employee directors under our equity grant policy in connection with the 2022 annual meeting of stockholders was filed two days late.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

The following table sets forth certain information regarding the ownership of the Company's common stock as of March 31, 2023 by: (i) each director; (ii) each of the executive officers named in the Summary Compensation Table; (iii) all current executive officers and directors of the Company as a group; and (iv) all those known by the Company to be beneficial owners of more than five percent of its common stock.

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

This table is based upon information supplied by officers, directors and principal stockholders. Applicable percentage ownership is based on 103,050,899 shares of common stock outstanding as of March 31, 2023. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we include all shares subject to options held by the person that are currently exercisable, or would be exercisable or would vest based on service-based vesting conditions as of May 30, 2023, which is 60 days after March 31, 2023. However, except as described above, we do not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o MaxCyte, Inc. 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850.

Name of Beneficial Owner	Number of Shares Beneficially Owned	Percentage of Shares Beneficially Owned
5% Stockholders:		
Casdin Partners Master Fund, L.P.[1]	9,220,000	8.9%
BlackRock, Inc.[2]	7,733,213	7.5%
Directors and Named Executive Officers:		
Doug Doerfler[3]	2,631,339	2.5%
Yasir Al-Wakeel[4]	81,489	*
Will Brooke[5]	178,694	*
Richard Douglas, PhD[6]	221,492	*
Stanley Erck[7]	539,610	*
Rekha Hemrajani[8]	81,489	*
John Johnston[9]	255,792	*
Art Mandell[10]	523,276	*
Patrick J. Balthrop, Sr.	—	—
Cenk Sumen[11]	145,833	*
Maher Masoud[12]	304,372	*
All directors and current executive officers as a group (14 persons)[13]	6,443,864	6.0%

* Represents beneficial ownership of less than 1%.

(1) As reported on a Schedule 13G/A filed by Casdin Capital, LLC and affiliated persons and entities (collectively, "Casdin") with the SEC on January 10, 2023, which states that Casdin had shared voting and dispositive power with respect to these shares as of January 5, 2023. Casdin Capital, LLC is the investment adviser to Casdin Partners Master Fund, L.P., and Casdin Partners GP, LLC is the general partner of Casdin Partners Master Fund L.P. Eli Casdin is the managing member of Casdin Capital, LLC and Casdin Partners GP, LLC. As such, each of Casdin Capital, LLC, Casdin Partners GP, LLC and Eli Casdin may be deemed to beneficially own the securities held by Casdin Partners Master Fund, L.P. by virtue of their shared voting and investment control over Casdin Partners Master Fund, L.P. The address of these persons and entities is 1350 Avenue of the Americas, Suite 2600, New York, NY 10019.

(2) Based solely on a Schedule 13G/A filed with the SEC on January 31, 2023, BlackRock, Inc., a Delaware corporation, located at 55 East 52nd Street, New York, NY 10055 ("BlackRock"), reported aggregate beneficial ownership of 7,733,213 shares of our common stock. BlackRock reported that it possessed sole voting power of 7,528,516 shares and sole dispositive power of 7,733,213 shares. BlackRock also reported that it did not possess shared voting or dispositive power over any shares beneficially owned.

(3) Consists of (i) 333,197 shares of common stock and (ii) 2,298,142 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(4) Consists of 81,489 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(5) Consists of (i) 50,302 shares of common stock and (ii) 128,392 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(6) Consists of (i) 100,000 shares of common stock and (ii) 121,492 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(7) Consists of (i) 247,751 shares of common stock and (ii) 291,859 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(8) Consists of 81,489 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(9) Consists of (i) 120,583 shares of common stock and (ii) 135,209 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(10) Consists of (i) 374,484 shares of common stock and (ii) 148,792 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(11) Consists of 145,833 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(12) Consists of 304,372 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

(13) Consists of (i) 1,351,568 shares of common stock and (ii) 5,092,864 shares of common stock issuable upon the exercise of options exercisable as of May 30, 2023.

EXECUTIVE COMPENSATION

Our named executive officers ("***NEOs***") for the fiscal year ended December 31, 2022, consisting of our principal executive officer and the next two most highly compensated executive officers serving as of December 31, 2022, were:

- Doug Doerfler, our President and Chief Executive Officer;
- Cenk Sumen, our Chief Scientific Officer; and
- Maher Masoud, our Executive Vice President and General Counsel.

Summary Compensation Table

The following table presents all of the compensation awarded to or earned by or paid to our named executive officers for the fiscal years ended December 31, 2022 and 2021.

Name and Principal Position	Year	Salary ($)	Option Awards ($)[1]	Non-Equity Incentive Plan Compensation ($)[2]	All Other Compensation ($)[3]	Total ($)
Doug Doerfler	2022	605,000	375,679	576,000	18,638	1,575,317
President, Chief Executive Officer and Director	2021	575,000	646,382	800,037	15,505	2,036,924
Cenk Sumen[4]	2022	327,273	321,651	146,700	24,063	819,687
Chief Scientific Officer						
Maher Masoud[5]	2022	412,500	178,806	184,800	14,765	790,871
Executive Vice President and General Counsel						

(1) Amounts reported represent the aggregate grant date fair value of the stock options granted to our named executive officers during the indicated year, computed in accordance with Financial Accounting Standard Board Accounting Standards Codification Topic 718 ("***ASC 718***"). The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 2 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022. This amount does not reflect the actual economic value that may be realized by the named executive officer upon the exercise of the options or the sale of the underlying shares.

(2) Represents amounts paid pursuant to our annual incentive compensation program, described below.

(3) Consists of matching contributions under our 401(k) plan paid by us during 2021 and 2022 and de minimis incentives provided to all employees based on company-wide sales performance. For 2022, amounts for Dr. Sumen include $19,745 in relocation assistance in connection with him joining our company.

(4) Dr. Sumen was not employed by our company prior to March 2022.

(5) Mr. Masoud was not a named executive officer for 2021, and as a result his compensation for that year has been omitted pursuant to applicable SEC rules and regulations.

Narrative to the Summary Compensation Table

We review compensation annually for all employees, including our executives. In setting executive base salaries and bonuses and granting equity incentive awards, we consider compensation for comparable positions in the market, the historical compensation levels of our executives, individual performance as compared to our expectations and objectives, our desire to motivate our employees to achieve short- and long-term results that are in the best interests of our stockholders and a long-term commitment to our company. We do not target a specific competitive position or a specific mix of compensation among base salary, bonus or long-term incentives.

The Compensation Committee of our Board determines our executives' compensation. Our Compensation Committee typically reviews and discusses management's proposed compensation with the Chief Executive Officer for all executives other than the Chief Executive Officer, which is recommended by our Compensation Committee. Based on those discussions and its discretion, the Compensation Committee then recommends the compensation for each executive officer. Our Compensation Committee, without members of management present, discusses and ultimately approves the compensation of our executive officers, with the exception of the Chief Executive Officer's compensation, which is recommended to the full board. The Compensation Committee retained Arnosti Consulting, Inc., a compensation consulting firm, to evaluate and make recommendations with respect to our executive compensation program decisions for 2022.

Annual Performance Bonuses

Each of our executive officers is eligible to receive performance bonus under our annual incentive compensation program. Under our 2022 annual incentive compensation program, each of our named executive officers was eligible to receive a cash incentive payment equal to (1) his target incentive, as a percentage of annual base salary, multiplied by (2) the percentage achievement of certain 2022 corporate goals established by our Compensation Committee in its sole discretion, and approved by our Board, subject to the named executive officer remaining employed by us through the payment date.

Mr. Doerfler's target incentive was set at 85% of his annual base salary, Dr. Sumen's at 40% of his annual base salary, and Mr. Masoud's at 40% of his annual base salary. The corporate goals used for purposes of the 2022 annual incentive compensation program included revenue, EBITDA, and targets related to product development launches, manufacturing and engineering, and partnership licensing. Our Compensation Committee determined that the percentage achievement of the applicable corporate goals was 100% for each of the named executive officers. As a result, our Compensation Committee approved a cash incentive payment for each named executive officer in the amounts reflected above in the "Non-Equity Incentive Plan Compensation" column of the Summary Compensation Table. Each named executive's cash incentive payment for 2022 was paid in the first quarter of 2023.

Long-Term Incentives

In March 2022, we granted stock options to Mr. Doerfler and Mr. Masoud to purchase 500,000 shares and 142,000 shares, respectively, and in April 2022, following Dr. Sumen's hire in March 2022, we granted options to Dr. Sumen to purchase 500,000 shares.

In May 2022, our board of directors adopted, and in June 2022 our stockholders approved, the 2022 Plan and in March 2023, we made annual grants of stock options to Mr. Doerfler, Mr. Masoud and Dr. Sumen to purchase 400,000 shares, 120,000 shares and 120,000 shares, respectively.

With respect to each of the foregoing stock option grants, 25% of the shares underlying the options vest on the first anniversary of the date of grant and the remaining shares underlying the option vest in 36 equal monthly installments thereafter, subject to each officer's continuous service with us at each vesting date.

Retirement Benefits and Other Compensation

Health and Welfare and Retirement Benefits

All of our current named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, disability and life insurance plans, in each case on the same basis as all of our other employees. We do not provide perquisites or personal benefits to our named executive officers other than those provided generally to all employees. In connection with Dr. Sumen's appointment as our Chief Scientific Officer, we provided him with relocation assistance with a value of approximately $20,000.

401(k) Plan

We maintain a tax-qualified retirement plan, the 401(k) Plan, that provides eligible employees in the United States with an opportunity to save for retirement on a tax-advantaged basis. Under the 401(k) Plan, we may provide matching and other discretionary contributions. We currently match employee contributions equal to 50% of the first 10% of salary deferral contributions, with a maximum company contribution of 5%

of the employee's eligible compensation. Pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participants' directions. The 401(k) Plan is intended to qualify under Sections 401(a) and 501(a) of the Internal Revenue Code.

Outstanding Equity Awards at Fiscal Year End

The following table presents information regarding outstanding stock options held by our named executive officers as of December 31, 2022. None of our named executive officers held restricted stock or other stock awards at the end of 2022.

	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable	Option Exercise Price ($)	Option Expiration Date
Doug Doerfler	445,080	—	0.04	11/11/2024
	296,000	—	1.09	6/13/2026
	296,000	—	3.17	7/14/2027
	296,000	—	3.18	7/18/2028
	365,813	24,387[1]	2.35	3/4/2029
	284,521	105,679[2]	1.81	1/20/2030
	178,842	211,358[3]	14.46	2/16/2031
	3,333	6,667[4]	16.63	8/9/2031
	—	500,000[5]	7.12	3/25/2032
Cenk Sumen	—	500,000[6]	5.70	4/10/2032
Maher Masoud	35,000	—	3.18	7/18/2028
	43,219	2,881[1]	2.35	3/4/2029
	33,615	12,485[2]	1.81	1/20/2030
	38,542	86,458[7]	2.13	2/25/2030
	45,833	54,167[3]	14.46	2/16/2031
	3,333	6,667[4]	16.63	8/9/2031
	—	100,000[8]	6.32	2/25/2032
	—	142,000[5]	7.12	3/25/2032

(1) Represents an option to purchase shares of our common stock granted on March 4, 2019. The shares underlying this option vested as follows: 1/16th of the shares vested 90 calendar days following the grant date and the remainder vests monthly in 45 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(2) Represents an option to purchase shares of our common stock granted on January 20, 2020. The shares underlying this option vest as follows: 1/16th of the shares vested 90 calendar days following the grant date and the remainder vests monthly in 45 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(3) Represents an option to purchase shares of our common stock granted on February 16, 2021. The shares underlying this option vest as follows: 1/4th of the shares vested one calendar year following the grant date and the remainder vests monthly in 36 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(4) Represents an option to purchase shares of our common stock granted on August 9, 2021. The shares underlying this option vest as follows: 1/4th of the shares vest one calendar year following the grant date and the remainder vests monthly in 36 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(5) Represents an option to purchase shares of our common stock granted on March 25, 2022. The shares underlying this option vest as follows: 1/4th of the shares vested one calendar year following the grant date and the remainder vests monthly in 36 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(6) Represents an option to purchase shares of our common stock granted on April 10, 2022. The shares underlying this option vest as follows: 1/4th of the shares vested one calendar year following the grant date and the remainder vests monthly in 36 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(7) Represents an option to purchase shares of our common stock granted on February 25, 2020. The shares underlying this option vest as follows: 1/16th of the shares vested 90 calendar days following the grant date and the remainder vests monthly in 45 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

(8) Represents an option to purchase shares of our common stock granted on February 25, 2022. The shares underlying this option vest as follows: 1/4th of the shares vested one calendar year following the grant date and the remainder vests monthly in 36 monthly installments thereafter, subject to the applicable holder's continued service to our company through the applicable vesting date.

Employment Agreements; Potential Payments Upon Termination or Change in Control

We have entered into severance agreements with each of the NEOs in connection with his employment with us, which sets forth the terms and conditions of his specified payments and benefits in connection with a termination of employment in certain circumstances. In each case, the officer must sign and not revoke a release of claims in our favor in order to receive these payments and benefits. Our goal in providing these severance and change in control payments and benefits is to offer sufficient cash continuity protection such that the NEOs will focus their full time and attention on the requirements of the business rather than the potential implications of a qualifying employment termination or change in control for their respective positions. We prefer to have certainty regarding the potential severance amounts payable to the NEOs, rather than negotiating severance at the time that an NEO's employment terminates. We have also determined that accelerated vesting provisions with respect to outstanding equity awards in connection with a qualifying termination of employment in certain circumstances are appropriate because they encourage our NEOs to stay focused on the business in those circumstances, rather than focusing on the potential implications of the termination of employment for them personally. The material terms of the severance agreements we have entered into with our NEOs are summarized below.

Doug Doerfler

We entered into a severance agreement dated July 20, 2021, setting forth the terms of Mr. Doerfler's severance eligibility. Under Mr. Doerfler's severance agreement, if he is terminated by us other than for "cause" (as defined in the severance agreement), or if he resigns for "good reason" (as defined in the severance agreement), and if such termination or resignation occurs on the date of or within 24 months following a "change of control" (as defined in the severance agreement), then Mr. Doerfler will be eligible to receive (i) payment of his monthly base salary (calculated as his total base salary during the 12 month period prior to his date of termination divided by 12) for the 18 months following his departure (less applicable tax withholdings), (ii) 75% of his "target bonus" (as defined in the severance agreement) (less applicable tax withholdings) paid in monthly installments over 18 months, (iii) COBRA premium coverage for up to 18 months, and (iv) full acceleration of the vesting of the unvested shares subject to his outstanding stock options.

Under Mr. Doerfler's severance agreement, if he is terminated by us other than for "cause," or if he resigns for "good reason," and if such termination or resignation occurs at any time prior to a "change of control," then Mr. Doerfler will be eligible to receive (i) payment of his monthly base salary (calculated as his total base salary during the 12 month period prior to his date of termination divided by 12) for the 12 months following his departure (less any amounts paid to Mr. Doerfler during such 12 month period under our Short Term or Long Term Disability Plan, and less applicable tax withholdings), (ii) COBRA premium coverage for up to 12 months, and (iii) if the termination or resignation occurs within 180 days prior to a "change of

control," then Mr. Doerfler shall also receive full acceleration of the vesting of the unvested shares subject to his outstanding stock options.

Cenk Sumen

We entered into a severance agreement dated March 10, 2023, setting forth the terms of Dr. Sumen's severance eligibility. Under Dr. Sumen's severance agreement, if he had been terminated by us other than for "cause" (as defined in the severance agreement), or if he had resigned for "good reason" (as defined in the severance agreement), and if such termination or resignation occurred on the date of or within 24 months following a "change of control" (as defined in the severance agreement), then Dr. Sumen would have been eligible to receive (i) payment of his monthly base salary (calculated as his total base salary during the 12 month period prior to his date of termination divided by 12) for the 9 months following his departure (less applicable tax withholdings), (ii) 75% of his "target bonus" (as defined in the severance agreement) (less applicable tax withholdings) paid in monthly installments over 9 months, (iii) COBRA premium coverage for up to 9 months, and (iv) full acceleration of the vesting of the unvested shares subject to his outstanding stock options.

Under Dr. Sumen's severance agreement, if he had been terminated by us other than for "cause," or if he had resigned for "good reason," and if such termination or resignation occurred at any time prior to a "change of control," then Dr. Sumen would have been eligible to receive (i) payment of his monthly base salary (calculated as his total base salary during the 12 month period prior to his date of termination divided by 12) for the 9 months following his departure (less any amounts paid to Dr. Sumen during such 9 month period under our Short Term or Long Term Disability Plan, and less applicable tax withholdings), (ii) COBRA premium coverage for up to 9 months, and (iii) if the termination or resignation occurs within 180 days prior to a "change of control," then Dr. Sumen would also have receive full acceleration of the vesting of the unvested shares subject to his outstanding stock options.

Maher Masoud

We entered into a severance agreement dated January 11, 2021, setting forth the terms of Mr. Masoud's severance eligibility. Under Mr. Masoud's severance agreement, if he had been terminated by us other than for "cause" (as defined in the severance agreement), or if he had resigned for "good reason" (as defined in the severance agreement), and if such termination or resignation occurred on the date of or within 24 months following a "change of control" (as defined in the severance agreement), then Mr. Masoud would have been eligible to receive (i) payment of his monthly base salary (calculated as his total base salary during the 12 month period prior to his date of termination divided by 12) for the 9 months following his departure (less applicable tax withholdings), (ii) 75% of his "target bonus" (as defined in the severance agreement) (less applicable tax withholdings) paid in monthly installments over 9 months, (iii) COBRA premium coverage for up to 9 months, and (iv) full acceleration of the vesting of the unvested shares subject to his outstanding stock options.

Under Mr. Masoud's severance agreement, if he had been terminated by us other than for "cause," or if he had resigned for "good reason," and if such termination or resignation occurred at any time prior to a "change of control," then Mr. Masoud would have been eligible to receive (i) payment of his monthly base salary (calculated as his total base salary during the 12 month period prior to his date of termination divided by 12) for the 9 months following his departure (less any amounts paid to Mr. Masoud during such 9 month period under our Short Term or Long Term Disability Plan, and less applicable tax withholdings), (ii) COBRA premium coverage for up to 9 months, and (iii) if the termination or resignation occurs within 180 days prior to a "change of control," then Mr. Masoud would also have receive full acceleration of the vesting of the unvested shares subject to his outstanding stock options.

Director Compensation

We have historically provided our non-employee directors with an annual cash retainer as well as additional annual retainers for service as chair of the Board and service as chair or member of the Board's committees. The fees for committee service are in addition to the annual cash retainer for Board service. Members of committee can receive either a chair or a member retainer for service on the committee, but not both.

Position		Annual Cash Retainer ($)
Board of Directors	Chair	80,000
	Member	40,000
Audit Committee	Chair	20,000
	Member	10,000
Compensation Committee	Chair	14,000
	Member	6,000
Nominating & Corporate Governance Committee	Chair	10,000
	Member	5,000

In addition to annual cash retainers, in accordance with our equity grant policy, our non-employee directors are granted options to purchase shares of our common stock under our 2022 Plan in an amount determined by our Board annually. In June 2022, at the time of our 2022 annual meeting of stockholders, each of our non-employee directors was granted an option to purchase 26,900 shares of our common stock. In March 2023, Dr. Al-Wakeel and Ms. Hemrajani were each granted an additional option to purchase 40,000 shares of our common stock. Dr. Al-Wakeel and Ms. Hemrajani joined our Board shortly before our U.S. initial public offering in August 2021, and it was determined that the equity awards issued to them at the commencement of their service on the Board was below those of our peer companies listed on Nasdaq and therefore that an upward adjustment was appropriate in the form of a new grant. From time to time, our non-employee directors are also reimbursed upon request for out-of-pocket expenses incurred in connection with their attendance at Board meetings.

2022 Director Compensation Table

The following table sets forth information regarding the compensation earned for service on our Board in 2022 by our non-employee directors. Doug Doerfler, our President and Chief Executive Officer, is also a member of our Board but does not receive any additional compensation for service as a director. Information about compensation for Mr. Doerfler during 2022 is set forth above under "Summary Compensation Table."

Name	Fees Earned or Paid in Cash ($)	Option Awards[2][3] ($)	All other compensation ($)	Total ($)
Will Brooke	66,000	35,942	—	101,942
Richard Douglas, PhD	80,000	35,942	—	115,942
Stanley Erck	51,000	35,942	—	86,942
John Johnston	50,000	35,942	—	85,942
Art Mandell	60,000	35,942	—	95,942
Yasir Al-Wakeel	50,000	35,942	—	85,942
Rekha Hemrajani	54,000	35,942	—	89,942
Patrick J. Balthrop, Sr.[1]	3,750	—	—	3,750

(1) Mr. Balthrop's term as a director and member of the N&CG Committee began in November 2022.

(2) This column reflects the full grant date fair value of options granted during the year measured pursuant to ASC 718, the basis for computing stock-based compensation in our financial statements. The fair value of each stock option grant is estimated on the date of grant using the Black-Scholes option pricing model. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in Note 2 to our audited financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2022. This amount does not reflect the actual economic value that may be realized by the named executive officer upon the exercise of the options or the sale of the underlying shares.

(3) The following table provides information regarding the aggregate number of option awards granted to our non-employee directors that were outstanding as of December 31, 2022:

Name	
Will Brooke	165,400
Richard Douglas, PhD	158,500
Stanley Erck	328,867
John Johnston	172,217
Art Mandell	185,800
Yasir Al-Wakeel	117,600
Rekha Hemrajani	117,600
Patrick J. Balthrop, Sr.	100,000

TRANSACTIONS WITH RELATED PERSONS AND INDEMNIFICATION

Related-Person Transactions Policy and Procedures

We have adopted a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our Board or our Audit Committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 and such person would have a direct or indirect interest, must be presented to our Board or our Audit Committee for review, consideration and approval. In approving or rejecting any such proposal, our Board or our Audit Committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

The related person transactions policy also covers related party transactions under the AIM Rules for Companies published by London Stock Exchange plc (the "***AIM Rules***"), which contains a different definition of a related party to the definition of a related person set out above for U.S. purposes. The AIM Rules require that any transaction with a related party (pursuant to the definition in the AIM Rules) that exceeds 5% in any of the class tests set out in the AIM Rules, taking into account certain provisions relating to aggregation of transactions, should be announced without delay as soon as the terms of the transaction are agreed, and that the announcement should include certain specified information including a statement that our directors (with the exception of any director who is involved in the transaction as a related party) consider, having consulted with our nominated adviser for AIM, that the terms of the transaction are fair and reasonable insofar as our stockholders are concerned.

Certain Related-Person Transactions

Except as described below, there have been no transactions since January 1, 2022 to which we have been a participant in which the amount involved exceeded or will exceed $120,000, and in which any of our directors, executive officers or holders of more than five percent of our capital stock, or any members of their immediate family, had or will have a direct or indirect material interest, other than compensation arrangements that are described under "Executive Compensation" and "Director Compensation." For a description of severance and change in control arrangements that we have entered into with some of our executive officers, see "Executive Compensation — Potential Payments upon Termination or Change in Control."

Novavax Sublease

In November 2011, we entered into a Lease Agreement, as subsequently amended or restated (the "***Lease Agreement***") with Novavax, Inc. ("***Novavax***"), covering the sublease of approximately 19,000 square feet of office and laboratory space. The sublease is currently set to expire in October 2023. Richard Douglas, the chairman of our Board, is a member of the board of directors of Novavax, and Stanley Erck, a member of our Board, was the chief executive officer of, and a director of, Novavax until January 2023. Under the terms of the Lease Agreement, we paid Novavax $296,300 for the year ended December 31, 2022.

Indemnification Agreements

We provide indemnification for our directors and executive officers so that they will be free from undue concern about personal liability in connection with their service to the Company. Under our Bylaws, we are required to indemnify our directors and executive officers to the extent not prohibited under Delaware law. We have also entered into indemnity agreements with certain officers and directors. These agreements provide, among other things, that we will indemnify the officer or director, under the circumstances and to the extent provided for in the agreement, for expenses, damages, judgments, fines and settlements he or she may be required to pay in actions or proceedings which he or she is or may be made a party by reason of his or her position as a director, officer or other agent of the Company, and otherwise to the fullest extent permitted under Delaware law and our Bylaws.

HOUSEHOLDING OF PROXY MATERIALS

The SEC has adopted rules that permit companies and intermediaries (e.g., brokers) to satisfy the delivery requirements for Notices of Internet Availability of Proxy Materials or other Annual Meeting materials with respect to two or more stockholders sharing the same address by delivering a single Notice of Internet Availability of Proxy Materials or other Annual Meeting materials addressed to those stockholders. This process, which is commonly referred to as "householding," potentially means extra convenience for stockholders and cost savings for companies.

This year, a number of brokers with account holders who are MaxCyte, Inc. stockholders will be "householding" the Company's proxy materials. A single set of Annual Meeting material will be delivered to multiple stockholders sharing an address unless contrary instructions have been received from the affected stockholders. Once you have received notice from your broker that they will be "householding" communications to your address, "householding" will continue until you are notified otherwise or until you revoke your consent. If, at any time, you no longer wish to participate in "householding" and would prefer to receive a separate set of Annual Meeting materials, please notify your broker or MaxCyte. Direct your written request to MaxCyte, Inc., Attn: Corporate Secretary; 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850, Attention: Investor Relations. Stockholders who currently receive multiple copies of the Annual Meeting materials at their addresses and would like to request "householding" of their communications should contact their brokers.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

Maher Masoud
Secretary

April 28, 2023

A copy of the Company's Annual Report to the Securities and Exchange Commission on Form 10-K for the fiscal year ended December 31, 2022 is available without charge upon written request to: Corporate Secretary, MaxCyte, Inc., 9713 Key West Avenue, Suite 400, Rockville, Maryland 20850.

Appendix A

MAXCYTE, INC.
2022 EQUITY INCENTIVE PLAN

Adopted by the Board of Directors: May 22, 2022
Approved by the Stockholders: June 29, 2022
Amended by the Board of Directors: April 19, 2023
Approved by the Stockholders: , 2023

1. General.

(a) Defined Terms. Except as otherwise provided, any capitalized term shall have the meaning provided in Section 14 of this Plan.

(b) Successor to and Continuation of Prior Plan. The Plan is the successor to and continuation of the Prior Plan. As of the Effective Date, (i) no additional awards may be granted under the Prior Plan or the Inducement Plan; (ii) the Prior Plan's Available Reserve (plus any Prior Plans' Returning Shares) will become available for issuance pursuant to Awards granted under this Plan; (iii) all outstanding awards granted under the Prior Plan will remain subject to the terms of the Prior Plan; and (iv) all outstanding awards granted under the Inducement Plan will remain subject to the terms of the Inducement Plan. All Awards granted under this Plan will be subject to the terms of this Plan.

(c) Plan Purpose. The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

(d) Available Awards. The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

(e) Adoption Date; Effective Date. The Plan will come into existence on the Adoption Date, but no Award may be granted prior to the Effective Date.

2. Shares Subject to the Plan.

(a) Share Reserve.

(i) Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed the sum of: (i) 6,069,000 new shares, plus (ii) the 1,928,000 shares originally reserved under the Plan, plus (iii) a number of shares of Common Stock equal to the Prior Plan's Available Reserve, plus (iv) a number of shares of Common Stock equal to the number of Prior Plans' Returning Shares, if any, as such shares become available from time to time.

(ii) Subject to Section 2(c), the number of shares of Common Stock available for issuance under the Plan will be reduced by: (A) one share for each share of Common Stock issued pursuant to an Appreciation Award granted under the Plan; and (B) 1.14 shares for each share of Common Stock issued pursuant to a Full Value Award granted under the Plan.

(iii) Subject to Section 2(c), the number of shares of Common Stock available for issuance under the Plan will be increased by: (A) one share for each Prior Plans' Returning Share or 2022 Plan Returning Share (as defined in Section 2(c)(iii)) subject to an Appreciation Award; and (B) 1.14 shares for each Prior Plans' Returning Share or 2022 Plan Returning Share subject to a Full Value Award.

(b) Aggregate Incentive Stock Option Limit. Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 37,200,000 shares.

(c) Share Reserve Operation.

(i) Limit Applies to Common Stock Issued Pursuant to Awards. For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

(ii) Actions that Do Not Constitute Issuance of Common Stock and Do Not Reduce Share Reserve. The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued; or (2) the settlement of any portion of an Award in cash (i.e., the Participant receives cash rather than shares of Common Stock).

(iii) Previously Issued Shares of Common Stock Available for Subsequent Issuance. The following shares of Common Stock (collectively, the "***2022 Plan Returning Shares***") previously issued pursuant to an Award will become available again for issuance under the Plan: any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares.

(iv) Previously Issued Shares of Common Stock Not Available for Subsequent Issuance. The following shares of Common Stock previously issued pursuant to an Award will not become available again for issuance under the Plan: (1) any shares that are reacquired or withheld (or not issued) by the Company to satisfy (i) the exercise or strike price of an Appreciation Award or (ii) the purchase price of a Full Value Award; (2) any shares that are reacquired or withheld (or not issued) by the Company to satisfy a tax withholding obligation in connection with an Appreciation Award or a Full Value Award; (3) any shares repurchased by the Company on the open market with the proceeds of (i) the exercise or strike price of an Appreciation Award or (ii) the purchase price of a Full Value Award; and (4) in the event that an SAR is settled in shares of Common Stock, the gross number of shares of Common Stock subject to such award.

3. Eligibility and Limitations.

(a) Eligible Award Recipients. Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

(b) Specific Award Limitations.

(i) Limitations on Incentive Stock Option Recipients. Incentive Stock Options may be granted only to Employees of the Company or a "parent corporation" or "subsidiary corporation" thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

(ii) Incentive Stock Option $100,000 Limitation. To the extent that the aggregate fair market value (determined at the time of grant) of the shares of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any "parent corporation" or "subsidiary corporation" thereof, as such terms are defined in Sections 424(e) and (f) of the Code) exceeds $100,000 (or such other limit established in the Code), or any Incentive Stock Options otherwise do not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders. A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (i) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (ii) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

(iv) Limitations on Nonstatutory Stock Options and SARs. Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as "service recipient stock" under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

(c) Aggregate Incentive Stock Option Limit. The aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is the number of shares specified in Section 2(b).

(d) Non-Employee Director Compensation Limit. The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any fiscal year, including Awards granted and cash fees paid by the Company to such Non-Employee Director for his or her service as a Non-Employee Director, will not exceed (i) $900,000 in total value or (ii) in the event such Non-Employee Director is first appointed or elected to the Board during such fiscal year, $1,400,000 in total value, in each case calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes.

4. Options and Stock Appreciation Rights.

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(a) Term. Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

(b) Exercise or Strike Price. Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

(c) Exercise Procedure and Payment of Exercise Price for Options. In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

(i) by cash or check, bank draft or money order payable to the Company;

(ii) pursuant to a "cashless exercise" program developed under Regulation T as promulgated by the United States Federal Reserve Board that, prior to the issuance of the Common Stock subject to the

Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

(iii) by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

(iv) if the Option is a Nonstatutory Stock Option, by a "net exercise" arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

(d) Exercise Procedure and Payment of Appreciation Distribution for SARs. In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

(e) Transferability. Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and provided, further, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of being transferred:

(i) Restrictions on Transfer. An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable U.S. state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

(ii) Domestic Relations Orders. Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

(f) Vesting. The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the applicable Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

(g) Termination of Continuous Service for Cause. Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause. Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

(i) three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

(ii) 12 months following the date of such termination if such termination is due to the Participant's Disability;

(iii) 18 months following the date of such termination if such termination is due to the Participant's death; or

(iv) 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

(i) Restrictions on Exercise; Extension of Exercisability. A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period, the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law (as determined in the sole discretion of the Board), then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

(j) Non-Exempt Employees. No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the United States Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the United States Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current

employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

(k) Whole Shares. Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

5. Awards Other Than Options and Stock Appreciation Rights.

(a) Restricted Stock Awards and RSU Awards. Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

(i) Form of Award.

(1) RSAs: To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

(2) RSUs: A RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

(ii) Consideration.

(1) RSA: A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration as the Board may determine and permissible under Applicable Law.

(2) RSU: Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

(iii) Vesting. The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

(iv) Termination of Continuous Service. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (i) the Company may receive through a forfeiture condition

or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement and (ii) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

(v) Settlement of RSU Awards. A RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

(b) Performance Awards. With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

(c) Other Awards. Other Awards may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

6. Adjustments upon Changes in Common Stock; Other Corporate Events.

(a) Capitalization Adjustments. In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Common Stock subject to the Plan and the maximum number of shares by which the Share Reserve may annually increase pursuant to Section 2(a), (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(b), and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

(b) Dissolution or Liquidation. Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

(c) Transactions. The following provisions will apply to Awards in the event of a Transaction except as set forth in Section 11, and unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or in a director compensation policy or unless otherwise expressly provided by the Board at the time of grant of an Award.

(i) Awards May Be Assumed. In the event of a Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Transaction), and any reacquisition or repurchase

rights held by the Company in respect of Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume, continue, or substitute the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

(ii) Awards Held by Current Participants. In the event of a Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Transaction (referred to as the "**Current Participants**"), the vesting of such Awards (and, with respect to Options and SARs, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Transaction (contingent upon the effectiveness of the Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective time of the Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Transaction. With respect to the vesting of Awards that will accelerate upon the occurrence of a Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Transaction.

(iii) Awards Held by Persons other than Current Participants. In the event of a Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Transaction.

(iv) Payment for Awards in Lieu of Exercise. Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

(d) Appointment of Stockholder Representative. As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

(e) No Restriction on Right to Undertake Transactions. The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of

the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

7. Administration.

(a) Administration by Board. The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

(b) Powers of Board. The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine from time to time: (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.

(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock (including, but not limited to, any Transaction), for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; provided however, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are non-U.S. nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant non-U.S. jurisdiction).

(c) Delegation to Committee.

(i) General. The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with the Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, revest in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, revest in the Board some or all of the powers previously delegated.

(ii) Rule 16b-3 Compliance. To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

(d) Effect of Board's Decision. All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

(e) Delegation to an Officer. The Board or any Committee may delegate to one or more Officers the authority to do one or both of the following (i) designate Employees who are not Officers to be recipients of Options and SARs (and, to the extent permitted by Applicable Law, other types of Awards) and, to the extent permitted by Applicable Law, the terms thereof, and (ii) determine the number of shares of Common Stock to be subject to such Awards granted to such Employees; provided, however, that the resolutions or charter adopted by the Board or any Committee evidencing such delegation will specify the total number of shares of Common Stock that may be subject to the Awards granted by such Officer and that such Officer may not grant an Award to himself or herself. Any such Awards will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, unless otherwise provided in the resolutions approving the delegation authority. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to an Officer who is acting solely in the capacity of an Officer (and not also as a Director) the authority to determine the Fair Market Value.

(f) No Repricing Without Stockholder Approval. Neither the Board nor any Committee shall have the authority to: (1) reduce the exercise price (or strike price) of any outstanding Option or SAR; (2) cancel any outstanding Option or SAR and grant in substitution therefor (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Common Stock, (B) cash and/or (C) other valuable consideration (as determined by the Board or any Committee); or (3) take any other action that is treated as a repricing under generally accepted accounting principles, unless the stockholders of the Company have approved such an action within the prior twelve (12) months.

(g) Minimum Vesting Requirements. Notwithstanding any other provision of the Plan, no Award may vest (and/or, if applicable, be exercisable) until at least twelve (12) months following the date of grant of the Award; provided, however, that up to five percent (5%) of the Share Reserve may be subject to Awards that do not meet such vesting (and/or, if applicable, exercisability) requirements.

8. Tax Withholding

(a) Withholding Authorization. As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for, any sums required to satisfy any U.S. and/or non-U.S. federal, state or local tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the grant, vesting, exercise, or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

(b) Satisfaction of Withholding Obligation. To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. and/or non-U.S. federal, state or local tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the United States Federal Reserve Board; or (vi) by such other method as may be set forth in the Award Agreement.

(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims. Except as required by Applicable Law, the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the United States Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not to make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the United States Internal Revenue Service asserts that such exercise price or strike price is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the United States Internal Revenue Service.

(d) Withholding Indemnification. As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its Affiliate's withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

9. Miscellaneous.

(a) Dividends and Dividend Equivalents.

(i) Dividends or dividend equivalents may not be paid or credited to Options or SARs.

(ii) With respect to any Award other than an Option or SAR, dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to such Award, as determined by the Board and specified in the applicable Award Agreement; provided, however, that (i) no dividends or dividend equivalents may be paid or settled with respect to any such shares before the date such shares have vested under the terms of such Award Agreement; (ii) any dividends or dividend equivalents that are credited with respect to any such shares shall be subject to all of the terms and conditions applicable to such shares under the terms of such Award Agreement (including, but not limited to, any vesting conditions); and (iii) any dividends or dividend equivalents that are credited with respect to any such shares shall be forfeited to the Company on the date, if any, such shares are forfeited to or repurchased by the Company due to a failure to meet any vesting conditions under the terms of such Award Agreement.

(b) Source of Shares. The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

(c) Use of Proceeds from Sales of Common Stock. Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

(d) Corporate Action Constituting Grant of Awards. Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

(e) Stockholder Rights. No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

(f) No Employment or Other Service Rights. Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the U.S. state or non-U.S. jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

(g) Change in Time Commitment. In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

(h) Execution of Additional Documents. As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined

in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

(i) Electronic Delivery and Participation. Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at www.sec.gov (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award, the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

(j) Clawback/Recovery. All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform and Consumer Protection Act or other Applicable Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

(k) Securities Law Compliance. A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

(l) Transfer or Assignment of Awards; Issued Shares. Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of a Restricted Stock Award and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

(m) Effect on Other Employee Benefit Plans. The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

(n) Deferrals. To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals will be made in accordance with the requirements of Section 409A.

(o) Section 409A. Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby

incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes "deferred compensation" under Section 409A is a "specified employee" for purposes of Section 409A, no distribution or payment of any amount that is due because of a "separation from service" (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant's "separation from service" or, if earlier, the date of the Participant's death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

(p) Choice of Law. This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

10. Covenants of the Company.

(a) Compliance with Law. The Company will seek to obtain from each regulatory commission or agency, as may be deemed necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

11. Additional Rules for Awards Subject to Section 409A.

(a) Application. Unless the provisions of this Section of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

(b) Non-Exempt Awards Subject to Non-Exempt Severance Arrangements. To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this subsection (b) apply.

(i) If the Non-Exempt Award vests in the ordinary course during the Participant's Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31st of the calendar year that includes the applicable vesting date, or (ii) the 60th day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant's Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant's Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60th day that follows the date of the Participant's Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant's Separation from Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under United States Treasury Regulations Section 1.409A-3(a)(4).

(c) Treatment of Non-Exempt Awards Upon a Transaction for Employees and Consultants. The provisions of this subsection (c) shall apply and shall supersede anything to the contrary set forth in the Plan with respect to the permitted treatment of any Non-Exempt Award in connection with a Transaction if the Participant was either an Employee or Consultant upon the applicable date of grant of the Non-Exempt Award.

(i) Vested Non-Exempt Awards. The following provisions shall apply to any Vested Non-Exempt Award in connection with a Transaction:

(1) If the Transaction is also a Section 409A Change in Control, then the Acquiring Entity may not assume, continue or substitute the Vested Non-Exempt Award. Upon the Section 409A Change in Control, the settlement of the Vested Non-Exempt Award will automatically be accelerated and the shares will be immediately issued in respect of the Vested Non-Exempt Award. Alternatively, the Company may instead provide that the Participant will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control.

(2) If the Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute each Vested Non-Exempt Award. The shares to be issued in respect of the Vested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of the Fair Market Value of the shares made on the date of the Transaction.

(ii) Unvested Non-Exempt Awards. The following provisions shall apply to any Unvested Non-Exempt Award unless otherwise determined by the Board pursuant to subsection (e) of this Section.

(1) In the event of a Transaction, the Acquiring Entity shall assume, continue or substitute any Unvested Non-Exempt Award. Unless otherwise determined by the Board, any Unvested Non-Exempt Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Transaction. The shares to be issued in respect of any Unvested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value of the shares made on the date of the Transaction.

(2) If the Acquiring Entity will not assume, substitute or continue any Unvested Non-Exempt Award in connection with a Transaction, then such Award shall automatically terminate and be forfeited upon the Transaction with no consideration payable to any Participant in respect of such forfeited Unvested Non-Exempt Award. Notwithstanding the foregoing, to the extent permitted and in compliance with the requirements of Section 409A, the Board may in its discretion determine to elect to accelerate the vesting and settlement of the Unvested Non-Exempt Award upon the Transaction, or instead substitute a cash payment equal to the Fair Market Value of such shares that

would otherwise be issued to the Participant, as further provided in subsection (e)(ii) below. In the absence of such discretionary election by the Board, any Unvested Non-Exempt Award shall be forfeited without payment of any consideration to the affected Participants if the Acquiring Entity will not assume, substitute or continue the Unvested Non-Exempt Awards in connection with the Transaction.

(3) The foregoing treatment shall apply with respect to all Unvested Non-Exempt Awards upon any Transaction, and regardless of whether or not such Transaction is also a Section 409A Change in Control.

(d) Treatment of Non-Exempt Awards Upon a Transaction for Non-Employee Directors. The following provisions of this subsection (d) shall apply and shall supersede anything to the contrary that may be set forth in the Plan with respect to the permitted treatment of a Non-Exempt Director Award in connection with a Transaction.

(i) If the Transaction is also a Section 409A Change in Control, then the Acquiring Entity may not assume, continue or substitute the Non-Exempt Director Award. Upon the Section 409A Change in Control, the vesting and settlement of any Non-Exempt Director Award will automatically be accelerated and the shares will be immediately issued to the Participant in respect of the Non-Exempt Director Award. Alternatively, the Company may provide that the Participant will instead receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control pursuant to the preceding provision.

(ii) If the Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute the Non-Exempt Director Award. Unless otherwise determined by the Board, the Non-Exempt Director Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Transaction. The shares to be issued in respect of the Non-Exempt Director Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value made on the date of the Transaction.

(e) If the RSU Award is a Non-Exempt Award, then the provisions in this Section 11(e) shall apply and supersede anything to the contrary that may be set forth in the Plan or the Award Agreement with respect to the permitted treatment of such Non-Exempt Award:

(i) Any exercise by the Board of discretion to accelerate the vesting of a Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of the shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

(ii) The Company explicitly reserves the right to earlier settle any Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in United States Treasury Regulations Section 1.409A-3(j)(4)(ix).

(iii) To the extent the terms of any Non-Exempt Award provide that it will be settled upon a Change in Control or Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Transaction event triggering settlement must also constitute a Section 409A Change in Control. To the extent the terms of a Non-Exempt Award provides that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation From Service. However, if at the time the shares would otherwise be issued to a Participant in connection with a "separation from service" such Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of the Participant's Separation From Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iv) The provisions in this subsection (e) for delivery of the shares in respect of the settlement of a RSU Award that is a Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the shares to the Participant in respect of such Non-Exempt Award will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

12. Severability.

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

13. Termination of the Plan.

The Board may suspend or terminate the Plan at any time. No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company's stockholders. No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

14. Definitions.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) "***Acquiring Entity***" means the surviving or acquiring corporation (or its parent company) in connection with a Transaction.

(b) "***Adoption Date***" means the date the Plan is first approved by the Board or Compensation Committee.

(c) "***Affiliate***" means, at the time of determination, any "parent" or "subsidiary" of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which "parent" or "subsidiary" status is determined within the foregoing definition.

(d) "***Applicable Law***" means the Code and any applicable U.S. or non-U.S. securities, federal, state, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(e) "***Appreciation Award***" means (i) a stock option or stock appreciation right granted under the Prior Plan or the Inducement Plan or (ii) an Option or Stock Appreciation Right, in each case with respect to which the exercise or strike price (per share) is at least 100% of the Fair Market Value of the Common Stock subject to the stock option or stock appreciation right, or Option or Stock Appreciation Right, as applicable, on the date of grant.

(f) "***Award***" means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a RSU Award, a SAR, a Performance Award or any Other Award).

(g) "***Award Agreement***" means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(h) "***Board***" means the board of directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(i) "***Capitalization Adjustment***" means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Date without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(j) "***Cause***" has the meaning ascribed to such term in any written agreement between the Participant and the Company or an Affiliate defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant's actual or attempted commission of, or participation in, a fraud or act of dishonesty against the Company or an Affiliate; (ii) such Participant's intentional, material violation of any contract or agreement between the Participant and the Company or an Affiliate or of any statutory duty owed to the Company or an Affiliate; (iii) such Participant's unauthorized use or disclosure of the Company's or any of its Affiliate's confidential information or trade secrets; or (iv) such Participant's gross misconduct. The determination that a termination of the Participant's Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company's Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or an Affiliate or such Participant for any other purpose.

(k) "***Change in Control***" or "***Change of Control***" means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, such event or events, as the case may be, also constitute a Section 409A Change in Control:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company's securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the "***Subject Person***") exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the "***Incumbent Board***") cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(l) "***Code***" means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(m) "***Committee***" means the Compensation Committee and any other committee of one or more Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(n) "***Common Stock***" means the common stock of the Company.

(o) "***Company***" means MaxCyte, Inc., a Delaware corporation, and any successor thereto.

(p) "***Compensation Committee***" means the Compensation Committee of the Board.

(q) "***Consultant***" means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a "Consultant" for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company's securities to such person.

(r) "***Continuous Service***" means that the Participant's service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant's service with the Company or an Affiliate, will not terminate a Participant's Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant's Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party's sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company's leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as

otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of "separation from service" as defined under United States Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(s) "***Corporate Transaction***" means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(t) "***Director***" means a member of the Board.

(u) "***determine***" or "***determined***" means as determined by the Board or the Committee (or its designee) in its sole discretion.

(v) "***Disability***" means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(w) "***Effective Date***" means the date on which the Plan is approved by the Company's stockholders.

(x) "***Employee***" means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an "Employee" for purposes of the Plan.

(y) "***Employer***" means the Company or the Affiliate that employs the Participant.

(z) "***Entity***" means a corporation, partnership, limited liability company or other entity.

(aa) "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(bb) "***Exchange Act Person***" means any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that "Exchange Act Person" will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company's then outstanding securities.

(cc) "***Fair Market Value***" means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or

market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

(ii) If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

(iii) In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

(dd) "***Full Value Award***" means (i) a stock award granted under the Prior Plan or the Inducement Plan or (ii) an Award, in each case that is not an Appreciation Award.

(ee) "***Governmental Body***" means any: (i) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (ii) U.S. federal, state, local, municipal, non-U.S. or other government; (iii) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (iv) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

(ff) "***Grant Notice***" means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

(gg) "***Incentive Stock Option***" means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an "incentive stock option" within the meaning of Section 422 of the Code.

(hh) "***Inducement Plan***" means the MaxCyte, Inc. 2021 Inducement Plan.

(ii) "***Materially Impair***" means any amendment to the terms of the Award that materially adversely affects the Participant's rights under the Award. A Participant's rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant's rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant's rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be exercised, (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Law.

(jj) "***Non-Employee Director***" means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act ("***Regulation S-K***")), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a "non-employee director" for purposes of Rule 16b-3.

(kk) "***Non-Exempt Award***" means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company or (ii) the terms of any Non-Exempt Severance Agreement.

(ll) "***Non-Exempt Director Award***" means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

(mm) "***Non-Exempt Severance Arrangement***" means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant's termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) ("***Separation from Service***")) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under United States Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

(nn) "***Nonstatutory Stock Option***" means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

(oo) "***Officer***" means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

(pp) "***Option***" means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

(qq) "***Option Agreement***" means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

(rr) "***Optionholder***" means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

(ss) "***Other Award***" means an award valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant), that is not an Incentive Stock Option, Nonstatutory Stock Option, SAR, Restricted Stock Award, RSU Award or Performance Award.

(tt) "***Other Award Agreement***" means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

(uu) "***Own,***" "***Owned,***" "***Owner,***" "***Ownership***" means that a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

(vv) "***Participant***" means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

(ww) "***Performance Award***" means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Common Stock.

(xx) "***Performance Criteria***" means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any one of, or combination of, the following as determined by the Board: earnings (including earnings per share and net earnings); earnings before interest, taxes and depreciation; earnings before interest, taxes, depreciation and amortization; net income/loss adjusted for interest expense, interest income, other income/expenses, net provision for/benefit from income taxes, depreciation and amortization, legal settlement expenses and stock-based compensation expenses; other earnings measures; total stockholder return; return on equity or average stockholder's equity; return on assets,

investment, or capital employed; stock price; margin (including gross margin); income (before or after taxes); operating income; operating income after taxes; pre-tax profit; operating cash flow; sales or revenue targets; increases in revenue or product revenue; expenses and cost reduction goals; improvement in or attainment of working capital levels; economic value added (or an equivalent metric); market share; cash flow; cash flow per share; share price performance; debt reduction; customer satisfaction; stockholders' equity; capital expenditures; debt levels; operating profit or net operating profit; workforce diversity; growth of net income or operating income; pre-clinical development related compound goals; operations within or below pre-determined annual budget, sales of certain number of instruments, reagents and/or service contracts; financing; regulatory milestones, including approval of a compound; stockholder liquidity; corporate governance and compliance; product commercialization; intellectual property; personnel matters; progress of internal research or clinical programs; progress of partnered programs; partner satisfaction; budget management; clinical achievements; completing phases of a clinical study (including the treatment phase); announcing or presenting preliminary or final data from clinical studies; in each case, whether on particular timelines or generally; timely completion of clinical trials; submission of INDs and NDAs and other regulatory achievements; partner or collaborator achievements; internal controls, including those related to the Sarbanes-Oxley Act of 2002; research progress, including the development of programs; investor relations, analysts and communication; manufacturing achievements (including obtaining particular yields from manufacturing runs and other measurable objectives related to process development activities); strategic partnerships or transactions (including in-licensing and out-licensing of intellectual property; establishing relationships with commercial entities with respect to the marketing, distribution and sale of the Company's products (including with group purchasing organizations, distributors and other vendors); supply chain achievements (including establishing relationships with key manufacturers or suppliers of active pharmaceutical ingredients and other component materials and manufacturers of the Company's products); co-development, co-marketing, profit sharing, joint venture or other similar arrangements; individual performance goals; corporate development and planning goals; and other measures of performance selected by the Board or Committee.

(yy) "***Performance Goals***" means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of Common Stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company's bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement.

(zz) "***Performance Period***" means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant's right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

(aaa) "***Plan***" means this MaxCyte, Inc. 2022 Equity Incentive Plan, as amended from time to time.

(bbb) "***Plan Administrator***" means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company's other equity incentive programs.

(ccc) "***Post-Termination Exercise Period***" means the period following termination of a Participant's Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

(ddd) "***Prior Plan***" means the Company's Long-Term Incentive Plan, as amended.

(eee) "***Prior Plan's Available Reserve***" means the number of shares available for the grant of new awards under the Prior Plan as of immediately prior to the Effective Date.

(fff) "***Prior Plans' Returning Shares***" means shares subject to outstanding stock awards granted under the Prior Plan or the Inducement Plan and that following the Effective Date: (A) are not issued because such stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued; (B) are not issued because such stock award or any portion thereof is settled in cash; or (C) are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares.

(ggg) "***Restricted Stock Award***" or "***RSA***" means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(hhh) "***Restricted Stock Award Agreement***" means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

(iii) "***RSU Award***" or "***RSU***" means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

(jjj) "***RSU Award Agreement***" means a written agreement between the Company and a holder of a RSU Award evidencing the terms and conditions of a RSU Award. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

(kkk) "***Rule 16b-3***" means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

(lll) "***Rule 405***" means Rule 405 promulgated under the Securities Act.

(mmm) "***Section 409A***" means Section 409A of the Code and the regulations and other guidance thereunder.

(nnn) "***Section 409A Change in Control***" means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and United States Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

(ooo) "***Securities Act***" means the Securities Act of 1933, as amended.

(ppp) "***Share Reserve***" means the number of shares available for issuance under the Plan as set forth in Section 2(a).

(qqq) "***Stock Appreciation Right***" or "***SAR***" means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

(rrr) "***SAR Agreement***" means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

(sss) "***Subsidiary***" means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

(ttt) "***Ten Percent Stockholder***" means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

(uuu) "***Trading Policy***" means the Company's policy permitting certain individuals to sell Company shares only during certain "window" periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

(vvv) "***Transaction***" means a Corporate Transaction or a Change in Control.

(www) "***Unvested Non-Exempt Award***" means the portion of any Non-Exempt Award that had not vested in accordance with its terms upon or prior to the date of any Transaction.

(xxx) "***Vested Non-Exempt Award***" means the portion of any Non-Exempt Award that had vested in accordance with its terms upon or prior to the date of a Transaction.

ESG Summary Report
2023

MaxCyte®

Let's Build Better Cells Together.™

Forward-Looking Statements

This reports contains "forward-looking statements" within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements regarding expected total research and development expenses, features and potential impact of the company's products, the company's energy usage, and the company's expected commitment to working in partnership with all relevant stakeholders to make medicines accessible to more patients around the world. The words "may," "might," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "expect," "estimate," "seek," "predict," "future," "project," "potential," "continue," "target" and similar words or expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. Any forward-looking statements in this press release are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and important factors that may cause actual events or results to differ materially from those expressed or implied by any forward-looking statements contained in this press release, including, without limitation, risks associated with the timing of our customers' ongoing and planned clinical trials; the adequacy of our cash resources and availability of financing on commercially reasonable terms; general market and economic conditions that may impact investor confidence in the biopharmaceutical industry and affect the amount of capital such investors provide to our current and potential partners; and demand for our products. These and other risks and uncertainties are described in greater detail in the section entitled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2022, filed with the Securities and Exchange Commission on March 15, 2023, as well as in discussions of potential risks, uncertainties, and other important factors in the other filings that we make with the Securities and Exchange Commission from time to time. These documents are available under the "SEC filings" page of the Investors section of our website at http://investors.maxcyte.com. Any forward-looking statements represent our views only as of the date of this press release and should not be relied upon as representing our views as of any subsequent date. We explicitly disclaim any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise. No representations or warranties (expressed or implied) are made about the accuracy of any such forward-looking statements.

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Our Approach to ESG

At MaxCyte, we have taken key steps to formalize our approach to environmental, social, and governance (ESG) issues. In April 2023, the Nominating & Corporate Governance Committee of our Board of Directors expanded its charter to include oversight of the company's ESG strategy and practices. At the management level, our President and Chief Executive Officer, Chief Financial Officer, EVP and General Counsel, and Senior Director of Investor Relations oversee our ESG initiatives and provide periodic updates regarding the ESG program to the Board of Directors.

To develop our ESG strategy, we partnered with external ESG experts to identify, evaluate, and prioritize ESG topics relevant to our business. This process was guided by leading ESG reporting standards, in particular the Sustainability Accounting Standards Board (SASB). We also incorporated analysis of third-party rating agency reports, peer benchmarking, and input from key stakeholders, such as investors and employees.

As we advance our ESG efforts, we will continue to assess and enhance our policies and processes. We look forward to providing further updates about our progress. For additional information, please also refer to our governance documents, SEC filings, and most recent proxy statement available at https://investors.maxcyte.com/.

Mission

We build trust with our customers, and together we leverage best-in-class technology and expertise to solve the toughest challenges in cell engineering, bringing hope to patients.

Our Products

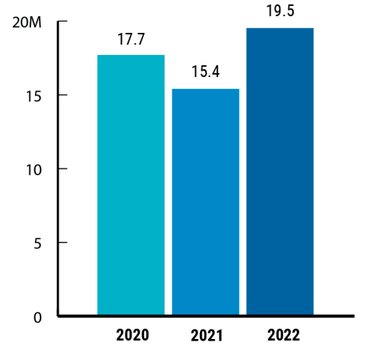
At MaxCyte, we pursue cell engineering excellence to maximize the potential of cells to improve patients' lives. We have spent more than 20 years honing our expertise by building best-in-class platforms, perfecting the art of the transfection workflow, and venturing beyond today's processes to innovate tomorrow's solutions. Our ExPERT™ instrument family, which is based on our proprietary Flow Electroporation® technology, has been designed to address the rapidly expanding cell therapy market from concept to clinic. We are dedicated to making meaningful differences in patients' lives by providing best-in class solutions that accelerate the development of cell-based medicines, providing potential significant time and cost savings for new treatments. Our technology platform has been involved in over 45 clinical trials to date.

MaxCyte has evolved the electroporation process from a single cuvette experiment to a Flow Electroporation® protocol ideal for genetic engineering at commercial scale. Higher transfection efficiency and increased cell viability compared to other approaches makes Flow Electroporation perfectly suited for large-scale therapeutic manufacturing. Because the complete workflow, from development to manufacturing, can be performed on a single platform, there is no need for repeat optimization and validation when progressing from concept to clinic. This results in accelerated timelines with the added benefit of reduced manufacturing cost. A more rapid, reliable, and safe therapeutic development pipeline can expedite therapies to patients, saving lives.

MaxCyte enables advancements to cell-engineering through the application of our patented delivery platform, our scientists' deep expertise, and our interactive and collaborative partnerships to relieve the burden of disease for patients and their families. We provide our cell-engineering platform to leading drug developers, biotechnology companies, and academic research centers engaged in drug discovery and development, biomanufacturing, and cell therapy, including gene editing and immuno-oncology. Our goal is to rapidly drive our partners' development efforts forward through to commercialization cost-effectively and with lowered risk.

At MaxCyte, we recognize that it takes so much more than innovative technology to bring a new therapy to market — it takes a multifaceted, experienced, and adaptable team who know how to direct scientific and product innovation into novel medicines. This is why we form partnerships instead of simply selling an instrument. We support our partners by offering access to our entire scientific and technical teams and broad intellectual property (IP) portfolio, and through our non-exclusive licensing approach, we are able to simultaneously support multiple organizations to leverage our technology. Scientific inquiry and innovation are just beginning to unravel the complexities of cells, their regulation, and their relationship to disease, and our full service approach provides tools to discover new approaches for therapeutic intervention and possibly curative solutions. Our experienced team of application scientists work directly with partners to solve cell engineering problems and recommend continuous process improvements. Our FDA Master File and Technical Files also assist our partners in streamlining the development and regulatory process so they can unlock the potential of their products.

Annual R&D Spend (millions)



We continue to invest significantly in research and development for our products as we enhance existing features develop and collect more data to support their use in various applications. To ensure that our partners have access to our products, we expanded our manufacturing operations and relocated to a new facility in Rockville, Maryland so that we can meet increased demand.

We know there is more work to be done, and we believe that partnerships and collaborations are critical to expanding access to therapies. We remain committed to working in partnership with all relevant stakeholders to make our therapies accessible to more patients around the world.

Value for Patients Initiative

In addition to our goal of supporting our partners' development of innovative medicines for patients, we are also committed to understanding how we can create value for patient communities more broadly. We are keenly aware that there are many challenges that exist in healthcare access, equity, and adoption, including the unique barriers that patients may face in the ability to benefit from cell and gene therapies.

We launched the Value for Patients Initiative in 2021 to better understand the different challenges that discrete patient populations may face with current standards of care as well as forthcoming cell and gene-based medicines. As part of our commitment to improving lives, we strive to enhance our understanding of the patients, their diseases, and their journeys. The initial goal of the initiative is to develop an understanding of the potential social, racial, economic, and bioethical challenges related to developing gene and cell therapies. With this, we are able to educate and empower our employees with knowledge to better understand and help create trust with various patient communities. This initiative provides an educational forum that covers topics including medical racism, equity of access to medicines, clinical trial diversity, compassionate use in cell and gene therapy, and other issues specific to key stakeholders. For example, an early focus of our initiative has been on patients suffering from sickle cell disease, who suffer from a lack of available treatment options because investment in new therapies has been historically disregarded. Our partners currently have a variety of programs focused on developing therapies for sickle cell disease, and we have developed an array of educational forums and resources for our employees to learn about the sickle cell patient journey.

We have also developed relationships with key opinion leaders who focus on racial disparities and equity of access in healthcare, including: Amanda J. Calhoun, MD, MPH, Psychiatry resident at Yale University, who studies the mental health effects of racism on children and adolescents; Arthur L. Caplan, PhD, Professor of Bioethics at New York University Grossman School of Medicine; and Alison Bateman-House, PhD, Assistant Professor at New York University Grossman School of Medicine, whose research areas include ethics and policy as well as expanding diversity in clinical trials. Our Value for Patients advisory group also includes key subject matter experts, such as Vivien Sheehan, MD, PhD, Associate Professor of Pediatrics at Children's Healthcare of Atlanta and Emory University School of Medicine, where she is the Director of Translational Sickle Cell Disease Research. Our advisors are committed to helping us understand the social, racial, economic, and bioethical challenges related to developing cell and gene therapies so that we can proactively participate in efforts to ensure that these novel treatments reach patients.

Our CEO is an executive committee and board member of the Biotechnology Innovation Organization (BIO), the world's largest advocacy association for the biotechnology industry, and supports the organization's advocacy efforts such as the Workforce Development, Diversity, and Inclusion initiative. These efforts will allow us to build trust with underserved populations and promote better understanding of cell-based medicines.

Supporting Therapy Development for Rare Disorders and Diseases

We strive to expand access to cell therapies for all patients, regardless of disease or disorder. A recent study estimated that there are over 10,000 distinct rare diseases affecting 400 million people worldwide, yet only 500 of these disorders have available treatment options. We not only support organizations developing treatments for large indications but also support companies developing therapies to treat rare and ultra-rare diseases that have few or no treatments.

For example, we have partnered with Curamys, a biotechnology company that develops cell and gene therapies using cell fusion technology to treat rare intractable diseases, such as Duchenne muscular dystrophy and amyotrophic lateral sclerosis. We signed a partnership agreement with Curamys at the end of 2022 that provides worldwide non-exclusive clinical and commercial rights, thereby enabling Curamys to reach more patients living with these rare diseases.

Pricing

Our business model varies based on the activity of the end customer, such as whether they are a translational research center, an academic center, a company focused on drug discovery, or a company engaged in cell therapy development. Each our instruments have different price points based on their relative features. In some cases, we adjust our fee structures for companies that target rare diseases and disorders to better enable these partnerships.

Product Quality

Producing high-quality products is integral to our mission to improve patient outcomes. As we expand our manufacturing operations and engineering capabilities, we are focused on establishing best-in-class quality processes and building a culture of continuous improvement.

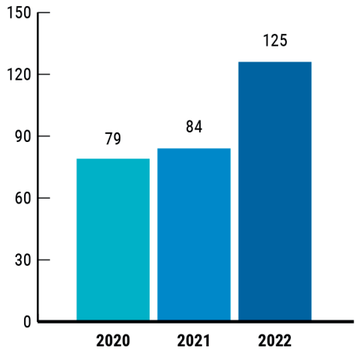
Our ExPERT instruments and disposables are manufactured under current good manufacturing practice (cGMP) processes and our Quality Management System (QMS) is certified to ISO 9001. Several components for our products are fabricated by third party manufacturers, who we also validate for quality control and compliance purposes. A third-party auditor performs a surveillance audit of our QMS annually and a recertification audit every three years. All relevant employees receive training about the QMS upon hire and annually thereafter.

We do not engage in directly regulated activities nor do we produce regulated medical devices that interact with patients. We nevertheless strive to go above and beyond the quality and regulatory needs of our customers. We use medical-grade materials for all our products and have implemented quality requirements into our design controls across all stages of product development. All our instruments have obtained applicable certifications pertaining to safety and EMC requirements for electrical laboratory equipment, such as IEC 61010 and EN61326. Our instruments have received certificates of compliance from the CSA Group and are CE marked, indicating conformity to relevant EU directives for Electrical Equipment for Laboratory Use. As of May 2023, we have had no product recalls and no FDA enforcement actions taken in response to any violations.

Supply Chain Management

As our business grows, we have invested in increasing our manufacturing capacity and enhancing our supply chain management and quality practices. We continually assess our supply chain to ensure availability of components, our ability to respond to customer demand for our products, and our ability to qualify multiple suppliers. Our new headquarters in Rockville, Maryland has allowed us to expand our instrument and disposables manufacturing operations from research and clinical scale to commercial scale. This provides us with the ability to build in redundant manufacturing capacity and have more secure supply of materials to meet our customers' and partners' needs.

Number of Full-Time Employees

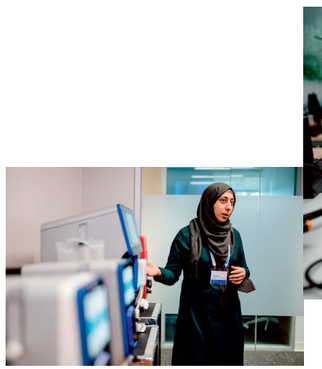


We strive to ensure that our products are always available and never on backorder. To date, we have achieved this through well-managed relationships with targeted suppliers that maintain high standards for quality, especially for single-source critical components. We engage in regular dialogue with our most critical suppliers to ensure their ability to deliver key materials for our operations, in particular for materials needed to produce the disposables our customers rely on to conduct clinical trials enabled by our platform. We also mitigate against potential supply shortages from single source suppliers by holding adequate inventory on hand to continue our manufacturing processes, which can include multiple years of safety stock for some critical components.

We plan to continue the diversification of our supply chain as part of our growth plans. In approving new suppliers, we prioritize suppliers that participate in third-party audit programs for product quality, such as ISO 9001. We have previously ended our relationship with certain suppliers for not meeting our quality standards. As of March 2023, 95% of our Tier 1 suppliers are certified to ISO 9001, ISO 13485, or similar third-party audit standards. Once we determine that a supplier can meet our quality requirements, we also look for ways the supplier can help us achieve efficiency objectives and environmental impact reductions. For example, reducing transport times and distances for raw materials is a key consideration of our supplier selection process.

Maintaining Traceability

As part of our QMS, we have enhanced traceability and control procedures for our devices that are aligned with the stringent requirements for medical devices. We maintain full traceability of raw materials and maintain thorough records. We assign lot and serial numbers for our instruments and disposables so that individual components can be identified, withdrawn from the field, and traced back to their supplier in the event of any product-related issue.



Our People

Our workforce has deep domain expertise across a range of scientific, engineering, regulatory, and business disciplines, allowing us to foster a scientifically-minded and customer-focused culture. Our cutting-edge technology and innovative solutions have enabled us to attract and retain top scientific and technical talent. As of December 31, 2022, we had 125 full-time employees, including 68 with advanced degrees and 25 with Ph.D. degrees. We believe that our diverse, multidisciplinary employee base provides us with a significant competitive advantage and enhances our ability to deliver new therapies to patients.

We strive to create an environment where all our employees are valued and empowered to make a difference. Our leadership encourages honest, open, and regular communication, building a foundation of trust and aligning employees with the company's goals. We've created a team-oriented, inspiring work environment where diverse ideas are valued and appreciated, bringing out the best in our employees. We aim to recruit talented, highly motivated individuals who can help advance our technology. We expect our employees to embody our Core Values:

1. We value and respect each other, our partners, and patients
2. We are undaunted in our commitment to relieving the burden of disease
3. We dig deep, working together to understand the problem, and always find a way
4. We stay curious and connected, and never get complacent
5. We approach each person, each situation with empathy and transparency
6. We take pride in the excellence of our technology and the expertise we deliver

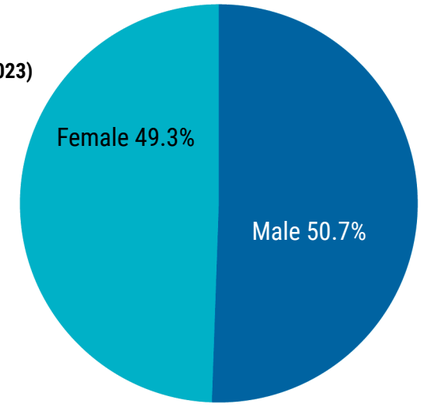
Benefits

To attract, retain, and reward our personnel and motivate them to perform to the best of their abilities, we offer a competitive salary and benefits package*, including:

- Equity compensation and corporate incentive bonus plans for all full-time employees
- 401(k) Retirement Plan
  - Includes a company match of 50% of first 10% of employee contributions and the match is 100% vested immediately
- Medical, Dental, and Vision Insurance
  - Includes a "No Cost" option for employees and their families
- Life and Accidental Death & Dismemberment (AD&D) Insurance
- Short- and Long-Term Disability Insurance
- Long-Term Care Insurance
- Flexible Spending Account (FSA)
- Health Savings Account (HSA)
- Employee Assistance Program (EAP)
- Identity Theft Protection Insurance
- Tuition Reimbursement Program
  - Provides up to $4,000 to cover tuition and related fees for full-time employees in any given calendar year
- Tuition Loan Program
  - Provides up to $2,000 loan to cover tuition and related fees for full-time employees at the beginning of each semester
- Employee Referral Program
  - Employees may receive up to a $3,000 bonus for referring candidates who are hired for eligible positions
- 1 paid volunteer time off (VTO) day

** Employees in the United States who work a minimum of 30 hours per week are eligible for benefits listed above. Global employees are eligible for similar benefits as appropriate by region.*

We recognize and reward high performing employees through our spot award program. This program is widely used and enables any MaxCyte employee to nominate another employee for above and beyond efforts.



We acknowledge as a company that we must hold true to our values and treat each other with acceptance, care, and respect. We must hold one another accountable, and we must help break down barriers.

Employee Engagement and Retention

In 2022, we conducted an employee engagement survey that was designed to gather feedback about four key pillars of our human capital management strategy: Leadership; Culture; Innovation; and Career Development. This survey had a 62% overall response rate. 97% of respondents agreed or strongly agreed that MaxCyte's Leadership and Culture make the company a great place to work; 93% of respondents agreed or strongly agreed that Career Development and Innovation at MaxCyte make the company a great place to work. We believe that our efforts to engage and retain our employees have contributed to our ability to maintain a voluntary turnover rate between 5.5% and 7% during each of the past four years, well below the industry average. One of our key 2023 human capital development goals is to maintain our voluntary turnover rate at or below 10%.

Workplace Development, Diversity, and Inclusion (WDDI)

At MaxCyte, we are an equal opportunity employer and are committed to fostering workplace development, diversity, and inclusion (WDDI) within our own organization and across the biotechnology industry. We are dedicated to being at the forefront of efforts to develop a diverse and talented global workforce, and we understand the value that diversity contributes to the culture and success of any business. Diverse teams enhance collaboration, are more accepting of differences, and are also more effective in the global environment in which we operate, enabling the promise of next-generation cell and gene-editing therapies around the globe.

To that end, we affirmatively support the WDDI Principles adopted by the Biotechnology Innovation Organization (BIO), and pledge to do our part to foster diversity and inclusion among our employees, customers, patients, and the communities where we operate. To support our recruitment efforts, we plan to launch an internship program and expand our university recruiting activities to help build a pipeline of future talent. In 2023, we plan to gather additional workforce diversity metrics and further develop and implement our diversity strategy.

Ethics & Compliance

Overview

MaxCyte is committed to maintaining the highest standards of business conduct and ethics. We promote integrity across the organization and conduct our affairs with honesty. We strive to follow both the spirit and letter of all applicable laws and regulations and expect our employees to understand the legal and regulatory requirements applicable to their activities.

Our Code of Conduct and Ethics (the Code) lays the foundation of our compliance program and applies to all officers, directors, and employees. The Code describes in detail the various elements of our compliance program, including:

- Honest and Ethical Conduct
- Legal Compliance
- Insider Trading
- Compliance with International Business Laws
- Antitrust
- Environmental Compliance
- Conflicts of Interest
- Maintaining Corporate Books, Records, Documents, and Accounts; Financial Integrity; Public Reporting
- Gifts and Entertainment
- Confidentiality
- Compliance Resources and Reporting Possible Violations of the Code
- Anti-Corruption Policy and Foreign Corrupt Practices Act (FCPA) Compliance

Our Executive Vice President and General Counsel is responsible for overseeing our compliance program and promoting an atmosphere of responsible and ethical conduct. The Audit Committee of our Board of Directors is responsible for overseeing the company's efforts to monitor compliance with applicable laws and rules, as well as the Code. Our EVP and General Counsel provides reports on the status of the compliance program to the Audit Committee at least quarterly. The Audit Committee is specifically tasked with reviewing the company's controls for preventing bribery and corruption, and for investigating any complaints regarding audit and accounting procedures. Additionally, the Nominating and Corporate Governance Committee of the Board periodically reviews and assesses the Code and recommends any changes as appropriate for consideration by the full Board.

To facilitate compliance, new employees receive a copy of the Code upon hire. We have also adopted other policies to support our compliance program, including an Anti-Bribery and Corruption Policy and a Whistleblower Policy. The Code and other compliance policies are available to all employees through our intranet. We are developing a training program for our Code, which we expect to launch in 2023. Going forward, we plan to implement other trainings covering our Anti-Corruption policy, the Foreign Corrupt Practices Act, our sexual harassment policy, and diversity, equity, and inclusion (DE&I) for all employees through an external training platform.

Fair Dealing and Ethical Marketing

We expect our employees to deal fairly with all our stakeholders, including customers, suppliers, partners, and regulators. We review all marketing materials with our scientific team and our EVP and General Counsel prior to distribution. Our sales representatives undergo semiannual trainings on good sales practices, which promote compliance with false marketing and anti-bribery laws.

Reporting Violations of the Code and Other Compliance Policies

We are committed to complying with applicable laws and regulations and providing a workplace conducive to open discussion of our business practices. We encourage every employee to promptly report any complaints regarding potential compliance concerns and we strictly prohibit unlawful discrimination or retaliation against anyone who makes a compliance complaint in good faith. While our employees are free to discuss any concerns with their supervisor or the General Counsel, we have also established mechanisms for employees to anonymously report a complaint through our compliance hotline and email, which is managed by a third-party, EthicsLine.

As part of our Whistleblower Policy for Accounting and Auditing Matters, we have also established a separate tool for employees who wish to anonymously issue complaints regarding accounting and auditing procedures. We promptly investigate all complaints we receive. If we determine that a violation has occurred, we will take appropriate corrective and disciplinary action with respect to the person involved and will take steps to remedy any violation.

Information Security

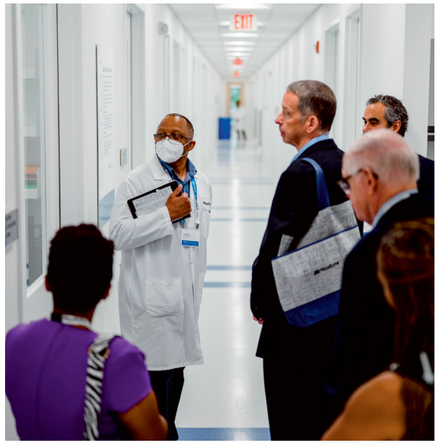
Our information security program is overseen by our Senior Director of Information Systems, who reports on the status of the program to the executive team. Additionally, the Audit Committee of the Board of Directors is responsible for overseeing risks relating to data privacy, technology, and information security and receives reports from IT and business personnel responsible for cybersecurity risk management at least quarterly.

We process personally identifiable information (PII) and other sensitive information in the course of our business. However, we do not deal directly with protected health information (PHI) because we are one step removed from patients. Therefore, we are not considered to be a covered entity under the Health Insurance Portability and Accountability Act (HIPAA). Our information security practices consist of an adaptive information lifecycle approach, in which we collect and centralize critical data including any data that would be potentially considered to be PII or PHI. We follow a defined plan for the retention, processing, disclosure, and destruction of data

and require our cloud vendors to comply with our data retention policies. For more information about our approach to protecting sensitive data, please refer to our Privacy Policy.

We utilize both onsite and cloud storage systems to secure our data. We have also deployed technical and physical safeguards, including encryption at rest and multi-factor forms of identification for physical access to facilities. We conduct manual and automated audits of our asset management and data classification practices, including monthly vulnerability assessments.

We maintain an information security risk insurance policy, which we renewed in 2022 after completing a technical audit. As of May 2023, we have not had any data breaches. We raise employee awareness and cultivate cybersecurity competency through monthly phishing simulations, quarterly information security trainings, and educational exercises with members of the executive management team. To further support our information security policies, we have aligned our program with the NIST Cybersecurity Framework and are currently evaluating the steps required to achieve ISO 27001 certification in the coming years.



Environment

It is our policy to conduct our business in an environmentally responsible way that minimizes environmental impacts. We have established design procedures and operational processes to reduce the impact of our products and promote sustainable practices across our organization. While we are early in our journey, we are collecting and analyzing key data to better understand our environmental footprint and inform our strategy going forward.

Facilities

In 2022, we moved into a new 67,000 square-foot facility in Rockville, Maryland that significantly increases our in-house manufacturing capacity, as well as research and process development lab space. This investment represents a major milestone in MaxCyte's growth and our ability to support customers and partners in their journey through therapeutic development to commercialization. By bringing more manufacturing in-house, we are able to reduce the amount of time needed for our products to reach end users and provide flexibility to ensure that we can meet our partners' needs in providing therapies to patients. We also collaborate with our suppliers to identify opportunities to reduce transport times and distances for raw materials.

We have adopted automated manufacturing processes at our new facility to use resources more efficiently and better manage our environmental footprint. For example, we have installed LED lighting and high-efficiency HVAC systems to help minimize power consumption.

Product Design & Lifecycle Management

When designing and developing new products, we are committed to incorporating environmentally friendly materials and processes. For example, we have incorporated DEHP-free materials in our products, and we try to utilize recyclable packaging materials where possible. Our consumable products contain biocompatible materials for patient safety and are engineered with a design focus on minimizing size and the amount of plastic used while still achieving high quality function and minimal cell loss. The potential for cell loss is further lowered through our efforts to reduce the size of our consumable product bags and tubing.

Our newest ExPERT instruments are an integrated system which incorporates the computer and interface display as opposed to a two-piece system. This instrument configuration reduces the amount of plastic and other materials used in the manufacturing process. Our newest systems are Restriction of Hazardous Substances (RoHS) compliant through our efforts to eliminate the use of any of the ten substances restricted by the directive.

Reducing energy consumption is a key consideration in our product design process and we have integrated power saving features into the design architecture of our products.

Commitment to Environmental Compliance

We are committed to minimizing and, if practicable, eliminating the use of any substance or material that may cause environmental damage. We comply with all applicable environmental laws and regulations and dispose of all our waste through safe and responsible methods. We have established sufficient procedures to ensure the safety of our employees and expect all our employees to comply with these policies.

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MaxCyte®

Let's Build Better Cells Together.™

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