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

FORM 10-Q

(Mark One)

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934
For the quarterly period ended: **June 30, 2023**

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 **000-25434**

AZENTA, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

04-3040660
(I.R.S. Employer
Identification No.)

200 Summit Drive, 6th Floor
Burlington, Massachusetts
(Address of principal executive offices)

01803
(Zip Code)

Registrant's telephone number, including area code: **(978) 262-2626**

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

Title of each class
Common Stock, \$0.01 par value

Trading Symbol(s)
AZTA

Name of each exchange on which registered
The Nasdaq Stock Market LLC

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

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

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

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

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

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

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date, August 3, 2023: common stock, \$0.01 par value, and 60,153,892 shares outstanding.

AZENTA, INC.

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Information Related to Forward-Looking Statements

This Quarterly Report on Form 10-Q contains statements that are, or may be considered to be, forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995, as amended, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). All statements that are not historical facts, including statements about our beliefs or expectations, are forward-looking statements. These statements may be identified by such forward-looking terminology as “expect,” “estimate,” “intend,” “believe,” “anticipate,” “may,” “will,” “should,” “could,” “continue,” “likely” or similar statements or variations of such terms. Forward-looking statements include, but are not limited to, statements that relate to our future revenue, margins, costs, earnings, profitability, product development, demand, acceptance and market share, competitiveness, market opportunities and performance, levels of research and development, the success of our marketing, sales and service efforts, outsourced activities, operating expenses, anticipated manufacturing, customer and technical requirements, the ongoing viability of the solutions that we offer and our customers’ success, tax expenses, our management’s plans and objectives for our current and future operations and business focus, our share repurchase program, litigation, our ability to retain, hire and integrate skilled personnel, the impact of the COVID-19 pandemic on our operations and results, our ability to identify and address increased cybersecurity risks, including as a result of employees working remotely, the anticipated growth prospects of our business, the expected benefits and other statements relating to our divestitures and acquisitions, the adequacy, effectiveness and success of our business transformation initiatives, our ability to continue to identify acquisition targets and successfully acquire and integrate desirable products and services and realize expected revenues and revenue synergies, our adoption of newly issued accounting guidance, the levels of customer spending, our dependence on key suppliers or vendors to obtain services for our business on acceptable terms, including the impact of supply chain disruptions, general economic conditions, the impact of inflation, the sufficiency of financial resources to support future operations, and capital expenditures. Such statements are based on current expectations and involve risks, uncertainties and other factors which may cause the actual results, our performance or our achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include the Risk Factors which are set forth in our Annual Report on Form 10-K for the year ended September 30, 2022 filed with the Securities and Exchange Commission (“SEC”) on November 25, 2022 (the “2022 Annual Report on Form 10-K”), as updated and/or supplemented in subsequent filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof and are based on information currently and reasonably known to us. We do not undertake any obligation to release revisions to these forward-looking statements to reflect events or circumstances that occur after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence or effect of anticipated or unanticipated events. Precautionary statements made herein should be read as being applicable to all related forward-looking statements wherever they appear in this Quarterly Report on Form 10-Q. Any additional precautionary statements made in our 2022 Annual Report on Form 10-K should be read as being applicable to all related forward-looking statements whenever they appear in this Quarterly Report on Form 10-Q.

Unless the context indicates otherwise, references in this Quarterly Report on Form 10-Q to “we”, “us”, “our” and “the Company” refer to Azenta, Inc. and its consolidated subsidiaries.

TRADEMARKS, TRADE NAMES AND SERVICE MARKS

This Quarterly Report on Form 10-Q includes our trademarks, trade names and service marks, which are our property and are protected under applicable intellectual property laws. Solely for convenience, trademarks, trade names and service marks may appear in this Quarterly Report on Form 10-Q without the ®, ™ and ™ symbols, but such references are not intended to indicate, in any way, that we or the applicable owner forgo or will not assert, to the fullest extent permitted under applicable law, our rights or the rights of any applicable licensors to these trademarks, trade names and service marks. We do not intend our use or display of other parties’ trademarks, trade names or service marks to imply, and such use or display should not be construed to imply a relationship with, or endorsement or sponsorship of us by, these other parties.

INDUSTRY AND OTHER DATA

Unless otherwise indicated, information contained in this Quarterly Report on Form 10-Q concerning our industry and the markets in which we operate, including our general expectations, market position and market opportunity, is based on management’s estimates and research, as well as industry and general publications and research, surveys and studies conducted by third parties. We believe the information from these third-party publications, research, surveys and

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studies included in this Quarterly Report on Form 10-Q is reliable. Management's estimates are derived from publicly available information, their knowledge of our industry and their assumptions based on such information and knowledge, which we believe to be reasonable. This data involves a number of assumptions and limitations which are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the 2022 Annual Report on Form 10-K and this Quarterly Report on Form 10-Q under "Information Related to Forward-Looking Statements" above and Part II, Item 1A "Risk Factors." These and other factors could cause our future performance to differ materially from our assumptions and estimates.

PART I. FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

AZENTA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(unaudited)
(In thousands, except share and per share data)

	June 30, 2023	September 30, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 733,369	\$ 658,274
Short-term marketable securities	390,492	911,764
Accounts receivable, net of allowance for expected credit losses (\$8,403 and \$5,162, respectively)	163,019	163,758
Inventories	142,102	85,544
Derivative asset	984	124,789
Short-term restricted cash	2,287	382,596
Prepaid expenses and other current assets	78,584	132,621
Total current assets	1,510,837	2,459,346
Property, plant and equipment, net	210,940	154,470
Long-term marketable securities	169,422	352,020
Long-term deferred tax assets	599	1,169
Goodwill	793,623	513,623
Intangible assets, net	312,055	178,401
Other assets	71,940	57,093
Total assets	<u>\$ 3,069,416</u>	<u>\$ 3,716,122</u>
Liabilities and stockholders' equity		
Current liabilities		
Accounts payable	\$ 37,990	\$ 38,654
Deferred revenue	45,207	39,748
Accrued warranty and retrofit costs	6,258	2,890
Accrued compensation and benefits	33,848	41,898
Accrued income taxes payable	2,571	28,419
Accrued expenses and other current liabilities	77,753	78,937
Total current liabilities	203,627	230,546
Long-term tax reserves	1,738	1,684
Long-term deferred tax liabilities	65,700	64,555
Long-term pension liabilities	288	261
Long-term operating lease liabilities	61,799	49,227
Other long-term liabilities	12,764	6,463
Total liabilities	345,916	352,736
Stockholders' equity		
Preferred stock, \$0.01 par value - 1,000,000 shares authorized, no shares issued or outstanding	—	—
Common stock, \$0.01 par value - 125,000,000 shares authorized, 74,656,860 shares issued and 61,194,991 shares outstanding at June 30, 2023, 88,482,125 shares issued and 75,020,256 shares outstanding at September 30, 2022	747	885
Additional paid-in capital	1,323,215	1,992,017
Accumulated other comprehensive loss	(37,145)	(83,916)
Treasury stock, at cost - 13,461,869 shares at June 30, 2023 and September 30, 2022	(200,956)	(200,956)
Retained earnings	1,637,639	1,655,356
Total stockholders' equity	2,723,500	3,363,386
Total liabilities and stockholders' equity	<u>\$ 3,069,416</u>	<u>\$ 3,716,122</u>

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

AZENTA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(unaudited)
(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Revenue				
Products	\$ 67,296	\$ 42,688	\$ 205,011	\$ 138,006
Services	98,652	90,047	287,704	279,925
Total revenue	<u>165,948</u>	<u>132,735</u>	<u>492,715</u>	<u>417,931</u>
Cost of revenue				
Products	42,747	24,090	136,855	73,565
Services	55,196	49,045	160,754	146,897
Total cost of revenue	<u>97,943</u>	<u>73,135</u>	<u>297,609</u>	<u>220,462</u>
Gross profit	<u>68,005</u>	<u>59,600</u>	<u>195,106</u>	<u>197,469</u>
Operating expenses				
Research and development	8,968	6,515	25,024	19,895
Selling, general and administrative	75,465	58,133	241,356	186,761
Contingent consideration - fair value adjustments	(1,404)	—	(18,549)	600
Restructuring charges	812	25	3,773	319
Total operating expenses	<u>83,841</u>	<u>64,673</u>	<u>251,604</u>	<u>207,575</u>
Operating loss	<u>(15,836)</u>	<u>(5,073)</u>	<u>(56,498)</u>	<u>(10,106)</u>
Other income (expense)				
Interest income	11,347	6,822	32,406	9,933
Interest expense	—	(2,101)	—	(4,111)
Loss on extinguishment of debt	—	—	—	(632)
Other, net	819	630	(704)	(1,617)
(Loss) income before income taxes	<u>(3,670)</u>	<u>278</u>	<u>(24,796)</u>	<u>(6,533)</u>
Income tax (benefit) expense	<u>(1,207)</u>	<u>7,293</u>	<u>(9,107)</u>	<u>(560)</u>
Loss from continuing operations	<u>(2,463)</u>	<u>(7,015)</u>	<u>(15,689)</u>	<u>(5,973)</u>
Income (loss) from discontinued operations, net of tax	<u>993</u>	<u>(2,555)</u>	<u>(1,943)</u>	<u>2,159,597</u>
Net (loss) income	<u>\$ (1,470)</u>	<u>\$ (9,570)</u>	<u>\$ (17,632)</u>	<u>\$ 2,153,624</u>
Basic and diluted net (loss) income per share:				
Loss from continuing operations	\$ (0.04)	\$ (0.09)	\$ (0.23)	\$ (0.08)
Income (loss) from discontinued operations, net of tax	<u>0.02</u>	<u>(0.03)</u>	<u>(0.03)</u>	<u>28.84</u>
Net (loss) income per share	<u>\$ (0.02)</u>	<u>\$ (0.13)</u>	<u>\$ (0.26)</u>	<u>\$ 28.76</u>
Weighted average shares used in computing net (loss) income per share:				
Basic and diluted	63,432	74,989	68,494	74,879

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

AZENTA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(unaudited)
(In thousands)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Net income (loss)	\$ (1,470)	\$ (9,570)	\$ (17,632)	\$ 2,153,624
Other comprehensive income (loss), net of tax:				
Foreign currency translation reclassification adjustments included in income from discontinued operations (Note 2)	—	—	—	(16,567)
Net investment hedge currency translation adjustment, net of tax effects of \$(75) and \$(24,315) for the three and nine months ended June 30, 2023 and \$13,815 and \$16,733 for the three and nine months ended June 30, 2022	(218)	41,956	(70,478)	49,081
Foreign currency translation adjustments	1,876	(70,179)	113,140	(85,160)
Changes in unrealized gains (losses) on marketable securities, net of tax effects of \$23 and \$1,418 for the three and nine months ended June 30, 2023 and \$(911) and \$(1,809) for the three and nine months ended June 30, 2022	67	(2,898)	4,109	(5,306)
Actuarial gains, net of tax effects of \$0 and \$0 during the three and nine months ended June 30, 2023, \$7 and \$27 during the three and nine months ended June 30, 2022	—	26	—	108
Total other comprehensive income (loss), net of tax	1,725	(31,095)	46,771	(57,844)
Comprehensive income (loss)	<u>\$ 255</u>	<u>\$ (40,665)</u>	<u>\$ 29,139</u>	<u>\$ 2,095,780</u>

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

AZENTA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(unaudited)
(In thousands)

	Nine Months Ended	
	2023	2022
June 30,		
Cash flows from operating activities		
Net income (loss)	\$ (17,632)	\$ 2,153,624
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	63,443	38,813
Stock-based compensation	10,091	10,715
Contingent consideration adjustment	(18,549)	—
Amortization and accretion on marketable securities	(6,942)	(7,048)
Deferred income taxes	(25,149)	24,207
Loss on extinguishment of debt	—	632
Purchase accounting impact on inventory	8,737	—
(Gain) loss on disposals of property, plant and equipment	37	(100)
Gain on divestiture, net of tax	—	(2,128,761)
Fees paid stemming from divestiture	—	(52,461)
Taxes paid stemming from divestiture	—	(431,600)
Changes in operating assets and liabilities:		
Accounts receivable	29,028	(16,298)
Inventories	(4,104)	(61,345)
Accounts payable	(13,193)	(8,320)
Deferred revenue	2,496	8,580
Accrued warranty and retrofit costs	1,412	(28)
Accrued compensation and tax withholdings	(15,830)	13,835
Accrued restructuring costs	311	(126)
Other current assets and liabilities	(36,578)	(19,999)
Net cash used in operating activities	<u>(22,422)</u>	<u>(475,680)</u>
Cash flows from investing activities		
Purchases of property, plant and equipment	(29,218)	(59,730)
Purchases of technology intangibles	—	(4,000)
Purchases of marketable securities	(236,194)	(1,525,993)
Sales and maturities of marketable securities	951,504	503,505
Proceeds from divestiture, net of cash transferred	—	2,926,286
Net investment hedge settlement	29,313	—
Acquisitions, net of cash acquired	(386,508)	—
Net cash provided by investing activities	<u>328,897</u>	<u>1,840,068</u>
Cash flows from financing activities		
Proceeds from issuance of common stock	—	3,461
Principal payments on debt	—	(49,725)
Common stock dividends paid	—	(7,494)
Payment for contingent consideration related to acquisition	—	(10,400)
Payment of finance leases	(181)	(355)
Stock repurchase	(672,116)	—
Withholding tax payments on net share settlements on equity awards	(4,924)	—
Net cash used in financing activities	<u>(677,221)</u>	<u>(64,513)</u>
Effects of exchange rate changes on cash and cash equivalents	65,610	(98,972)
Net (decrease) increase in cash, cash equivalents and restricted cash	(305,136)	1,200,903
Cash, cash equivalents and restricted cash, beginning of period	1,041,296	285,333
Cash, cash equivalents and restricted cash, end of period	<u>\$ 736,160</u>	<u>\$ 1,486,236</u>
Supplemental disclosures:		
Cash paid for income taxes, net	41,064	452,461
Reconciliation of cash, cash equivalents, and restricted cash to the condensed consolidated balance sheets		
	June 30,	September 30,
	2023	2022
Cash and cash equivalents of continuing operations	\$ 733,369	\$ 658,274
Short-term restricted cash	2,287	382,596
Long-term restricted cash included in other assets	504	426
Total cash, cash equivalents and restricted cash shown in the condensed consolidated statements of cash flows	<u>\$ 736,160</u>	<u>\$ 1,041,296</u>

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

AZENTA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(unaudited)
(In thousands, except share data)

	Common Stock Shares	Common Stock at Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Equity
Balance March 31, 2023	82,602,702	\$ 826	\$ 1,495,118	\$ (38,870)	\$ 1,639,109	\$ (200,956)	\$ 2,895,227
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	8,713	0	(18)	—	—	—	(18)
Accelerated share repurchase	(3,981,921)	—	—	—	—	(1,637)	(1,637)
Open market repurchases	(3,972,634)	—	—	—	—	(174,322)	(174,322)
Retirement of treasury shares	—	(80)	(175,880)	—	—	175,959	—
Stock-based compensation	—	—	3,995	—	—	—	3,995
Net investment hedge currency translation adjustment, net of tax	—	—	—	(218)	—	—	(218)
Foreign currency translation adjustments	—	—	—	1,876	—	—	1,876
Changes in unrealized gains (losses) on marketable securities, net of tax	—	—	—	67	—	—	67
Net income (loss)	—	—	—	—	(1,470)	—	(1,470)
Balance June 30, 2023	<u>74,656,860</u>	<u>\$ 747</u>	<u>\$ 1,323,215</u>	<u>\$ (37,145)</u>	<u>\$ 1,637,639</u>	<u>\$ (200,956)</u>	<u>\$ 2,723,500</u>
Balance March 31, 2022	88,450,083	\$ 885	\$ 1,986,796	\$ (7,398)	\$ 1,685,649	\$ (200,956)	\$ 3,464,976
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	1,140	—	—	—	—	—	—
Stock-based compensation	—	—	3,485	—	—	—	3,485
Net investment hedge currency translation adjustment, net of tax	—	—	—	41,956	—	—	41,956
Foreign currency translation adjustments	—	—	—	(70,179)	—	—	(70,179)
Changes in unrealized gains (losses) on marketable securities, net of tax	—	—	—	(2,898)	—	—	(2,898)
Actuarial losses, net of tax	—	—	—	26	—	—	26
Net income (loss)	—	—	—	—	(9,570)	—	(9,570)
Other	—	—	—	—	(10)	—	(10)
Balance June 30, 2022	<u>88,451,223</u>	<u>\$ 885</u>	<u>\$ 1,990,281</u>	<u>\$ (38,493)</u>	<u>\$ 1,676,069</u>	<u>\$ (200,956)</u>	<u>\$ 3,427,786</u>

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	Common Stock Shares	Common Stock at Par Value	Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Equity
Balance September 30, 2022	88,482,125	\$ 885	\$ 1,992,017	\$ (83,916)	\$ 1,655,356	\$ (200,956)	\$ 3,363,386
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	219,424	2	(3,074)	—	—	—	(3,072)
Accelerated share repurchase	(10,072,055)	—	—	—	—	(501,637)	(501,637)
Open market repurchases	(3,972,634)	—	—	—	—	(174,322)	(174,322)
Retirement of treasury shares	—	(140)	(675,819)	—	—	675,959	—
Stock-based compensation	—	—	10,091	—	—	—	10,091
Net investment hedge currency translation adjustment, net of tax	—	—	—	(70,478)	—	—	(70,478)
Foreign currency translation adjustments	—	—	—	113,140	—	—	113,140
Changes in unrealized gains (losses) on marketable securities, net of tax	—	—	—	4,109	—	—	4,109
Net income (loss)	—	—	—	—	(17,632)	—	(17,632)
Other	—	—	—	—	(85)	—	(85)
Balance June 30, 2023	<u>74,656,860</u>	<u>\$ 747</u>	<u>\$ 1,323,215</u>	<u>\$ (37,145)</u>	<u>\$ 1,637,639</u>	<u>\$ (200,956)</u>	<u>\$ 2,723,500</u>
Balance September 30, 2021	87,808,922	\$ 878	\$ 1,976,112	\$ 19,351	\$ (470,051)	\$ (200,956)	\$ 1,325,334
Shares issued under restricted stock and purchase plans, net of shares withheld for employee taxes	642,301	7	3,454	—	—	—	3,461
Stock-based compensation	—	—	10,715	—	—	—	10,715
Common stock dividends declared, at \$0.10 per share	—	—	—	—	(7,494)	—	(7,494)
Net investment hedge currency translation adjustment, net of tax	—	—	—	49,081	—	—	49,081
Foreign currency translation adjustments reclassified out of accumulated other comprehensive income related to discontinued operations	—	—	—	(16,567)	—	—	(16,567)
Foreign currency translation adjustments	—	—	—	(85,160)	—	—	(85,160)
Changes in unrealized gains (losses) on marketable securities, net of tax	—	—	—	(5,306)	—	—	(5,306)
Actuarial losses, net of tax	—	—	—	108	—	—	108
Net income (loss)	—	—	—	—	2,153,624	—	2,153,624
Other	—	—	—	—	(10)	—	(10)
Balance June 30, 2022	<u>88,451,223</u>	<u>\$ 885</u>	<u>\$ 1,990,281</u>	<u>\$ (38,493)</u>	<u>\$ 1,676,069</u>	<u>\$ (200,956)</u>	<u>\$ 3,427,786</u>

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

AZENTA, INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(unaudited)

1. Nature of Operations

Azenta, Inc. (“Azenta”, or the “Company”) is a leading global provider of sample exploration and management solutions for the life sciences industry. The Company supports its customers from research to clinical development with its sample management, automated storage, and genomic services expertise to help bring impactful therapies to market faster.

Risks and Uncertainties

The Company is subject to risks common to companies in the markets it serves, including, but not limited to, global economic and financial market conditions, fluctuations in customer demand, acceptance of new products, development by its competitors of new technological innovations, risk of disruption in its supply chain, the implementation of tariffs and export controls, inflation, dependence on key personnel, protection of proprietary technology and compliance with domestic and foreign regulatory authorities and agencies.

The COVID-19 pandemic has had varying impacts on our financial results. In the first two years of the pandemic, any marginal adverse impact was more than offset by incremental orders related to virus research, COVID testing and vaccine development and commercialization. There has been limited COVID-related demand after the second fiscal quarter of 2022, and therefore, our revenue trends since then have been negatively impacted when compared to prior periods. Future impacts on the Company’s financial results are not fully determinable, as the continuing impact of the pandemic on the economy and markets which the Company serves is unknown, but will be dependent, in part, on future variants of the virus and vaccine effectiveness against these variants and new or prolonged government responses to the pandemic. The Company’s financial results will also depend on variables including reduced demand from its customers, the degree that the supply chain may be constrained which could impact its delivery of products and services and the potential negative impact on its operations if there is an outbreak among the Company’s employees, as well as the amount of incremental demand caused by research and treatments in the areas of COVID-19 or related threats.

2. Summary of Significant Accounting Policies

Principles of Consolidation and Basis of Presentation

The accompanying Condensed Consolidated Financial Statements include the accounts of the Company and all entities where it has a controlling financial interest and have been prepared in accordance with accounting principles generally accepted in the United States (“GAAP”). All intercompany balances and transactions have been eliminated in consolidation.

The accompanying year-end balance sheet was derived from audited financial statements but does not include all disclosures required by GAAP. The unaudited interim condensed consolidated financial statements have been prepared on the same basis as the audited financial statements and in the opinion of management, reflect all adjustments, which include only normal recurring adjustments, necessary for a fair statement of the Company’s financial position as of June 30, 2023, and the results of its operations for the three and nine months ended June 30, 2023 and 2022, and cash flows for the nine months ended June 30, 2023 and 2022, respectively.

Certain information and disclosures normally included in the Company’s annual consolidated financial statements have been condensed or omitted and, accordingly, the accompanying financial information should be read in conjunction with the audited consolidated financial statements and notes thereto contained in the Company’s Annual Report on Form 10-K for the fiscal year ended September 30, 2022 filed with the U.S. Securities and Exchange Commission on November 25, 2022 (the “2022 Annual Report on Form 10-K”).

Use of Estimates

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect amounts reported in the financial statements and notes thereto. Although these estimates are based on the Company's knowledge of current events and actions it may undertake in the future, actual results may differ from these estimates. Significant estimates are associated with recording accounts receivable, inventories, goodwill, intangible assets other than goodwill, contingent consideration liabilities related to business combinations, long-lived assets, derivative financial instruments, deferred income taxes, warranty obligations, revenue over time, and stock-based compensation expense. The Company assesses the estimates on an ongoing basis and records changes in estimates in the period they occur and become known.

The full extent to which the COVID-19 pandemic will directly or indirectly impact the Company's business, including results of operations and financial condition, will depend on future developments that are highly uncertain. This includes results from new information that may emerge concerning COVID-19 and any actions taken to contain or treat COVID-19, as well as the economic impact on local, regional, national and international customers and markets. The Company has made estimates of the impact of COVID-19 in the analysis of its financial statements.

Business Combinations

The Company accounts for business acquisitions using the purchase method of accounting, in accordance with which assets acquired and liabilities assumed are recorded at their respective fair values at the acquisition date. The fair value of the consideration paid, including contingent consideration, is assigned to the assets acquired and liabilities assumed based on their respective fair values. Goodwill represents the excess of the purchase price over the estimated fair values of the assets acquired and liabilities assumed.

Significant judgment is used in determining fair values of assets acquired and liabilities assumed and contingent consideration, as well as intangibles and their estimated useful lives. Fair value and useful life determinations may be based on, among other factors, estimates of future expected cash flows and appropriate discount rates used in computing present values. These judgments may materially impact the estimates used in allocating acquisition date fair values to assets acquired and liabilities assumed, as well as our current and future operating results. Actual results may vary from these estimates and may result in adjustments to goodwill and acquisition date fair values of assets and liabilities during a measurement period or upon a final determination of asset and liability fair values, whichever occurs first. Adjustments to fair values of assets and liabilities made after the end of the measurement period are recorded within our operating results.

Changes in the fair value of contingent consideration resulting from a change in the underlying inputs are recognized in results of operations until the arrangement is settled.

Foreign Currency Translation

Certain transactions of the Company and its subsidiaries are denominated in currencies other than their functional currency. Foreign currency exchange gains (losses) generated from the settlement and remeasurement of these transactions are recognized in earnings and presented within "Other income (expense)" in the Condensed Consolidated Statements of Operations. Net foreign currency transaction and remeasurement gains were \$0.1 million and \$0.3 million for the three months ended June 30, 2023 and 2022, respectively. Net foreign currency transaction and remeasurement losses were \$2.7 million and \$2.9 million during the nine months ended June 30, 2023 and 2022, respectively.

The determination of the functional currency of the Company's subsidiaries is based on their financial and operational environment and is the local currency of the Company's foreign subsidiaries. The subsidiaries' assets and liabilities are translated into the reporting currency at period-end exchange rates, while revenue, expenses, gains and losses are translated at the average exchange rates during the period. Gains and losses from foreign currency translations are recorded in "Accumulated other comprehensive income (loss)" in the Condensed Consolidated Balance Sheets and presented as "Foreign currency translation adjustments" in the Condensed Consolidated Statements of Comprehensive Income (Loss).

Derivative Financial Instruments

The Company has transactions and balances denominated in currencies other than the functional currency of the transacting entity. Most of these transactions carry foreign exchange risk in Germany, the United Kingdom and China. The Company enters into foreign exchange contracts to reduce its exposure to currency fluctuations. The arrangements typically mature in three months or less and they do not qualify for hedge accounting. Net gains and losses related to these contracts are recorded as a component of “Other income (expense)” in the Condensed Consolidated Statements of Operations and are as follows for the three and nine months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Realized gains (losses) on derivatives not designated as hedging instruments	\$ 182	\$ 848	\$ (1,930)	\$ 1,903

The fair values of the forward contracts are recorded in the Condensed Consolidated Balance Sheets as “Prepaid expenses and other current assets” and “Accrued expenses and other current liabilities”. Foreign exchange contract assets and liabilities are measured and reported at fair value based on observable market inputs and classified within Level 2 of the fair value hierarchy described below due to a lack of an active market for these contracts.

Hedging Activities

On February 1, 2022, the Company entered into a cross-currency swap agreement to hedge the variability of exchange rate impacts between the U.S. dollar and the Euro. Under the terms of the cross-currency swap agreement, the Company notionally exchanged \$1.0 billion for €915.0 million at a weighted average interest rate of 1.20%. The designated notional amount was \$960.0 million and the actual interest rate was 1.28%. The 1.28% rate was in the range of the market value for that day and was the true interest rate on the notional amount. The Company designated the cross-currency swap as a hedge of net investments against one of its Euro denominated subsidiaries requiring an exchange of the notional amounts at maturity. At the maturity of the cross currency-swap on February 1, 2023, the Company delivered a notional amount of €852.0 million and received a notional amount of \$960.0 million at an exchange rate of 1.13, which included realization of a gain of \$29.3 million, which was recorded in “Accumulated other comprehensive income (loss)” in the Condensed Consolidated Balance Sheets.

On February 1, 2023, the Company entered into another cross-currency swap agreement to hedge the variability of exchange rate impacts between the U.S. dollar and the Euro. Under the terms of the cross-currency swap agreement, the Company notionally exchanged \$436.0 million for €400.0 million at a weighted average interest rate of 1.66%. The Company designated the cross-currency swap as a hedge of net investments against one of its Euro denominated subsidiaries, which requires an exchange of the notional amounts at maturity on February 1, 2024.

The cross-currency swaps are marked to market at each reporting period, representing the fair values of the cross-currency swap and any changes in fair value are recognized as a component of “Accumulated other comprehensive income (loss)” in the Condensed Consolidated Balance Sheets. Interest accrued on the cross-currency swap is recorded within “Interest income” in the Condensed Consolidated Statements of Operations. For the three and nine months ended June 30, 2023, the Company recorded a net loss of \$0.2 and \$70.5 million, respectively, to “Accumulated other comprehensive income (loss)” and recorded “Interest income” of \$1.8 million and \$7.1 million on these instruments for the three and nine months ended June 30, 2023, respectively.

Marketable Securities

The Company invests in marketable securities that are classified as available-for-sale and records them at fair value in the Condensed Consolidated Balance Sheets. Marketable securities reported as current assets represent investments that mature within one year from the balance sheet date. Long-term marketable securities represent investments with maturity dates greater than one year from the balance sheet date.

Unrealized gains and losses are excluded from earnings and reported as a separate component of “Accumulated other comprehensive income (loss)” in the Condensed Consolidated Balance Sheets until the security is sold or matures. Gains or losses realized from sales of marketable securities are computed based on the specific identification method and recognized as a component of “Other income (expense)” in the accompanying unaudited Condensed Consolidated Statements of Operations.

The Company reviews the marketable securities for impairment at each reporting period to determine if any of the securities have experienced an other-than-temporary decline in fair value. The Company considers factors, such as the length of time and extent to which the market value has been less than the cost, the financial condition and near-term prospects of the issuer, the Company’s intent to sell, or whether it is more likely than not it will be required to sell the investment before recovery of its amortized cost basis. If the Company believes that an other-than-temporary decline in fair value has occurred, it writes down the investment to its fair value and recognizes the credit loss in earnings and the non-credit loss in accumulated other comprehensive income or loss.

Fair Value Measurement

The Company measures certain financial assets and liabilities, including cash equivalents, available-for-sale securities, accounts receivable, accounts payable, contingent consideration liability and derivative instruments at fair value. The Company applies a fair value hierarchy that requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The following levels of inputs may be used to measure fair value:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that are accessible as of the reporting date. Active markets are those in which transactions for the asset and liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than prices included in Level 1, including quoted prices for similar assets or liabilities in active markets and quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs that are significant to the fair value of the assets or liabilities and reflect an entity’s own assumptions in pricing assets or liabilities since they are supported by little or no market activity.

In determining fair value, the Company utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs, as well as considering counterparty credit risk in its assessment of fair value.

The Company measures certain assets, including the cost and equity method investments, at fair value on a nonrecurring basis when they are deemed to be other-than-temporarily impaired. The fair values of these investments are determined based on valuation techniques using the best information available, and may include quoted market prices, market comparable prices, and discounted cash flow projections. An impairment charge is recorded when the cost of the investment exceeds its fair value and this condition is determined to be other-than-temporary

Accounts Receivable and Allowance for Expected Credit Losses and Sales Returns

Trade accounts receivable do not bear interest and are recorded at the invoiced amount. The Company maintains an allowance for expected credit losses representing its best estimate of expected credit losses related to its existing accounts receivable and their net realizable value. The Company determines the allowance based on several factors, including an evaluation of customer credit worthiness, the age of the outstanding receivables, economic trends, historical experience and other information over the payment periods. The Company reviews and adjusts the allowance for expected credit losses on a quarterly basis. Accounts receivable balances are written off against the allowance for expected credit losses when the Company determines that the balances are not recoverable. Provisions for expected credit losses are recorded in “Selling, general and administrative” expenses in the Condensed Consolidated Statements of Operations. The Company determines the allowance for sales returns based on its best estimate of expected customer

returns. Provisions for sales returns are recorded in “Revenue” in the Condensed Consolidated Statements of Operations. The Company does not have any off-balance-sheet credit exposure related to its customers.

Leases

The Company has operating leases for real estate and non-real estate and finance leases for non-real estate. The classification of a lease as operating or finance and the determination of the right-of-use asset (“ROU asset”) and lease liability are determined at lease inception. The ROU asset represents the Company’s right to use an underlying asset for the lease term and the lease liability represents the Company’s obligation to make lease payments arising from the lease. Operating lease ROU assets and liabilities are recognized at the commencement date of the lease based on the present value of lease payments over the lease term. As most of the Company’s leases do not provide an implicit rate, an incremental borrowing rate is used based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the option will be exercised. Lease expense is recognized on a straight-line basis over the lease term.

The Company’s lease agreements may contain lease and non-lease components. Non-lease components primarily include payments for maintenance and utilities. Fixed payments for non-lease components are combined with lease payments and accounted for as a single lease component which increases the amount of the ROU asset and liability.

The ROU asset for operating leases is included within “Other assets” and the ROU asset for finance leases is included within “Property, plant, and equipment, net” in the Condensed Consolidated Balance Sheets. The short-term lease liabilities for both operating leases and finance leases are included within “Accrued expenses and other current liabilities” in the Condensed Consolidated Balance Sheets. The long-term lease liabilities for operating leases and finance leases are included within “Long-term operating lease liabilities”, and “Other long-term liabilities”, respectively, in the Condensed Consolidated Balance Sheets.

Goodwill

Goodwill represents the excess of purchase price over the fair value of net tangible and identifiable intangible assets of businesses acquired by the Company. Goodwill is tested for impairment annually or more often if impairment indicators are present at the reporting unit level. The Company elected April 1st as its annual goodwill impairment assessment date. If the existence of events or circumstances indicates that it is more likely than not that fair values of the reporting units are below their carrying values, the Company performs additional impairment tests during interim periods to evaluate goodwill for impairment.

Application of the goodwill impairment test requires significant judgment based on market and operational conditions at the time of the evaluation, including management’s best estimate of future business activity and the related estimates of future cash flows from the reporting units that include the associated goodwill. These periodic evaluations could cause management to conclude that impairment factors exist, requiring an adjustment of these assets to their then current fair market values. Future business conditions and/or activity could differ materially from the projections made by management which could result in impairment charges.

The goodwill impairment test is performed at the reporting unit level. A reporting unit is either an operating segment or one level below it, which is referred to as a “component”. The level at which the impairment test is performed requires an assessment of whether the operations below an operating segment constitute a self-sustaining business, in which case testing is generally performed at this level.

The Company first assesses qualitative factors to determine whether the existence of events or circumstances indicates that it is more likely than not that the fair value of a reporting unit is less than its carrying value. If the Company determines, based on this assessment, that it is more likely than not that the fair value of the reporting unit is less than its carrying value, management performs a quantitative goodwill impairment test by comparing the reporting unit’s fair value with its carrying value. An impairment loss is recognized for the amount by which the reporting unit’s carrying value exceeds its fair value, up to the total amount of goodwill allocated to the reporting unit.

We determine fair values of our reporting units based on an income approach in accordance with the discounted cash flow method, (the “DCF Method”). The DCF Method is based on projected future cash flows and terminal value estimates discounted to their present values. Terminal value represents the present value an investor would pay on the valuation date for the rights to the cash flows of the business for the years subsequent to the discrete cash flow projection period. We consider the DCF Method to be the most appropriate valuation technique since it is based on management’s long-term financial projections. In addition to determining the fair value of our reporting units based on the DCF Method, we also compare the aggregate values of our net corporate assets and reporting unit fair values to our overall market capitalization and use certain market-based valuation techniques to assess the reasonableness of the reporting unit fair values determined in accordance with the DCF Method. The key inputs used in the DCF Method include revenue growth rates, gross margin percentages, selling, general and administrative expense percentages and discount rates that are at or above our weighted average cost of capital. We derive discount rates that are commensurate with the risks and uncertainties inherent in the respective reporting units and our internally developed projections of future cash flows.

Application of the goodwill impairment test requires judgment based on market and operational conditions at the time of the evaluation, including management’s best estimates of the reporting unit’s future business activity and the related estimates and assumptions of future cash flows from the assets that include the associated goodwill. Different assumptions of revenue growth rates, gross margin percentages, selling, general and administrative expense percentages and the discount rate used in the DCF Method could result in different estimates of the reporting unit’s fair value as of each testing date.

Warranty Obligations

The Company establishes reserves for estimated costs of product warranties based on historical information. Product warranty reserves are recorded at the time product revenue is recognized, and retrofit accruals are recorded at the time retrofit programs are established. The Company’s warranty obligation is affected by product failure rates, utilization levels, material usage, service delivery costs incurred in correcting a product failure and supplier warranties on parts delivered to the Company.

Stock-Based Compensation

The fair value of restricted stock units is determined based on the number of shares granted and the closing price of the Company’s common stock quoted on the Nasdaq Stock Market on the date of grant. For awards that vest based on service conditions, the Company recognizes stock-based compensation expense on a straight-line basis over the requisite service period. For awards that vest subject to performance conditions, the Company recognizes stock-based compensation expense ratably over the performance period if it is probable that performance condition will be met and adjusts for the percentage of shares probable of achieving the performance goals. Each quarter, management assesses the probability of achieving the performance goals. The Company makes estimates of stock award forfeitures and the number of awards expected to vest. The Company considers many factors in developing forfeiture estimates, including award types, employee classes and historical experience. Current estimates may differ from actual results and future changes in estimates.

Recently Issued Accounting Pronouncements

In March 2020, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2020-04, *Facilitation of the Effects of Reference Rate Reform on Financial Reporting*. In January 2021, the FASB issued ASU 2021-01, *Reference Rate Reform (Topic 848): Scope*. The ASUs provide temporary optional expedients and exceptions to the GAAP guidance on contract modifications and hedge accounting to ease the financial reporting burdens related to the expected market transition from the London Interbank Offered Rate (“LIBOR”) and other interbank offered rates to alternative reference rates. The provisions of the ASUs were only available until December 31, 2022, when the reference rate replacement activity was expected to be completed. In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*, extending the relief offered in this series of ASUs through December 31, 2024. The adoption of these ASUs is not expected to have a material impact on the Company’s consolidated financial statements.

Recently Adopted Accounting Pronouncements

In November 2021, the FASB issued ASU 2021-10, *Government Assistance (Topic 832) – Disclosures by Business Entities about Government Assistance*. The amendment in this ASU requires disclosures to increase the transparency of transactions with a government accounted for by applying a grant or contribution accounting model by analogy, including (1) the types of transactions, (2) the accounting for those transactions, and (3) the effect of those transactions on an entity's financial statements. This ASU is effective for annual periods beginning after December 15, 2021. The Company will adopt the provisions of this ASU in the annual consolidated financial statements for fiscal 2023.

In June 2020, the FASB issued ASU No. 2020-06, *Debt with Conversion and Other Options (Subtopic 470-20) and Derivatives and Hedging - Contracts in Entity's Own Equity (Subtopic 815-40)*. This ASU simplifies the accounting for certain financial instruments with characteristics of liabilities and equity, including convertible instruments and contracts on an entity's own equity. This ASU is effective for annual periods beginning after December 15, 2021. The adoption of this ASU on October 1, 2022 did not have a material impact on the Company's consolidated financial statements.

Other

For further information regarding the Company's significant accounting policies, please refer to Note 2, *Summary of Significant Accounting Policies* of this Quarterly Report on Form 10 Q and in the Notes to our audited consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of our 2022 Annual Report on Form 10 K.

3. Discontinued Operations

Disposition of the Semiconductor Automation Business

On September 20, 2021, the Company entered into a definitive agreement to sell its semiconductor automation business to Thomas H. Lee Partners, L.P. ("THL") and the Company determined that the semiconductor automation business met the criteria to be classified as a discontinued operation and, as a result, its historical financial results are reflected in the condensed consolidated financial statements as a discontinued operation, and assets and liabilities were classified as assets and liabilities held for sale. On February 1, 2022, the Company completed the sale of the semiconductor automation business for \$2.9 billion in cash. As part of the transaction, the Company recorded an \$18.1 million liability related to retention bonuses and cash settled stock-based awards for former employees of the Company that were conveyed with the transaction. The Company paid \$0.6 million of these payments during the year ended September 30, 2022 and remitted the remaining payments to THL in November 2022, and THL directly paid the Company's former employees. Following the completion of the sale, the Company no longer serves the semiconductor market.

In connection with the closing of the sale, the Company and THL entered into a transition services agreement under which both the Company and THL will provide each other certain transition services related to finance and accounting, information technology, human resources, compliance, facilities, legal and research and development support, for time periods ranging from three to 24 months. In addition, the Company agreed to lease back a portion of the facilities in Chelmsford, Massachusetts, that were sold to THL as part of the sale agreement. The leases are 24 months but may be terminated earlier by the Company upon 90 days' notice to THL. As of June 30, 2023, one of the two original leases is still in effect. The transition services and lease agreements approximate fair value and do not have a material impact on the Company's financial results or operations.

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During the three months ended June 30, 2023, the Company recorded a \$1.0 million gain on divestiture. The following table presents the financial results of discontinued operations with respect to the semiconductor automation business for the three and nine months ended June 30, 2022 (in thousands):

	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2022
Revenue		
Products	\$ -	\$ 244,962
Services	-	19,468
Total revenue	-	264,430
Cost of revenue		
Products	-	141,165
Services	-	11,159
Total cost of revenue	-	152,324
Gross profit	-	112,106
Operating expenses		
Research and development	-	18,486
Selling, general and administrative	480	30,622
Total operating expenses	480	49,108
Operating (loss) income	(480)	62,998
(Loss) gain on divestiture	(990)	2,560,384
(Loss) income before income taxes	(1,470)	2,623,382
Income tax provision	1,085	463,785
Net (loss) income from discontinued operations	\$ (2,555)	\$ 2,159,597

The following table presents the significant non-cash items and capital expenditures for the discontinued operations with respect to the semiconductor automation business that are included in the Condensed Consolidated Statements of Cash Flows (in thousands):

	Three Months Ended June 30, 2022	Nine Months Ended June 30, 2022
Capital expenditures	\$ -	\$ 2,862
Stock-based compensation	\$ -	\$ 8,032

4. Business Combinations

The Company recorded the assets acquired and liabilities assumed related to the following acquisitions at their fair values as of the acquisition date, from a market participant's perspective. While the Company uses its best estimates and assumptions as part of the purchase price allocation process to value the assets acquired and liabilities assumed on the acquisition date, its estimates and assumptions are subject to refinement. Fair value estimates are based on a complex series of judgments about future events and uncertainties and rely heavily on estimates and assumptions. The judgments used to determine the estimated fair value assigned to each class of assets acquired and liabilities assumed, as well as asset lives, can materially impact the Company's results of operations. The measure period to finalize the fair values is completed within one year after the respective acquisition date.

Acquisitions Completed in Fiscal Year 2023

Ziath Ltd

On February 2, 2023, the Company acquired Ziath, Ltd. and its subsidiaries ("Ziath"). Based in Cambridge, United Kingdom, Ziath is a leading provider of 2D barcode readers for life science applications. Founded in 2005, Ziath's innovative 2D barcode readers are a key component of the laboratory automation workflow serving pharmaceutical,

biotechnology and academic customers worldwide. Ziath will enhance the Company's offerings, which support the entire lifecycle of sample management from specimen collection to sample registration, storage and processing. The acquisition was completed at a purchase price of \$16.0 million, net of cash acquired. The acquired business is included in the Life Sciences Products segment.

The allocation of the consideration included \$12.0 million of goodwill, \$4.1 million of technology, \$1.1 million of deferred tax liability, \$0.6 million of customer relationships, \$0.3 million of trademarks, and several other assets and liabilities. The weighted average life of completed technology is 10 years, customer relationships is 13 years, and trademarks is 13 years. The goodwill represents the Company's ability to provide a differentiated technology enabling high throughput scanning of varied formats of consumables. The goodwill is not expected to be deductible for income tax purposes.

The Company did not present pro forma financial information for its condensed consolidated results of operations for the acquisition because such results are immaterial.

B Medical Systems S.á r.l.

On October 3, 2022, the Company acquired B Medical Systems S.á r.l. and its subsidiaries ("B Medical"), for a purchase price of \$432.2 million including contingent consideration, which the Company estimated to be \$17.0 million as of the measurement date. B Medical is a market leader in temperature-controlled storage and transportation solutions that enables the delivery of life-saving treatments to more than 150 countries worldwide. B Medical's results of operations are reported in the Company's Life Sciences Products segment from the date of acquisition. The Company paid a total initial cash purchase price at closing of \$424.0 million, as adjusted for cash acquired and other items pursuant to the acquisition agreement. B Medical Systems Holdings S.A (the "Seller") is eligible to earn up to €50.0 million in contingent consideration based upon achievement of certain financial metrics by B Medical. The Company repaid B Medical's outstanding debt of \$43.1 million prior to September 30, 2022 which is included in the purchase price and was classified in prepaid assets as of September 30, 2022. In addition, the Company recorded \$381.0 million in short-term restricted cash as of September 30, 2022, which was reserved to complete the acquisition which occurred on October 3, 2022.

The contingent consideration payment from the Company to the Seller is based on achievement of certain revenue targets over the one-year period from October 3, 2022 to September 30, 2023. The Company recorded the estimated fair value of the contingent consideration liability utilizing a Monte Carlo simulation that incorporates revenue projections, revenue growth rates of comparable companies, implied volatility and a risk adjusted discount rate. Each quarter, the Company is required to remeasure the fair value of this liability as assumptions change over time and any resulting adjustments in the fair value of this liability are recorded in "Operating expenses" in the Condensed Consolidated Statements of Operations. This fair value measurement was based on significant inputs not observable in the market and thus represented a Level 3 measurement. This fair value measurement is directly impacted by the Company's estimate of future incremental revenue growth of the business. Accordingly, if actual revenue growth is higher or lower than the estimates within the fair value measurement, the Company would record additional charges or gains. As of June 30, 2023, the fair value of the contingent consideration liability was determined to be zero as compared to \$1.4 million as of March 31, 2023.

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The purchase price was allocated to B Medical's tangible and identifiable intangible assets acquired and liabilities assumed based on the estimated fair values as of October 3, 2022, as set forth below (in thousands):

	Fair Value
Accounts receivable	\$ 19,549
Inventory	49,497
Other assets	10,769
Property plant and equipment	54,149
Identifiable Intangible Assets:	
Completed technology	100,600
Trademarks	5,500
Customer relationships	36,700
Backlog	600
Other liabilities	(31,489)
Deferred income taxes, net	(42,974)
Goodwill	229,260
Total purchase price, net of cash acquired	<u>\$ 432,160</u>

During the three months ended June 30, 2023, the purchase price, net of cash acquired, remains the same. The Company recorded an adjustment during the three months ended June 30, 2023 which resulted in a net increase to goodwill of \$0.4 million related to a \$0.4 million increase in accrued liabilities.

In performing the purchase price allocation, the Company considered, among other factors, the intended future use of acquired assets, and historical financial performance and estimates of future performance of B Medical's business. The allocation of the purchase price is preliminary as the Company continues to gather information supporting the assets acquired and liabilities assumed. As part of the purchase price allocations, the Company determined the identifiable intangible assets were completed technology, trademarks, customer relationships and backlog. The fair value of the intangible assets was estimated using the income approach, and the cash flow projections were discounted using a rate of 13%. The cash flows were based on estimates used to price the transaction, and the discount rate applied was benchmarked to the implied rate of return from the transaction and the weighted average cost of capital. The weighted average life of completed technology is 10 years, customer relationships is 16 years, trademarks is five years and backlog is one year. The intangible assets acquired are amortized over their respective weighted average life using methods that approximate the pattern in which the economic benefits are expected to be realized. The calculation of the excess of the purchase price over the estimated fair value of the tangible net assets and intangible assets acquired was recorded to goodwill. Goodwill of \$229.3 million largely reflects the potential expansion of the Company's cold chain capabilities in the Company's Life Sciences Products segment by adding differentiated solutions for reliable and traceable transport of temperature-controlled specimens. The goodwill is not expected to be deductible for income tax purposes.

The following financial information reflects our condensed consolidated results from B Medical (in thousands):

	Three Months Ended June 30,	Nine Months Ended June 30,
	2023	2023
Revenue	\$ 27,275	\$ 84,552
Net (loss) income	\$ (5,169)	\$ (18,174)

The Company incurred \$3.6 million in transaction costs related to the acquisition of which \$0.0 million and \$3.6 million were incurred during the three and nine months ended June 30, 2023, respectively.

The following unaudited pro forma financial information reflects our condensed consolidated results of operations as if the acquisition had taken place on October 1, 2021 (in thousands). The unaudited pro forma financial information is not necessarily indicative of the results of operations that we would have reported had the transaction occurred at the beginning of these periods nor is it necessarily indicative of future results.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 165,948	\$ 152,641	\$ 492,715	\$ 510,074
Net (loss) income	\$ 492	\$ (14,605)	\$ (8,128)	\$ 2,135,512

The unaudited pro forma earnings for the three and nine months ended June 30, 2023 have been adjusted to exclude \$2.0 million and \$5.9 million, respectively, of property, plant and equipment, inventory, and intangible asset step-up depreciation and amortization expense of \$0.0 million and \$3.6 million, respectively, of non-recurring acquisition related transaction costs. To present our condensed consolidated results of operations as if the acquisition had taken place on October 1, 2021, the unaudited pro forma earnings for the three and nine months ended June 30, 2022 have been adjusted to include \$6.2 million and \$18.9 million, respectively, of property, plant and equipment, inventory, and intangible asset step-up depreciation and amortization expense. Non-recurring acquisition related items and significant GAAP adjustments in the three and nine months ended June 30, 2022 include \$0.0 million and \$8.9 million, respectively, of transactions costs, exclude \$0.2 million and \$5.9 million, respectively, of debt interest expense, include \$0.0 million and \$1.4 million, respectively, expense of capitalized research and development costs, and exclude \$1.6 million and \$6.4 million of adjustments for tax impact, respectively. The pro forma financial information does not include any anticipated cost savings or other effects of the integration of B Medical. Accordingly, the unaudited pro forma financial information does not necessarily reflect the actual results that would have occurred, nor is it necessarily indicative of future results of operations.

Acquisition Completed in Fiscal Year 2022

Barkey Holding GmbH

On July 1, 2022, the Company acquired Barkey Holding GmbH and its subsidiaries (“Barkey”), a leading provider of controlled-rate thawing devices for customers in the medical, biotechnology and pharmaceutical industries, head quartered in Leopoldshöhe, Germany. The financial results for Barkey are included within the Life Sciences Products segment. The total cash purchase price of the acquisition was \$84.8 million, net of cash acquired. The acquisition added innovative products and capabilities that extend the Company’s extensive cold chain of condition portfolio of products and services, while also expanding the Company’s customer reach in the fast-growing cell and gene therapy space. The allocation of the consideration included \$3.0 million of customer relationships, \$29.0 million of technology, \$57.8 million of goodwill, \$9.8 million of deferred tax liabilities, and several other assets and liabilities. The weighted useful life of all the intangible assets acquired is 15 years. The goodwill and intangibles are not tax deductible.

The Company did not present pro forma financial information for its condensed consolidated results of operations for the acquisition because such results are immaterial.

5. Marketable Securities

The Company had sales and maturities of marketable securities of \$223.3 million and \$951.5 million in the three and nine months ended June 30, 2023, respectively. There were \$499.8 million and \$503.5 million sales and maturities of marketable securities in the three and nine months ended June 30, 2022, respectively. There were immaterial and \$0.8 million realized losses on the sale and maturities of marketable securities in the three and nine months ended June 30, 2023, respectively. There were immaterial realized gains on the sale and maturities of marketable securities in the three and nine months ended June 30, 2022.

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Amortized cost and the fair value, including accrued interest receivable and unrealized gains (losses) on the short-term and long-term marketable securities as of June 30, 2023 and September 30, 2022 were as follows (in thousands):

	Amortized Cost	Gross Unrealized Losses	Gross Unrealized Gains	Fair Value
June 30, 2023:				
U.S. Treasury securities and obligations of U.S. government agencies	\$ 311,618	\$ (3,731)	\$ 1	\$ 307,888
Bank certificates of deposits	9,078	(194)	—	8,884
Corporate securities	248,309	(5,186)	—	243,123
Municipal securities	20	(1)	—	19
	<u>\$ 569,025</u>	<u>\$ (9,112)</u>	<u>\$ 1</u>	<u>\$ 559,914</u>
September 30, 2022:				
U.S. Treasury securities and obligations of U.S. government agencies	\$ 804,774	\$ (6,163)	\$ 21	\$ 798,632
Bank certificates of deposits	8,335	(158)	1	8,178
Corporate securities	406,270	(8,113)	—	398,157
Municipal securities	59,043	(226)	—	58,817
	<u>\$ 1,278,422</u>	<u>\$ (14,660)</u>	<u>\$ 22</u>	<u>\$ 1,263,784</u>

The fair values of the marketable securities by contractual maturities as of June 30, 2023 were as follows (in thousands):

	Amortized Cost	Fair Value
Due in one year or less	\$ 394,811	\$ 390,492
Due after one year through five years	171,049	166,257
Due after five years through ten years	—	—
Due after ten years	3,165	3,165
Total marketable securities	<u>\$ 569,025</u>	<u>\$ 559,914</u>

Expected maturities could differ from contractual maturities because the security issuers may have the right to prepay obligations without prepayment penalties.

Unrealized losses from fixed-income securities are primarily attributable to changes in interest rates. The Company does not believe any unrealized losses represent impairments based on our evaluation of the available evidence.

6. Accounts Receivable, Net

The following is a summary of accounts receivable, net as of June 30, 2023 and September 30, 2022 (in thousands):

	June 30, 2023	September 30, 2022
Accounts receivable	\$ 171,422	\$ 168,920
Less allowance for expected credit losses	(8,403)	(5,162)
Accounts receivable, net	<u>\$ 163,019</u>	<u>\$ 163,758</u>

The allowance for expected credit losses for the nine months ended June 30, 2023 and fiscal year ended September 30, 2022 (in thousands):

	Nine months ended June 30, 2023	Year ended September 30, 2022
Balance at Beginning of Period	\$ 5,162	\$ 4,318
Provisions	6,963	3,536
Reversals of Bad Debt Expense	(3,652)	(2,278)
Write-offs and Adjustments	(70)	(414)
Balance at End of Period	<u>\$ 8,403</u>	<u>\$ 5,162</u>

7. Inventories

The following is a summary of inventories at June 30, 2023 and September 30, 2022 (in thousands):

	June 30, 2023	September 30, 2022
Raw materials and purchased parts	\$ 65,380	\$ 39,685
Work-in-process	8,088	4,816
Finished goods	68,634	41,043
Total inventories	<u>\$ 142,102</u>	<u>\$ 85,544</u>

Reserves related to write downs or adjustments of inventory to net realizable value were \$4.3 million and \$4.1 million, respectively, at June 30, 2023 and September 30, 2022.

8. Capitalized Software Costs

At June 30, 2023 and September 30, 2022, the Company had cumulative capitalized direct costs of \$29.4 million and \$26.9 million, respectively, associated with the development of software for its internal use. As of June 30, 2023, this balance included \$10.8 million associated with software assets that are still in the development stage and not yet placed in service. During the three and nine months ended June 30, 2023, the Company capitalized direct costs associated with the development of software for its internal use of \$0.7 million and \$2.6 million, respectively, as compared to \$1.2 million and \$2.8 million, respectively, during the corresponding periods of the prior fiscal year.

9. Goodwill and Intangible Assets

In the second quarter of fiscal 2023, as part of the Company's routine long-term planning process, the Company assessed several events and circumstances that could affect the significant inputs used to determine the fair value of its reporting units, including updates to forecasted margins and cash flows, and the overall change in the economic climate since its last impairment assessment. The Company considered impairment indicators and determined it appropriate to perform a quantitative assessment of its reporting units as of March 31, 2023. The estimated fair value of the Life Sciences Services and Life Sciences Products reporting units exceeded their respective carrying values by approximately 24% and 17%, respectively, as of March 31, 2023. Therefore, the Company concluded there was no impairment to goodwill as of March 31 or April 1, 2023. The Company performed a qualitative goodwill impairment assessment during the third quarter of fiscal 2023 and determined that there were no events or circumstances during the period to indicate an additional quantitative goodwill impairment assessment was required for the third quarter of fiscal 2023.

In the event the financial performance of the reporting units does not meet management's expectations in the future, there is a change to the Company's reportable segments, the Company experiences a prolonged macroeconomic or market downturn, declines in the Company's stock price, or there are other negative revisions to key assumptions used in

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the DCF Method, the Company may be required to perform additional impairment analyses and could be required to recognize an impairment charge.

Refer to the Notes to our audited consolidated financial statements included in the section titled “Financial Statements and Supplementary Data” in Part II, Item 8 of our 2022 Annual Report on Form 10 K for further information on the goodwill impairment testing performed during fiscal year 2022.

The changes in the Company’s goodwill by reportable segment for the nine months ended June 30, 2023 are as follows (in thousands):

	Life Sciences Products	Life Sciences Services	Total
Balance - September 30, 2022	\$ 154,612	\$ 359,011	\$ 513,623
Acquisitions	229,260	—	229,260
Currency translation adjustments	50,655	85	50,740
Balance - June 30, 2023	<u>\$ 434,527</u>	<u>\$ 359,096</u>	<u>\$ 793,623</u>

During the nine months ended June 30, 2023, the Company recorded goodwill related to the B Medical and Ziath acquisitions of \$229.3 million.

The components of the Company’s identifiable intangible assets as of June 30, 2023 and September 30, 2022 are as follows (in thousands):

	June 30, 2023			September 30, 2022		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Patents	\$ 8,996	\$ 8,928	\$ 68	\$ 1,225	\$ 1,106	\$ 119
Completed technology	252,424	84,206	168,218	99,525	37,991	61,534
Trademarks and trade names	8,909	3,173	5,736	400	41	359
Non-competition agreements	731	586	145	681	439	242
Customer relationships	321,155	183,943	137,212	246,949	130,802	116,147
Other intangibles	904	228	676	202	202	—
Total	<u>\$ 593,119</u>	<u>\$ 281,064</u>	<u>\$ 312,055</u>	<u>\$ 348,982</u>	<u>\$ 170,581</u>	<u>\$ 178,401</u>

During the nine months ended June 30, 2023, the Company recorded intangible assets related to the B Medical and Ziath acquisitions of \$147.5 million.

Amortization expense for intangible assets was \$12.2 million and \$7.6 million, respectively, for the three months ended June 30, 2023 and 2022. Amortization expense for intangible assets was \$36.1 million and \$23.4 million, respectively, for the nine months ended June 30, 2023 and 2022.

Estimated future amortization expense for the intangible assets for the remainder of fiscal year 2023 the subsequent five fiscal years and thereafter is as follows (in thousands):

2023	\$ 11,366
2024	50,664
2025	49,292
2026	45,908
2027	37,706
2028	31,219
Thereafter	85,900
Total	<u>\$ 312,055</u>

10. Warranty and Retrofit Costs

The following is a summary of product warranty and retrofit activity for the three and nine months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Balance at Beginning of Period	\$ 5,380	\$ 2,491	\$ 2,890	\$ 2,330
Adjustment for Acquisitions	—	—	2,303	—
Accruals	2,407	663	3,936	1,875
Cost Incurred	(1,529)	(630)	(2,871)	(1,681)
Balance at End of Period	<u>\$ 6,258</u>	<u>\$ 2,524</u>	<u>\$ 6,258</u>	<u>\$ 2,524</u>

11. Restructuring

The restructuring accrual at the beginning of fiscal year 2023 was \$0.5 million and was \$0.8 million as of June 30, 2023. In the second quarter of 2023 the Company announced a cost savings plan to position the Company to meet the needs of their customers and accelerate growth of the business. In the third quarter of fiscal 2023, the Company announced a reorganization and another cost savings plan. The change in the accrual balance was primarily due to accruals offset by payments related to the separation of personnel due to reorganization and cost reduction efforts. Costs from these actions are expected to be fully realized by the end of calendar 2023.

The restructuring accrual at the beginning of fiscal year 2022 was \$0.3 million and the ending accrual balance as of September 30, 2022 was \$0.5 million. The change in the accrual balance was primarily due to accruals and payments related to the separation of personnel due to the reorganization and cost reduction efforts.

12. Leases

The Company has operating leases for real estate and non-real estate and finance leases for non-real estate in North America, Europe, and Asia. Non-real estate leases are primarily related to vehicles and office equipment. Lease expiration dates range between 2023 and 2043.

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Operating lease costs	\$ 3,332	\$ 2,468	\$ 9,450	\$ 7,028
Finance lease costs:				
Amortization of assets	183	18	409	147
Interest on lease liabilities	12	-	26	5
Total finance lease costs	195	18	435	152
Total operating and finance lease costs	3,527	2,486	9,885	7,180
Variable lease costs	752	783	2,764	2,056
Short-term lease costs	415	640	1,009	1,357
Sublease income	(2)	-	(6)	-
Total lease costs	<u>\$ 4,692</u>	<u>\$ 3,909</u>	<u>\$ 13,652</u>	<u>\$ 10,593</u>

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Supplemental balance sheet information related to leases is as follows (in thousands, except lease term and discount rate):

	<u>June 30, 2023</u>	<u>September 30, 2022</u>
Operating Leases:		
Operating lease right-of-use assets	\$ 67,352	\$ 54,059
Accrued expenses and other current liabilities	\$ 8,675	\$ 6,924
Long-term operating lease liabilities	61,799	49,227
Total operating lease liabilities	<u>\$ 70,474</u>	<u>\$ 56,151</u>
Finance Leases:		
Property, plant and equipment, at cost	\$ 4,511	\$ 2,476
Accumulated amortization	(2,501)	(2,276)
Property, plant and equipment, net	<u>\$ 2,010</u>	<u>\$ 200</u>
Accrued expenses and other current liabilities	\$ 673	\$ 96
Other long-term liabilities	1,467	98
Total finance lease liabilities	<u>\$ 2,140</u>	<u>\$ 194</u>
Weighted average remaining lease term (in years):		
Operating leases	11.22	10.82
Finance leases	3.54	2.19
Weighted average discount rate:		
Operating leases	4.21 %	3.93 %
Finance leases	2.50 %	1.29 %

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

	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Cash paid for amounts included in measurement of liabilities:				
Operating cash flows - operating leases	\$ 2,947	\$ 2,116	\$ 7,895	\$ 5,715
Operating cash flows - finance leases	\$ 12	\$ -	\$ 26	\$ 4
Financing cash flows - finance leases	\$ 169	\$ 43	\$ 377	\$ 360
ROU assets obtained in exchange for lease liabilities:				
Operating leases	\$ 6,585	\$ 122	\$ 13,021	\$ 7,612
Finance leases	\$ 576	\$ -	\$ 1,672	\$ -

Future lease payments for operating and finance leases as of June 30, 2023 were as follows for the remainder of fiscal year 2023, the subsequent five fiscal years and thereafter (in thousands):

	Finance Leases	Operating Leases
2023	\$ 190	\$ 2,937
2024	711	11,107
2025	619	10,797
2026	453	8,311
2027	217	7,875
2028	38	7,548
Thereafter	9	42,672
Total future lease payments	2,237	91,247
Less imputed interest	(97)	(20,773)
Total lease liability balance	\$ 2,140	\$ 70,474

As of June 30, 2023, the Company had entered into leases that had not commenced with future lease payments of \$9.3 million. These leases are not reflected in the ROU asset and lease liability in the Condensed Consolidated Balance Sheets. These leases commence in the fourth quarter of fiscal 2023.

13. Stockholders' Equity

On November 4, 2022, the Company's Board of Directors terminated the Company's then existing \$50.0 million share repurchase authorization and approved a new authorization to repurchase up to \$1.5 billion of shares of the Company's common stock from time to time through open market purchases or through privately negotiated transactions (including under an accelerated share repurchase ("ASR") agreement), or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 under the Securities Exchange Act of 1934, as amended, subject to market and business conditions, legal requirements, and other factors. The repurchase program can be discontinued at any time.

On November 23, 2022, the Company executed an ASR agreement (the "ASR Agreement") with JPMorgan Chase Bank, National Association (the "Dealer") to repurchase an aggregate of up to \$500.0 million of the Company's common stock. Under the terms of the ASR Agreement, the Company made a payment of \$500.0 million to the Dealer on November 28, 2022 and received an initial delivery of 6.1 million shares of common stock from the Dealer, representing approximately 70% of the total shares of common stock that were expected to be repurchased under the ASR Agreement. The final number of shares repurchased by the Company was based on the average of the daily volume-weighted average price of the Company's common stock during the term of the ASR Agreement, less a discount and subject to adjustments pursuant to the terms and conditions of the ASR Agreement. The final settlement of the transactions under the ASR Agreement occurred in April 2023, and the Company received 4.0 million additional shares of common stock from the Dealer as of the settlement date. The Company evaluated the nature of the forward contract aspect of the ASR Agreement and concluded equity classification was appropriate. The shares of common stock repurchased by the Company under the ASR Agreement were retired, accounted for as a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets and treated as a repurchase of common stock for purposes of calculating earnings per share as of the applicable settlement date.

After giving effect to the ASR Agreement, \$1.0 billion of the amount authorized remained available for additional repurchases of the Company's common stock. Following the final termination of the ASR Agreement in April 2023, new arrangements commenced under which the Company expects to repurchase up to an additional \$500.0 million shares of common stock in open market purchases, subject to market and business conditions, legal requirements, and other factors. The Company acquired 4.0 million shares of its common stock in the third quarter of fiscal 2023 through open market purchases totaling \$172.1 million (excluding fees, commissions, and excise tax) under these new arrangements. These shares of common stock repurchased by the Company were retired, accounted for as a reduction to stockholders'

equity in the Condensed Consolidated Balance Sheets and treated as a repurchase of common stock for purposes of calculating earnings per share as of the applicable settlement dates.

Effective January 1, 2023, all corporate share repurchases are subject to a one percent excise tax on the value of the repurchase, net of share issuances, subject to certain exclusions. The excise tax was part of The Inflation Reduction Act passed by the U.S. government in 2022. The Company accrued \$3.3 million for excise tax related to share repurchases settled in the first nine months of fiscal 2023, which is considered an additional cost of the share repurchases and a reduction to stockholders' equity in the Condensed Consolidated Balance Sheets.

14. Revenue from Contracts with Customers

Disaggregated Revenue

The Company disaggregates revenue from contracts with customers in a manner that depicts how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors. The following is revenue by significant business line for the three and nine months ended June 30, 2023 and 2022 (in thousands):

Significant Business Line	Three months ended June 30,		Nine months ended June 30,	
	2023	2022	2023	2022
Life Sciences Products, excluding B Medical	\$ 47,810	\$ 47,369	\$ 139,386	\$ 150,861
B Medical	26,761	-	83,705	-
Sample Repository Solutions	27,531	26,000	82,452	78,806
Genomic Services	63,846	59,366	187,172	188,264
Total revenue	<u>\$ 165,948</u>	<u>\$ 132,735</u>	<u>\$ 492,715</u>	<u>\$ 417,931</u>

Contract Balances

Accounts Receivable. Accounts receivable represent rights to consideration in exchange for products or services that have been transferred by the Company, when payment is unconditional and only the passage of time is required before payment is due.

Contract Assets. Contract assets represent rights to consideration in exchange for products or services that have been transferred by the Company and payment is conditional on something other than the passage of time. These amounts typically relate to contracts where the right to invoice the customer is not present until completion of the contract or the achievement of specified milestones and the value of the products or services transferred exceeds this constraint. Contract assets are classified as current as they convert to cash within one year and are included within "Prepaid expenses and other current assets" in the Condensed Consolidated Balance Sheets. Contract asset balances were \$20.3 million and \$18.2 million at June 30, 2023 and September 30, 2022, respectively.

Contract Liabilities. Contract liabilities represent the Company's obligation to transfer products or services to a customer for which consideration has been received, or for which an amount of consideration is due from the customer. Contract assets and liabilities are reported on a net basis at the contract level, depending on the contract's position at the end of each reporting period. Contract liabilities are included within "Deferred revenue" in the Condensed Consolidated Balance Sheets. Contract liabilities were \$45.2 million and \$39.7 million at June 30, 2023 and September 30, 2022, respectively. The Company recognized \$26.8 million and \$13.4 million in revenue during the nine months ended June 30, 2023 and 2022, respectively, from contract liability balances.

Remaining Performance Obligations. Remaining performance obligations represent the transaction price of unsatisfied or partially satisfied performance obligations within contracts with an original expected contract term that is greater than one year and for which fulfillment of the contract has started as of the end of the reporting period. The aggregate amount of transaction consideration allocated to remaining performance obligations as of June 30, 2023 was \$87.4 million. The following table summarizes when the Company expects to recognize the remaining performance

obligations as revenue; the Company will recognize revenue associated with these performance obligations as transfer of control occurs (in thousands):

	As of June 30, 2023		
	Less than 1 Year	Greater than 1 Year	Total
Remaining performance obligations	\$ 62,778	\$ 24,654	\$ 87,432

Cost to Obtain and Fulfill a Contract

The Company capitalizes sales commissions when incurred if they are (i) incremental costs of obtaining a contract, (ii) expected to be recovered and (iii) have an expected amortization period that is greater than one year. As part of the Company’s cumulative effect adjustment upon the initial adoption of revenue recognition standards under GAAP, incremental costs associated with obtaining a contract were capitalized and are classified as deferred commissions in the Condensed Consolidated Balance Sheets. These amounts are being amortized over a 60-month period, which represents the average period of contract performance. The Company did not capitalize any sales commissions during the nine months ended June 30, 2023 and 2022 as the amount of sales commissions that qualified for capitalization during the reporting period was immaterial. Sales commissions incurred during the reporting period were expensed as incurred and are recorded within “Selling, general and administrative” expenses in the Condensed Consolidated Statements of Operations. None of the costs the Company incurs to fulfill customer contracts meet the capitalization criteria. The Company accounts for shipping and handling activities as fulfillment activities and recognizes the associated expense when control of the product has transferred to the customer.

15. Stock-Based Compensation

The Company may issue to eligible employees options to purchase shares of the Company’s common stock, restricted stock units and other equity incentives, which vest upon the satisfaction of a performance condition and/or service condition. In addition, the Company issues common stock to participating employees pursuant to an employee stock purchase plan, and also issues common stock awards and deferred restricted stock units to members of its board of directors in accordance with its board of director compensation program.

The following table reflects the total stock-based compensation expense (continuing and discontinued operations) recorded during the three and nine months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Restricted stock units	\$ 3,604	\$ 3,178	\$ 8,997	\$ 18,433
Employee stock purchase plan	391	307	1,094	1,600
Total stock-based compensation expense for continuing and discontinued operations	<u>\$ 3,995</u>	<u>\$ 3,485</u>	<u>\$ 10,091</u>	<u>\$ 20,033</u>

Restricted stock units granted with performance goals may also have a required service period following the achievement of all or a portion of the performance goals. The following table reflects restricted stock units and common stock awards granted during the nine months ended June 30, 2023 and 2022:

	Nine Months Ended June 30,	
	2023	2022
Time-based restricted stock units	311,609	94,429
Common stock awards	—	49,063
Performance-based restricted stock units	278,457	88,204
Total units	<u>590,066</u>	<u>231,696</u>

Time-Based Restricted Stock Unit Grants

Restricted stock units granted with a required service period typically have three-year vesting schedules in which one-third of awards vest at each annual anniversary of the grant date, subject to the award holders meeting service requirements.

Certain members of the Board of Directors have elected to defer receiving their annual stock awards and related quarterly dividends, if any, until they attain a certain age or cease to provide services as a member of the Company's Board of Directors. Annual deferred stock awards granted during fiscal years 2023 and 2022 were vested upon issuance.

Performance-Based Restricted Stock Unit Grants

Performance-based restricted stock units are earned based on the achievement of performance criteria established by the Human Resources and Compensation Committee and approved by the Board of Directors. The criteria for performance-based awards are weighted and have threshold, target and maximum performance goals.

Performance-based restricted stock unit awards granted in fiscal year 2023 and 2022 allow participants to earn 100% of the restricted stock units if the Company's performance meets or exceeds its target goal for each applicable financial metric, up to a maximum of 200% if the Company's performance for such metrics meets or exceeds the maximum or stretch goal. Performance below the minimum threshold for each financial metric results in award forfeiture. Performance goals are measured over a three-year period for each year's restricted stock unit awards and at the end of the period to determine the number of restricted stock units earned, if any, by recipients who continue to meet the service requirement. Upon the third anniversary of each year's restricted stock unit awards' grant date, the Company's Board of Directors determines the number of restricted stock units earned for participants who continue to meet the service requirements on the vest date.

Awards Granted to the Board of Directors

The stock-based compensation granted to members of the Company's Board of Directors includes common stock awards, restricted stock unit awards, and deferred common stock and restricted stock unit awards.

Restricted Stock Unit Activity

The following table summarizes restricted stock unit activity for the nine months ended June 30, 2023:

	Shares	Weighted Average Grant-Date Fair Value
Outstanding as of September 30, 2022	538,238	\$ 71.99
Granted	590,066	\$ 55.10
Vested	(263,777)	\$ 55.76
Forfeited	(104,220)	\$ 73.62
Outstanding as of June 30, 2023	<u>760,307</u>	<u>\$ 66.22</u>

The weighted average grant date fair value of restricted stock units granted during the three months ended June 30, 2023 and 2022 was \$42.35 and \$80.58, respectively. The fair value of restricted stock units vested during the three months ended June 30, 2023 and 2022 was \$0.1 million and \$0.2 million, respectively. The weighted average grant date fair value of restricted stock units granted during the nine months ended June 30, 2023 and 2022 was \$55.10 and \$103.00, respectively. For the three months ended June 30, 2023 and 2022, the Company remitted less than \$0.1 million in each period collected from employees to satisfy their tax obligations as a result of share issuances. During the nine months ended June 30, 2023 and 2022, the Company remitted \$4.9 million and \$25.1 million, respectively, to satisfy employee tax obligations as a result of share issuances, of which \$4.9 million and zero, respectively, was paid by the Company.

As of June 30, 2023, the unrecognized stock-based compensation expense related to these stock awards that are expected to vest was \$27.4 million and will be recognized over an estimated weighted average service period of 1.9 years.

Employee Stock Purchase Plan

The Company maintains an employee stock purchase plan that allows its employees to purchase shares of common stock at a price equal to 85% of the fair market value of the Company’s common stock at the beginning or the end of the semi-annual offering period, whichever is lower. There were 39,479 and 51,133 shares, respectively, purchased by employees under the employee stock purchase plan during the nine months ended June 30, 2023 and 2022.

16. Fair Value Measurement

Financial Assets and Liabilities Measured at Fair Value on a Recurring Basis

The following tables summarize assets and liabilities measured and recorded at fair value on a recurring basis in the Condensed Consolidated Balance Sheets as of June 30, 2023 and September 30, 2022 (in thousands):

Description	As of June 30, 2023			
	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$ 589,326	\$ 589,326	\$ —	\$ —
Available-for-sale securities	559,914	127,592	432,322	—
Net investment hedge	984	—	984	—
Total assets	\$ 1,150,224	\$ 716,918	\$ 433,306	\$ —
Liabilities:				
Foreign exchange contracts	428	—	428	—
Total liabilities	\$ 428	\$ —	\$ 428	\$ —

Description	As of September 30, 2022			
	Total Fair Value	Level 1	Level 2	Level 3
Assets:				
Cash equivalents	\$ 374,804	\$ 374,055	\$ 749	\$ —
Available-for-sale securities	1,263,782	651,800	611,982	—
Foreign exchange contracts	634	—	634	—
Net investment hedge	124,789	—	124,789	—
Total assets	\$ 1,764,009	\$ 1,025,855	\$ 738,154	\$ —
Liabilities:				
Foreign exchange contracts	230	\$ —	230	—
Total liabilities	\$ 230	\$ —	\$ 230	\$ —

Cash Equivalents

Cash equivalents consist of money market funds and are classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices in active markets. The Company considers all highly liquid interest-earning investments with a maturity of three months or less at the date of purchase to be cash equivalents. The fair values of these investments approximate their carrying values.

Available-For-Sale Securities

Available-for-sale securities primarily consist of municipal securities and U.S. government-backed securities, and as such are classified as Level 1. Investments classified as Level 2 consist of debt securities that are valued using matrix pricing and benchmarking because they are not actively traded and bank certificates of deposit. Matrix pricing is a

mathematical technique used to value securities by relying on the securities' relationship to other benchmark quoted prices.

Foreign Exchange Contracts

Foreign exchange contract assets and liabilities are measured and reported at fair value based on observable market inputs and classified within Level 2 of the fair value hierarchy due to a lack of an active market for these contracts.

Net Investment Hedge

Net investment hedge assets are measured and reported at fair value based on observable market inputs and classified within Level 2 of the fair value hierarchy due to a lack of an active market for these contracts.

Contingent Consideration Liability

The contingent consideration liability related to acquisitions is measured and reported at fair value using the real options method based on the unobservable inputs that are significant to the fair value and classified with Level 3 of the fair value hierarchy. The amount is contingent based on the acquired business' performance through September 30, 2023. Please refer to Note 4, *Business Combinations* for further details. Changes in the fair value of contingent consideration resulting from a change in the underlying inputs are recognized in results of operations until the arrangement is settled. This liability was revalued from \$18.5 million as of December 31, 2022 to \$1.4 million as of March 31, 2023 and to zero as of June 30, 2023, with the offset to the changes in fair value recorded in the Condensed Consolidated Statements of Operations.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

During the three and nine months ended June 30, 2023 and 2022, the Company did not record any material fair value measurements for assets or liabilities on a nonrecurring basis.

17. Income Taxes

The Company recorded an income tax benefit of \$1.2 million and \$9.1 million, respectively during the three and nine months ended June 30, 2023. The tax benefit for the three months ended June 30, 2023 was primarily driven by the pre-tax loss from operations during the period. The tax benefit for the nine months ended June 30, 2023 was primarily driven by the pre-tax loss from operations and a \$1.4 million deferred tax benefit resulting from the extension of a tax incentive in China. The effective tax rates for the three and nine months ended June 30, 2023 are slightly higher than statutory rates. The effective rates are driven higher than statutory rates by the discrete tax benefit in China noted above and the fair value adjustment of the contingent consideration related to the B Medical acquisition. The contingent consideration generated \$18.5 million of pre-tax income that is not subject to income taxes, therefore, the tax benefit is being driven by a tax loss that is significantly higher than the book loss for these periods.

The Company recorded an income tax provision of \$7.3 million and benefit of \$0.6 million, respectively, during the three and nine months ended June 30, 2022. The tax provision for the three months ended June 30, 2022 was primarily driven by a true-up of the effective tax rate on a year-to-date basis. These changes were the result of fluctuations in expected global income from operations. The tax benefit for the nine months ended June 30, 2022 was driven by the pre-tax loss and a \$4.6 million discrete stock compensation windfall benefit for tax deductions that exceeded the associated book compensation expense. The tax benefit for the nine months ended June 30, 2022 was partially offset by a \$0.7 million charge to increase the deferred tax liability to reflect a change in the blended state income tax rate resulting from the sale of the semiconductor business.

In the period ended June 30, 2022, the Company did not include the U.S. business in the computation of the estimated annual effective rate. We have utilized the discrete effective tax rate method, as allowed by U.S. GAAP, to calculate the interim income tax provision. The U.S. tax benefit was computed discretely on a year-to-date basis. The taxable loss from continuing operations in the United States would have driven significant volatility in the estimated annual effective tax rate. Considering the level of pre-tax income forecasted in the year, small changes in the forecast for the remainder of the year would change the estimated annual effective tax rate substantially. The Company concluded

that calculating the tax provision for the United States discretely was a more appropriate reflection of the year-to-date tax provision as of June 30, 2022.

The Company evaluates the realizability of its deferred tax assets by tax-paying component and assesses the need for a valuation allowance on an annual and a quarterly basis. The Company evaluates the profitability of each tax-paying component on a historical cumulative basis and a forward-looking basis in the course of performing this analysis. The Company maintains a U.S. valuation allowance related to the realizability of certain state tax credits and state net operating loss carry-forwards, as well as a valuation allowance against net deferred tax assets on certain foreign tax-paying components as of June 30, 2023. The Company has generated recent pre-tax tax losses but is in an overall deferred tax liability position where future taxable temporary differences are sufficient to offset future deductible temporary differences. The Company continues to monitor historical cumulative income and may record an adjustment to the valuation allowance if there is a shift to the deferred tax asset position in a future period.

The Company maintains liabilities for unrecognized tax benefits. These liabilities involve judgment and estimation, and they are monitored based on the best information available. The Company recognizes interest related to unrecognized tax benefits as a component of the income tax provision or benefit. The Company recognized minimal interest expense related to its unrecognized tax benefits during the three and nine months ended June 30, 2023.

The Company is subject to U.S. federal, state, local and foreign income taxes in various jurisdictions. The amount of income taxes paid is subject to the Company's interpretation of applicable tax laws in the jurisdictions in which it files.

In the normal course of business, the Company is subject to income tax audits in various global jurisdictions in which it operates. The years subject to examination vary for the United States and international jurisdictions, with the earliest tax year being 2017. Based on the outcome of these examinations or the expiration of statutes of limitations for specific jurisdictions, it is reasonably possible that the related unrecognized tax benefits could change from those recorded in the Condensed Consolidated Balance Sheets. The Company currently anticipates that it is reasonably possible that the unrecognized tax benefits and accrued interest on those benefits will be reduced by \$1.6 million in the next twelve months due to statute of limitations expirations. These unrecognized tax benefits would impact the effective tax rate if recognized.

18. Net (Loss) Income per Share

The calculations of basic and diluted net income (loss) per share and basic and diluted weighted average shares outstanding are as follows for the three and nine months ended June 30, 2023 and 2022 (in thousands, except per share data):

	Three Months Ended		Nine Months Ended	
	June 30,		June 30,	
	2023	2022	2023	2022
Loss from continuing operations	\$ (2,463)	\$ (7,015)	\$ (15,689)	\$ (5,973)
Income (loss) from discontinued operations, net of tax	993	(2,555)	(1,943)	2,159,597
Net (loss) income	<u>\$ (1,470)</u>	<u>\$ (9,570)</u>	<u>\$ (17,632)</u>	<u>\$ 2,153,624</u>
Weighted average common shares outstanding used in computing basic and diluted (loss) income per share	<u>63,432</u>	<u>74,989</u>	<u>68,494</u>	<u>74,879</u>
Basic and diluted net (loss) income per share:				
Loss from continuing operations	\$ (0.04)	\$ (0.09)	\$ (0.23)	\$ (0.08)
Income (loss) from discontinued operations, net of tax	0.02	(0.03)	(0.03)	28.84
Net (loss) income per share	<u>\$ (0.02)</u>	<u>\$ (0.13)</u>	<u>\$ (0.26)</u>	<u>\$ 28.76</u>

During the nine months ended June 30, 2023 and 2022, restricted stock units of 334,467 and 59,513, respectively, were excluded from the computation of diluted loss per share as their effect would be antidilutive to earnings per share for continuing operations based on the treasury stock method.

19. Segment and Geographic Information

Operating segments are defined as components of an enterprise that engage in business activities for which discrete financial information is available and regularly reviewed by the chief operating decision maker in deciding how to allocate resources and to assess performance. The Company's Chief Executive Officer is the Company's chief operating decision maker.

The Company operates in two reportable segments, the Life Sciences Products segment and the Life Sciences Services segment. These reportable segments also represent the Company's operating segments. The Company previously operated in three reportable segments, the Semiconductor Solutions Group segment, the Life Sciences Products segment, and the Life Sciences Services segment.

The Company's Life Sciences Products segment provides automated cold storage solutions for biological and chemical compound samples. The Company's storage systems provide reliable automation and sample inventory management at temperatures down to -190°C and can store anywhere from one to millions of samples. The Company's sample management solutions include consumable vials and tubes, polymerase chain reaction, plates, instruments for supporting workflows, and informatics. This portfolio provides customers with the highest level of sample quality, security, availability, intelligence, and integrity throughout the lifecycle of samples providing customers with complete end-to-end cold chain of custody capabilities. The Company also provides controlled rate thawing devices for customers in the medical, biotechnology and pharmaceutical industries.

The Company's Life Sciences Services business is a leading provider of solutions addressing the many needs of customers in genomic analysis and the management and care of biological samples used in pharmaceutical, biotechnology, healthcare, clinical, and academic research and development markets. The Company processes millions of samples every year, each containing valuable information that must be delivered or preserved with the sample. The Company's genomic services provide a broad capability to customers for sequencing and synthesis of genes. The Company's sample management services include off-site storage, transport, and laboratory services, as well as interactive informatics solutions. The storage services include short- and long-term sample storage and management of the cold chain of custody from collection, to storage, to retrieving the sample which ultimately may go back into the research workflow.

Management considers adjusted operating income, which excludes charges related to amortization of completed technology, purchase accounting impacts on inventory, amortization of other intangible assets, restructuring charges, contingent consideration fair value adjustments, tariff adjustments, and other unallocated corporate expenses, as the primary performance metric when evaluating the Company's operations.

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The following is the summary of the financial information for the Company's reportable segments for the three and nine months ended June 30, 2023 and 2022 (in thousands):

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Revenue:				
Life Sciences Products	\$ 74,571	\$ 47,369	\$ 223,091	\$ 150,861
Life Sciences Services	91,377	85,366	269,624	267,070
Total revenue	<u>\$ 165,948</u>	<u>\$ 132,735</u>	<u>\$ 492,715</u>	<u>\$ 417,931</u>
Operating income / (loss):				
Life Sciences Products	\$ (4,878)	\$ 1,965	\$ (25,077)	\$ 11,173
Life Sciences Services	(3,813)	697	(13,302)	10,759
Segment operating (loss) income	<u>(8,691)</u>	<u>2,662</u>	<u>(38,379)</u>	<u>21,932</u>
Amortization of completed technology	4,656	1,810	13,725	5,424
Purchase accounting impact on inventory	2,956	—	8,737	—
Amortization of other intangible assets	7,522	5,745	22,403	18,064
Restructuring charges	812	25	3,773	319
Contingent consideration - fair value adjustments	(1,404)	—	(18,549)	—
Tariff adjustment	—	—	—	(486)
Other unallocated corporate expenses	(7,397)	155	(11,970)	8,717
Total operating (loss) income	<u>(15,836)</u>	<u>(5,073)</u>	<u>(56,498)</u>	<u>(10,106)</u>
Interest income	11,347	6,822	32,406	9,933
Interest expense	—	(2,101)	—	(4,111)
Loss on extinguishment of debt	—	—	—	(632)
Other, net	819	630	(704)	(1,617)
(Loss) income before income taxes	<u>\$ (3,670)</u>	<u>\$ 278</u>	<u>\$ (24,796)</u>	<u>\$ (6,533)</u>

Assets:	June 30, 2023	September 30, 2022
Life Sciences Products	\$ 948,701	\$ 378,790
Life Sciences Services	824,018	849,603
Total assets	<u>\$ 1,772,719</u>	<u>\$ 1,228,393</u>

The following is a reconciliation of the segment assets to the corresponding amounts presented in the Condensed Consolidated Balance Sheets as of June 30, 2023 and September 30, 2022 (in thousands):

	June 30, 2023	September 30, 2022
Segment assets	\$ 1,772,719	\$ 1,228,393
Cash and cash equivalents, restricted cash, and marketable securities	1,296,074	2,305,081
Deferred tax assets	—	1,169
Other assets	623	181,479
Total assets	<u>\$ 3,069,416</u>	<u>\$ 3,716,122</u>

Revenue from external customers is attributed to geographic areas based on locations in which customer orders are placed. Net revenue by geographic area for the three and nine months ended June 30, 2023 and 2022 are as follows (in thousands):

	<u>Three Months Ended June 30,</u>		<u>Nine Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Geographic Location:				
North America	\$ 91,018	\$ 88,380	\$ 267,437	\$ 272,750
Rest of Europe	23,594	17,148	84,448	57,177
Africa	19,064	86	44,901	1,305
China	12,766	12,906	38,153	39,704
Asia Pacific/ Other	10,700	6,114	37,767	23,780
United Kingdom	8,806	8,101	20,009	23,215
Total revenue	<u>\$ 165,948</u>	<u>\$ 132,735</u>	<u>\$ 492,715</u>	<u>\$ 417,931</u>

Revenue for the United States comprises 99% of the revenue for North America for each of the three and nine months ended June 30, 2023 and 2022.

Significant Customers

The Company had one individual customer that accounted for 10% or more of its consolidated revenue for the three months ended June 30, 2023 and no individual customer that accounted for 10% or more of its consolidated revenue for the three months ended June 30, 2022. The Company had one individual customer that accounted for 10% or more of its consolidated revenue for nine months ended June 30, 2023 and no individual customer that accounted for 10% or more of its consolidated revenue for the nine months ended June 30, 2022. This customer is the same for each of the fiscal 2023 periods and is related to the Life Science Products segment and is a distributor shipping to end users in approximately 30 countries. There were no customers that accounted for more than 10% of the Company's accounts receivable balance as of June 30, 2023 and September 30, 2022.

20. Commitments and Contingencies

Tariff Matter

With the assistance of a third-party consultant, during the first quarter of fiscal year 2021 the Company initiated a review of the transaction value it used to calculate tariffs on inter-company imports of samples shipped from its GENEWIZ business. As a result, this review and a new interpretation surrounding the valuation method used to calculate the estimated transaction value, the Company revised its estimate of the tariffs owed and recorded a liability of \$6.1 million in the second quarter of fiscal 2021. The Company submitted a payment in the amount of \$5.9 million to the customs authorities during fiscal 2022, related to November 2021 and prior periods. The customs authorities will review the Company's calculation of tariffs for these periods and determine if any further tariffs are owed. The Company does not expect to incur any significant penalties associated with the tariffs.

Purchase Commitments

As of June 30, 2023, the Company had non-cancellable commitments of \$70.8 million, comprised of purchase orders for inventory of \$48.1 million and information technology related commitments of \$22.7 million.

Contingencies

The Company is subject to various legal proceedings, both asserted and unasserted, that arise in the ordinary course of business. The Company cannot predict the ultimate outcome of such legal proceedings or, in certain instances, provide reasonable ranges of potential losses.

The Company may also have certain indemnification obligations pursuant to claims made under the definitive agreement it entered into with Edwards Vacuum LLC (a member of the Atlas Copco Group) in connection with the

Company's sale of its semiconductor cryogenics business in the fourth quarter of fiscal year 2018. In the third quarter of fiscal year 2020, Edwards asserted claims for indemnification under the definitive agreement relating to alleged breaches of representations and warranties relating to customer warranty claims and inventory (the "2020 Claim"). In addition, in January 2023, Edwards filed a lawsuit against the Company in the Supreme Court of the State of New York in the County of New York seeking indemnification from the Company under such definitive agreement for \$1.0 million and other related damages, including interest and attorney's fees, arising from a third-party claim that was included as part of their initial claims (the "2023 Claim").

In the second quarter of fiscal 2023, the Company accrued a liability of \$2.5 million for the litigation with Edwards related to the 2020 and 2023 Claim of which \$0.8 million was paid during the third quarter of 2023.

In April 2023, the Company responded to and filed a counterclaim against Edwards for the 2023 Claim alleging breach of the definitive agreements by Edwards and seeking a declaratory judgment. During the third quarter of fiscal 2023, the Company and Edwards entered into a settlement agreement related to the 2023 Claim to avoid the costs and uncertainties of potential litigation. Under the settlement agreement, the Company paid Edwards \$0.8 million from one of the indemnification escrows established at closing of the sale in return for the release of the 2023 Claim and any residual funds in this escrow. The 2020 Claim remains outstanding and \$1.7 million remains in the balance of the accrued liability.

The Company cannot determine the probability of any losses or outcome of the 2020 Claim including the amount of any indemnifiable losses, if any, resulting from these claims. However, the Company does not believe that this claim will have a material adverse effect on its consolidated financial position or results of operations. If the resolution of the 2020 Claim results in indemnifiable losses in excess of the applicable indemnification deductibles established under the definitive agreement, Edwards would be required to seek recovery under the representation and warranty insurance Edwards obtained in connection with the closing of the sale of the semiconductor cryogenics business. Management believes that any indemnifiable losses in excess of the applicable deductibles established in the definitive agreement would be covered by such insurance. For indemnifiable claims other than those arising from breaches of representations and warranties and for indemnifiable claims arising from breaches of representations and warranties exceeding the maximum coverage of the representations and warranties insurance policy, Edwards could seek recovery of such indemnifiable losses, if any, directly from the Company. In the event of unexpected subsequent developments and given the inherent unpredictability of these matters, there can be no assurance that the Company's assessment of any claim will reflect the ultimate outcome, and an adverse outcome in certain matters could, from time to time, have a material adverse effect on the Company's consolidated financial position or results of operations in particular quarterly or annual periods.

21. Subsequent Event

As part of the \$1.5 billion share repurchase authorization, the Company entered into open market repurchase arrangements in March 2023 for the repurchase of up to \$500.0 million of its common stock subject to market and business conditions, legal requirements, and other factors. The Company received settlement of 2.0 million shares of common stock for \$91.6 million (excluding fees, commissions, and excise tax) under these arrangements subsequent to June 30, 2023 and as of the filing of this Quarterly Report on Form 10-Q.

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

You should read the following discussion and analysis of our financial condition and results of operations together with our unaudited interim condensed consolidated financial statements and related notes appearing elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and related notes contained in our Annual Report on Form 10-K for the year ended September 30, 2022. In addition to historical information, this discussion and analysis contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below and in the forward-looking statements. Factors that could cause or contribute to these differences include, without limitation, those discussed in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") as well as those described in the 2022 Annual Report on Form 10-K and this Quarterly Report on Form 10-Q under "Information Related to Forward-Looking Statements" and Part II, Item 1A "Risk Factors." All dollar amounts in the below MD&A are presented in U.S. dollars, unless otherwise noted or the context otherwise provides.

Our MD&A is organized as follows:

- *Overview.* This section provides a general description of our business and operating segments as well as a brief discussion and overall analysis of our business and financial performance, including key developments affecting us during the three and nine months ended June 30, 2023 and 2022.
- *Critical Accounting Policies and Estimates.* This section discusses accounting policies and estimates that require us to exercise subjective or complex judgments in their application. We believe these accounting policies and estimates are important to understanding the assumptions and judgments incorporated in our reported financial results.
- *Results of Operations.* This section provides an analysis of our financial results for the three and nine months ended June 30, 2023 as compared to the three and nine months ended June 30, 2022.
- *Liquidity and Capital Resources.* This section provides an analysis of our liquidity and changes in cash flows as well as a discussion of contractual commitments.

Impact of the COVID-19 Pandemic

We have implemented business continuity plans designed to address the COVID-19 pandemic and minimize the disruption to ongoing operations. The COVID-19 pandemic has had varying impacts on our financial results. In the first two years of the pandemic, any marginal adverse impact was more than offset by incremental orders related to virus research, COVID testing and vaccine development and commercialization. There has been limited COVID-related demand after the second fiscal quarter of 2022, and therefore, our revenue trends since then have been negatively impacted when compared to prior periods. During the third quarter ended June 30, 2022, we experienced a two-week facility closure in Suzhou, China that was required by local government protocols and mandates. We will continue monitoring and assessing the effects of the COVID-19 pandemic on our business, including the elimination of COVID-related restrictions in China. Our future financial results may be impacted by the pandemic, the extent of which will depend on variables including reduced demand from our customers, the degree that the supply chain may be constrained which could impact our delivery of products and services and the potential negative impact on our operations if there is an outbreak among our employees, as well as the amount of incremental demand caused by research and treatments in the areas of COVID-19 or related threats.

OVERVIEW

We are a leading global provider of sample exploration and management solutions for the life sciences industry. We entered the life sciences market in 2011, leveraging our in-house precision automation and cryogenics capabilities that we were then applying in the semiconductor market. This led us to provide solutions for automated ultra-cold storage. Since then, we have expanded our life sciences offerings through internal development investments and through a series of acquisitions. We now support our customers from research to clinical development with our sample management, automated storage, and genomic services expertise to help our customers bring impactful therapies to the

market faster. We understand the importance of sample integrity and offer a broad portfolio of products and services supporting customers at every stage of the life cycle of samples including procurement and sourcing, automated storage systems, genomic services and a multitude of sample consumables, informatics and data software, along with sample repository solutions. Our expertise, global footprint and leadership positions enable us to be a trusted global partner to pharmaceutical, biotechnology and life sciences research institutions. As of June 30, 2023, we employ approximately 3,500 full-time employees, part-time employees and contingent workers worldwide and have sales in over 150 countries. We are headquartered in Burlington, Massachusetts and have operations in North America, Asia and Europe.

Our portfolio includes product and service offerings developed by us internally, as well as through acquisitions, designed to bring together a comprehensive capability to service our customers' needs in sample management. We continue to develop new product and service offerings and enhance existing and acquired offerings through the expertise of our research and development resources. We believe our acquisition, investment and integration approach has allowed us to accelerate internal development and significantly accelerate time to market.

Within our Life Sciences Products segment, we developed and continue to develop automated biological sample storage solutions for operating in low temperature environments. We have a complete line of automated stores from ambient temperatures to -190°C. Our BioStore's™ unique design allows controlled temperature storage down to -80°C with the industry's highest throughput of sample retrieval. On October 3, 2022, we acquired B Medical Systems S.á r.l and its subsidiaries ("B Medical"), a market leader in temperature-controlled storage and transportation solutions that enables the delivery of life-saving treatments to more than 150 countries worldwide. This acquisition complements our cold chain capabilities, adding differentiated solutions for reliable and traceable transport of temperature-sensitive specimens. Additionally, on February 2, 2023, we acquired Ziath Ltd. and its subsidiaries ("Ziath") a leading provider of 2D barcode readers for life sciences applications to complement our product offerings.

Within our Life Sciences Services segment, our genomics services business advances research and development activities by providing gene sequencing, synthesis, editing and related services. We offer a comprehensive, global portfolio that we believe has both broad appeal in the life sciences industry and enables customers to select the best solution for their research challenges. This portfolio also offers unique solutions for key markets such as cell and gene therapy, antibody development and biomarker discovery by addressing genomic complexity and throughput challenges. Our sample repository solutions business is a global leader in sample storage and management and provides a full suite of reliable cold and ultra-cold chain solutions.

Sale of the Semiconductor Automation Business

On February 1, 2022, we completed the sale of our semiconductor automation business to Thomas H. Lee Partners, L.P. ("THL") for \$2.9 billion in cash. In connection with the divestiture of the semiconductor automation business and our continued focus on our life sciences businesses, we changed our corporate name from "Brooks Automation, Inc." to "Azenta, Inc." and our common stock began trading on the Nasdaq Global Select Market under the symbol "AZTA" on December 1, 2021.

Since our founding in 1978, we had been a leading automation provider and partner to the global semiconductor manufacturing industry. With the completion of the sale of the semiconductor automation business, we no longer serve the semiconductor market. The semiconductor automation business is classified as a discontinued operation and, unless otherwise noted, this MD&A relates solely to our continuing operations and does not include the operations of our semiconductor automation business.

Business and Financial Performance

Basis of Presentation

Our condensed consolidated financial statements are prepared in accordance with U.S. Generally Accepted Accounting Principles.

Financial Performance

Our performance for the three and nine months ended June 30, 2023 and 2022 are as follows:

<i>Dollars in thousands</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Revenue	\$ 165,948	\$ 132,735	\$ 492,715	\$ 417,931
Cost of revenue	97,943	73,135	297,609	220,462
Gross profit	68,005	59,600	195,106	197,469
Operating expenses				
Research and development	8,968	6,515	25,024	19,895
Selling, general and administrative	75,465	58,133	241,356	186,761
Contingent consideration - fair value adjustments	(1,404)	—	(18,549)	600
Restructuring charges	812	25	3,773	319
Total operating expenses	83,841	64,673	251,604	207,575
Operating loss	(15,836)	(5,073)	(56,498)	(10,106)
Other income (expense)				
Interest income	11,347	6,822	32,406	9,933
Interest expense	—	(2,101)	—	(4,111)
Loss on extinguishment of debt	—	—	—	(632)
Other, net	819	630	(704)	(1,617)
(Loss) income before income taxes	(3,670)	278	(24,796)	(6,533)
Income tax (benefit) expense	(1,207)	7,293	(9,107)	(560)
(Loss) income from continuing operations	(2,463)	(7,015)	(15,689)	(5,973)
Income (loss) from discontinued operations, net of tax	993	(2,555)	(1,943)	2,159,597
Net (loss) income	\$ (1,470)	\$ (9,570)	\$ (17,632)	\$ 2,153,624

Three months ended June 30, 2023 compared to three months ended June 30, 2022

Revenue for the three months ended June 30, 2023 increased 25% as compared to the corresponding prior fiscal year period primarily driven by a 57% increase in our Life Sciences Products segment, primarily due to revenue from the recently acquired businesses B Medical and Barkey Holding GmbH and its subsidiaries (“Barkey”). Gross margin was 41.0% for the three months ended June 30, 2023 as compared to 44.9% for the corresponding period of the prior fiscal year, primarily due to higher costs in both of our segments and the impact of amortization of intangible assets and inventory due to the addition of B Medical. Operating expenses increased \$19.2 million during the three months ended June 30, 2023 compared to the three months ended June 30, 2022. An increase in selling, general and administrative expenses of \$17.3 million during the three months ended June 30, 2023 was partially offset by a reduction in the fair value of contingent consideration related to B Medical of \$1.4 million. We reported an operating loss of \$15.8 million for the three months ended June 30, 2023 as compared to an operating loss of \$5.1 million for the corresponding prior fiscal year period mainly due to the reduction in gross margin and increase in operating expenses. Loss from continuing operations was \$2.5 million for the three months ended June 30, 2023 as compared to a loss of \$7.0 million for the three months ended June 30, 2022. During the three months ended June 30, 2023, we recorded a \$1.0 million net gain from discontinued operations as compared to a \$2.6 million net loss for the three months ended June 30, 2022; the results for discontinued operations were due to adjustments to and/or settlement of assets and liabilities associated with the discontinued operations.

Nine months ended June 30, 2023 compared to nine months ended June 30, 2022

Revenue for the nine months ended June 30, 2023 increased 18% as compared to the corresponding prior fiscal year period primarily driven by a 48% increase in our Life Sciences Products segment primarily due to the acquisitions of B Medical and Barkey which was offset by the decline in COVID-related revenues in our consumables business. Gross margin was 39.6% for the nine months ended June 30, 2023 as compared to 47.2% for the corresponding period of the prior fiscal year, primarily due to higher costs in both our segments and unfavorable mix in the Life Sciences Products segment. Operating expenses increased \$44.0 million during the nine months ended June 30, 2023 compared to the nine months ended June 30, 2022. Selling, general and administrative expenses increased \$54.6 million during the nine months ended June 30, 2023 compared to the same period in fiscal 2022, with the acquisitions of B Medical and Barkey accounting for \$35.7 million of the increase, which was partially offset by a reduction in the fair value of the contingent consideration related to B Medical of \$18.5 million. We reported an operating loss of \$56.5 million for the nine months ended June 30, 2023 as compared to \$10.1 million for the nine months ended June 30, 2022, mainly due to the reduction in gross margin and higher operating expenses. Loss from continuing operations was \$15.7 million for the nine months ended June 30, 2023 as compared to a loss of \$6.0 million for the nine months ended June 30, 2022. During the nine months ended June 30, 2023 we recorded a net loss of \$1.9 million from discontinued operations as compared to net income of \$2.2 billion for the nine months ended June 30, 2022.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the interim condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosure of contingent assets and liabilities. On an ongoing basis, we evaluate our estimates, including those related to revenue, intangible assets, goodwill, inventories, income taxes and stock-based compensation. We base our estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances. We evaluate current and anticipated worldwide economic conditions, both in general and specifically in relation to the life science industry, that serve as a basis for making judgments about the carrying values of assets and liabilities that are not readily determinable based on information from other sources. Actual results may differ from these estimates under different assumptions or conditions that could have a material impact on our financial condition and results of operations.

For further information with regard to our significant accounting policies and estimates, please refer to Note 2, *Summary of Significant Accounting Policies* in the Notes to the unaudited condensed consolidated financial statements included in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q and in the Notes to our audited condensed consolidated financial statements included in the section titled "Financial Statements and Supplementary Data" in Part II, Item 8 of our 2022 Annual Report on Form 10-K.

Recently Issued and Adopted Accounting Pronouncements

A summary of recently issued and adopted accounting pronouncements applicable to our unaudited condensed consolidated financial statements is set forth in Note 2, *Summary of Significant Accounting Policies* in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q.

RESULTS OF OPERATIONS

Please refer to the commentary provided below for further discussion and analysis of the factors contributing to our results from operations for the three and nine months ended June 30, 2023 as compared to the three and nine months ended June 30, 2022.

Revenue

Our revenue performance for the three and nine months ended June 30, 2023 and 2022 is as follows:

<i>Dollars in thousands</i>	Three Months Ended June 30,			Nine Months Ended June 30,		
	2023	2022	% Change	2023	2022	% Change
Life Sciences Products	\$ 74,571	\$ 47,369	57 %	\$ 223,091	\$ 150,861	48 %
Life Sciences Services	91,377	85,366	7 %	269,624	267,070	1 %
Total revenue	<u>\$ 165,948</u>	<u>\$ 132,735</u>	<u>25 %</u>	<u>\$ 492,715</u>	<u>\$ 417,931</u>	<u>18 %</u>

Three months ended June 30, 2023 compared to three months ended June 30, 2022

Revenue for the three months ended June 30, 2023 increased 25% as compared to the corresponding prior fiscal year period, driven by a 57% increase in our Life Sciences Products segment and a 7% increase in our Life Sciences Services segment.

Our Life Sciences Products segment revenue for the three months ended June 30, 2023 increased 57% as compared to the corresponding prior fiscal year period driven by the acquisitions of B Medical and Barkey. Excluding these acquisitions, we experienced a decline in revenue of approximately 10% year-over-year primarily due to decreased demand and associated revenue for consumables and instruments of approximately 24% year-over-year, which was partially offset by increased revenue in store systems of approximately 15% year-over-year.

Our Life Sciences Services segment revenue for the three months ended June 30, 2023 increased 7% as compared to the corresponding prior fiscal year period driven by increased growth in both Sample Repository Solutions (“SRS”) and Genomics. SRS revenue grew 6% year-over-year, with 10% growth in storage revenue. Genomics revenue grew 8% year-over-year, including 13% growth in Next-Generation Sequencing and a 6% growth in Gene Synthesis.

We estimate that revenue related to the COVID-19 pandemic for the three months ended June 30, 2023 was \$2.0 million in the aggregate, including \$1.0 million from B Medical, as compared to COVID-19-related revenue of \$1.0 million for the three months ended June 30, 2022.

Revenue generated outside the United States was \$76.1 million, or 46% of total revenue, for the three months ended June 30, 2023 as compared to \$44.8 million, or 34% of total revenue, for the corresponding period of the prior fiscal year, primarily due to the addition of B Medical. We had one individual customer that accounted for 10% or more of its consolidated revenue for the three months ended June 30, 2023. This individual customer is a distributor shipping to end users in approximately 30 countries within the quarter. No individual customer accounted for 10% or more of our consolidated revenue for the three months ended June 30, 2022.

Nine months ended June 30, 2023 compared to nine months ended June 30, 2022

Revenue for the nine months ended June 30, 2023 increased 18% as compared to the corresponding prior fiscal year period, driven by a 48% increase in our Life Sciences Products segment and a 1% increase in our Life Sciences Services segment.

Our Life Sciences Products segment revenue for the nine months ended June 30, 2023 increased 48% as compared to the corresponding prior fiscal year period due to the acquisitions of B Medical and Barkey. Excluding these acquisitions, we experienced a decline in revenue of approximately 16% year-over-year primarily due to decreased demand and associated revenue for COVID-19 related consumables and instruments of approximately 31%, which was partially offset by increased revenue in store systems of approximately 13% year-over-year.

Our Life Sciences Services segment revenue for the nine months ended June 30, 2023 increased 1% as compared to the corresponding prior fiscal year period, with an increase in our sample storage and Next-Generation Sequencing business offset by lower Gene Synthesis revenue.

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We estimate that revenue related to the COVID-19 pandemic for the nine months ended June 30, 2023 was \$6.0 million in the aggregate, including \$4.0 million from B Medical, as compared to COVID-19-related revenue of \$21.0 million for the nine months ended June 30, 2022. The decrease in this revenue was primarily due to lower demand for consumables related to COVID-19 testing.

Revenue generated outside the United States was \$228.5 million, or 46% of total revenue, for the nine months ended June 30, 2023 as compared to \$134.6 million, or 32% of total revenue, for the corresponding period of the prior fiscal year, primarily due to the addition of B Medical. There was one customer with more than 10% of our consolidated revenue for the nine months ended June 30, 2023. This individual customer is a distributor shipping to end users in approximately 30 countries. No individual customer accounted for more than 10% of our consolidated revenue for the nine months ended June 30, 2022.

Operating Income (Loss)

Our operating income (loss) performance for the three and nine months ended June 30, 2023 and 2022 is as follows:

Dollars in thousands	Three Months Ended June 30,							
	Life Science Products		Life Science Services		Corporate		Azenta Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue:	\$ 74,571	\$ 47,369	\$ 91,377	\$ 85,366	\$ —	\$ —	\$ 165,948	\$ 132,735
Operating income (loss):								
Operating income (loss)	\$ (4,878)	\$ 1,965	\$ (3,813)	\$ 697	\$ (7,145)	\$ (7,735)	\$ (15,836)	\$ (5,073)
Amortization of completed technology	3,329	251	1,327	1,560	—	—	4,656	1,811
Purchase accounting impact on inventory	2,956	—	—	—	—	—	2,956	—
Amortization of other intangibles	—	—	—	—	7,522	5,745	7,522	5,745
Rebranding and transformation costs	—	—	—	—	21	289	21	289
Restructuring charges	—	—	—	—	812	23	812	23
Contingent consideration - fair value adjustments	—	—	—	—	(1,404)	—	(1,404)	—
Merger and acquisition costs and costs related to share repurchase	—	—	—	—	219	1,662	219	1,662
Other adjustment	—	—	—	(6)	(2)	16	(2)	10
Total adjusted operating income (loss)	\$ 1,407	\$ 2,216	\$ (2,486)	\$ 2,251	\$ 23	\$ —	\$ (1,056)	\$ 4,467
<i>Operating margin</i>	(7)%	4 %	(4)%	1 %			(10)%	(4)%
<i>Adjusted operating margin</i>	2 %	5 %	(3)%	3 %			(1)%	3 %

Dollars in thousands	Nine Months Ended June 30,							
	Life Science Products		Life Science Services		Corporate		Azenta Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue:	\$ 223,091	\$ 150,861	\$ 269,624	\$ 267,070	\$ —	\$ —	\$ 492,715	\$ 417,931
Operating income (loss):								
Operating income (loss)	\$ (25,077)	\$ 11,173	\$ (13,302)	\$ 10,759	\$ (18,119)	\$ (32,038)	\$ (56,498)	\$ (10,106)
Amortization of completed technology	9,743	722	3,982	4,702	—	—	13,725	5,424
Purchase accounting impact on inventory	8,737	—	—	—	—	—	8,737	—
Amortization of other intangibles	—	—	—	—	22,403	18,064	22,403	18,064
Tariff adjustment	—	—	—	(484)	—	(2)	—	(486)
Rebranding and transformation costs	—	—	—	—	(34)	2,205	(34)	2,205
Restructuring charges	—	—	—	—	3,773	319	3,773	319
Contingent consideration - fair value adjustments	—	—	—	—	(18,549)	—	(18,549)	—
Merger and acquisition costs and costs related to share repurchase	—	—	—	—	12,075	10,970	12,075	10,970
Other adjustment	1,515	—	110	20	(1,625)	482	—	502
Total adjusted operating income (loss)	\$ (5,082)	\$ 11,895	\$ (9,210)	\$ 14,997	\$ (76)	\$ —	\$ (14,368)	\$ 26,892
<i>Operating margin</i>	(11)%	7 %	(5)%	4 %			(11)%	(2)%
<i>Adjusted operating margin</i>	(2)%	8 %	(3)%	6 %			(3)%	6 %

Three months ended June 30, 2023 compared to three months ended June 30, 2022

We reported an operating loss of \$15.8 million during the three-month period ending June 30, 2023 compared to an operating loss of \$5.1 million in the prior fiscal year period. The increase in operating loss was due to higher operating expense of \$19.2 million, partially offset by higher gross profit in both of our segments of \$8.4 million. Gross profit for the quarter includes \$1.0 million savings from a cost reduction plan. Within operating expenses, research and development expenses increased \$2.5 million and selling, general, and administrative expenses increased \$17.3 million. Selling, general and administrative expenses increased due to the acquisitions of B Medical and Barkey as well as continued investment in the business to build out the commercial and laboratory support infrastructure. These increased expenses were partially offset by a reduction in the carrying value of contingent consideration related to B Medical of \$1.4 million, and \$4.0 million of savings from a cost reduction plan.

Life Sciences Products segment adjusted operating income decreased \$0.8 million and adjusted operating margin decreased 2.8 percentage points for the three months ended June 30, 2023 compared to the corresponding prior fiscal year period. The decrease in adjusted operating income was driven by higher adjusted operating expenses of \$13.0 million (primarily due to the addition of B Medical), slightly offset by higher adjusted gross profit of \$12.2 million. Adjusted operating income for our Life Sciences Products segment excludes charges for amortization related to completed technology of \$3.3 million and \$0.3 million for the three months ended June 30, 2023 and 2022, respectively, and \$3.0 million purchase accounting impact on inventory for the three months ended June 30, 2023. Please refer to Note 19, *Segment and Geographic Information* in the Notes to the unaudited condensed consolidated financial statements included in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10 Q.

Life Sciences Services segment adjusted operating income decreased \$4.7 million and adjusted operating margin decreased 5.4 percentage points for the three months ended June 30, 2023 compared to the corresponding prior fiscal year period. The decrease in adjusted operating margin was driven by higher adjusted operating expenses of \$6.7 million slightly offset by a higher adjusted gross profit of \$2.0 million. Adjusted operating income for our Life Sciences Services segment excludes charges for amortization related to completed technology of \$1.3 million and \$1.6 million for the three months ended June 30, 2023 and 2022, respectively. Please refer to Note 19, *Segment and Geographic Information* in the Notes to the unaudited condensed consolidated financial statements included in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10 Q.

Nine months ended June 30, 2023 compared to nine months ended June 30, 2022

We reported an operating loss of \$56.5 million during the nine months ended period ending June 30, 2023 compared to an operating loss of \$10.1 million in the prior fiscal year period. The increase in operating loss was due to higher operating expenses \$44.0 million and lower gross profit of \$2.4 million. Within operating expenses, research and development expenses increased \$5.1 million and selling, general, and administrative expenses increased \$54.6 million. Selling, general and administrative expenses increased due to the addition of B Medical and continued investment in the business to build out the commercial and laboratory support infrastructure. These increased expenses were partially offset by an adjustment to the fair value of contingent consideration related to B Medical of \$18.5 million.

Life Sciences Products segment adjusted operating income decreased \$17.0 million and adjusted operating margin decreased 10.2 percentage points for the nine months ended June 30, 2023 compared to the corresponding prior fiscal year period. The decrease in adjusted operating income was driven by an increase in adjusted operating expenses of \$39.2 million (primarily due to the addition of B Medical), offset with higher adjusted gross profit from increased revenues of \$22.2 million. Adjusted operating income for our Life Sciences Products segment excludes charges for amortization related to completed technology of \$9.7 million and \$0.7 million for the nine months ended June 30, 2023 and 2022, respectively, and \$8.7 million purchase accounting impact on inventory for the nine months ended June 30, 2023. Please refer to Note 19, *Segment and Geographic Information* in the Notes to the unaudited condensed consolidated financial statements included in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Life Sciences Services segment adjusted operating income decreased \$24.2 million and adjusted operating margin decreased 9.0 percentage points for the nine months ended June 30, 2023 compared to the corresponding prior fiscal year

period. The decrease in adjusted operating margin was driven by lower adjusted gross profit of \$7.1 million and higher adjusted operating expenses of \$17.1 million. Adjusted operating income for our Life Sciences Services segment excludes charges for amortization related to completed technology of \$4.0 and \$4.7 million for the nine months ended June 30, 2023 and 2022, respectively. Adjusted operating margin also excludes a benefit of \$0.5 million for the nine months ended June 30, 2022. Please refer to Note 19, *Segment and Geographic Information* in the Notes to the unaudited condensed consolidated financial statements included in Item 1 "Condensed Consolidated Financial Statements" of this Quarterly Report on Form 10-Q.

Gross Margin

Our gross margin performance for the three and nine months ended June 30, 2023 and 2022 is as follows:

<i>Dollars in thousands</i>	Life Science Products		Life Science Services		Azenta Total	
	Three Months Ended June 30,		Three Months Ended June 30,		Three Months Ended June 30,	
	2023	2022	2023	2022	2023	2022
Revenue	\$ 74,571	\$ 47,369	\$ 91,377	\$ 85,366	\$ 165,948	\$ 132,735
Gross profit	\$ 27,213	\$ 21,026	\$ 40,792	\$ 38,573	\$ 68,005	\$ 59,600
<u>Adjustments:</u>						
Amortization of completed technology	3,329	251	1,327	1,560	4,656	1,811
Purchase accounting impact on inventory	2,956	—	—	—	2,956	—
Other unallocated corporate expenses	(1)	—	—	—	(1)	—
Adjusted gross profit	\$ 33,497	\$ 21,277	\$ 42,119	\$ 40,133	\$ 75,616	\$ 61,411
Gross margin	36.5 %	44.4 %	44.6 %	45.2 %	41.0 %	44.9 %
Adjusted gross margin	44.9 %	44.9 %	46.1 %	47.0 %	45.6 %	46.3 %

<i>Dollars in thousands</i>	Life Science Products		Life Science Services		Azenta Total	
	Nine Months Ended June 30,		Nine Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022	2023	2022
Revenue	\$ 223,091	\$ 150,861	\$ 269,624	\$ 267,070	\$ 492,715	\$ 417,931
Gross profit	\$ 74,477	\$ 70,006	\$ 120,629	\$ 127,475	\$ 195,106	\$ 197,469
<u>Adjustments:</u>						
Amortization of completed technology	9,743	722	3,982	4,702	13,725	5,424
Purchase accounting impact on inventory	8,737	—	—	—	8,737	—
Tariff adjustment	—	—	—	(486)	—	(486)
Adjusted gross profit	\$ 92,957	\$ 70,728	\$ 124,611	\$ 131,691	\$ 217,568	\$ 202,407
Gross margin	33.4 %	46.4 %	44.7 %	47.7 %	39.6 %	47.2 %
Adjusted gross margin	41.7 %	46.9 %	46.2 %	49.3 %	44.2 %	48.4 %

Three months ended June 30, 2023 compared to three months ended June 30, 2022

Gross margin decreased 3.9 percentage points for the three months ended June 30, 2023 to 41.0% compared to the corresponding prior fiscal year period driven by decreased gross margin in both our Life Sciences Products segment and our Life Sciences Services segment. Gross profit for the quarter includes \$1.0 million of savings from a cost reduction plan.

Life Sciences Products segment gross margin decreased 7.9 percentage points for the three months ended June 30, 2023 as compared to the corresponding prior fiscal year period. The decrease was primarily driven by the

impact of amortization of intangible assets and purchase accounting inventory basis for B Medical. Cost of revenue included \$3.3 million amortization of completed technology and \$3.0 million for purchase accounting impact on inventory for the three months ended June 30, 2023, and \$0.3 million of charges for amortization related to completed technology for the three months ended June 30, 2022. Excluding the impact of the amortization of completed technology and purchase accounting impact on inventory, Life Sciences Products segment gross margins remained flat during the three months ended June 30, 2023 as compared to the corresponding period of the prior fiscal year, primarily due to the mix of products sold in our stores business.

Life Sciences Services segment gross margin decreased 0.5 percentage points for the three months ended June 30, 2023 as compared to the corresponding prior fiscal year period, driven by decreased gross margin in the sample repository solutions business. The decrease in gross margin in the sample repository solutions business is mainly driven by inflation as well as the incremental cost of increasing the footprint for future volume needs. Cost of revenue included \$1.3 million and \$1.6 million of charges for amortization related to completed technology for the three months ended June 30, 2023 and 2022, respectively. Excluding the impact of the amortization of completed technology and other unallocated corporate expenses, Life Sciences Services segment margins decreased 0.9 percentage points during the three months ended June 30, 2023 as compared to the corresponding period of the prior fiscal year.

Nine months ended June 30, 2023 compared to nine months ended June 30, 2022

Total gross margin decreased 7.7 percentage points for the nine months ended June 30, 2023 to 39.6% compared to the corresponding prior fiscal year period driven by decreased gross margin in both our Life Sciences Products segment and our Life Sciences Services segment.

Life Sciences Products segment gross margin decreased 13.0 percentage points for the nine months ended June 30, 2023 as compared to the corresponding prior fiscal year period. The decrease was primarily driven by the impact of amortization of intangible assets and purchase accounting inventory basis for B Medical, and from higher costs and unfavorable product mix in revenue. Cost of revenue included \$9.7 million amortization of completed technology and \$8.7 million for purchase accounting impact on inventory for the nine months ended June 30, 2023 and \$0.7 million of charges for amortization related to completed technology for the nine months ended June 30, 2022. Excluding the impact of the amortization of completed technology and purchase accounting impact on inventory, Life Sciences Products segment margins decreased 5.2 percentage points during the nine months ended June 30, 2023 as compared to the corresponding period of the prior fiscal year, primarily due to the mix of products sold in our consumables and instruments and stores business.

Life Sciences Services segment gross margin decreased 3.0 percentage points for the nine months ended June 30, 2023 as compared to the corresponding prior fiscal year period, driven by decreased gross margin in both the genomic services business and sample repository solutions business. The decrease in the genomic services business was due to the impact of lower sales, higher labor costs and continued investment in the business. The decrease in gross margin in the sample repository solutions business is mainly driven by inflation, as well as the incremental cost of adding footprint for future volume needs. Cost of revenue included \$4.0 million and \$4.7 million of charges for amortization related to completed technology for the nine months ended June 30, 2023, and 2022, respectively. Cost of revenue included \$0.5 million benefit related to a tariff adjustment for the nine months ended June 30, 2022. Excluding the impact of the amortization of completed technology and tariff adjustments, Life Sciences Services segment margins decreased 3.1 percentage points during the nine months ended June 30, 2023 as compared to the corresponding period of the prior fiscal year.

Research and Development Expenses

Our research and development expense for the three and nine months ended June 30, 2023 and 2022 is as follows:

<i>Dollars in thousands</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Life Sciences Products	\$ 5,566	\$ 3,314	\$ 15,299	\$ 10,543
Life Sciences Services	\$ 3,402	\$ 3,200	\$ 9,725	\$ 9,352
Total research and development expense	\$ 8,968	\$ 6,514	\$ 25,024	\$ 19,895
<i>Life Sciences Products Percent-Segment Revenue</i>	7.5 %	7.0 %	6.9 %	7.0 %
<i>Life Sciences Services Percent-Segment Revenue</i>	3.7 %	3.7 %	3.6 %	3.5 %
<i>Total Percent-Total Revenue</i>	5.4 %	4.9 %	5.1 %	4.8 %

Research and development expenses for the three months ended June 30, 2023 increased \$2.5 million as compared to the three months ended June 30, 2022, driven by the acquisition of B Medical as well as an increase in product development. Research and development expenses for the nine months ended June 30, 2023 increased \$5.1 million as compared to the nine months ended June 30, 2022, driven by a \$4.8 million increase in our Life Sciences Products segment and a \$0.4 million increase in our Life Sciences Services segment. The increase for the three and nine months ended June 30, 2023 in Life Sciences Products was driven by the addition of B Medical and development of new products.

Selling, General and Administrative Expenses

Our selling, general and administrative expenses for the three and nine months ended June 30, 2023 and 2022 is as follows:

<i>Dollars in thousands</i>	Three Months Ended June 30,		Nine Months Ended June 30,	
	2023	2022	2023	2022
Life Sciences Products	\$ 26,524	\$ 15,746	\$ 84,255	\$ 48,289
Life Sciences Services	\$ 41,204	\$ 34,677	\$ 124,206	\$ 107,342
Corporate	\$ 7,737	\$ 7,710	\$ 32,895	\$ 31,130
Total selling, general and administrative expense	\$ 75,465	\$ 58,133	\$ 241,356	\$ 186,761
<i>Life Sciences Products Percent-Segment Revenue</i>	35.6 %	33.2 %	37.8 %	32.0 %
<i>Life Sciences Services Percent-Segment Revenue</i>	45.1 %	40.6 %	46.1 %	40.2 %
<i>Corporate Percent-Total Revenue</i>	4.7 %	5.8 %	6.7 %	7.4 %
<i>Percent-Total Revenue</i>	45.5 %	43.8 %	49.0 %	44.7 %

Total selling, general and administrative expenses increased \$17.3 million and \$54.6 million, respectively, for the three and nine months ended June 30, 2023 as compared to the three and nine months ended June 30, 2022, driven by higher costs in both our segments, offset by \$4.0 million of savings from a cost reduction plan.

Within our segment expenses discussed below, we allocate certain corporate general and administrative expenses including costs related to shared corporate functions which include finance, information technology, human resources, legal, executive, governance, logistics and compliance. In total, corporate general and administrative expense allocated to segments increased \$2.9 million for the three months ended June 30, 2023 as compared to the corresponding prior fiscal year period. For the nine months ended June 30, 2023, these costs increased \$6.9 million as compared to the corresponding period of the prior fiscal year, primarily due to higher labor costs and investment in the commercial organization.

Life Sciences Products segment selling, general and administrative expenses increased \$10.8 million and \$36.0 million for the three and nine months ended June 30, 2023, respectively, as compared to the corresponding prior fiscal year period primarily related to the addition of B Medical.

Life Sciences Services segment selling, general and administrative expenses increased \$6.5 million and \$16.9 million for the three and nine months ended June 30, 2023, respectively, as compared to the corresponding prior fiscal year period, these increases were related to investments in the commercial organization and laboratory support personnel.

Unallocated corporate expenses were flat and increased \$1.8 million for the three and nine months ended June 30, 2023, respectively, as compared to the corresponding prior fiscal year period due to certain services retained at the corporate level.

Restructuring Charges

Restructuring charges increased by \$0.8 million and \$3.5 million for the three and nine months ended June 30, 2023, respectively, as compared to the three and nine months ended June 30, 2022. The three and nine months ended June 30, 2023 includes restructuring charges related to the separation of personnel due to reorganization and cost reduction efforts. Costs from these actions are expected to be fully realized by the end of calendar 2023.

Non-Operating Income (Expense)

Interest income – We recorded interest income of \$11.3 million and \$32.4 million for the three and nine months ended June 30, 2023, respectively, as compared to \$6.8 million and \$9.9 million recorded the three and nine months ended June 30, 2022, respectively. This increase in interest income is due to higher interest rates on the investment of the proceeds from the sale of the semiconductor automation business, including interest accrued on a net investment hedge, during the three and nine months ended June 30, 2023. Please refer to the *Derivative Financial Instruments* section of Note 2, *Summary of Significant Accounting Policies* in the Notes to the unaudited condensed consolidated financial statements included in Item 1 “Condensed Consolidated Financial Statements” of this Quarterly Report on Form 10-Q.

Interest expense – During the three and nine months ended June 30, 2023, we recorded no interest expense as compared to \$2.1 million and \$4.1 million, respectively, during the corresponding periods of the prior fiscal year. The decrease in interest expense for the three and nine months ended June 30, 2023, is primarily due to interest on cash held in one of our German subsidiaries that is denominated in EUR, which carried a negative interest rate and for fiscal 2023 has had a positive interest rate. We incurred a loss on extinguishment of debt of \$0.6 million during the nine months ended June 30, 2022, due to the settlement of an outstanding term loan on February 1, 2022.

Other, net – We recorded other income of \$0.8 million and other expense of \$0.7 million for the three and nine months ended June 30, 2023, respectively, as compared to other income of \$0.6 million and other expense of \$1.6 million, respectively, for the three and nine months ended June 30, 2022, primarily due to lower foreign exchange losses during the period.

Income Tax Provision / Benefit

We recorded an income tax benefit of \$1.2 million and \$9.1 million, respectively during the three and nine months ended June 30, 2023. The tax benefit for the three months ended June 30, 2023 was primarily driven by the pre-tax loss from operations during the period. The tax benefit for the nine months ended June 30, 2023 was primarily driven by the pre-tax loss from operations and a \$1.4 million deferred tax benefit resulting from the extension of a tax incentive in China. The effective tax rates for the three and nine months ended June 30, 2023 are slightly higher than statutory rates. The effective rates are driven higher than the statutory rates by the discrete tax benefit in China noted above and the fair value adjustment of the contingent consideration related to the B Medical acquisition. The contingent consideration generated \$18.5 million of pre-tax income that is not subject to income taxes, therefore, the tax benefit is being driven by a tax loss that is significantly higher than the book loss for these periods.

We recorded an income tax provision of \$7.3 million and an income tax benefit of \$0.6 million, respectively, during the three and nine months ended June 30, 2022. The tax provision for the three months ended June 30, 2022 was primarily driven by a true-up of the effective tax rate on a year-to-date basis. These changes were the result of fluctuations in expected global income from operations. The tax benefit for the nine months ended June 30, 2022 was driven by the pre-tax loss and a \$4.6 million discrete stock compensation windfall benefit for tax deductions that

exceeded the associated book compensation expense. The tax benefit for the nine months ended June 30, 2022 was partially offset by a \$0.7 million charge to increase the deferred tax liability to reflect a change in the blended state income tax rate that results from the sale of the semiconductor business.

The effective tax rates for the three and nine months ended June 30, 2022 were significantly higher than the statutory rates, which was driven by the tax benefit on the stock compensation deduction and near break-even pre-tax losses of \$1.8 million and \$5.0 million, respectively.

Discontinued Operations

There was no revenue from discontinued operations for the three and nine months ended June 30, 2023. Revenue from discontinued operations was \$0.0 million and \$264.4 million for the three and nine months ended June 30, 2022, respectively. The net income from discontinued operations was \$1.0 million for the three months ended June 30, 2023 and there was a net loss from discontinued operations of \$1.9 million for the nine months ended June 30, 2023. The net income from discontinued operations for the three months ended June 30, 2023 was due to adjustments to and/or settlement of assets and liabilities associated with the discontinued operations. The net loss from discontinued operations for the nine months ended June 30, 2023 was primarily driven by adjustments to liabilities related to discontinued operations, particularly the accrued liability for the litigation with Edwards Vacuum LLC which was recorded during the second quarter of 2023 and is discussed in Note 20, *Commitments and Contingencies* in the Notes to the unaudited condensed consolidated financial statements included in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q. Net loss from discontinued operations was \$2.6 million and net income from discontinued operations was \$2.2 billion for the three and nine months ended June 30, 2022, respectively, representing the sale of the semiconductor automation business on February 1, 2022. The income from discontinued operations only includes direct operating expenses incurred that (1) are clearly identifiable as costs being disposed of upon completion of the sale and (2) will not be continued by our company on an ongoing basis. Indirect expenses which supported the semiconductor automation business, and which remained as part of the continuing operations, are not reflected in income from discontinued operations.

LIQUIDITY AND CAPITAL RESOURCES

As of June 30, 2023, we had cash and cash equivalents of \$733.4 million and stockholders' equity of \$2.7 billion. Net cash used in operating activities was \$22.4 million and \$475.7 million for the nine months ended June 30, 2023 and 2022, respectively. We incurred net losses of \$1.5 million and \$9.6 million for the three months ended June 30, 2023 and 2022, respectively, and a net loss of \$17.6 million and net income of \$2.2 billion for the nine months ended June 30, 2023 and 2022, respectively. We believe that our current cash and cash equivalents will enable us to fund our operating expenses and capital expenditure requirements for at least one year from the date of this Quarterly Report on Form 10-Q and for the foreseeable future. The current global economic environment make it difficult for us to predict longer-term liquidity requirements with sufficient certainty. We may be unable to obtain any required additional financing on terms favorable to us, if at all. If adequate funds are not available to us on acceptable terms or otherwise, we may be unable to successfully develop or enhance products and services, respond to competitive pressures, or take advantage of acquisition opportunities, any of which could have a material adverse effect on our business, financial condition and operating results.

Cash Flows and Liquidity

The discussion of our cash flows and liquidity that follows is stated on a total company consolidated basis and excludes the impact of discontinued operations.

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Our cash and cash equivalents, restricted cash and marketable securities as of June 30, 2023 and September 30, 2022 were as follows (in thousands):

	<u>June 30, 2023</u>	<u>September 30, 2022</u>
Cash and cash equivalents	\$ 733,369	\$ 658,274
Restricted cash	2,791	383,023
Short-term marketable securities	390,492	911,764
Long-term marketable securities	169,422	352,020
	<u>\$ 1,296,074</u>	<u>\$ 2,305,081</u>

As of June 30, 2023, we had \$558.2 million of cash, cash equivalents and restricted cash held outside of the United States. If these funds are needed for the U.S. operations, we would need to repatriate these funds. As a result of changes in U.S. tax legislation, any repatriation in the future would likely not result in U.S. federal income tax. Our marketable securities are generally readily convertible to cash without a material adverse impact.

<i>Dollars in thousands</i>	<u>Nine Months Ended June 30,</u>	
	<u>2023</u>	<u>2022</u>
Net cash used in operating activities	\$ (22,422)	\$ (475,680)
Net cash provided by investing activities	328,897	1,840,068
Net cash used in financing activities	(677,221)	(64,513)
Effects of exchange rate changes on cash and cash equivalents	65,610	(98,972)
Net (decrease) increase in cash, cash equivalents and restricted cash	<u>\$ (305,136)</u>	<u>\$ 1,200,903</u>

Cash outflows for operating activities for the nine months ended June 30, 2023 were \$22.4 million, primarily due to payment of retention bonuses and cash settled stock-based awards, as well as state income taxes resulting from the sale of the semiconductor automation business. Investing inflows of \$328.9 million include \$951.5 million of sales and maturities of marketable securities, offset by \$236.2 million for purchases of marketable securities and \$386.5 million paid for the acquisition of B Medical. Financing activities for the nine months ended June 30, 2023 include \$672.1 million of outflows related to our share repurchase program described below. The effects of foreign exchange rate fluctuations increased our cash balance by \$65.6 million as of June 30, 2023.

Capital Resources

Share Repurchase Program

On September 29, 2015, our Board of Directors approved an authorization to repurchase up to \$50.0 million of our common stock. On November 4, 2022, our Board of Directors terminated the existing share repurchase authorization and approved a new authorization to repurchase up to \$1.5 billion of our common stock, (the "2022 Repurchase Authorization"). Repurchases under the 2022 Repurchase Authorization may be made in the open market or through privately negotiated transactions (including under an accelerated share repurchase ("ASR"), agreement), or by other means, including through the use of trading plans intended to qualify under Rule 10b5-1 of the Exchange Act, subject to market and business conditions, legal requirements, and other factors. We are not obligated to acquire any specific amount of common stock under the 2022 Repurchase Authorization, and share repurchases may be commenced or suspended at any time at management's discretion. As part of the 2022 Repurchase Authorization, we entered into an ASR agreement for the repurchase of \$500.0 million of our common stock on November 23, 2022, and received delivery of, and retired, 10.1 million shares of common stock under the ASR agreement, which terminated on April 3, 2023. In April 2023, new arrangements commenced under the 2022 Repurchase Authorization under which we expect to repurchase up to an additional \$500.0 million of shares of our common stock in open market purchases, subject to market and business conditions, legal requirements, and other factors. We repurchased 4.0 million shares of common stock for \$172.1 million (excluding fees, commissions, and excise tax) in the quarter ended June 30, 2023 under these new arrangements. As of June 30, 2023, \$828.0 million of the 2022 Repurchase Authorization remained available for additional repurchases. We repurchased an additional 2.0 million shares of common stock for \$91.6 million (excluding

fees, commissions, and excise tax) under these new arrangements subsequent to June 30, 2023 and as of the filing of this Quarterly Report on Form 10-Q.

See Note 13, *Stockholders' Equity* in the Notes to the unaudited condensed consolidated financial statements included in the section titled "Condensed Consolidated Financial Statements" in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information about the share repurchase agreements.

Contractual Obligations and Requirements

At June 30, 2023, we had non-cancellable commitments of \$70.8 million, comprised primarily of purchase orders for inventory of \$48.1 million, and information technology related commitments of \$22.7 million.

Off-Balance Sheet Arrangements

As of June 30, 2023, we had no obligations, assets or liabilities which would be considered off-balance sheet arrangements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

We are exposed to a variety of market risks, including changes in interest rates affecting investment return on our cash and cash equivalents, restricted cash and short-term and long-term investments and fluctuations in foreign currency exchange rates.

Interest Rate Exposure

Our cash and cash equivalents and restricted cash consist principally of money market securities that are short-term in nature. As of June 30, 2023, our aggregate short-term and long-term investments were \$559.9 million, consisting mostly of highly rated corporate debt securities and municipal securities. We had \$9.1 million of unrealized losses on such securities as of June 30, 2023. A hypothetical 100 basis point change in interest rates would result in a \$9.5 million change in interest income earned during the nine months ended June 30, 2023.

Currency Rate Exposure

We have transactions and balances denominated in currencies other than the functional currency of the transacting entity. Most of these transactions carrying foreign exchange risk are in Germany, the United Kingdom, Luxembourg, and China. Sales in currencies other than the U.S. dollar were approximately 24% and 37% of our total sales, respectively, during the nine months ended June 30, 2023 and 2022. These sales were made primarily by our foreign subsidiaries, which have cost structures that substantially align with the currency of sale.

In the normal course of our business, we have liquid assets denominated in non-functional currencies which include cash, short-term advances between our legal entities and accounts receivable which are subject to foreign currency exposure. Such balances were \$96.0 million and \$80.4 million, respectively, at June 30, 2023 and September 30, 2022, and primarily relate to the Euro, British Pound, and the Chinese yuan. We mitigate the impact of potential currency translation losses on these short-term intercompany advances by the timely settlement of each transaction, generally within 30 days. We also utilize forward contracts to mitigate our exposures to currency movement. We incurred foreign currency gains (losses) of \$(0.1 million) and \$1.9 million during the nine months ended June 30, 2023 and 2022, respectively, which related to the currency fluctuation on these balances between the time the transaction occurred and the ultimate settlement of the transaction. A hypothetical 10% change in foreign exchange rates as of June 30, 2023 and 2022 would result in an approximate change of \$1.1 million and \$0.1 million, respectively, in our net income during the nine months ended June 30, 2023 and 2022.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures. As of the end of the period covered by this Quarterly Report on Form 10-Q, and pursuant to Rules 13a-15(e) and 15d-15(e) under the Exchange Act, our management, including our chief executive officer and chief financial officer, has concluded that our disclosure controls and procedures are effective.

In October 2022, we acquired B Medical. We are in the process of evaluating the existing controls and procedures of B Medical and integrating B Medical into our internal control over financial reporting. In accordance with Securities and Exchange Commission (“SEC”) Staff guidance permitting a company to exclude an acquired business from management’s assessment of the effectiveness of internal control over financial reporting for a period of one year following the date on which the acquisition is completed, we have excluded B Medical’s internal control over financial reporting from our assessment of disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q. The total assets and total revenues of B Medical represent 2% and 17%, respectively, of the related condensed consolidated financial statement amounts for the nine months ended June 30, 2023. Refer to Note 4, *Business Combinations* in the Notes to the unaudited condensed consolidated financial statements included in the section title “Condensed Consolidated Financial Statements” in Part I, Item 1 of this Quarterly Report on Form 10-Q.

Change in Internal Controls. Except for the acquisition of B Medical noted above, there were no changes in our internal control over financial reporting that occurred during our most recent fiscal quarter that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We are subject to various legal proceedings, both asserted and unasserted, that arise in the ordinary course of business. We cannot predict the ultimate outcome of such legal proceedings or in certain instances provide reasonable ranges of potential losses. However, as of the date of this Quarterly Report on Form 10-Q, we believe that none of these claims will have a material adverse effect on our consolidated financial condition or results of operations. In the event of unexpected subsequent developments and given the inherent unpredictability of these legal proceedings, there can be no assurance that our assessment of any claim will reflect the ultimate outcome and an adverse outcome in certain matters could, from time to time, have a material adverse effect on our consolidated financial condition or results of operations in particular quarterly or annual periods.

Item 1A. Risk Factors

You should carefully review and consider the information regarding certain factors that could materially affect our business, consolidated financial condition or results of operations set forth under the section titled, “Risk Factors” in Part I, Item 1A of our 2022 Annual Report on Form 10-K. There have been no material changes from the risk factors disclosed in our 2022 Annual Report on Form 10-K. We may disclose changes to risk factors or additional factors from time to time in our future filings with the SEC.

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

Issuer’s Purchases of Equity Securities

Period of Repurchase	Repurchase program	Total Number of Shares Purchased (#) (1) (2)	Average Price Paid Per Share (\$) (1) (2)	Total Number of Shares Purchased As Part of Publicly Announced Plans or Programs (#) (1) (2)	Maximum Number (or Approximate Dollar Value) of Shares That May Yet Be Purchased (in millions) (\$) (1) (2)
April 1 – 30, 2023	Accelerated share repurchase & open market repurchase	5,148,035	\$ 48.29	11,238,169	\$ 949
May 1 – 31, 2023	Open market repurchase	1,639,713	\$ 42.06	12,877,882	\$ 880
June 1 – 30, 2023	Open market repurchase	1,166,807	\$ 44.74	14,044,689	\$ 828
Total		<u>7,954,555</u>	\$ 43.33	14,044,689	\$ 828

- (1) On November 4, 2022, our Board of Directors approved a new share repurchase authorization for the repurchase of up to \$1.5 billion of our common stock, or the 2022 Repurchase Authorization, and terminated our previously authorized \$50.0 million share repurchase authorization. On November 23, 2022, as part of the 2022 Repurchase Authorization, we entered into an accelerated share repurchase agreement (the “ASR Agreement”) with JPMorgan Chase Bank, National Association (the “Dealer”) for the repurchase of up to \$500.0 million of our common stock. Approximately 6.1 million initial shares of common stock were received by us and retired in connection with entering into the ASR Agreement in November 2023. On April 3, 2023, the transactions under the ASR Agreement terminated and, on April 5, 2023, we received final settlement of an additional 4.0 million shares of common stock for a total of 10.1 million shares of common stock repurchased under the ASR Agreement. See Note 13, *Stockholders’ Equity* in the Notes to the unaudited condensed consolidated financial statements included in Item 1 “Condensed Consolidated Financial Statements” of this Quarterly Report on Form 10-Q for additional information about the ASR Agreement.
- (2) Following the final termination of the ASR Agreement in April 2023, new arrangements under the 2022 Repurchase Authorization commenced under which we expect to repurchase up to an additional \$500.0 million shares of our common stock in open market purchases, intended to qualify under Rule 10b5-1 under the Exchange Act, subject to market and business conditions, legal requirements, and other factors. During the three months ended June 30, 2023, we repurchased 4.0 million shares of common stock for \$172.1 million (excluding fees, commissions, and excise tax) through open market repurchases under these new arrangements. See Note 13, *Stockholders’ Equity* in the Notes to the unaudited condensed consolidated financial statements

included in Item 1 "Condensed Consolidated Financial Statements" of this Quarterly Report on Form 10-Q for additional information about the ASR Agreement.

Item 5. Other Information

Rule 10b5-1 Trading Arrangements

During the three months ended June 30, 2023, no director nor officer of the Company adopted, modified or terminated a Rule 10b5-1 trading arrangement or non-Rule 10b5-1 trading arrangement, as each term is defined in Item 408(a) of Regulation S-K.

Resignation of Vandana Sriram and Appointment of Violetta Cotreau

On August 4, 2023, Vandana Sriram, the Company's Senior Vice President, Global Finance, and Principal Accounting Officer, tendered her resignation from the Company to be effective on August 18, 2023. In connection with her resignation, the Company and Ms. Sriram entered into a Separation Agreement, which provides for, among other things, Ms. Sriram's release of all claims against the Company and acknowledgement of her non-solicitation obligations to the Company in exchange for the Company's agreement to pay Ms. Sriram (1) a pro rata performance-based variable compensation ("PBVC") bonus for fiscal year 2023 at the percentage achievement as determined by the Company's Board of Directors for all similarly situated PBVC participants, and (2) a cash payment in lieu of restricted stock units ("RSUs") due to vest in September and November 2023 in an amount equal to the number of RSUs scheduled to vest multiplied by the closing price of the Company's common stock on the date the RSUs were scheduled to vest. The summary herein is qualified in its entirety by reference to the Separation Agreement, a copy of which is filed with this Quarterly Report on Form 10-Q as Exhibit 10.1 and is incorporated herein by reference.

As a result of Ms. Sriram's resignation, the Company has appointed Violetta Cotreau, age 51, the Company's current Vice President and Corporate Controller, as Principal Accounting Officer, effective upon Ms. Sriram's departure. Ms. Cotreau joined the Company in January 2023. Prior to joining the Company, Ms. Cotreau served as Senior Vice President and Chief Accounting Officer at Akebia Therapeutics, a biopharmaceutical company focused on addressing kidney disease, from December 2020 to December 2022 and prior to that served as the Senior Vice President and Corporate Controller of AMAG Pharmaceuticals, a pharmaceutical company acquired by the Covis Group in 2020, from December 2016 to December 2020.

Ms. Cotreau and the Company did not enter into, and do not anticipate entering into, any new or amended compensatory arrangements in connection with her performance as the Principal Accounting Officer of the Company.

There are no arrangements or understandings between Ms. Cotreau and any other person pursuant to which she was appointed to serve as Principal Accounting Officer of the Company, there are no family relationships between Ms. Cotreau and any director or executive officer of the Company, and she has no direct or indirect material interest in any transaction required to be disclosed pursuant to Item 404(a) of Regulation S-K.

Amendments to Amended and Restated Bylaws

On August 7, 2023, the Board of Directors of the Company approved an amendment and restatement of the Company's Amended and Restated Bylaws (as so amended and restated, the "Amended and Restated Bylaws"), effective immediately. The amendments include various updates to bring the bylaws in line with the Company's current governance practices and to reflect changes in practice and applicable law since the initial adoption of the bylaws in 1994. These changes include:

- Revising and enhancing the procedural mechanics, including updated timing requirements discussed below, and disclosure requirements in connection with stockholder nominations for directors, in line with current practice with respect to stockholder director nominations, including in light of the recent adoption of the Rule 14a-19 under the Exchange Act, referred to generally as the Universal Proxy Rule (Section 2.3).

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- Adding procedural mechanics, including timing requirements discussed below, and disclosure requirements in connection with stockholder submissions for proposals regarding other business at annual meetings of stockholders (Section 1.10).
- Providing that unless otherwise consented to in writing by the Company, (a) the Court of Chancery of the State of Delaware is the exclusive forum to bring (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder or employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, the Company's certificate of incorporation or bylaws or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware and (b) the federal district courts of the United States is the exclusive forum for claims under the Securities Act of 1933, as amended (Section 10.1).
- Clarifying the business that may be conducted at annual and special meetings of stockholders (Section 1.1, Section 1.2, Section 1.10 and Section 2.3).
- Clarifying that the Company may postpone, reschedule or cancel any previously scheduled annual or special meeting of stockholders (Section 1.1 and Section 1.2).
- Updating the procedures with respect to notice, business to be transacted and record dates following a stockholders vote to adjourn stockholder meetings (Section 1.4).
- Technical updates with respect to holding virtual meetings and providing electronic notices and other notices (Section 1.1, Section 1.2, Section 1.3, Section 1.4, Section 2.7, Section 2.10, Section 3.6, Section 4.3 and Section 8.9).
- Updating the requirements with respect to the preparation and availability of stockholder lists in light of electronic mediums and record dates and eliminated the former requirement that the list of stockholders entitled to vote at a stockholder meeting also be made available during the actual meeting (Section 1.9).
- Reserving the use of white proxy cards to the Company (Section 1.5).
- Providing for how to determine the role of chairman and secretary for stockholder meetings and establishing procedures with respect to the conduct of stockholder meetings (Section 1.11).
- Technical updates to remove references to incorporators (Section 2.2 and Section 2.4)
- Updating who may call and the requirements for notice of regular and special meetings of the Board of Directors (Section 2.9 and Section 2.10).
- Clarifying that committees of the Board of Directors may act by written consent (Section 2.14).
- Clarifying that committees of the Board of Directors may create subcommittees in certain circumstances (Section 2.15).
- Providing for certain notice and quorum requirements for meetings of the Board of Directors and committees thereof in the case of emergencies described in Section 110(a) of the Delaware General Corporation Law (Section 2.16).
- Updating the roles and responsibilities of officers of the Company, including that of the chief executive officer (Section 1.2, Section 1.11, Section 2.7, Section 2.9, Section 2.16, Article III, Section 7.1, Section 7.10, Section 8.4 and Section 8.5).
- Updating the term of office of officers (Section 3.4).

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- Updating the procedures with respect to filling vacancies on the board of directors and the term of any director filling a vacancy (Section 3.7).
- Providing for specific requirements with respect to the compensation of officers (Section 3.14).
- Technical updates with respect to stock certificates, uncertificated shares of stock and the transfer thereof (Section 4.1, Section 4.2 and Section 4.6).
- Technical and clarifying updates with respect to determining record dates for notice and voting (Section 4.4).
- Updating the provisions for waiver of notices (Section 8.9).

The summary herein is qualified in its entirety by reference to the Amended and Restated Bylaws, a copy of which is filed with this Quarterly Report on Form 10-Q as Exhibit 3.1 and is incorporated herein by reference.

The addition of Section 1.10 and the amendments to Section 2.3 of the Amended and Restated Bylaws generally require nominations for directors and proposals for other business to be received by the Company not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting. However, in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received no earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs. Prior to the amendments, the advance notice provision of the Company's bylaws provided that nominations for directors must be received by the Company no later than ninety (90) days prior to the first anniversary of the preceding year's annual meeting. Pursuant to the Amended and Restated Bylaws, stockholders must provide written notice of director nominations or other proposals intended to be brought before the 2024 annual meeting of stockholders of the Company, and such notice must be received by the Company not earlier than the close of business on October 3, 2023 nor later than the close of business on November 2, 2023. All stockholder proposals should be sent to Azenta, Inc., 200 Summit Drive, 6th Floor, Burlington, MA 01803, Attention: Secretary. Stockholders are advised to review the Amended and Restated Bylaws, a copy of which is filed with this Quarterly Report on Form 10-Q as Exhibit 3.1, which specify requirements as to form and content of a stockholders' notice, including the information required by Rule 14a-9 under the Exchange Act.

Item 6. Exhibits

The following exhibits are included herein:

Exhibit No.	Description
3.1	Amended and Restated Bylaws effective as of August 7, 2023.
10.1	Separation Agreement dated as of August 4, 2023 between the Company and Vandana Sriram
31.01	Certification of the Company's Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.02	Certification of the Company's Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32	Certification of the Company's Chief Executive Officer and Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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- 101 The following material from the Company's Quarterly Report on Form 10-Q, for the quarter ended June 30, 2023, formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) the unaudited Condensed Consolidated Balance Sheets; (ii) the unaudited Condensed Consolidated Statements of Operations; (iii) the unaudited Condensed Consolidated Statements of Comprehensive Income (Loss); (iv) the unaudited Condensed Consolidated Statements of Cash Flows; (v) the unaudited Condensed Consolidated Statements of Changes in Stockholders' Equity; and (vi) the Notes to the unaudited Condensed Consolidated Financial Statements. The instance document does not appear in the Interactive Data File because XBRL tags are embedded in the iXBRL document.
- 104 Cover Page Interactive Data File (formatted as iXBRL and contained in Exhibit 101).

SIGNATURES

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

AZENTA, INC.

Date: August 8, 2023

/s/ Lindon G. Robertson

Lindon G. Robertson
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

Date: August 8, 2023

/s/ Vandana Sriram

Vandana Sriram
Senior Vice President-Global Finance
(Principal Accounting Officer)

**AMENDED AND RESTATED
BYLAWS
OF
AZENTA, INC.
A DELAWARE CORPORATION**

Most recently amended as of
August 7, 2023

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AMENDED AND RESTATED

BYLAWS

OF

AZENTA, INC.

(A Delaware Corporation)

ARTICLE I

Stockholders

Section 1.1 Annual Meeting. The annual meeting of the stockholders of the corporation shall be held on such date as shall be fixed by the board of directors, at such time and place, if any, within or without the State of Delaware as may be designated in the notice of meeting. The board of directors may, in its sole discretion, determine that an annual meeting shall not be held at any place, but shall instead be held solely by means of remote communication in a manner consistent with applicable law. The corporation may postpone, reschedule or cancel any previously scheduled annual meeting of stockholders.

Annual meetings shall be held for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly be brought before such meeting.

Section 1.2 Special Meetings. Special meetings of the stockholders may be called at any time only by the chief executive officer, president or by the board of directors, and may not be called by any other person or persons. Special meetings of the stockholders shall be held at such time, date and place, if any, within or outside of the State of Delaware as may be designated in the notice of such meeting. The board of directors may, in its sole discretion, determine that a special meeting shall not be held at any place, but shall instead be held solely by means of remote communication in a manner consistent with applicable law. The corporation may postpone, reschedule or cancel any previously scheduled special meeting of stockholders.

Business transacted at any special meeting of stockholders shall be limited only to that business to which reference shall have been contained in the notice of such meeting.

Section 1.3 Notice of Meeting. A written notice stating the place, if any, date, and hour of each meeting of the stockholders, the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting, the record date for determining stockholders entitled to vote at the meeting, if such date is different from the record date for determining stockholders entitled to notice of the meeting and, in the case of a special meeting, the purposes for which the meeting is called, shall be given to each stockholder entitled to vote at such meeting, and to each stockholder who, under the Certificate of Incorporation or these Bylaws, is entitled to such notice, at least ten (10) days and not more than sixty (60) before the meeting. Such notice shall be given by the secretary, an assistant secretary, or any other officer or person designated either by the secretary or by the person or persons calling the meeting. Without limiting the manner by which notice otherwise may be given to stockholders,

any notice shall be effective if given in accordance with Section 232 of the General Corporation Law of the State of Delaware.

Section 1.4 Quorum/Adjournments.

(a) Quorum. The holders of a majority in interest of all stock issued, outstanding and entitled to vote at a meeting shall constitute a quorum.

(b) Adjournments. Any meeting may be adjourned from time to time by a majority of the votes properly cast upon the question, whether or not a quorum is present. When a meeting is adjourned to another time or place (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication), notice need not be given of the adjourned meeting if the time, place, if any, thereof, and the means of remote communications, if any, by which stockholders and proxy holders may be deemed to be present in person and vote at such adjourned meeting are (i) announced at the meeting at which the adjournment is taken, (ii) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication, or (iii) set forth in the notice of meeting given in accordance with Section 1.3. At the adjourned meeting, the corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than thirty (30) days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the board of directors shall fix a new record date for determining stockholders entitled to notice of such adjourned meeting that is the same or an earlier date as that fixed for determination of stockholders entitled to vote at such adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date fixed for notice of such adjourned meeting.

Section 1.5 Voting and Proxies. Stockholders shall have one vote for each share of stock entitled to vote owned by them of record according to the books of the corporation, unless otherwise provided by law or by the Certificate of Incorporation. Stockholders may vote either in person or by written proxy, but no proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period. Proxies shall be filed with the secretary of the meeting, or of any adjournment thereof. Except as otherwise limited therein, proxies shall entitle the persons authorized thereby to vote at any adjournment of such meeting. A proxy purporting to be executed by or on behalf of a stockholder shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. A proxy with respect to stock held in the name of two or more persons shall be valid if executed by one of them unless at or prior to exercise of the proxy the corporation receives a specific written notice to the contrary from any one of them.

Any person directly or indirectly soliciting proxies from stockholders of the corporation must use a proxy card color other than white, the color white being reserved for the exclusive use of the board of directors of the corporation.

Section 1.6 Action at Meeting. When a quorum is present at any meeting, a plurality of the votes properly cast for election to any office shall elect to such office, and a majority of the

votes properly cast upon any question other than election to an office shall decide such question, except where a larger vote is required by law, the Certificate of Incorporation or these Bylaws. No ballot shall be required for any election unless requested by a stockholder present or represented at the meeting and entitled to vote in the election.

Section 1.7 Action Without Meeting. All action required or permitted to be taken by the stockholders must be taken at a meeting duly called and held in accordance with law and in accordance with the Certificate of Incorporation and these Bylaws.

The stockholders cannot act by written consent.

Section 1.8 Voting of Shares of Certain Holders. Shares of stock of the corporation standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the bylaws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares of stock of the corporation standing in the name of a deceased person, a minor ward or an incompetent person, may be voted by his or her administrator, executor, court-appointed guardian or conservator without a transfer of such shares into the name of such administrator, executor, court appointed guardian or conservator. Shares of capital stock of the corporation standing in the name of a trustee or fiduciary may be voted by such trustee or fiduciary.

Shares of stock of the corporation standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into his or her name if authority so to do be contained in an appropriate order of the court by which such receiver was appointed.

A stockholder whose shares are pledged shall be entitled to vote such shares unless in the transfer by the pledgor on the books of the corporation he or she expressly empowered the pledgee to vote thereon, in which case only the pledgee or its proxy shall be entitled to vote the shares so transferred.

Shares of its own stock belonging to this corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by the corporation in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares.

Section 1.9 Stockholder Lists. The corporation shall prepare and make, no later than the tenth (10th) day before each meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting (provided, however, if the record date for determining the stockholders entitled to vote is less than ten (10) days before the meeting date, the list shall reflect the stockholders entitled to vote as of the tenth (10th) day before the meeting), arranged in alphabetical order, and showing the address of each stockholder and the number of shares registered in the name of each stockholder. Such list shall be open to the examination of any stockholder for any purpose germane to the meeting for a period of ten (10) days ending on the day before the meeting date: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the corporation. Except as otherwise provided by law,

the stock ledger shall be the only evidence as to who are the stockholders entitled to examine the list of stockholders required by this Section 1.9 or to vote in person or by proxy at any meeting of stockholders.

Section 1.10 Notice of Business at Annual Meetings.

(a) At any annual meeting of the stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be (1) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the board of directors, (2) otherwise properly brought before the meeting by or at the direction of the board of directors, or (3) properly brought before the meeting by a stockholder. For business to be properly brought before an annual meeting by a stockholder, (i) if such business relates to the nomination of a person for election as a director of the corporation, the procedures in Section 2.3 must be complied with and (ii) if such business relates to any other matter, the business must constitute a proper matter under Delaware law for stockholder action and the stockholder must (x) have given timely notice thereof in writing to the secretary in accordance with the procedures in, and otherwise complied with, Section 1.10(b) below, (y) be a stockholder of record who is entitled to vote on such business on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such annual meeting and (z) be entitled to vote at such annual meeting.

(b) To be timely, a stockholder's notice must be received in writing by the secretary at the principal executive office of the corporation not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than sixty (60) days, from the first anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year, a stockholder's notice must be so received not earlier than the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of (x) the ninetieth (90th) day prior to such annual meeting and (y) the tenth (10th) day following the day on which notice of the date of such annual meeting was given or public disclosure of the date of such annual meeting was made, whichever first occurs. In no event shall the adjournment or postponement of an annual meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the secretary shall set forth: (A) as to each matter the stockholder proposes to bring before the annual meeting (1) a brief description of the business desired to be brought before the annual meeting, (2) the text of the proposal (including the exact text of any resolutions proposed for consideration and, in the event that such business includes a proposal to amend the Bylaws, the exact text of the proposed amendment), and (3) the reasons for conducting such business at the annual meeting, and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the proposal is being made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any material interest of such stockholder, such beneficial owner, and/or any respective affiliates and associates of, or others acting in concert with, such stockholder and such

beneficial owner (each, a “**Stockholder Associated Person**”) in the business proposed to be brought before the annual meeting, (4) a description of any agreement, arrangement or understanding between or among such stockholder, such beneficial owner, and/or any Stockholder Associated Person and any other person or persons (including their names) in connection with the proposal of such business or who may participate in the solicitation of proxies in favor of such proposal, (5) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder, such beneficial owner, and/or any Stockholder Associated Person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder, such beneficial owner, and/or any Stockholder Associated Person with respect to shares of stock of the corporation, (6) any other information relating to such stockholder, such beneficial owner and/or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the business proposed pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the “**Exchange Act**”), and the rules and regulations promulgated thereunder, (7) a representation that such stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting, (8) a representation that such stockholder, such beneficial owner and/or any Stockholder Associated Person has complied, and will comply, with all applicable requirements of state law and the Exchange Act with respect to matters set forth in this Section 1.10, and (9) a representation whether such stockholder, such beneficial owner and/or any Stockholder Associated Person intends or is part of a group that intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation’s outstanding capital stock required to approve or adopt the proposal (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies or votes from stockholders in support of such proposal (and such representation shall be included in any such solicitation materials). Not later than ten (10) days after the record date for the meeting, the information required by Items (A)(3) and (B)(1)-(6) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of the record date. Notwithstanding anything in these Bylaws to the contrary, no business shall be conducted at any annual meeting of stockholders except in accordance with the procedures in this Section 1.10; provided that any stockholder proposal that complies with Rule 14a-8 of the proxy rules (or any successor provision) promulgated under the Exchange Act and is to be included in the corporation’s proxy statement for an annual meeting of stockholders shall be deemed to comply with the notice requirements of this Section 1.10. Notwithstanding anything to the contrary herein, a stockholder shall not have complied with this Section 1.10(b) if the stockholder, beneficial owner, and/or any Stockholder Associated Person solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder’s proposal in contravention of the representations with respect thereto required by this Section 1.10.

(c) The chairman of any annual meeting (and, in advance of any annual meeting, the board of directors) shall have the power and duty to determine whether business was properly brought before the annual meeting in accordance with the provisions of this Section 1.10 (including whether the stockholder, beneficial owner, and/or any Stockholder Associated Person did or did not so solicit, as the case may be, proxies or votes in support of such stockholder’s proposal in compliance with the representation with respect thereto required by this Section 1.10),

and if the chairman (or the board of directors) should determine that business was not properly brought before the annual meeting in accordance with the provisions of this Section 1.10, the chairman shall so declare to the meeting and such business shall not be brought before the annual meeting.

(d) Except as otherwise required by law, nothing in this Section 1.10 shall obligate the corporation or the board of directors to include in any proxy statement or other stockholder communication distributed on behalf of the corporation or the board of directors information with respect to any proposal submitted by a stockholder.

(e) Notwithstanding the foregoing provisions of this Section 1.10, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting to present business, such business shall not be considered, notwithstanding that proxies in respect of such business may have been received by the corporation.

(f) For purposes of this Section 1.10, to be considered a “**qualified representative of the stockholder**”, a person must be a duly authorized officer, manager or partner of such stockholder or must be authorized by a written instrument executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders and such person must produce such written instrument or electronic transmission, or a reliable reproduction of the written instrument or electronic transmission, at the meeting of stockholders.

(g) For purposes of this Section 1.10, “**public disclosure**” shall include disclosure in a press release reported by the Dow Jones News Service, Associated Press or comparable national news service or in a document publicly filed by the corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the Exchange Act.

Unless the corporation elects otherwise, a stockholder’s notice to the corporation of other business shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the corporation shall not be required to accept delivery of any document not in such written form or so delivered.

Section 1.11 Conduct of Meetings.

(a) Unless otherwise provided by the board of directors, meetings of stockholders shall be presided over by the non-executive chairman of the board, if any, or in the non-executive chairman of the board’s absence by the lead independent director, if any, or in the lead independent director’s absence by the chief executive officer, or in the chief executive officer’s absence by the president, or in the president’s absence by a vice-president, or in the absence of all of the foregoing persons by a chairman designated by the board of directors. The secretary shall act as secretary of the meeting, but in the secretary’s absence the chairman of the meeting may appoint any person to act as secretary of the meeting.

(b) The board of directors may adopt by resolution such rules, regulations and procedures for the conduct of any meeting of stockholders of the corporation as it shall deem

appropriate including, without limitation, such guidelines and procedures as it may deem appropriate regarding the participation by means of remote communication of stockholders and proxyholders not physically present at a meeting. Except to the extent inconsistent with such rules, regulations and procedures as adopted by the board of directors, the chairman of any meeting of stockholders shall have the right and authority to convene and (for any or no reason) to recess and/or propose a motion to adjourn, which motion to adjourn to be acted upon in accordance with Section 1.4(b), the meeting and prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairman, are appropriate for the proper conduct of the meeting.

Such rules, regulations or procedures, whether adopted by the board of directors or prescribed by the chairman of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders entitled to vote at the meeting, their duly authorized and constituted proxies or such other persons as shall be determined by the board of directors or the chairman of any meeting; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the board of directors or the chairman of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

(c) The chairman of the meeting shall announce at the meeting when the polls for each matter to be voted upon at the meeting will be opened and closed. After the polls close, no ballots, proxies or votes or any revocations or changes thereto may be accepted.

(d) In advance of any meeting of stockholders, the corporation shall appoint one or more inspectors of election to act at the meeting and make a written report thereof. One or more other persons may be designated as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is present, ready and willing to act at a meeting of stockholders, the chairman of the meeting shall appoint one or more inspectors to act at the meeting. Unless otherwise required by law, inspectors may be officers, employees or agents of the corporation. Each inspector, before entering upon the discharge of such inspector's duties, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspector shall have the duties prescribed by law and, when the vote is completed, shall make a certificate of the result of the vote taken and of such other facts as may be required by law. Every vote taken by ballots shall be counted by a duly appointed inspector or duly appointed inspectors.

ARTICLE II

Board of Directors

Section 2.1 Powers. Except as reserved to the stockholders by law, by the Certificate of Incorporation or by these Bylaws, the business of the corporation shall be managed under the direction of the board of directors, which shall have and may exercise all of the powers of the corporation. In particular, and without limiting the foregoing, the board of directors shall have the power to issue or reserve for issuance from time to time the whole or any part of the capital stock of the corporation which may be authorized from time to time to such person, for such

consideration and upon such terms and conditions as it shall determine, including the granting of options, warrants or conversion or other rights to stock.

Section 2.2 Number of Directors; Qualifications. Except as provided in Section 2.6 hereof, the board of directors shall consist of such number of directors as shall be fixed by the board of directors. No director need be a stockholder.

Section 2.3 Nomination of Directors.

(a) Except for any directors entitled to be elected by the holders of preferred stock, only persons who are nominated in accordance with the procedures in this Section 2.3 shall be eligible for election as directors at any meeting of stockholders. Nomination for election to the board of directors at a meeting of stockholders may be made only (i) by or at the direction of the board of directors or (ii) by any stockholder of the corporation who (x) has given timely notice thereof in writing to the secretary in accordance with the procedures in, and otherwise complies with, Section 2.3(b) below, (y) is a stockholder of record who is entitled to vote for the election of such nominee on the date of the giving of such notice and on the record date for the determination of stockholders entitled to vote at such meeting and (z) is entitled to vote at such meeting.

Notwithstanding the foregoing or anything herein to the contrary, a stockholder of the corporation may make nominations for election to the board of directors at a special meeting of stockholders pursuant to the foregoing clause (ii) only if the board of directors has determined, in accordance with Section 1.2, that directors shall be elected at such special meeting and at such time that the stockholders are not prohibited from filling vacancies or newly created directorships on the board of directors. The number of nominees a stockholder may nominate for election at a meeting (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at the meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such meeting.

(b) To be timely, a stockholder's notice must be received in writing by the secretary at the principal executive office of the corporation as follows: (1) in the case of an election of directors at an annual meeting of stockholders, not less than ninety (90) days nor more than one hundred twenty (120) days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than thirty (30) days, or delayed by more than sixty (60) days, from the first anniversary of the preceding year's annual meeting, or if no annual meeting was held in the preceding year, a stockholder's notice must be so received not earlier than the one hundred twentieth (120th) day prior to such annual meeting and not later than the close of business on the later of (A) the ninetieth (90th) day prior to such annual meeting and (B) the tenth (10th) day following the day on which notice of the date of such annual meeting was given or public disclosure of the date of such annual meeting was made, whichever first occurs; or (2) in the case of an election of directors at a special meeting of stockholders, provided that the board of directors has determined, in accordance with Section 1.2, that directors shall be elected at such special meeting and the stockholders are not then prohibited from filling vacancies or newly created directorships on the board of directors, and provided further that the nomination made by the stockholder is for one of the director positions that the board of directors has determined will be filled at such special meeting, not earlier than the one hundred twentieth (120th) day prior to such special meeting and not later than the close of business on the later of (x) the ninetieth (90th) day prior to such special meeting and (y) the tenth

(10th) day following the day on which notice of the date of such special meeting was given or public disclosure of the date of such special meeting was made, whichever first occurs. In no event shall the adjournment or postponement of a meeting (or the public disclosure thereof) commence a new time period (or extend any time period) for the giving of a stockholder's notice.

The stockholder's notice to the secretary shall set forth: (A) as to each proposed nominee (1) such person's name, age, business address and, if known, residence address, (2) such person's principal occupation or employment, (3) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such person, (4) a description of all direct and indirect compensation and other material monetary agreements, arrangements and understandings during the past three (3) years, and any other material relationships, between or among (x) the stockholder, the beneficial owner, if any, on whose behalf the nomination is being made and any Stockholder Associated Person, on the one hand, and (y) each proposed nominee, and his or her respective affiliates and associates, or others acting in concert with such nominee(s), on the other hand, including all information that would be required to be disclosed pursuant to Item 404 of Regulation S-K if the stockholder making the nomination and any beneficial owner on whose behalf the nomination is made or any Stockholder Associated Person were the "registrant" for purposes of such Item and the proposed nominee were a director or executive officer of such registrant, and (5) any other information concerning such person that must be disclosed as to nominees in proxy solicitations pursuant to Regulation 14A under the Exchange Act; and (B) as to the stockholder giving the notice and the beneficial owner, if any, on whose behalf the nomination is being made (1) the name and address of such stockholder, as they appear on the corporation's books, and of such beneficial owner, (2) the class and series and number of shares of stock of the corporation that are, directly or indirectly, owned, beneficially or of record, by such stockholder and such beneficial owner, (3) a description of any material interest related to the nomination of such stockholder, such beneficial owner and/or any Stockholder Associated Person, (4) a description of any agreement, arrangement or understanding between or among such stockholder, such beneficial owner and/or any Stockholder Associated Person and each proposed nominee and any other person or persons (including their names) pursuant to which the nomination(s) are being made or who may participate in the solicitation of proxies or votes in favor of electing such nominee(s), (5) a description of any agreement, arrangement or understanding (including any derivative or short positions, swaps, profit interests, options, warrants, convertible securities, stock appreciation or similar rights, hedging transactions, and borrowed or loaned shares) that has been entered into by, or on behalf of, such stockholder, such beneficial owner and/or any Stockholder Associated Person, the effect or intent of which is to mitigate loss to, manage risk or benefit of share price changes for, or increase or decrease the voting power of, such stockholder, such beneficial owner and/or any Stockholder Associated Person with respect to shares of stock of the corporation, (6) any other information relating to such stockholder, such beneficial owner and/or any Stockholder Associated Person that would be required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for the election of directors in a contested election pursuant to Section 14 of the Exchange Act and the rules and regulations promulgated thereunder, (7) a representation that such stockholder intends to appear in person or by proxy at the meeting to nominate the person(s) named in its notice, (8) a representation that such stockholder, such beneficial owner and/or any Stockholder Associated Person has complied, and will comply, with all applicable requirements of state law and the Exchange Act with respect to matters set forth in this Section 2.3, and (9) a representation whether such stockholder, such beneficial owner and/or

any Stockholder Associated Person intends or is part of a group that intends (x) to deliver a proxy statement and/or form of proxy to holders of at least the percentage of the corporation's outstanding capital stock reasonably believed by such stockholder or such beneficial owner to be sufficient to elect the nominee (and such representation shall be included in any such proxy statement and form of proxy) and/or (y) otherwise to solicit proxies or votes from stockholders in support of such nomination (and such representation shall be included in any such solicitation materials). Not later than ten (10) days after the record date for the meeting, the information required by Items (A)(1)-(5) and (B)(1)-(6) of the prior sentence shall be supplemented by the stockholder giving the notice to provide updated information as of the record date. In addition, to be effective, the stockholder's notice must also be accompanied by the written consent of the proposed nominee to being named in the corporation's proxy statement and accompanying proxy card as a nominee and to serve as a director if elected. The corporation may require any proposed nominee to furnish such other information as the corporation may reasonably require to determine, among other things, the eligibility of such proposed nominee to serve as a director of the corporation or whether such nominee would be independent under applicable Securities and Exchange Commission and stock exchange rules and the corporation's publicly disclosed corporate governance guidelines, including through the completion of a questionnaire with respect to the background and qualifications of the nominee completed by the nominee in the form required by the corporation. Notwithstanding anything herein to the contrary, a stockholder shall not have complied with this Section 2.3(b) if the stockholder, beneficial owner, and/or any Stockholder Associated Person solicits or does not solicit, as the case may be, proxies or votes in support of such stockholder's nominee in contravention of the representations with respect thereto required by this Section 2.3.

Such notice must also be accompanied by a representation as to whether or not such stockholder, beneficial owner and/or any Stockholder Associated Person intends to solicit proxies in support of any director nominees other than the corporation's nominees in accordance with Rule 14a-19 under the Exchange Act, and, where such stockholder, beneficial owner and/or Stockholder Associated Person intends to so solicit proxies, the notice and information required by Rule 14a-19(b) under the Exchange Act. Notwithstanding anything to the contrary in these Bylaws, unless otherwise required by law, if any stockholder, beneficial owner and/or Stockholder Associated Person (i) provides notice pursuant to Rule 14a-19(b) under the Exchange Act and (ii) subsequently fails to comply with the requirements of Rule 14a-19(a)(2) and Rule 14a-19(a)(3) under the Exchange Act (or fails to timely provide reasonable evidence sufficient to satisfy the corporation that such stockholder, beneficial owner and/or Stockholder Associated Person has met the requirements of Rule 14a-19(a)(3) promulgated under the Exchange Act in accordance with the following sentence), then the nomination of each of the director nominees proposed by such stockholder, beneficial owner and/or Stockholder Associated Person shall be disregarded, notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the corporation (which proxies and votes shall be disregarded). Upon request by the corporation, if any stockholder, beneficial owner and/or Stockholder Associated Person provides notice pursuant to Rule 14a-19(b) under the Exchange Act, such stockholder, beneficial owner and/or Stockholder Associated Person shall deliver to the corporation, no later than five (5) business days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) under the Exchange Act.

(c) The chairman of any meeting (and, in advance of any meeting, the board of directors) shall have the power and duty to determine whether a nomination was made in accordance with the provisions of this Section 2.3 (including whether the stockholder, beneficial owner, and/or any Stockholder Associated Person did or did not so solicit, as the case may be, proxies or votes in support of such stockholder's nominee in compliance with the representations with respect thereto required by this Section 2.3), and if the chairman (or the board of directors) should determine that a nomination was not made in accordance with the provisions of this Section 2.3, the chairman shall so declare to the meeting and such nomination shall not be brought before the meeting.

(d) Except as otherwise required by law (including Rule 14a-19 under the Exchange Act), nothing in this Section 2.3 shall obligate the corporation or the board of directors to include in any proxy statement, proxy card or other stockholder communication distributed on behalf of the corporation or the board of directors the name of or other information with respect to any nominee for director submitted by a stockholder.

(e) Notwithstanding the foregoing provisions of this Section 2.3, unless otherwise required by law, if the stockholder (or a qualified representative of the stockholder) does not appear at the meeting to present a nomination, such nomination shall not be brought before the meeting, notwithstanding that proxies in respect of such nominee may have been received by the corporation.

(f) For purposes of this Section 2.3, the terms “**qualified representative of the stockholder**” and “**public disclosure**” shall have the same meaning as in Section 1.10.

(g) Unless the corporation elects otherwise, a stockholder's notice to the corporation of nominations shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested, and the corporation shall not be required to accept delivery of any document not in such written form or so delivered.

Section 2.4 Election of Directors. Directors shall be elected by the stockholders at their annual meeting or at any special meeting the notice of which specifies the election of directors as an item of business for such meeting.

Section 2.5 Vacancies. In the case of any vacancy in the board of directors from death, resignation, disqualification or other cause, including a vacancy resulting from enlargement of the board, the election of a director to fill such vacancy shall be by vote of a majority of the directors then in office, whether or not constituting a quorum. The director thus elected shall hold office until the election of his or her successor.

Section 2.6 Changes in Size of the Board of Directors. The number of the board of directors may be changed by vote of a majority of the directors then in office or by the stockholders by vote of eighty percent (80%) of the shares of voting stock outstanding.

Section 2.7 Tenure and Resignation. Except as otherwise provided by law, by the Certificate of Incorporation or by these Bylaws, directors shall hold office until the next annual meeting of stockholders and thereafter until their successors are chosen and qualified, subject in

each case to his or her earlier death, resignation or removal. Any director may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal executive office or to the chairman of the board, if any, chief executive officer, president, secretary or assistant secretary, if any. Such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some other event.

Section 2.8 Removal. Any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at the election of directors.

Section 2.9 Meetings. Regular meetings of the board of directors may be held without call or notice at such times and such places within or without the State of Delaware as the board of directors may, from time to time, determine, provided that notice in the manner set forth in Section 2.10 of the first regular meeting following any such determination shall be given to directors absent from such determination. A regular meeting of the board of directors may be held without notice immediately after, and at the same place as, the annual meeting of the stockholders or the special meeting of the stockholders held in place of such annual meeting, unless a quorum of the directors is not then present. Special meetings of the board of directors may be held at any time and at any place designated in the call of the meeting when called by the chairman of the board, the lead independent director, if any, the chief executive officer, the president, or a majority of the directors then in office. Members of the board of directors or any committee elected thereby may participate in a meeting of the board of directors or such committee by means of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other at the same time, and participation by such means shall constitute presence in person at the meeting.

Section 2.10 Notice of Meeting. Notice of the date, place and time of the first regular meeting of the board of directors after the determination thereof under Section 2.9 shall be given to each director absent from such determination in person, by telephone or by electronic transmission, by delivering written notice by hand, to such director's last known business or home address or by sending written notice by first-class mail to such director's last known business or home address promptly after such determination, but in no event later than 72 hours in advance of such first regular meeting. Notice of the date, place and time of any special meeting of board of directors shall be given to each director (a) in person, by telephone or by electronic transmission at least 24 hours in advance of the meeting, (b) by delivering written notice by hand, to such director's last known business or home address at least 48 hours in advance of the meeting, or (c) by sending written notice by first-class mail to such director's last known business or home address at least 72 hours in advance of the meeting. Notice shall be given by the secretary, or in his or her absence or unavailability, may be given by an assistant secretary, if any, or by the officer or directors calling the meeting. A notice or waiver of notice of a meeting of the board of directors need not specify the purposes of the meeting.

Section 2.11 Agenda. Any lawful business may be transacted at a meeting of the board of directors, notwithstanding the fact that the nature of the business may not have been specified in the notice or waiver of notice of the meeting.

Section 2.12 Quorum. At any meeting of the board of directors, a majority of the directors then in office shall constitute a quorum for the transaction of business. Any meeting may be adjourned by a majority of the votes cast upon the question, whether or not a quorum is present, and the meeting may be held as adjourned without further notice.

Section 2.13 Action at Meeting. Any motion adopted by vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, except where a different vote is required by law, by the Certificate of Incorporation or by these Bylaws. The assent in writing of any director to any vote or action of the directors taken at any meeting, whether or not a quorum was present and whether or not the director had or waived notice of the meeting, shall have the same effect as if the director so assenting was present at such meeting and voted in favor of such vote or action.

Section 2.14 Action Without Meeting. Any action required or permitted to be taken at any meeting of the board of directors or of any committee thereof may be taken without a meeting if all members of the board of directors or committee, as the case may be, consent to the action in writing or by electronic transmission and the consents or electronic transmissions are filed with the records of the board of directors or committee in the same paper or electronic form as the minutes are maintained.

Section 2.15 Committees. The board of directors may, by the affirmative vote of a majority of the directors then in office, appoint committees consisting of one or more directors and may by vote delegate to any such committee some or all of their powers except those which by law, the Certificate of Incorporation or these Bylaws they may not delegate. In the absence or disqualification of a member of a committee, the members of the committee present and not disqualified, whether or not they constitute a quorum, may by unanimous vote appoint another member of the board of directors to act at the meeting in place of the absent or disqualified member. Unless the board of directors shall otherwise provide, any such committee may make rules for the conduct of its business, but unless otherwise provided by the board of directors or such rules, its meetings shall be called, notice given or waived, its business conducted or its action taken as nearly as may be in the same manner as is provided in these Bylaws with respect to meetings or for the conduct of business or the taking of actions by the board of directors. Except as otherwise provided in the Certificate of Incorporation, these Bylaws, or the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee. The board of directors shall have power at any time to fill vacancies in, change the membership of, or discharge any such committee or subcommittee at any time. The board of directors shall have power to rescind any action of any committee or subcommittee, but no such rescission shall have retroactive effect.

Section 2.16 Emergency Bylaws. In the event of any emergency, disaster, catastrophe or other similar emergency condition of a type described in Section 110(a) of the General Corporation Law of the State of Delaware (an “**Emergency**”), notwithstanding any different or conflicting provisions in the General Corporation Law of the State of Delaware, the Certificate of Incorporation or these Bylaws, during such Emergency:

(a) **Notice.** A meeting of the board of directors or a committee thereof may be called by any director, the chairman of the board, the chief executive officer, the president or the secretary by such means as, in the judgment of the person calling the meeting, may be feasible at the time, and notice of any such meeting of the board of directors or any committee may be given, in the judgment of the person calling the meeting, only to such directors as it may be feasible to reach at the time and by such means as may be feasible at the time. Such notice shall be given at such time in advance of the meeting as, in the judgment of the person calling the meeting, circumstances permit.

(b) **Quorum.** The director or directors in attendance at a meeting called in accordance with Section 2.16(a) shall constitute a quorum.

(c) **Liability.** No officer, director or employee acting in accordance with this Section 2.16 shall be liable except for willful misconduct. No amendment, repeal or change to this Section 2.16 shall modify the prior sentence with regard to actions taken prior to the time of such amendment, repeal or change.

ARTICLE III **Officers**

Section 3.1 Enumeration. The officers shall consist of a chief executive officer, president, a treasurer, a secretary and such other officers and agents (including a chairman of the board, one or more vice-presidents, assistant treasurers and assistant secretaries), as the board of directors may, in its discretion, determine.

Section 3.2 Election. The chief executive officer, president, treasurer and secretary shall be elected annually by the directors at their first meeting following the annual meeting of the stockholders or any special meeting held in lieu of the annual meeting. Other officers may be chosen by the directors at such meeting or at any other meeting.

Section 3.3 Qualification. An officer may, but need not, be a director or stockholder. Any two or more offices may be held by the same person. Any officer may be required by the directors to give bond for the faithful performance of his or her duties to the corporation in such amount and with such sureties as the directors may determine. The premiums for such bonds may be paid by the corporation.

Section 3.4 Tenure. Except as otherwise provided by law, the Certificate of Incorporation or these Bylaws, the term of office of each officer shall be for one year or until his or her successor is elected and qualified, unless a different term is specified in the resolution electing or appointing such officer, or until his or her earlier death, resignation or removal.

Section 3.5 Removal. Any officer may be removed from office, with or without cause, by the affirmative vote of a majority of the directors then in office; provided, however, that an officer may be removed for cause only after reasonable notice and opportunity to be heard by the board of directors prior to action thereon.

Section 3.6 Resignation. Any officer may resign by delivering a resignation in writing or by electronic transmission to the corporation at its principal executive office or to the chief

executive officer, the president, secretary, or assistant secretary, if any, and such resignation shall be effective upon receipt unless it is specified to be effective at some other time or upon the happening of some event.

Section 3.7 Vacancies. A vacancy in any office arising from any cause may be filled for the unexpired portion of the term by the board of directors and may, in the board of director's discretion, such vacancy may be left unfilled for such period as the board of directors may determine. Each such successor shall hold office for the unexpired term of such officer's predecessor and until a successor is elected and qualified, or until such officer's earlier death, resignation or removal.

Section 3.8 Chairman of the Board. The board of directors may appoint from its members a chairman of the board, whom does not need to be an employee or other officer of the corporation, and may designate the chairman of the board as chief executive officer. If the board of directors appoints a chairman of the board, he or she shall perform such duties and possess such powers as are set forth in these Bylaws and as are assigned to him or her by the board of directors and, if the chairman of the board is also designated as the corporation's chief executive officer, he or she shall have the powers and duties of the chief executive officer prescribed in Section 3.9. Unless otherwise voted by the board of directors, the chairman of the board shall preside at all meetings of the board of directors.

Section 3.9 President/Chief Executive Officer. The president shall be the chief executive officer of the corporation, unless a chairman of the board, or other person, is so designated. The chief executive officer shall have general charge and supervision of the business of the corporation subject to the direction of the board of directors, and shall perform all duties and have all powers that are commonly incident to the office of the chief executive or that are delegated to such officer by the board of directors. The president shall perform such other duties and shall have such other powers as the board of directors or the chief executive officer (if the president is not the chief executive officer) may from time to time prescribe. In the event of the absence, inability or refusal to act of the chief executive officer or the president (if the president is not the chief executive officer), the vice-president (or if there shall be more than one, the vice-presidents in the order determined by the board of directors) shall perform the duties of the chief executive officer and when so performing such duties shall have all the powers of and be subject to all the restrictions upon the chief executive officer. Unless a chairman of the board is so designated or except as otherwise voted by the board of directors, the chief executive officer, or in the chief executive officer's absence by the president, or in the president's absence by a vice-president, or in the absence of all of the foregoing persons by a chairman designated by the board of directors, shall preside at all meetings of the board of directors.

Section 3.10 Vice-President(s). The vice-president(s), if any, shall have such powers and perform such duties as the board of directors or the chief executive officer may from time to time determine. The board of directors may assign to any vice-president the title of executive vice-president, senior vice-president or any other title selected by the board of directors.

Section 3.11 Chief Financial Officer, Treasurer and Assistant Treasurers. The treasurer or if the board of directors so determines, the vice-president, finance or the chief financial officer, subject to the direction and under the supervision and control of the board of directors and

the chief executive officer, shall have general charge of the financial affairs of the corporation.

The treasurer shall have custody of all funds, securities and valuable papers of the corporation, except as the board of directors may otherwise provide. The treasurer shall keep or cause to be kept full and accurate records of account which shall be the property of the corporation, and which shall be always open to the inspection of each elected officer and director of the corporation. The treasurer shall deposit or cause to be deposited all funds of the corporation in such depository or depositories as may be authorized by the board of directors. The treasurer shall have the power to endorse for deposit or collection all notes, checks, drafts, and other negotiable instruments payable to the corporation. The treasurer shall perform such other duties as are incidental to the office, and such other duties as may be assigned by the board of directors or the chief executive officer. All of the duties of the treasurer may be performed by the vice-president, finance and/or the chief financial officer, in the discretion of the board of directors.

Assistant treasurers, if any, shall have such powers and perform such duties as the board of directors or the chief executive officer may from time to time determine.

Section 3.12 Secretary and Assistant Secretaries. The secretary or an assistant secretary shall record, or cause to be recorded, all proceedings of the meetings of the stockholders and directors (including committees thereof) in the book of records of this corporation. The record books shall be open at reasonable times to the inspection of any stockholder, director, or officer.

The secretary or an assistant secretary shall notify the stockholders and directors, when required by law or by these Bylaws, of their respective meetings, and shall perform such other duties as the board of directors, the chief executive officer or stockholders may from time to time prescribe.

The secretary or an assistant secretary shall have the custody and charge of the corporate seal, and shall affix the seal of the corporation to all instruments requiring such seal, and shall certify under the corporate seal the proceedings of the directors and of the stockholders, when required. In the absence of the secretary or an assistant secretary at any such meeting, a temporary secretary shall be chosen who shall record the proceedings of the meeting in the aforesaid books.

Assistant secretaries, if any, shall have such powers and perform such duties as the board of directors, the chief executive officer or the secretary may from time to time designate.

Section 3.13 Other Powers and Duties. Subject to these Bylaws and to such limitations as the board of directors may from time to time prescribe, the officers of the corporation shall each have such powers and duties as generally pertain to their respective offices, as well as such powers and duties as from time to time may be conferred by the board of directors or, in the case of vice-presidents, the treasurer (and assistant treasurers) and the secretary (and assistant secretaries), the chief executive officer. The board of directors may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

Section 3.14 Compensation. Officers of the corporation shall be entitled to such salaries, compensation or reimbursement as shall be fixed or allowed from time to time by the board of directors. Except as the board of directors may otherwise determine, no officer who resigns or is removed shall have any right to any compensation as an officer for any period following such officer's resignation or removal, or any right to damages on account of such removal, whether such officer's compensation be by the month or by the year or otherwise, unless

such compensation is expressly provided for in a duly authorized written agreement with the corporation.

ARTICLE IV **Capital Stock**

Section 4.1 Shares Represented by Certificates and Uncertificated Shares. The board of directors may provide by resolution that some or all of any or all classes and series of shares shall be uncertificated shares. Unless such a resolution has been adopted, each stockholder shall be entitled to a certificate representing the number of shares of the capital stock of the corporation owned by such person in such form as shall, in conformity to law, be prescribed from time to time by the board of directors. Each certificate shall be signed in a manner that complies with Section 158 of the General Corporation Law of the State of Delaware by or in the name of any two officers of the corporation, each of whom is an authorized officer for this purpose, shall bear the seal of the corporation if required by law, and shall express on its face its number, date of issue, class, the number of shares for which, and the name of the person to whom, it is issued. The corporate seal and any or all of the signatures of corporation officers may be facsimile if the stock certificate is manually counter-signed by an authorized person on behalf of a transfer agent or registrar other than the corporation or its employee.

If an officer, transfer agent or registrar who has signed, or whose facsimile signature has been placed on, a certificate shall have ceased to be such before the certificate is issued, it may be issued by the corporation with the same effect as if he or she were such officer, transfer agent or registrar at the time of its issue.

Within a reasonable time after the issuance or transfer of uncertificated shares, the registered owner thereof shall be given a notice, in writing or by electronic transmission, containing the information required to be set forth or stated on certificates pursuant to Sections 151, 156, 202(a) or 218(a) of the General Corporation Law of the State of Delaware or, with respect to Section 151 of the General Corporation Law of the State of Delaware and Section 4.8, a statement that the corporation will furnish without charge to each stockholder who so requests the powers, designations, preferences and relative, participating, optional or other special rights of each class of stock or series thereof and the qualifications, limitations or restrictions of such preferences and/or rights.

Section 4.2 Transfer of Shares. Title to a certificate of stock and to the shares represented thereby shall be transferred only on the books of the corporation or by transfer agents designated to transfer shares of stock of the corporation by delivery to the corporation or its transfer agent of (i) in the case of certificated shares, the certificate properly endorsed or by delivery of the certificate accompanied by a written assignment of the same or a properly executed written power of attorney to sell, assign or transfer the same or the shares represented thereby and (ii) in the case of uncertificated shares, a written assignment of the shares or a properly executed written power of attorney to sell, assign or transfer the shares. Upon surrender of a certificate for the shares being transferred, a new certificate or certificates shall be issued according to the interests of the parties and, in the case of uncertificated shares, the notice and/or information set forth in the last paragraph of Section 4.1.

Section 4.3 Record Holders. Except as otherwise may be required by law, by the Certificate of Incorporation or by these Bylaws, the corporation shall be entitled to treat the record holder of stock as shown on its books as the owner of such stock for all purposes, including the payment of dividends and the right to receive notice and to vote with respect thereto, regardless of any transfer, pledge or other disposition of such stock, until the shares have been transferred on the books of the corporation in accordance with the requirements of these Bylaws.

It shall be the duty of each stockholder to notify the corporation of its, his or her post office address and such other address, including electronic transmission addresses, as applicable.

Section 4.4 Record Date. In order that the corporation may determine the stockholders entitled to receive notice of any meeting of stockholders or any adjournments thereof, or entitled to receive payment of any dividend or other distribution or allotment of any rights, or entitled to exercise any rights in respect of any change, conversion or exchange of stock or for the purpose of any other lawful action, the board of directors may fix a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted by the board of directors, and which record date shall not be more than sixty (60) nor less than ten (10) days prior to the date of such meeting nor more than sixty (60) days prior to any other action. If the board of directors so fixes a date to determine the stockholders entitled to receive notice of any meeting of stockholders or any adjournments thereof, such date shall also be the record date for determining the stockholders entitled to vote at such meeting unless the board of directors determines, at the time it fixes such record date for notice, that a later date on or before the date of the meeting shall be the date for making such determination. In such case only stockholders of record on such record date shall be so entitled notwithstanding any transfer of stock on the books of the corporation after the record date.

If no record date is fixed:(i) the record date for determining stockholders entitled to receive notice of or to vote at a meeting of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or, if notice is waived, at the close of business on the day next preceding the day on which the meeting is held; and (ii) the record date for determining stockholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

A determination of stockholders of record entitled to notice of and to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the board of directors may fix a new record date for determination of stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote in accordance herewith at the adjourned meeting.

Section 4.5 Transfer Agent and Registrar for Shares of Stock of the Corporation.

The board of directors may appoint a transfer agent and a registrar of the shares of stock of the corporation. Any transfer agent so appointed shall maintain, among other records, a stockholders' ledger, setting forth the names and addresses of the holders of all issued shares of stock of the corporation, the number of shares held by each, the certificate numbers representing such shares, and the date of issue of the certificates representing such shares. Any registrar so appointed shall maintain, among other records, a share register, setting forth the total number of shares of each

class of shares which the corporation is authorized to issue and the total number of shares actually issued. The stockholders' ledger and the share register are hereby identified as the stock transfer books of the corporation; but as between the stockholders' ledger and the share register, the names and addresses of stockholders, as they appear on the stockholders' ledger maintained by the transfer agent shall be the official list of stockholders of record of the corporation. The name and address of each stockholder of record, as they appear upon the stockholders' ledger, shall be conclusive evidence of who are the stockholders entitled to receive notice of the meetings of stockholders, to vote at such meetings, to examine a complete list of the stockholders entitled to vote at meetings, and to own, enjoy and exercise any other property or rights deriving from such shares against the corporation. Stockholders, but not the corporation or its directors, officers, agents or attorneys, shall be responsible for notifying the transfer agent, in writing, of any changes in their names or addresses from time to time, and failure to do so will relieve the corporation, its other stockholders, directors, officers, agents and attorneys, and its transfer agent and registrar, of liability for failure to direct notices or other documents, or pay over or transfer dividends or other property or rights, to a name or address other than the name and address appearing in the stockholders' ledger maintained by the transfer agent.

Section 4.6 Loss of Certificates. In case of the loss, destruction or mutilation of a certificate of stock, a replacement certificate or uncertificated share, if applicable, may be issued in place thereof upon such terms as the board of directors may prescribe, including, in the discretion of the board of directors, a requirement of bond and indemnity to the corporation and/or its transfer agent.

Section 4.7 Restrictions on Transfer. Every certificate for shares of stock which are subject to any restriction on transfer, whether pursuant to the Certificate of Incorporation, the Bylaws or any agreement to which the corporation is a party, shall have the fact of the restriction noted conspicuously on the certificate and shall also set forth on the face or back either the full text of the restriction or a statement that the corporation will furnish a copy to the holder of such certificate upon written request and without charge.

Section 4.8 Multiple Classes of Stock. The amount and classes of the capital stock and the par value, if any, of the shares, shall be as fixed in the Certificate of Incorporation. At all times when there are two or more classes of stock, the several classes of stock shall conform to the description and the terms and have the respective preferences, voting powers, restrictions and qualifications set forth in the Certificate of Incorporation and these Bylaws. Every certificate issued when the corporation is authorized to issue more than one class or series of stock shall set forth on its face or back either (i) the full text of the preferences, voting powers, qualifications and special and relative rights of the shares of each class and series authorized to be issued, or (ii) a statement of the existence of such preferences, powers, qualifications and rights, and a statement that the corporation will furnish a copy thereof to the holder of such certificate upon written request and without charge.

ARTICLE V

Dividends

Section 5.1 Declaration of Dividends. Except as otherwise required by law or by the Certificate of Incorporation, the board of directors may, in its discretion, declare what, if any,

dividends shall be paid from the surplus or from the net profits of the corporation for the current or preceding fiscal year, or as otherwise permitted by law. Dividends may be paid in cash, in property, in shares of the corporation's stock, or in any combination thereof. Dividends shall be payable upon such dates as the board of directors may designate.

Section 5.2 Reserves. Before the payment of any dividend and before making any distribution of profits, the board of directors, from time to time and in its absolute discretion, shall have power to set aside out of the surplus or net profits of the corporation such sum or sums as the board of directors deems proper and sufficient as a reserve fund to meet contingencies or for such other purpose as the board of directors shall deem to be in the best interests of the corporation, and the board of directors may modify or abolish any such reserve.

ARTICLE VI

Powers of Officers to Contract With the Corporation

Any and all of the directors and officers of the corporation, notwithstanding their official relations to it, may enter into and perform any contract or agreement of any nature between the corporation and themselves, or any and all of the individuals from time to time constituting the board of directors of the corporation, or any firm or corporation in which any such director may be interested, directly or indirectly, whether such individual, firm or corporation thus contracting with the corporation shall thereby derive personal or corporate profits or benefits or otherwise; provided, that (i) the material facts of such interest are disclosed or are known to the board of directors or committee thereof which authorizes such contract or agreement; (ii) if the material facts as to such person's relationship or interest are disclosed or are known to the stockholders entitled to vote thereon, and the contract is specifically approved in good faith by a vote of the stockholders; or (iii) the contract or agreement is fair as to the corporation as of the time it is authorized, approved or ratified by the board of directors, a committee thereof, or the stockholders.

Any director of the corporation who is interested in any transaction as aforesaid may nevertheless be counted in determining the existence of a quorum at any meeting of the board of directors which shall authorize or ratify any such transaction. This Article VI shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common or statutory law applicable thereto.

ARTICLE VII

Indemnification

Section 7.1 Definitions. For purposes of this Article VII the following terms shall have the meanings indicated:

"Corporate Status" describes the status of a person who is or was a director, officer, employee, agent, trustee or fiduciary of the Corporation or of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the express written request of the corporation.

"Court" means the Court of Chancery of the State of Delaware, the court in which the Proceeding in respect of which indemnification is sought by a Covered Person shall have been brought or is pending, or another court having subject matter jurisdiction and personal jurisdiction over the parties.

“Covered Person” means a person who is a present or former director or officer of the corporation and shall include such person’s legal representatives, heirs, executors and administrators.

“Disinterested” describes any individual, whether or not that individual is a director, Officer, employee or agent of the corporation, who is not and was not and is not threatened to be made a party to the Proceeding in respect of which indemnification, advancement of Expenses or other action is sought by a Covered Person.

“Expenses” shall include, without limitation, all reasonable attorneys’ fees, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating or being or preparing to be a witness in a Proceeding.

“Good Faith” shall mean a Covered Person having acted in good faith and in a manner such Covered Person reasonably believed to be in or not opposed to the best interests of the corporation or, in the case of an employee benefit plan, the best interests of the participants or beneficiaries of said plan, as the case may be, and, with respect to any Proceeding which is criminal in nature, having had no reasonable cause to believe such Covered Person’s conduct was unlawful.

“Improper Personal Benefit” shall include, but not be limited to, the personal gain in fact by reason of a person’s Corporate Status of a financial profit, monies or other advantage not also accruing to the benefit of the corporation or to the stockholders generally and which is unrelated to his or her usual compensation including, but not limited to, such profit, monies or other advantage gained (i) in exchange for the exercise of influence over the corporation’s affairs, (ii) as a result of the diversion of corporate opportunity, or (iii) pursuant to the use or communication of confidential or inside information for the purpose of generating a profit from trading in the corporation’s securities. Notwithstanding the foregoing, “Improper Personal Benefit” shall not include any benefit, directly or indirectly, related to actions taken in order to evaluate, discourage, resist, prevent or negotiate any transaction with or proposal from any person or entity seeking control of, or a controlling interest in, the corporation.

“Independent Counsel” means a law firm, or a member of a law firm, that is experienced in matters of corporation law and may include law firms or members thereof that are regularly retained by the corporation but not by any other party to the Proceeding giving rise to a claim for indemnification hereunder. Notwithstanding the foregoing, the term “Independent Counsel” shall not include any person who, under the standards of professional conduct then prevailing and applicable to such counsel, would have a conflict of interest in representing either the corporation or Covered Person in an action to determine the Covered Person’s rights under this Article VII.

“Officer” means the chairman of the board, the chief executive officer, the president, vice-presidents, treasurer, assistant treasurer (s), secretary, assistant secretary and such other executive officers as are appointed by the board of directors of the corporation and explicitly entitled to indemnification hereunder.

“**Proceeding**” includes any actual, threatened or completed action, suit, arbitration, alternate dispute resolution mechanism, investigation (including any internal corporate investigation), administrative hearing or any other proceeding, whether civil, criminal, administrative or investigative, other than one initiated by the Covered Person, but including one initiated by a Covered Person for the purpose of enforcing such Covered Person’s rights under this Article VII to the extent provided in Section 7.14. “Proceeding” shall not include any counterclaim brought by any Covered Person other than one arising out of the same transaction or occurrence that is the subject matter of the underlying claim.

Section 7.2 Right to Indemnification in General.

(a) Covered Persons. The corporation may indemnify, and may advance Expenses, to each Covered Person who is a party to, was or is threatened to be made a party to, or is otherwise involved in any Proceeding, as provided in this Article VII and to the fullest extent permitted by applicable law in effect on the date hereof and to such greater extent as applicable law may hereafter from time to time permit.

The indemnification provisions in this Article VII shall be deemed to be a contract between the corporation and each Covered Person who serves in any Corporate Status at any time while these provisions as well as the relevant provisions of the Delaware General Corporation Law are in effect, and any repeal or modification thereof shall not affect any right or obligation then existing with respect to any state of facts then or previously existing or any Proceeding previously or thereafter brought or threatened based in whole or in part upon any such state of facts. Such a contract right may not be modified retroactively without the consent of such Covered Person.

(b) Employees and Agents. The corporation may, to the extent authorized from time to time by the board of directors, grant indemnification and the advancement of Expenses to any employee or agent of the corporation to the fullest extent of the provisions of this Article VII with respect to the indemnification and advancement of Expenses of Covered Persons.

Section 7.3 Proceedings Other Than Proceedings by or in the Right of the Corporation. Each Covered Person may be entitled to the rights of indemnification provided in this Section 7.3 if, by reason of such Covered Person’s Corporate Status, such Covered Person is a party to, was or is threatened to be made a party to, or is otherwise involved in any Proceeding, other than a Proceeding by or in the right of the corporation. Each Covered Person may be indemnified against Expenses, judgments, penalties, fines and amounts paid in settlements, actually and reasonably incurred by such Covered Person or on such Covered Person’s behalf in connection with such Proceeding or any claim, issue or matter therein, if such Covered Person acted in Good Faith and such Covered Person has not been adjudged during the course of such proceeding to have derived an improper Personal Benefit from the transaction or occurrence forming the basis of such Proceeding.

Section 7.4 Proceedings by or in the Right of the Corporation. Each Covered Person may be entitled to the rights of indemnification provided in this Section 7.4 if, by reason of such Covered Person’s Corporate Status, such Covered Person is a party to, or is threatened to be made a party to, or is otherwise involved in any Proceeding brought by or in the right of the corporation to procure a judgment in its favor. Such Covered Person may be indemnified against Expenses,

judgments, penalties, and amounts paid in settlement, actually and reasonably incurred by such Covered Person or on such Covered Person's behalf in connection with such Proceeding if such Covered Person acted in Good Faith and such Covered Person has not been adjudged during the course of such proceeding to have derived an Improper Personal Benefit from the transaction or occurrence forming the basis of such Proceeding. Notwithstanding the foregoing, no such indemnification shall be made in respect of any claim, issue or matter in such Proceeding as to which such Covered Person shall have been adjudged to be liable to the corporation if applicable law prohibits such indemnification; provided, however, that, if applicable law so permits, indemnification shall nevertheless be made by the corporation in such event if and only to the extent that the Court which is considering the matter shall so determine.

Section 7.5 Indemnification of a Party Who is Wholly or Partly Successful.

Notwithstanding any provision of this Article VII to the contrary, to the extent that a Covered Person is, by reason of such Covered Person's Corporate Status, a party to or is otherwise involved in and is successful, on the merits or otherwise, in any Proceeding, such Covered Person shall be indemnified to the maximum extent permitted by law, against all Expenses, judgments, penalties, fines, and amounts paid in settlement, actually and reasonably incurred by such Covered Person or on such Covered Person's behalf in connection there with. If such Covered Person is not wholly successful in such Proceeding but is successful, on the merits or otherwise, as to one or more but less than all claims, issues or matters in such Proceeding, the corporation shall indemnify such Covered Person to the maximum extent permitted by law, against all Expenses, judgments, penalties, fines, and amounts paid in settlement, actually and reasonably incurred by such covered Person or on such Covered Person's behalf in connection with each successfully resolved claim, issue or matter. For purposes of this Section 7.5 and without limitation, the termination of any claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 7.6 Indemnification for Expenses of a Witness. Notwithstanding any provision of this Article VII to the contrary, to the extent that a Covered Person is, by reason of such Covered Person's Corporate Status, a witness in any Proceeding, such Covered Person shall be indemnified against all Expenses actually and reasonably incurred by such Covered Person or on such Covered Person's behalf in connection therewith.

Section 7.7 Advancement of Expenses. Notwithstanding any provision of this Article VII to the contrary, the corporation may advance all reasonable Expenses which, by reason of a Covered Person's Corporate Status, were incurred by or on behalf of such Covered Person in connection with any Proceeding, within thirty (30) days after the receipt by the corporation of a statement or statements from such Covered Person requesting such advance or advances, whether prior to or after final disposition of such Proceeding. Such statement or statements shall reasonably evidence the Expenses incurred by the Covered Person and shall include or be preceded or accompanied by an undertaking by or on behalf of the Covered Person to repay any Expenses if such Covered Person shall be adjudged to be not entitled to be indemnified against such Expenses. Any advance and undertaking to repay pursuant to this Section 7.7 may be unsecured interest-free, as the corporation sees fit. Advancement of Expenses pursuant to this Section 7.7 shall not require approval of the board of directors or the stockholders of the corporation, or of any other person or body. The secretary of the corporation shall promptly advise the board of directors in writing of

the request for advancement of Expenses, of the amount and other details of the request and of the undertaking to make repayment provided pursuant to this Section 7.7.

Section 7.8 Notification and Defense of Claim. Promptly after receipt by a Covered Person of notice of the commencement of any Proceeding, such covered Person shall, if a claim is to be made against the corporation under this Article VII, notify the corporation of the commencement of the Proceeding. The failure to notify the corporation will not relieve the corporation from any liability which it may have to such Covered Person otherwise than under this Article VII. With respect to any such Proceedings to which such Covered Person notifies the corporation:

(a) The corporation will be entitled to participate in the defense at its own expense.

(b) Except as otherwise provided below in this subparagraph (b), the corporation (jointly with any other indemnifying party similarly notified) will be entitled to assume the defense with counsel reasonably satisfactory to the Covered Person. After notice from the corporation to the Covered Person of its election to assume the defense of a suit, the corporation will not be liable to the Covered Person under this Article VII for any legal or other expenses subsequently incurred by the Covered Person in connection with the defense of the Proceeding other than reasonable costs of investigation or as otherwise provided below in this subparagraph (b). The Covered Person shall have the right to employ his or her own counsel in such Proceeding but the fees and expenses of such counsel incurred after notice from the corporation of its assumption of the defense shall be at the expense of the Covered Person except as provided in this paragraph. The fees and expenses of counsel shall be at the expense of the corporation if (i) the employment of counsel by the Covered Person has been authorized by the corporation, (ii) the Covered Person shall have concluded reasonably that there may be a conflict of interest between the corporation and the Covered Person in the conduct of the defense of such action and such conclusion is confirmed in writing by the corporation's outside counsel regularly employed by it in connection with corporate matters, or (iii) the corporation shall not in fact have employed counsel to assume the defense of such Proceeding. The corporation shall be entitled to participate in, but shall not be entitled to assume the defense of any Proceeding brought by or in the right of the corporation or as to which the Covered Person shall have made the conclusion provided for in (ii) above and such conclusion shall have been so confirmed by the corporation's said outside counsel.

(c) Notwithstanding any provision of this Article VII to the contrary, the corporation shall not be obligated to indemnify the Covered Person under this Article VII for any amounts paid in settlement of any Proceeding effected without its written consent. The corporation shall not settle any Proceeding or claim in any manner which would impose any penalty, limitation or disqualification of the Covered Person for any purpose without such Covered Person's written consent. Neither the corporation nor the Covered Person will unreasonably withhold their consent to any proposed settlement.

(d) If it is determined that the Covered Person is entitled to indemnification other than as afforded under subparagraph (b) above, payment to the Covered Person of the

additional amounts for which he or she is to be indemnified shall be made within ten (10) days after such determination.

Section 7.9 Procedures.

(a) Method of Determination. A determination (as provided for by this Article VII or if required by applicable law in the specific case) with respect to a Covered Person's entitlement to indemnification shall be made either (i) by the board of directors by a majority vote of a quorum consisting of Disinterested directors, or (ii) in the event that a quorum of the board of directors consisting of Disinterested directors is not obtainable or, even if obtainable, such quorum of Disinterested directors so directs, by Independent Counsel in a written determination to the board of directors, a copy of which shall be delivered to the Covered Person seeking indemnification, (iii) by a special litigation committee of the board of directors appointed by the board of directors, or (iv) by the vote of the holders of a majority of the corporation's capital stock outstanding at the time entitled to vote thereon.

(b) Initiating Request. A Covered Person who seeks indemnification under this Article VII shall submit a Request for Indemnification, including such documentation and information as is reasonably available to such Covered Person and is reasonably necessary to determine whether and to what extent such Covered Person is entitled to indemnification.

(c) Presumptions. In making a determination with respect to entitlement to indemnification hereunder, the person or persons or entity making such determination shall not presume that the Covered Person is or is not entitled to indemnification under this Article VII.

(d) Burden of Proof. Each Covered Person shall bear the burden of going forward and demonstrating sufficient facts to support his or her claim for entitlement to indemnification under this Article VII. That burden shall be deemed satisfied by the submission of an initial Request for Indemnification pursuant to Section 7.9(b) above.

(e) Effect of Other Proceedings. The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of guilty or of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Article VII) of itself adversely affect the right of a Covered Person to indemnification or create a presumption that a Covered Person did not act in Good Faith.

(f) Actions of Others. The knowledge, actions, or failure to act, of any director, officer, employee, agent, trustee or fiduciary of the enterprise for whose daily activities the Covered Person was actually responsible may be imputed to a Covered Person for purposes of determining the right to indemnification under this Article VII.

Section 7.10 Action by the Corporation. Any action, payment, advance determination other than a determination made pursuant to Section 7.9(a), authorization, requirement, grant of indemnification or other action taken by the Corporation pursuant to this Article VII shall be effected exclusively through any Disinterested person so authorized by the board of directors of the corporation, including the chief executive officer, the president or any vice-president of the corporation.

Section 7.11 Non-Exclusivity. The rights of indemnification and to receive advancement of Expenses as provided by this Article VII shall not be deemed exclusive of any other rights to which a Covered Person may at any time be entitled under applicable law, the Certificate of Incorporation, these Bylaws, any agreement, a vote of stockholders or a resolution of the board of directors, or otherwise. No amendment, alteration, rescission or replacement of this Article VII or any provision hereof shall be effective as to any Covered Person with respect to any action taken or omitted by such Covered Person in such Covered Person's Corporate Status or with respect to any state of facts then or previously existing or any Proceeding previously or thereafter brought or threatened based in whole or to the extent based in part upon any such state of facts existing prior to such amendment, alteration, rescission or replacement.

Section 7.12 Insurance. The corporation may maintain, at its expense, an insurance policy or policies to protect itself and any Covered Person, officer, employee or agent of the corporation or another enterprise against liability arising out of this Article VII or otherwise, whether or not the corporation would have the power to indemnify any such person against such liability under the Delaware General Corporation Law.

Section 7.13 No Duplicative Payment. The corporation shall not be liable under this Article VII to make any payment of amounts otherwise indemnifiable hereunder if and to the extent that a Covered Person has otherwise actually received such payment under any insurance policy, contract, agreement or otherwise.

Section 7.14 Expenses of Adjudication. In the event that any Covered Person seeks a judicial adjudication, or an award in arbitration, to enforce such Covered Person's rights under, or to recover damages for breach of, this Article VII, the Covered Person shall be entitled to recover from the corporation, and shall be indemnified by the corporation against, any and all expenses (of the types described in the definition of Expenses in Section 7.1) actually and reasonably incurred by such Covered Person in seeking such adjudication or arbitration, but only if such Covered Person prevails therein. If it shall be determined in such adjudication or arbitration that the Covered Person is entitled to receive part but not all of the indemnification of expenses sought, the expenses incurred by such Covered Person in connection with such adjudication or arbitration shall be appropriately prorated.

Section 7.15 Severability. If any provision or provisions of this Article VII shall be held to be invalid, illegal or unenforceable for any reason whatsoever:

(a) the validity, legality and enforceability of the remaining provisions of this Article VII (including without limitation, each portion of any Section of this Article VII containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby; and

(b) to the fullest extent possible, the provisions of this Article VII (including, without limitation, each portion of any Section of this Article VII containing any such provision held to be invalid, illegal or unenforceable, that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested by the provision held invalid, illegal or unenforceable.

ARTICLE VIII
Miscellaneous Provisions

Section 8.1 Certificate of Incorporation. All references in these Bylaws to the Certificate of Incorporation shall be deemed to refer to the Certificate of Incorporation of the corporation, as amended and in effect from time to time, including the terms of any certificate of designation of any series of preferred stock.

Section 8.2 Fiscal Year. Except as from time to time otherwise provided by the board of directors, the fiscal year of the corporation shall end on September 30th of each year.

Section 8.3 Corporate Seal. The board of directors shall have the power to adopt and alter the seal of the corporation.

Section 8.4 Execution of Instruments. All deeds, leases, transfers, contracts, bonds, notes, and other obligations authorized to be executed by an officer of the corporation on its behalf shall be signed by the chief executive officer, the president or the treasurer except as the board of directors may generally or in particular cases otherwise determine.

Section 8.5 Voting of Securities. Unless the board of directors otherwise provides, the chief executive officer, the president or the treasurer may waive notice of and act on behalf of this corporation, or appoint another person or persons to act as proxy or attorney in fact for this corporation with or without discretionary power and/or power of substitution, at any meeting of stockholders or shareholders of any other corporation or organization, any of whose securities are held by this corporation.

Section 8.6 Evidence of Authority. A certificate by the secretary or any assistant secretary as to any action taken by the stockholders, directors or any officer or representative of the corporation shall, as to all persons who rely thereon in good faith, be conclusive evidence of such action. The exercise of any power which by law, by the Certificate of Incorporation, or by these Bylaws, or under any vote of the stockholders or the board of directors, may be exercised by an officer of the corporation only in the event of absence of another officer or any other contingency shall bind the corporation in favor of anyone relying thereon in good faith, whether or not such absence or contingency existed.

Section 8.7 Corporate Records. The original, or attested copies, of the Certificate of Incorporation, Bylaws, records of all meetings of the incorporators and stockholders, and the stock transfer books (which shall contain the names of all stockholders and the record address and the amount of stock held by each) shall be kept in Delaware at the principal office of the corporation, or at an office of the corporation, or at an office of its transfer agent or of the secretary or of the assistant secretary, if any. Said copies and records need not all be kept in the same office. They shall be available at all reasonable times to inspection of any stockholder for any purpose but not to secure a list of stockholders for the purpose of selling said list or copies thereof or for using the same for a purpose other than in the interest of the applicant, as a stockholder, relative to the affairs of the corporation.

Section 8.8 Charitable Contributions. The board of directors from time to time may authorize contributions to be made by the corporation in such amounts as it may determine to be

reasonable to corporations, trusts, funds or foundations organized and operated exclusively for charitable, scientific or educational purposes, no part of the net earning of which inures to the private benefit of any stockholder or individual.

Section 8.9 Waiver of Notice. Whenever notice is required to be given by law, the Certificate of Incorporation or these Bylaws, a written waiver signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether provided before, at or after the time of the event for which notice is to be given, shall be deemed equivalent to notice required to be given to such person. Neither the business nor the purpose of any meeting need be specified in any such waiver. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened.

Section 8.10 Severability. Any determination that any provision of these Bylaws is for any reason inapplicable, illegal or ineffective shall not affect or invalidate any other provision of these bylaws.

Section 8.11 Pronouns. All pronouns used in these bylaws shall be deemed to refer to the masculine, feminine, neuter or other identity, singular or plural, as the identity of the person or persons may require.

ARTICLE IX **Amendments**

Section 9.1 Amendment by Stockholders. Prior to the issuance of stock, these Bylaws may be amended, altered or repealed by the incorporator(s) by majority vote. After stock has been issued, these Bylaws may be amended altered or repealed by the stockholders at any annual or special meeting by vote of a majority of all shares outstanding and entitled to vote, except that where the effect of the amendment would be to reduce any voting requirement otherwise required by law, the Certificate of Incorporation or another provision of these Bylaws, such amendment shall require the vote that would have been required by law, the Certificate of Incorporation or these Bylaws or such other provision of these Bylaws. Notice and a copy of any proposal to amend these Bylaws must be included in the notice of meeting of stockholders at which action is taken upon such amendment.

Section 9.2 Amendment by Board of Directors. These Bylaws may be amended or altered by the board of directors at a meeting duly called for the purpose by majority vote of the directors then in office, except that directors shall not amend the Bylaws in a manner which:

- (a) changes the stockholder voting requirements for any action;
- (b) alters or abolishes any preferential right or right of redemption applicable to a class or series of stock with shares already outstanding;
- (c) alters the provisions of Article IX hereof; or

(d) permits the board of directors to take any action which under law, the Certificate of Incorporation, or these Bylaws is required to be taken by the stockholders.

Any amendment of these Bylaws by the board of directors may be altered or repealed by the stockholders at any annual or special meeting of stockholders.

ARTICLE X

Forum

Section 10.1 Forum. Unless the corporation consents in writing to the selection of an alternative forum, (i) any derivative action or proceeding brought on behalf of the corporation, (ii) any action asserting a claim of breach of a fiduciary duty owed by any director, officer, stockholder or employee of the corporation to the corporation or the corporation's stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, the Certificate of Incorporation or these Bylaws (as either may be amended or restated) or (iv) any action asserting a claim governed by the internal affairs doctrine of the law of the State of Delaware shall, to the fullest extent permitted by law, be exclusively brought in the Court of Chancery of the State of Delaware or, if such court does not have jurisdiction, the federal district court for the District of Delaware, provided, however, that this sentence will not apply to any causes of action arising under the Securities Act of 1933, as amended (the "**Securities Act**"), or the Exchange Act or to any other claim for which the federal courts of the United States of America have exclusive jurisdiction. Unless the corporation consents in writing to the selection of an alternative forum, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any claims under the Securities Act. To the fullest extent permitted by law, any person or entity purchasing or otherwise acquiring or holding any interest in shares of capital stock of the corporation shall be deemed to have notice of and consented to the provisions of this Article X.

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THIS IS AN IMPORTANT LEGAL DOCUMENT. PLEASE CONFER WITH A LAWYER OR OTHER TRUSTED ADVISOR BEFORE SIGNING THIS DOCUMENT.

August 2, 2023

VIA HAND DELIVERY

Vandana Sriram
51 Robinson Road
Lexington, MA 02420

Re: Separation Agreement and Release

Dear Vandana:

This letter summarizes the terms of your separation from employment with Azenta, Inc. (the “Company”). The purpose of this Agreement is to establish an amicable arrangement for ending your employment relationship, to release the Company from all legally waivable claims and the considerations as outlined below.

By signing this Agreement, you will be giving up valuable legal rights. For this reason, it is very important that you carefully review and understand the Agreement before signing it.

1. Employment Status and Final Payments:

(a) Termination Date: Your termination from employment with the Company will be effective as of August 18, 2023 (the “Termination Date”). As of the Termination Date, your salary will cease, and any entitlement you have or might have under a Company-provided benefit plan, program, contract or practice will terminate, except as required by federal or state law.

(b) You hereby acknowledge that you have been paid all earned wages and for all accrued but unused vacation time as of the Termination Date.

(c) The Termination Date shall be the date of the “qualifying event” under the Consolidated Omnibus Budget Reconciliation Act of 1985 (“COBRA”). If you are enrolled in the Company’s medical plans, you will be provided a benefits packet containing information on your COBRA rights and how to elect to convert to a direct pay plan under COBRA.

(d) You hereby acknowledge (i) receipt of all compensation and benefits due through the Termination Date as a result of services performed for the Company with the receipt of a final paycheck except as provided in this Agreement; (ii) having reported to the Company any and all work-related injuries incurred during employment; (iii) the Company properly provided any leave of absence because of your or a family member’s health condition and you have not been subjected to any improper treatment, conduct or actions due to a request for or taking such leave; (iv) you have had the opportunity to provide the Company with written notice of any and all concerns regarding suspected ethical and compliance issues or violations on the part of the Company or any other Company Releasees.

2. **Consideration:** In exchange for, and in consideration of, your full execution of this Agreement, the Company agrees as follows:

(a) Eligibility for an FY 2023 pro-rata PBVC payment based on your termination date in the late November 2023 time period and subject to the calculation of the financial metric goals and weighting provisions as stipulated within the FY 2023 PBVC plan.

(b) Two additional cash payments in September and November 2023 to reflect the value of the RSU time-based vesting of Azenta shares on the vesting anniversary date that you would have earned had you been an employee. The number of RSU's are 1,219 with a September 13, 2023 vesting date and 273 and 840 respectively with a November 15, 2023 vesting date. The gross cash payment subject to normal withholdings will be based on the closing price of AZTA stock on the respective vesting dates.

3. **Release: This section of the Agreement is a release of legal claims. Please carefully review this section with your attorney, or other trusted advisor, and do not sign this document unless you understand what this section says.**

(a) In exchange for the amounts described in Section 2, which are in addition to anything of value to which you are entitled to receive, you and your representatives, agents, estate, heirs, successors and assigns, absolutely and unconditionally release, discharge, indemnify and hold harmless the "Company Releasees" from any and all legally waivable claims that you have against the Company Releasees. Other than as permitted in Section 3(e) and (f) below, this means that by signing this Agreement, you are agreeing to forever waive, release and discharge the Company Releasees from any type of claim arising from conduct that occurred any time in the past and up to and through the date you sign this document. Company Releasees is defined to include the Company and/or any of its parents, subsidiaries or affiliates, predecessors, successors or assigns, and its and their respective current and/or former directors, shareholders/stockholders, officers, employees, attorneys and/or agents, all both individually and in their official capacities.

(b) This release includes, but is not limited to, any waivable claims you have against the Company Releasees based on conduct that occurred any time in the past and up to and through the date you sign this Agreement that arises from any federal, state or local law, regulation, code or constitution dealing with either employment, employment benefits or employment discrimination. By way of example, this release includes the release of claims against the Company Releasees under the laws or regulations concerning discrimination on the basis of race, color, creed, religion, age, sex, sex harassment, sexual orientation, gender identity, national origin, ancestry, genetic carrier status, handicap or disability, veteran status, any military service or application for military service, or any other category protected under federal, state or local law. This release also includes any claim you may have against the Company Releasees for breach of contract, whether oral or written, express or implied; any tort claims (such as claims for wrongful discharge, tortious interference with advantageous relations, misrepresentation and defamation); any claims for equity or employee benefits of any other kind; or any other legally waivable statutory and/or common law claims.

(c) For avoidance of doubt, by signing this Agreement you are agreeing not to bring any waivable claims against the Company Releasees (other than as permitted in Section 3(e) and (f) below) under the following nonexclusive list of discrimination and employment statutes: Title VII of the Civil Rights Act of 1964 (Title VII), the Age Discrimination in Employment Act ("ADEA"), the Americans With Disabilities Act ("ADA"), the ADA Amendments Act, the Equal Pay Act ("EPA"), the Lilly Ledbetter Fair Pay Act, the Family and Medical Leave Act ("FMLA"), the Worker Adjustment and Retraining Notification Act ("WARN"), the Genetic Information Non-Discrimination Act ("GINA"), the Employee Retirement Income Security Act ("ERISA"), the Massachusetts Fair Employment Practices Law (M.G.L. ch. 151B), the Massachusetts Equal Rights Act, the Massachusetts Equal Pay Act, The

Massachusetts Earned Sick Leave law, the Massachusetts Pregnant Workers Fairness Act, the Massachusetts Privacy Statute, the Massachusetts Civil Rights Act, the Massachusetts Domestic Violence Leave Act, the Massachusetts Consumer Protection Act, the Massachusetts Labor and Industries Act, the anti-retaliation provisions of the Massachusetts Paid Family and Medical Leave Act, M.G.L. c. 175M, s. 9, and the Massachusetts Independent Contractor Statute, all as amended, as well as any other federal, state and local statutes, regulations, codes or ordinances that apply to you.

(d) You release the Company Releasees from any and all wage and hour related claims to the maximum extent permitted by state law. This release of legal claims includes the Massachusetts Payment of Wages Act (M.G.L. ch. 149 §§148 and 150), the Massachusetts Overtime regulations (M.G.L. ch.151 §§ 1A and 1B), the Meal Break regulations (M.G.L. ch.149 §§ 100 and 101), and the Earned Sick Time Law (M.G.L. ch. 149, § 148C), and any other state wage and hour related claims arising out of or in any way connected with your employment with the Company, including any claims for unpaid or delayed payment of wages, overtime, bonuses, commissions, incentive payments or severance, missed or interrupted meal periods, as well as interest, attorneys' fees, costs, expenses, liquidated damages, treble damages or damages of any kind relating to a wage and hour claim, to the maximum extent permitted by law.

(e) Nothing in this Section 3 or elsewhere in this Agreement (including but not limited to the accord & satisfaction, confidentiality, non-disparagement, and return of property provisions) (i) prevents you from filing a claim under the workers compensation, paid family and medical leave, or unemployment compensation statutes; (ii) limits or affects your right to challenge the validity of this Agreement under the ADEA or the Older Worker Benefits Protection Act; (iii) prevents you from filing a charge or complaint with or from participating in an investigation or proceeding conducted by the EEOC, the National Labor Relations Board, the Securities and Exchange Commission, or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information to such agencies; (iv) limits or affects your right to disclose or discuss sexual harassment or sexual assault disputes; or (v) prevents you from exercising your rights under Section 7 of the NLRA to engage in protected, concerted activity with other employees; although, by signing this Agreement you are waiving your right to recover any individual relief (including any backpay, frontpay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by you or on your behalf by any third party, except for any right you may have to receive an award from a government agency.

(f) For avoidance of doubt, and to ensure clarity, while you acknowledge not having raised a claim of sexual harassment or abuse with the Company, or asserted such a claim outside the Company, nothing in this Agreement waives your right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, or on the part of the agents or employees of the Company, whether because you are cooperating in an investigation or other legal proceeding on your own initiative or whether you have been required or requested to attend such an investigation or proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature.

4. Accord and Satisfaction: The amounts described in Sections 1 and 2 shall be complete and unconditional payment, accord and/or satisfaction with respect to all obligations and liabilities of the Company Releasees to you, including, without limitation, all claims for back wages, salary, vacation pay, draws, incentive pay, bonuses, stock and stock options, commissions, severance pay, reimbursement of expenses, any and all other forms of compensation or benefits, attorney's fees, or other costs or sums.

5. Company Files, Documents and Other Property: Other than as permitted in Section 3(e) and 3(f), you represent that you have returned to the Company all Company property and materials, including but not

limited to, (if applicable) personal computers, laptops, fax machines, scanners, copiers, cellular phones, Company credit cards and telephone charge cards, Company keys and passes, intangible information stored on hard drives or thumb drives, software passwords or codes, security passwords or codes, tangible copies of trade secrets and confidential information, names and addresses of Company customers, and any and all other information or property previously or currently held or used by you that is or was related to your employment with the Company (“Company Property”). You agree that in the event that you discover any other Company Property in your possession after the Termination Date of this Agreement you will immediately return such materials to the Company.

6. Future Conduct:

(a) The Employee Non-solicitation and Proprietary Information Agreement: By signing this Agreement you are acknowledging your post-employment obligations as set out in the Employee Non-solicitation and Proprietary Information Agreement you signed as a condition of being hired, and you are agreeing to comply, and representing you will comply, with those obligations.

(b) Confidentiality of this Agreement: Other than as permitted in Section 3(e) and 3(f) above, you agree that you shall not disclose, divulge or publish, directly or indirectly, any information regarding the amount of the severance and benefits agreed to in this Agreement to any person or organization other than (i) your immediate family, (ii) your accountants or attorneys when such disclosure is necessary for the accountants or attorneys to render professional services, (iii) to the taxing authorities, (iv) the unemployment compensation agency; or (v) when otherwise compelled by law.

7. Representations and Governing Law:

(a) This Agreement sets forth the complete and sole agreement between the parties and supersedes any and all other agreements or understandings, whether oral or written, between you and the Company. This Agreement may not be changed, amended, modified, altered, or rescinded except upon the express written consent of both the Company and you.

(b) If any provision of this Agreement, or part thereof, is held invalid, void, or voidable as against public policy or otherwise, the invalidity shall not affect other provisions, or parts thereof, which may be given effect without the invalid provision or part. To this extent, the provisions and parts thereof of this Agreement are declared to be severable. Any waiver of any provision of this Agreement shall not constitute a waiver of any other provision of this Agreement unless expressly so indicated otherwise in writing by the waiving party. The language of all parts of this Agreement shall in all cases be construed according to its fair meaning and not strictly for or against either of the parties.

(c) This Agreement and any claims arising out of this Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Massachusetts and shall in all respects be interpreted, enforced and governed under the internal and domestic laws of Massachusetts, without giving effect to the principles of conflicts of laws of such state. Any claims or legal actions by one party against the other may be commenced and maintained in state or federal court located in Massachusetts, and you hereby submit to the jurisdiction and venue of any such court.

(d) This Agreement does not constitute and shall not be construed as an admission by the Company that it has violated any law, interfered with any rights, breached any obligation or otherwise engaged in any improper or illegal conduct with respect to you, and the Company expressly denies that it has engaged in any such conduct.

(e) You may not assign any of your rights or delegate any of your duties under this Agreement. The rights and obligations of the Company shall inure to the benefit of the Company's successors and assigns.

(f) This Agreement may be signed by the Parties in one or more counterparts, each of which shall be an original and all of which shall together constitute one and the same instrument. Each counterpart may be delivered by facsimile transmission or e-mail (as a .pdf, .tif or similar un-editable attachment), which transmission shall be deemed delivery of an originally executed counterpart hereof. The Parties also agree that an electronic signature shall have the same effect as the use of a signature affixed by hand.

8. Effective Date: If this letter correctly states the agreement and understanding we have reached, please indicate your acceptance by countersigning the enclosed copy and returning it to me by **August 7, 2023**. You may revoke this Agreement for a period of seven (7) days after signing it. In order to revoke the Agreement, you must submit a written notice of revocation to Bill Montone located at 200 Summit Drive, Burlington, MA 01803 (William.Montone@Azenta.com).

Very truly yours,
Azenta, Inc.

By: /s/ William T. Montone
William T. Montone
Authorized Representative of Azenta, Inc.

I REPRESENT THAT I HAVE READ THE FOREGOING AGREEMENT, THAT I FULLY UNDERSTAND THE TERMS AND CONDITIONS OF SUCH AGREEMENT AND THAT I AM KNOWINGLY AND VOLUNTARILY EXECUTING THE SAME. IN ENTERING INTO THIS AGREEMENT, I DO NOT RELY ON ANY REPRESENTATION, PROMISE OR INDUCEMENT MADE BY THE COMPANY OR ITS REPRESENTATIVES WITH THE EXCEPTION OF THE CONSIDERATION DESCRIBED IN THIS DOCUMENT.

Accepted and Agreed to:

 /s/ Vandana Sriram
Vandana Sriram

Date: August 4, 2023

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Stephen S. Schwartz, certify that:

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

/s/ STEPHEN S. SCHWARTZ

Stephen S. Schwartz
Chief Executive Officer

Date: August 8, 2023

CERTIFICATION PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Lindon G. Robertson, certify that:

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

/s/ LINDON G. ROBERTSON

Lindon G. Robertson

Executive Vice President and Chief Financial Officer

Date: August 8, 2023

CERTIFICATION

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (Subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code)

Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of Section 1350, Chapter 63 of Title 18, United States Code), the undersigned officer of Azenta, Inc., a Delaware corporation (the "Company"), does hereby certify, to the best of such officer's knowledge and belief, that:

- (1) The Quarterly Report on Form 10-Q for the quarter ended June 30, 2023 of the Company fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in this Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: August 8, 2023

/s/ STEPHEN S. SCHWARTZ
Stephen S. Schwartz
Director and Chief Executive Officer
(Principal Executive Officer)

Dated: August 8, 2023

/s/ LINDON G. ROBERTSON
Lindon G. Robertson
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

A signed original of this written statement required by Section 906 has been provided to Azenta, Inc. and will be retained by Azenta, Inc. and furnished to the Securities and Exchange Commission or its staff upon request.
