# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**WASHINGTON, DC 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, 2024**

**OR**

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

**For the transition period from to**

**Commission File Number: 001-40538**

# ALPHA TEKNOVA, INC.
**(Exact name of registrant as specified in its charter)**

| | |
|---|---|
| **Delaware** | **94-3368109** |
| **(State or other jurisdiction of incorporation or organization)** | **(I.R.S. Employer Identification No.)** |
| **2451 Bert Dr.**<br>**Hollister, CA** | **95023** |
| **(Address of principal executive offices)** | **(Zip Code)** |

**(831) 637-1100**

**Registrant's telephone number, including area code**

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

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|---|---|---|
| Common Stock, par value $0.00001 per share | TKNO | 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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

| | | | |
|---|---|---|---|
| Large accelerated filer | ☐ | Accelerated filer | ☐ |
| Non-accelerated filer | ☒ | Smaller reporting company | ☒ |
| Emerging growth company | ☒ | | |

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

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

As of August 9, 2024, the registrant had 53,302,993 shares of common stock, $0.00001 par value per share, outstanding.

## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains forward-looking statements that involve substantial risks and uncertainties. All statements other than statements of historical facts contained in this Quarterly Report on Form 10-Q, including statements relating to our financial condition, results of operations, plans, objectives, future performance and business, are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "will," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "would," "potential," "likely," or "continue" or the negative of these terms or other similar expressions. Forward-looking statements contained in this Quarterly Report on Form 10-Q may include, but not be limited to, statements about:

- our recent history of losses and our ability to continue as a going concern;
- our ability to meet our publicly announced guidance or other expectations about our business;
- our future financial performance, including our revenue, costs of revenue, and operating expenses;
- our ability to achieve and grow profitability;
- our ability to expand our operations and increase capacity;
- our anticipated uses of cash in the short and long terms and the sufficiency of our sources of liquidity;
- our ability to defend against claims and mitigate adverse results from any legal proceedings against us and the merits of any claims or suits against us;
- our ability to limit our accounts receivable and credit risk exposure;
- our future investments, if any, in additional facilities to facilitate our expected growth;
- our future uses of capital to purse potential acquisitions, if any, that further or accelerate our strategy;
- our future use of equity or debt financings to execute our business strategy;
- our ability to take advantage of certain exemptions from various reporting requirements generally applicable to public companies;
- our expectations regarding the period during which we qualify as an emerging growth company under the Jumpstart Our Business Startups Act of 2012 (the JOBS Act);
- the impact of recent accounting pronouncements on our financial position, results of operations, or cash flows;
- any failure to maintain effective internal controls over financial reporting or fully remediate any weaknesses in our internal controls that may arise or be identified in the future;
- the impact of changes to our internal control over financial reporting, other than changes intended to remediate material weaknesses;
- the impact of any pandemic, epidemic, or outbreak of infectious disease (including COVID-19), natural disasters, geopolitical unrest, war (including in Ukraine or the Middle East), terrorism, public health issues or other catastrophic events may have on our business and our ability to actively manage our response to these types of events;
- our future adoption of critical accounting policies and estimates;
- our ability to increase the scale and capacity of, or otherwise effectively adjust, our manufacturing processes and systems in response to market demands;
- the impact of increased competition from additional companies entering the market and the availability of more advanced technologies in the market;
- the impact of global economic conditions on us and our customers;
- our ability to hire and retain key personnel;
- our ability to obtain capital on favorable terms, or at all;
- our ability to generate future revenue growth in market segments such as cell and gene therapy, liquid biopsy, and synthetic biology;
- the impact of inflation and increased costs on our operations, including materials, labor, and rising interest rates;

- our ability to use cash on hand to meet current and future financial obligations, including funding our operations, debt service requirements, and capital expenditures;
- the enforceability of our exclusive forum provisions in our amended and restated certificate of incorporation;
- our customers' sensitivity to product nonconformances, defects, and errors;
- the availability of exemption of our products from the requirements of the U.S. Food, Drug and Cosmetic Act (FDCA);
- our ability to secure and maintain a stable supply of raw materials in the future;
- our ability to maintain a corporate culture that contributes to our success;
- the marketability of our products across a wide range of markets and the probability of success or market opportunity in our target markets;
- regulatory developments in the United States and other countries;
- the impact of revenue recognition rules and other factors on our financial results;
- our ability to obtain, maintain, and enforce intellectual property protection for our current and future products, including our ability to protect our trade secrets, trademarks, and trade names; and
- the ongoing expenses associated with being a public company.

We caution you that the foregoing list may not contain all the forward-looking statements made in this Quarterly Report on Form 10-Q.

We have based the forward-looking statements contained in this Quarterly Report on Form 10-Q primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations, prospects, business strategy, and financial needs. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties, assumptions, and other factors described in the section titled "Risk Factors" in Part I, Item 1A, of our Annual Report on Form 10-K filed with the SEC on March 27, 2024 (the 2023 Annual Report on Form 10-K) and elsewhere in this Quarterly Report on Form 10-Q. These risks are not exhaustive. Other sections of this Quarterly Report on Form 10-Q include additional factors that could adversely impact our business and financial performance. Furthermore, new risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Quarterly Report on Form 10-Q. We cannot assure you that the results, events, and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events, or circumstances could differ materially from those described in the forward-looking statements.

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

The forward-looking statements made in this Quarterly Report on Form 10-Q relate only to events as of the date on which such statements are made. We undertake no obligation to update any forward-looking statements after the date of this Quarterly Report on Form 10-Q or to conform such statements to actual results or revised expectations, except as required by law.

Unless the context otherwise requires, the terms "Teknova," the "Company," "we," "us," and "our" in this Quarterly Report on Form 10-Q refer to Alpha Teknova, Inc.

**ALPHA TEKNOVA, INC.**

**Form 10-Q for the Quarter Ended June 30, 2024**

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## PART I – FINANCIAL INFORMATION

### Item 1. Condensed Financial Statements

**ALPHA TEKNOVA, INC.**
**Condensed Statements of Operations**
**(Unaudited)**
**(in thousands, except share and per share data)**

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Revenue | $ 9,614 | $ 11,527 | $ 18,904 | $ 20,648 |
| Cost of sales | 6,810 | 6,461 | 13,891 | 13,159 |
| Gross profit | 2,804 | 5,066 | 5,013 | 7,489 |
| Operating expenses: | | | | |
| Research and development | 678 | 1,464 | 1,538 | 2,859 |
| Sales and marketing | 1,456 | 2,174 | 3,123 | 4,517 |
| General and administrative | 5,483 | 5,943 | 12,864 | 13,288 |
| Amortization of intangible assets | 287 | 287 | 574 | 573 |
| Long-lived assets impairment | — | 2,195 | — | 2,195 |
| Total operating expenses | 7,904 | 12,063 | 18,099 | 23,432 |
| Loss from operations | (5,100) | (6,997) | (13,086) | (15,943) |
| Other expenses, net | | | | |
| Interest expense, net | (272) | (308) | (417) | (215) |
| Other income, net | — | 166 | — | 184 |
| Total other expenses, net | (272) | (142) | (417) | (31) |
| Loss before income taxes | (5,372) | (7,139) | (13,503) | (15,974) |
| (Benefit from) provision for income taxes | (8) | 15 | (42) | (3) |
| Net loss | $ (5,364) | $ (7,154) | $ (13,461) | $ (15,971) |
| Net loss per share—basic and diluted | $ (0.13) | $ (0.25) | $ (0.33) | $ (0.57) |
| Weighted average shares used in computing net loss per share—basic and diluted | 40,853,882 | 28,272,306 | 40,829,383 | 28,227,132 |

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

**ALPHA TEKNOVA, INC.**
**Condensed Balance Sheets**
**(Unaudited)**
**(in thousands, except share and per share data)**

| | As of June 30, 2024 | As of December 31, 2023 |
|---|---|---|
| **ASSETS** | | |
| Current assets: | | |
| Cash and cash equivalents | $ 18,596 | $ 28,484 |
| Accounts receivable, net of allowance for credit losses of $74 thousand and $20 thousand as of June 30, 2024 and December 31, 2023, respectively | 4,597 | 3,948 |
| Inventories, net | 10,987 | 11,594 |
| Prepaid expenses and other current assets | 1,104 | 1,634 |
| Total current assets | 35,284 | 45,660 |
| Property, plant, and equipment, net | 47,777 | 50,364 |
| Operating right-of-use lease assets | 16,981 | 16,472 |
| Intangible assets, net | 13,665 | 14,239 |
| Other non-current assets | 1,646 | 1,852 |
| Total assets | $ 115,353 | $ 128,587 |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current liabilities: | | |
| Accounts payable | $ 1,023 | $ 1,493 |
| Accrued liabilities | 3,498 | 5,579 |
| Current portion of operating lease liabilities | 1,881 | 1,803 |
| Current portion of long-term debt | 1,011 | — |
| Total current liabilities | 7,413 | 8,875 |
| Deferred tax liabilities | 875 | 919 |
| Other accrued liabilities | 54 | 102 |
| Long-term debt, net | 12,271 | 13,251 |
| Long-term operating lease liabilities | 15,812 | 15,404 |
| Total liabilities | 36,425 | 38,551 |
| Stockholders' equity: | | |
| Preferred stock, $0.00001 par value, 10,000,000 shares authorized at June 30, 2024 and December 31, 2023, respectively, zero shares issued and outstanding at June 30, 2024 and December 31, 2023 | — | — |
| Common stock, $0.00001 par value, 490,000,000 shares authorized at June 30, 2024 and December 31, 2023, 40,915,331 and 40,793,848 shares issued and outstanding at June 30, 2024 and December 31, 2023, respectively | — | — |
| Additional paid-in capital | 184,175 | 181,822 |
| Accumulated deficit | (105,247) | (91,786) |
| Total stockholders' equity | 78,928 | 90,036 |
| Total liabilities and stockholders' equity | $ 115,353 | $ 128,587 |

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

**ALPHA TEKNOVA, INC.**
**Condensed Statements of Stockholders' Equity**
**(in thousands, except share data)**
**(Unaudited)**

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares | Amount | | | |
| **Balance at April 1, 2024** | 40,823,387 | $ — | $ 183,261 | $ (99,883) | $ 83,378 |
| Stock-based compensation | — | — | 833 | — | 833 |
| Vesting of restricted stock units | 37,630 | — | — | — | — |
| Issuance of common stock under employee stock purchase plan | 54,314 | — | 81 | — | 81 |
| Net loss | — | — | — | (5,364) | (5,364) |
| **Balance at June 30, 2024** | 40,915,331 | $ — | $ 184,175 | $ (105,247) | $ 78,928 |

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares | Amount | | | |
| **Balance at April 1, 2023** | 28,190,192 | $ — | $ 155,910 | $ (63,823) | $ 92,087 |
| Stock-based compensation | — | — | 1,070 | — | 1,070 |
| Issuance of common stock upon exercise of stock options | 41,005 | — | 67 | — | 67 |
| Issuance of common stock under employee stock purchase plan | 82,034 | — | 138 | — | 138 |
| Vesting of restricted stock units | 28,071 | — | — | — | — |
| Net loss | — | — | — | (7,154) | (7,154) |
| **Balance at June 30, 2023** | 28,341,302 | $ — | $ 157,185 | $ (70,977) | $ 86,208 |

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

**ALPHA TEKNOVA, INC.**
**Condensed Statements of Stockholders' Equity**
**(in thousands, except share data)**
**(Unaudited)**

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares | Amount | | | |
| **Balance at January 1, 2024** | 40,793,848 | $ — | $ 181,822 | $ (91,786) | $ 90,036 |
| Issuance of common stock warrants | — | — | 132 | — | 132 |
| Stock-based compensation | — | — | 2,140 | — | 2,140 |
| Vesting of restricted stock units | 67,169 | — | — | — | — |
| Issuance of common stock under employee stock purchase plan | 54,314 | — | 81 | — | 81 |
| Net loss | — | — | — | (13,461) | (13,461) |
| **Balance at June 30, 2024** | 40,915,331 | $ — | $ 184,175 | $ (105,247) | $ 78,928 |

| | Common Stock | | Additional Paid-in Capital | Accumulated Deficit | Stockholders' Equity |
|---|---|---|---|---|---|
| | Shares | Amount | | | |
| **Balance at January 1, 2023** | 28,179,423 | $ — | $ 154,891 | $ (55,006) | $ 99,885 |
| Stock-based compensation | — | — | 2,080 | — | 2,080 |
| Issuance of common stock upon exercise of stock options | 51,774 | — | 76 | — | 76 |
| Issuance of common stock under employee stock purchase plan | 82,034 | — | 138 | — | 138 |
| Vesting of restricted stock units | 28,071 | — | — | — | — |
| Net loss | — | — | — | (15,971) | (15,971) |
| **Balance at June 30, 2023** | 28,341,302 | $ — | $ 157,185 | $ (70,977) | $ 86,208 |

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

**ALPHA TEKNOVA, INC.**
**Condensed Statements of Cash Flows**
**(Unaudited)**
**(in thousands)**

| | For the Six Months Ended June 30, 2024 | For the Six Months Ended June 30, 2023 |
|---|---|---|
| **Operating activities:** | | |
| Net loss | $ (13,461) | $ (15,971) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Bad debt expense | 56 | 8 |
| Inventory reserve | 896 | 33 |
| Depreciation and amortization | 3,262 | 2,427 |
| Stock-based compensation | 2,140 | 2,080 |
| Deferred taxes | (44) | (4) |
| Amortization of debt financing costs | 188 | 210 |
| Non-cash lease expense | 94 | 31 |
| Long-lived assets impairment | — | 2,195 |
| Loss on disposal of property, plant, and equipment | 49 | — |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | (705) | (319) |
| Contract assets | — | (1,050) |
| Inventories | (289) | 196 |
| Prepaid expenses and other current assets | 413 | 1,042 |
| Other non-current assets | 206 | 222 |
| Accounts payable | (389) | (1,362) |
| Accrued liabilities | (1,764) | (1,234) |
| Other | (48) | (44) |
| Cash used in operating activities | (9,396) | (11,540) |
| **Investing activities:** | | |
| Proceeds from sale of property, plant, and equipment | 125 | — |
| Purchases of property, plant, and equipment | (227) | (6,650) |
| Cash used in investing activities | (102) | (6,650) |
| **Financing activities:** | | |
| Proceeds from equity financing, net | (37) | — |
| Repayment of financed insurance premiums | (409) | — |
| Payment of debt issuance costs | (25) | (24) |
| Payment of at-the-market facility costs | — | (395) |
| Proceeds from exercise of stock options | — | 76 |
| Proceeds from issuance of common stock under employee stock purchase plan | 81 | 138 |
| Cash used in financing activities | (390) | (205) |
| Change in cash, cash equivalents, and restricted cash | (9,888) | (18,395) |
| Cash, cash equivalents, and restricted cash at beginning of period | 28,484 | 42,236 |
| Cash, cash equivalents, and restricted cash at end of period | $ 18,596 | $ 23,841 |
| Supplemental cash flow disclosures: | | |
| Income taxes paid | $ — | $ — |
| Interest paid, net of amounts capitalized | $ 770 | $ 630 |
| Capitalized property, plant, and equipment included in accounts payable and accrued liabilities | $ 99 | $ 920 |
| Issuance of common stock warrants | $ 132 | $ — |
| Recognition of operating right-of-use lease asset | $ 1,293 | $ (1,137) |
| Recognition of operating lease liabilities | $ 1,306 | $ (1,193) |

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

**ALPHA TEKNOVA, INC.**
**NOTES TO CONDENSED FINANCIAL STATEMENTS**
**(Unaudited)**

**Note 1. Nature of the Business**

Teknova produces critical reagents for the discovery, development, and commercialization of novel therapies, vaccines, and molecular diagnostics. Our product offerings include pre-poured media plates for cell growth and cloning; liquid cell culture media and supplements for cellular expansion; and molecular biology reagents for sample manipulation, resuspension, and purification. Teknova supports customers spanning the life sciences market, including pharmaceutical and biotechnology companies, contract development and manufacturing organizations, in vitro diagnostic franchises, and academic and government research institutions, with catalog and custom, made-to-order products.

Teknova manufactures its products at its Hollister, California, headquarters and stocks inventory of raw materials, components, and finished goods at that location. The Company ships products directly from its warehouse in Hollister to its customers and distributors.

**Note 2. Basis of Presentation and Summary of Significant Accounting Policies**

***Basis of Accounting, Presentation and Use of Estimates***

The accompanying unaudited condensed interim financial statements and related notes have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) and applicable rules and regulations of the Securities and Exchange Commission (SEC) regarding interim financial reporting. Certain information and footnote disclosures normally included in the financial statements prepared in accordance with GAAP have been condensed or omitted in accordance with such rules and regulations.

The unaudited condensed financial statements have been prepared on a basis consistent with the audited annual financial statements as of and for the year ended December 31, 2023, and, in the opinion of management, reflect all adjustments, consisting solely of normal recurring adjustments, necessary for the fair presentation of the results for the interim periods presented. The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain amounts of assets, liabilities, revenue, expenses, and related disclosures at the date of the financial statements and during the reporting period. Actual results may differ from those estimates.

These unaudited condensed financial statements should be read in conjunction with the Company's audited financial statements and the related notes thereto as of and for the year ended December 31, 2023, included in the Company's Annual Report on Form 10-K filed with the SEC on March 27, 2024 (the 2023 Annual Report on Form 10-K). Refer to "Notes to Financial Statements—Note 2. Summary of Significant Accounting Policies," within the 2023 Annual Report on Form 10-K for a full list of the Company's significant accounting policies. The information in those notes has not changed except as a result of normal adjustments in the interim period.

Teknova has determined that it operates in one reporting unit, one operating segment, and one reportable segment, as the Chief Operating Decision Maker (CODM) of the Company reviews financial information presented on a consolidated basis for purposes of making operating decisions, allocating resources, and evaluating financial performance.

***Going Concern***

Accounting Standards Codification (ASC) 205-40, *Presentation of Financial Statements—Going Concern*, requires management to evaluate an entity's ability to continue as a going concern for the twelve-month period following the date on which the financial statements are available for issuance. Management performed an assessment to determine whether there were conditions or events that, considered individually and in the aggregate, raised substantial doubt about the Company's ability to continue as a going concern for the twelve-month period following the date on which the accompanying unaudited financial statements are being issued.

Previous going concern assessments indicated negative conditions and events related to the Company's limited capital resources to fund ongoing operations and the Company's ability to comply with future financial covenants under the terms of the Amended Credit Agreement (defined in Note 10), both of which raised substantial doubt about the Company's ability to continue as a going concern as described in our 2023 Annual Report on Form 10-K. However, the Company was in compliance with its financial covenants under the terms of the Amended Credit Agreement as of June 30, 2024 and as a result of recent business improvements and actions taken by management in the current fiscal year to amend its credit agreement, reduce operating costs, and raise additional capital (as described further in Note 17), management believes that there is no longer substantial doubt about the Company's ability to continue as a going concern for the twelve-month period following the date on which the accompanying unaudited financial statements are being issued. Debt service requirements in the future require that the Company continues to execute its plans both in terms of operations and financial results. Additionally, unforeseen events or changes in assumptions may occur and result in material differences between the Company's future financial results or forecasts and the current financial forecast, and those differences could result in management concluding in the future that there is substantial doubt about the Company's ability to continue as a going concern based upon the new information.

***Reduction in Workforce***

On January 11, 2024, the Company carried out a reduction in workforce of approximately 35 positions, aimed at reducing operating expenses. The Company incurred $1.3 million of costs in connection with the reduction in workforce related to severance pay and other termination benefits. The costs associated with the reduction in workforce were recorded in the quarter ended March 31, 2024, in general and administrative expenses.

On February 1, 2023, the Company carried out a reduction in workforce of approximately 40 positions, aimed at reducing operating expenses. The Company incurred $0.7 million of costs in connection with the reduction in workforce related to severance pay and other termination benefits. The costs associated with the reduction in workforce were recorded in the quarter ended March 31, 2023, in general and administrative expenses.

***Warrants***

The Company accounts for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 480, *Distinguishing Liabilities from Equity* (ASC 480) and ASC 815, *Derivatives and Hedging* (ASC 815). The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of a liability pursuant to ASC 480, and whether the warrants meet all of the requirements for equity classification under ASC 815, including whether the warrants are indexed to the Company's own common stock, among other conditions for equity classification. This assessment, which requires the use of professional judgment, is conducted at the time of warrant issuance and as of each subsequent quarterly period end date while the warrants are outstanding.

***Accounting Pronouncements Not Yet Adopted***

In November 2023, the FASB issued Accounting Standards Update (ASU) 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*, which expands public entities' segment disclosures by requiring disclosure of significant segment expenses that are regularly provided to the CODM and included within each reported measure of segment profit or loss, an amount and description of its composition for other segment items, and interim disclosures of a reportable segment's profit or loss and assets. Additionally, all disclosure requirements under the guidance are also required for public entities with a single reportable segment. The amendments are effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Company is currently evaluating the impact of this standard to determine its impact on the Company's disclosures.

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*, which requires disclosure in the rate reconciliation table additional categories of information about federal, state and foreign income taxes and to provide more details about the reconciliation items in some categories if the items meet a quantitative threshold. The guidance also requires disclosure of income taxes paid, net of refunds, disaggregated by federal (national), state and foreign taxes for annual periods and to disaggregate the information by jurisdiction based on a quantitative threshold. The guidance is effective for fiscal years beginning after December 15, 2024. The Company is currently evaluating the impact of this standard to determine its impact on the Company's disclosures.

***Recent Securities and Exchange Commission (SEC) Final Rules Not Yet Adopted***

In March 2024, the SEC adopted final rules under SEC Release No. 33-11275, The Enhancement and Standardization of Climate-Related Disclosures for Investors, which requires registrants to provide certain climate-related information in their registration statements and annual reports. The rules require information about a registrant's climate-related risks that have materially impacted, or are reasonably likely to have a material impact on its business, results of operations, or financial condition. In addition, certain disclosures related to severe weather events and other natural conditions will be required in the registrant's audited financial statements. Disclosure requirements will begin phasing in for fiscal years beginning on or after January 1, 2025. On April 4, 2024, the SEC determined to voluntarily stay the final rules pending certain legal challenges. The Company is currently evaluating the impact of these new final rules on its financial statements and disclosures.

**Note 3. Revenue Recognition**

Teknova recognizes revenue from the sale of manufactured products and services when the Company transfers control of promised goods or services to customers, in an amount that reflects the consideration the Company expects to be entitled to in exchange for those goods or services. Control is transferred when the customer has the ability to direct the use of and obtain benefits from the goods or services. The majority of the Company's sales agreements contain performance obligations satisfied at a point in time when control is transferred to the customer.

Teknova's revenue, disaggregated by product category, was as follows (in thousands):

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Lab Essentials | $ 7,638 | $ 7,581 | $ 14,904 | $ 14,838 |
| Clinical Solutions | 1,565 | 3,653 | 3,283 | 5,262 |
| Other | 411 | 293 | 717 | 548 |
| Total revenue | $ 9,614 | $ 11,527 | $ 18,904 | $ 20,648 |

Teknova's revenue, disaggregated by geographic region, was as follows (in thousands):

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| United States | $ 9,228 | $ 11,075 | $ 18,098 | $ 19,801 |
| International | 386 | 452 | 806 | 847 |
| Total revenue | $ 9,614 | $ 11,527 | $ 18,904 | $ 20,648 |

**Note 4. Concentrations of Risk**

***Customers***

Customers who accounted for 10% or more of the Company's revenues and outstanding balance of accounts receivable and contract assets are presented as follows:

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | | As of | As of |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | June 30, 2024 | December 31, 2023 |
| Distributor customer A | 18% | 16% | 17% | 17% | 20% | 16% |
| Direct customer A | * | 24% | * | 13% | * | * |

* Represents less than 10%.

The Company's customers that are distributors, as opposed to direct customers, represent highly diversified customer bases.

***Suppliers***

Suppliers who accounted for 10% or more of the Company's inventory purchases and outstanding balance of accounts payable are presented as follows:

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | | As of | As of |
|---|---|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 | June 30, 2024 | December 31, 2023 |
| Distributor supplier A | 35% | 37% | 37% | 37% | 24% | 18% |
| Direct supplier A | 15% | 14% | 12% | 12% | * | * |
| Direct supplier B | 12% | 13% | 10% | * | * | * |
| Direct supplier C | * | 11% | * | * | * | * |
| Direct supplier D | * | * | * | * | 11% | * |

* Represents less than 10%.

The Company's suppliers that are distributors, as opposed to direct suppliers, represent highly diversified supplier bases.

**Note 5. Inventories, Net**

Inventories consisted of the following (in thousands):

| | As of June 30, 2024 | As of December 31, 2023 |
|---|---|---|
| Finished goods, net | $ 7,969 | $ 8,573 |
| Work in process | 140 | 47 |
| Raw materials, net | 2,878 | 2,974 |
| Total inventories, net | $ 10,987 | $ 11,594 |

**Note 6. Property, Plant, and Equipment, Net**

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

| | As of June 30, 2024 | As of December 31, 2023 |
|---|---|---|
| Machinery and equipment | $ 29,834 | $ 30,082 |
| Office furniture and equipment | 842 | 842 |
| Vehicles | 291 | 291 |
| Leasehold improvements | 24,726 | 24,673 |
| | 55,693 | 55,888 |
| Less—Accumulated depreciation | (10,104) | (7,528) |
| | 45,589 | 48,360 |
| Construction in progress | 2,188 | 2,004 |
| Total property, plant, and equipment, net | $ 47,777 | $ 50,364 |

For the three and six months ended June 30, 2024, depreciation expense was $1.3 million and $2.7 million, respectively, and for the three and six months ended June 30, 2023, depreciation expense was $1.0 million and $1.9 million, respectively.

Teknova capitalizes interest on funds borrowed to finance certain of its capital expenditures. Capitalized interest is recorded as part of an asset's cost and depreciated over the asset's useful life. For each of the three and six months ended June 30, 2024, capitalized interest costs were zero and for the three and six months ended June 30, 2023, capitalized interest costs were $0.3 million and $0.9 million, respectively.

**Note 7. Leases**

The Company leases office space, warehouse and manufacturing space, and equipment. The Company's lease agreements have remaining lease terms of one year to 13 years, and some of these leases have renewal and termination options exercisable at the Company's election. Terms and conditions to extend or terminate such leases are recognized as part of the right-of-use assets and lease liabilities where reasonably certain to be exercised. All of the Company's leases are operating leases.

The components of lease expense and other information related to leases were as follows (in thousands):

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Operating lease expense | $ 745 | $ 641 | $ 1,491 | $ 1,401 |
| Variable lease expense | 109 | 54 | 217 | 110 |
| Total lease expense | $ 854 | $ 695 | $ 1,708 | $ 1,511 |

Cash paid for amounts included in the measurement of the lease liabilities was $0.7 million and $1.4 million for the three and six months ended June 30, 2024, respectively, and cash paid for amounts included in the measurement of the lease liabilities was $0.7 million and $1.5 million for the three and six months ended June 30, 2023, respectively. The weighted-average discount rate was 4.9% and the weighted-average remaining lease term was 8.4 years as of June 30, 2024.

Maturities of operating lease liabilities at June 30, 2024 were as follows (in thousands):

| | Amount |
|---|---|
| Remainder of 2024 | $ 1,404 |
| 2025 | 2,569 |
| 2026 | 2,627 |
| 2027 | 2,631 |
| 2028 | 2,480 |
| Thereafter | 10,296 |
| Total lease payments | 22,007 |
| Less: imputed interest | (4,314) |
| Present value of lease liabilities | $ 17,693 |

**Note 8. Intangible Assets, Net**

The following is a summary of intangible assets with definite and indefinite lives (in thousands):

| | Balance at June 30, 2024 | | | Balance at December 31, 2023 | | |
|---|---|---|---|---|---|---|
| | Gross | Accumulated Amortization | Net | Gross | Accumulated Amortization | Net |
| Definite Lived: | | | | | | |
| Customer relationships | $ 9,180 | $ 6,265 | $ 2,915 | $ 9,180 | $ 5,691 | $ 3,489 |
| Indefinite Lived: | | | | | | |
| Tradename | 10,750 | — | 10,750 | 10,750 | — | 10,750 |
| Total intangible assets | $ 19,930 | $ 6,265 | $ 13,665 | $ 19,930 | $ 5,691 | $ 14,239 |

For each of the three months ended June 30, 2024 and 2023, amortization expense was $0.3 million and for each of the six months ended June 30, 2024 and 2023, amortization expense was $0.6 million.

As of June 30, 2024, the remaining weighted-average useful life of definite lived intangible assets was 2.5 years. The estimated future amortization expense of intangible assets with definite lives is as follows (in thousands):

| | Amount |
|---|---|
| Remainder of 2024 | $ 574 |
| 2025 | 1,148 |
| 2026 | 1,148 |
| 2027 | 45 |
| Estimated future amortization expense of definite-lived intangible assets | $ 2,915 |

**Note 9. Accrued Liabilities**

Accrued liabilities were comprised of the following (in thousands):

| | As of June 30, 2024 | As of December 31, 2023 |
|---|---|---|
| Payroll-related | $ 2,080 | $ 3,826 |
| Property, plant, and equipment | 92 | — |
| Deferred revenue | 24 | 16 |
| Insurance premiums and accrued interest | — | 409 |
| Loss contingency accrual | 373 | 300 |
| Other | 929 | 1,028 |
| Total current accrued liabilities | $ 3,498 | $ 5,579 |

**Note 10. Long-term Debt, Net**

On March 8, 2024, the Company entered into limited waivers and amendments (collectively Amendment No. 5) to (i) the May 10, 2022, Amended and Restated Credit and Security Agreement (Term Loan), as amended on November 8, 2022, March 28, 2023, July 13, 2023, and September 19, 2023 and (ii) the May 10, 2022, Amended and Restated Credit and Security Agreement (Revolving Loan) as amended on November 8, 2022, March 28, 2023, July 13, 2023 and September 19, 2023 (together, the Amended

Credit Agreement), in each case with the Company as borrower and with MidCap Financial Trust (MidCap) as agent and lender, and the additional lenders from time to time party thereto.

Amendment No. 5 modifies the credit facility established under the Amended Credit Agreement, which provided for a $57.1 million credit facility (the Credit Facility) consisting of a $52.1 million senior secured term loan (the Term Loan) and a $5.0 million working capital facility (the Revolver).

The interest on the Term Loan is based on the forward-looking one-month term Secured Overnight Financing Rate adjusted upward by 0.10% (Term SOFR) plus an applicable margin of 7.00%, subject to a Term SOFR floor of 4.50%. If any advance under the Term Loan is prepaid at any time, a prepayment fee is based on the amount being prepaid and an applicable percentage amount, such as 4%, 3%, or 1%, based on the date the prepayment is made. Interest on an outstanding balance of the Revolver is payable monthly in arrears at an annual rate of Term SOFR plus an applicable margin of 4.00%, subject to a Term SOFR floor of 4.50%.

The Amended Credit Agreement includes minimum net revenue requirements that are measured on a trailing twelve-month basis and a minimum cash requirement. Amendment No. 5 reduced the minimum net revenue requirements for future periods up to and including for the twelve months ending December 31, 2024—for example, the Company’s minimum net revenue requirement was reduced for the twelve months ending December 31, 2024, from $42.0 million to $34.0 million. Amendment No. 5 also removed those requirements for the periods ending January 31, 2025 through December 31, 2025, instead requiring that for each applicable twelve-month period ending after December 31, 2024, the Company’s minimum net revenue requirement will be determined by MidCap in its reasonable discretion in consultation with the Company’s senior management and based on financial statements and projections delivered to MidCap in accordance with the financial reporting requirements in the Amended Credit Agreement, so long as the minimum net revenue requirements for those periods shall not be less than the greater of (x) the applicable minimum net revenue requirement for the twelve-month period ending on the last day of the immediately preceding month and (y) $34.0 million. In addition, Amendment No. 5 also removed the advance rate for finished goods inventory in the determination of the borrowing base for the Revolving Loan and increased the minimum cash requirement from $9.0 million to $10.0 million. Finally, Amendment No. 5 conditions the next borrowing under the Revolving Loan on the Company achieving net revenue for the preceding twelve-month period of at least $38.0 million down from $45.0 million. As a condition to the effectiveness of Amendment No. 5, the Company also issued equity-classified warrants with a fair value of $0.1 million as described further in “Note 11. Stockholder’s Equity.” These warrants were recorded as additional debt issuance costs, which are being amortized to interest expense over the term of the Amended Credit Agreement using the effective interest method.

The maturity date of the Credit Facility is May 1, 2027. On the date of termination of the Term Loan or the date on which the obligations under the Term Loan become due and payable in full, the Company will pay an exit fee in an amount equal to 9.00% of the total aggregate principal amount of term loans made pursuant to the Term Loan (including amendments thereto) as of such date. All loans issued under the Credit Facility are collateralized by the Company’s assets.

Long-term debt, net consisted of the following (in thousands):

| | As of June 30, 2024 | As of December 31, 2023 |
|---|---|---|
| Term Loan | $ 12,135 | $ 12,135 |
| Cumulative accretion of exit fee | 1,401 | 1,261 |
| Unamortized debt discount and debt issuance costs | (254) | (145) |
| Total debt | 13,282 | 13,251 |
| Less: Current portion of long-term debt | (1,011) | — |
| Long-term debt, net of current portion | $ 12,271 | $ 13,251 |

At June 30, 2024, the scheduled maturities of the Company's debt obligations were as follows (in thousands):

| | Amount |
|---|---|
| Remainder of 2024 | $ — |
| 2025 | 3,539 |
| 2026 | 6,068 |
| 2027 | 2,528 |
| Total | $ 12,135 |

As of June 30, 2024, the fair value of the Company’s debt approximated its carrying value. The fair value of the Company’s debt was based on observable market inputs (Level 2).

## Note 11. Stockholders’ Equity

### *At-the-Market Facility*

On March 30, 2023, the Company entered into a sales agreement (the ATM Facility) with Cowen and Company, LLC (Cowen), under which the Company may offer and sell, from time to time, shares of its common stock having aggregate gross proceeds of up to $50.0 million. The issuance and sale of these shares pursuant to the ATM Facility are deemed “at the market” offerings as defined in Rule 415 under the Securities Act of 1933, as amended (the Securities Act), and are registered under the Securities Act. The Company will pay a commission of up to 3.0% of gross sales proceeds of any common stock sold under the ATM Facility. The aggregate market value of shares eligible for sale under the ATM Facility will be subject to the limitations of General Instruction I.B.6 of Form S-3, to the extent required under such instruction.

### *Warrants to Purchase Common Stock*

On March 8, 2024, as a condition to the effectiveness of Amendment No. 5, the Company issued to MidCap Funding XXVII a warrant to purchase up to an aggregate of 125,000 shares (the Common Warrant) of common stock with an exercise price of $2.9934 per share, subject to adjustment as provided therein. The Common Warrant is exercisable immediately, and will expire on the earlier to occur of the (i) expiration of the Common Warrant pursuant to Section 1.6 thereof, or (ii) tenth (10th) anniversary of the Issue Date (as defined therein). The exercise price and number of shares of common stock issuable upon the exercise of the Common Warrant will be subject to adjustment in the event of any stock dividend, stock split, recapitalization, reorganization, or similar transaction, as described in the Common Warrant. MidCap may exercise the Common Warrant for cash or by means of a “cashless exercise.”

The Company determined that the Common Warrant is not a liability within the scope of ASC 480, but met the requirements to be classified within stockholders’ equity, because the warrant is indexed to the Company’s own stock and met all of the conditions for equity classification in accordance with ASC 815. Accordingly, the warrants were recorded as a component of additional paid-in capital in the statements of stockholders’ equity at the time of issuance. The Common Warrant was valued using the Black-Scholes option pricing model with the following assumptions: (i) fair value of common stock of $2.8500, (ii) exercise price of $2.9934, (iii) term of 5 years, (iv) dividend rate of 0%, (v) volatility of 36.70%, and (vi) risk free interest rate of 4.06%.

## Note 12. Stock-Based Compensation

### *Equity Incentive Plans*

The Company maintains a stock incentive plan that permits the granting of incentive stock options or nonqualified stock options, stock appreciation rights, restricted stock awards, restricted stock unit awards, performance awards, and other stock-based awards. The equity-based awards for employees will generally vest over a four-year period, pursuant to two different vesting schedules. For initial equity-based awards granted to employees, the first vest is generally a one-year cliff vest, followed by monthly vesting for the final three years. Thereafter, annual equity-based awards granted to employees typically vest monthly over the four-year vest term. The initial equity-based awards granted to the Company’s non-employee, independent directors upon appointment to the board of directors will vest over a three-year period, with the first vest being a one-year cliff, followed by monthly vesting over the remaining two years. Thereafter, annual equity-based awards granted to the Company’s non-employee, independent directors will cliff vest after one year from the date of grant.

*Stock Options*

The following table summarizes the stock option activity for the six months ended June 30, 2024 (in thousands, except share and per share data):

| | Number of Shares | Weighted Average Exercise Price per Share | Weighted Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding at January 1, 2024 | 4,041,807 | $ 6.41 | 7.53 | $ 5,159 |
| Granted | 727,500 | $ 2.85 | | |
| Exercised | — | $ — | | |
| Forfeited | (425,900) | $ 9.57 | | |
| Expired | (315,750) | $ 11.94 | | |
| Outstanding at June 30, 2024 | 4,027,657 | $ 5.00 | 7.37 | $ 1,005 |
| Exercisable at June 30, 2024 | 2,177,898 | $ 5.10 | 6.71 | $ 708 |
| Vested and expected to vest at June 30, 2024 | 3,742,975 | $ 5.35 | 7.58 | $ 744 |

The weighted average assumptions used in the Black-Scholes pricing model for stock options granted during the three and six months ended June 30, 2024, were as follows:

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Estimated dividend yield | n/a | -% | -% | -% |
| Weighted-average expected stock price volatility | n/a | 35.35% | 35.91% | 35.04% |
| Weighted-average risk-free interest rate | n/a | 3.47% | 4.33% | 4.11% |
| Expected average term of options (in years) | n/a | 6.25 | 6.25 | 6.25 |
| Weighted-average fair value of common stock | n/a | $ 1.97 | $ 2.85 | $ 5.37 |
| Weighted-average fair value per option | n/a | $ 0.81 | $ 1.24 | $ 2.28 |

n/a = Not applicable as there were no stock options granted during the quarter.

*Restricted Stock*

The following table summarizes the restricted stock unit activity for the six months ended June 30, 2024 (in thousands, except share and per share data):

| | Number of Shares | Weighted Average Grant Date Fair Value per Share | Weighted Average Remaining Contractual Term (in years) | Aggregate Intrinsic Value (in thousands) |
|---|---|---|---|---|
| Outstanding at January 1, 2024 | 155,780 | $ 5.05 | 1.36 | $ 581 |
| Granted | 60,000 | $ 1.29 | | |
| Vested | (67,169) | $ 4.58 | | |
| Forfeited | (21,000) | $ 5.41 | | |
| Outstanding at June 30, 2024 | 127,611 | $ 3.47 | 1.34 | $ 175 |
| Vested and expected to vest at June 30, 2024 | 127,611 | $ 3.47 | 1.34 | $ 175 |

***Employee Stock Purchase Plan***

The Company also maintains an employee stock purchase plan (ESPP) that authorizes the issuance of shares of common stock pursuant to purchase rights granted to eligible employees. Unless otherwise determined by the Company’s board of directors, shares of the Company’s common stock will be purchased for the accounts of employees participating in the Company’s ESPP at a price per share equal to the lesser of (i) 85% of the fair market value of a share of the Company’s common stock on the first day of an offering; or (ii) 85% of the fair market value of a share of the Company’s common stock on the date of purchase. Offering periods are generally six months long; offering periods begin on June 1 and December 1 of each year. The Company issued 54,314 shares of common stock under the ESPP during the three and six months ended June 30, 2024 and 82,034 shares of common stock under the ESPP during the three and six months ended June 30, 2023.

***Repricing of Outstanding and Unexercised Options***

In January 2024, the Company's board of directors approved a one-time repricing of certain previously granted and still outstanding vested and unvested stock option awards held by eligible employees, executive officers, and non-employee directors. As a result, the exercise price for these awards will be lowered to $2.97 per share, which was the closing price of the Company's common stock as reported on the Nasdaq Global Stock Market on March 14, 2024, so long as the holder remains employed by the Company or continues to serve as a member of the board of directors through September 14, 2025 absent earlier trigger events defined in the option repricing plan. No other terms of the stock options were modified, and the stock options will continue to vest according to their original vesting schedules and will retain their original expiration dates. As a result of the repricing, 1,631,016 vested and unvested stock options outstanding as of March 14, 2024, with original exercise prices ranging from $3.02 to $27.49, were repriced.

The repricing on March 14, 2024 resulted in incremental stock-based compensation expense of $0.9 million, of which $0.5 million related to vested stock option awards and was expensed on the repricing date. The remaining $0.4 million related to unvested stock option awards and is being amortized on a straight-line basis over the weighted-average vesting period of those awards of approximately 2.38 years as of March 14, 2024.

***Stock-Based Compensation Expense***

Stock-based compensation expense included in the accompanying condensed financial statements was as follows (in thousands):

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Cost of sales | $ 30 | $ 40 | $ 79 | $ 76 |
| Research and development | 17 | 40 | 47 | 77 |
| Sales and marketing | 33 | 172 | 129 | 324 |
| General and administrative | 753 | 818 | 1,885 | 1,603 |
| Total stock-based compensation expense | $ 833 | $ 1,070 | $ 2,140 | $ 2,080 |

Stock-based compensation expense related to stock options was $0.8 million and $2.0 million for the three and six months ended June 30, 2024, respectively, and $1.0 million and $1.9 million for the three and six months ended June 30, 2023, respectively. Unrecognized compensation expense related to stock options was $4.6 million at June 30, 2024, which is expected to be recognized as expense over the weighted-average period of 3.05 years.

Stock-based compensation expense related to restricted stock units was $0.1 million for each of the three and six months ended June 30, 2024, and $0.1 million and $0.2 million for the three and six months ended June 30, 2023, respectively. Unrecognized compensation expense related to restricted stock units was $0.4 million at June 30, 2024, which is expected to be recognized as expense over the weighted-average period of 1.87 years.

Stock-based compensation expense related to the ESPP was not significant in either of the three or six months ended June 30, 2024 and 2023. Total compensation cost related to the ESPP not yet recognized was not significant at June 30, 2024. As of June 30, 2024, an insignificant amount has been withheld on behalf of employees for future purchases under the ESPP.

**Note 13. Income Taxes**

For the three months ended June 30, 2024 the Company's income tax benefit was not significant, compared to the three months ended June 30, 2023, when the Company also recorded a minimal income tax provision. The effective tax rates for the three months ended June 30, 2024 and 2023 were 0.1% and (0.2)%, respectively. The effective tax rates differ from the federal statutory rate primarily due to operating losses not expected to produce an income tax benefit.

For each of the six months ended June 30, 2024 and 2023, the Company's income tax benefit was not significant. The effective tax rates for the six months ended June 30, 2024 and 2023 were 0.3% and 0.0%, respectively. The effective tax rates differ from the federal statutory rate primarily due to operating losses not expected to produce an income tax benefit.

The Company had insignificant unrecognized tax benefits as of June 30, 2024 and 2023. The Company recognizes interest and penalties accrued on any unrecognized tax benefits as a component of income tax expense. The Company does not expect the balance of unrecognized tax benefits to change significantly over the next twelve months. The Company has not accrued interest or penalties related to uncertain tax positions as of June 30, 2024 or 2023.

**Note 14. Net Loss Per Share**

Basic net loss per share is computed by dividing net loss by the weighted-average number of shares of common stock outstanding during the period. Diluted net loss per share is computed by giving effect to all potentially dilutive common stock equivalents to the extent they are dilutive. For purposes of this calculation, stock options, restricted stock units, employee stock purchase rights, and warrants to purchase common stock, are considered to be common stock equivalents but have been excluded from the calculation of diluted net loss per share as their effect is anti-dilutive for all periods presented.

The following table sets forth the computation of basic and diluted net loss per share (in thousands, except share and per share data):

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Net loss | $ (5,364) | $ (7,154) | $ (13,461) | $ (15,971) |
| Weighted average shares used in computing net loss per share—basic and diluted | 40,853,882 | 28,272,306 | 40,829,383 | 28,227,132 |
| Net loss per share—basic and diluted | $ (0.13) | $ (0.25) | $ (0.33) | $ (0.57) |

The following is a summary of the common stock equivalents for the securities outstanding during the respective periods that have been excluded from the computation of diluted net loss per common share, as their effect would be anti-dilutive:

| | For the Three Months Ended June 30, | | For the Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2024 | 2023 | 2024 | 2023 |
| Employee share-based awards to purchase common stock | 4,109,249 | 4,106,421 | 4,020,965 | 3,991,641 |
| Warrants to purchase common stock | 125,000 | — | 78,984 | — |

**Note 15. Related Parties**

The Company has identified Meeches LLC (Meeches) as a related party through common control. Meeches is controlled by Ted Davis and Irene Davis, whereas Irene Davis is a former officer and current director, Ted Davis is a founder and former director, and both are greater than five percent stockholders of the Company. Prior to May 16, 2023, the Company leased certain real property in Mansfield, Massachusetts, from Meeches. For each of the three and six months ended June 30, 2024, the Company did not make any lease payments to Meeches. For the three and six months ended June 30, 2023, the Company paid Meeches lease payments that were not significant and $0.1 million, respectively.

**Note 16. Contingencies**

From time to time, we may become involved in lawsuits and other claims arising from our ordinary course of business. The Company regularly evaluates its exposure to threatened or pending litigation and other business contingencies. Because of the uncertainties related to the amount of loss from litigation and other business contingencies, the recording of losses relating to such exposures requires significant judgment about the potential range of outcomes. We establish loss provisions for matters in which losses are probable and can be reasonably estimated. If a loss is not both probable and reasonably estimable, or if an exposure to loss exists in excess of the amount accrued, the Company assesses whether there is at least a reasonable possibility that a loss, or additional loss, may have been incurred. If there is a reasonable possibility that a loss, or additional loss, may have been incurred, the Company will disclose the estimate of the possible loss or range of loss if it is material and an estimate can be made, or disclose that such an estimate cannot be made. The determination as to whether a loss can reasonably be considered to be possible or probable is based on our assessment, together with legal counsel, regarding the ultimate outcome of the matter. As additional information about current or future litigation or other contingencies becomes available, the Company will assess whether adjustments should be made to legal accruals.

In August 2023, a former Teknova employee filed a claim with the California Labor and Workforce Development Agency alleging various causes of action under California's labor, wage, and hour laws. The plaintiff generally alleged that Teknova did not appropriately calculate and pay meal break premiums and otherwise failed to calculate and pay appropriate overtime wages or bonuses to certain of its California non-exempt employees. As of December 31, 2023, the Company has accrued its best estimate of potential loss related to a possible settlement of the claims of the former employee and other employees who may assert similar claims, in the amount of $0.3 million, which is included within "Accrued liabilities" on the Balance Sheet. On June 6, 2024, a mediation took place, in the course of which Teknova agreed to settle the plaintiff's claims for $0.4 million (the Settlement), resulting in an incremental accrual of $0.1 million during the three months ended June 30, 2024. Because the plaintiff brought his claims on behalf of himself as an individual and as a representative of a purported class of others similarly situated, a court must approve the Settlement before

Teknova will pay any amounts pursuant to the Settlement. As of June 30, 2024, the Company has therefore accrued $0.4 million within "Accrued liabilities" on the Balance Sheet.

**Note 17. Subsequent Events**

On July 8, 2024, the Company entered into a financing agreement with First Insurance Funding for the financing of the Company's D&O liability insurance and related policies. Under the terms of the financing agreement, the Company will pay a total of $0.6 million in premiums, taxes and fees, plus interest at an annual percentage rate of 8.49% in seven monthly separate installment payments commencing on July 25, 2024.

On July 11, 2024, the Company entered into a securities purchase agreement (the Purchase Agreement) and a registration rights agreement in connection with a private placement (the Offering) with certain accredited investors. Pursuant to the Purchase Agreement, the Company agreed to offer and sell in the Offering 12,385,883 shares of the Company's common stock, $0.00001 par value per share, at an offering price of $1.24 per Share. The Company's controlling stockholder, Telegraph Hill Partners Management Company LLC, through its affiliates Telegraph Hill Partners V, L.P. and THP V Affiliates Fund LLC, the Company's President and Chief Executive Officer and a member of its board of directors, Stephen Gunstream, and the Company's Chief Financial Officer, Matthew Lowell, participated in the Offering and purchased an aggregate of 12,217,740 shares. The Company received aggregate gross proceeds of approximately $15.4 million from the Offering, before deducting offering expenses payable by the Company. The Offering closed on July 12, 2024.

**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 condensed financial statements and related notes thereto included in Part I, Item I of this Quarterly Report on Form 10-Q and with our audited financial statements and related notes thereto for the year ended December 31, 2023, included in the 2023 Annual Report on Form 10-K (the 2023 Annual Report on Form 10-K) filed on March 27, 2024, with the Securities and Exchange Commission (SEC). For a discussion of factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis and elsewhere in this Quarterly Report on Form 10-Q, you should review the risk factors identified in Part I, Item 1A, Risk Factors, of our 2023 Annual Report on Form 10-K and in Item 1A, Risk Factors, of this Quarterly Report on Form 10-Q.*

*As in Item 1. of this Quarterly Report on Form 10-Q, in this Item 2, unless the context otherwise requires, the terms "Teknova," the "Company," "we," "us," and "our" refer to Alpha Teknova, Inc.*

**Overview**

Since our founding in 1996, we have been producing critical reagents for the discovery, development, and commercialization of novel therapies, vaccines, and molecular diagnostics. Our more than 2,500 active customers span the entire continuum of the life sciences market, including leading pharmaceutical and biotechnology companies, contract development and manufacturing organizations, in vitro diagnostics franchises, and academic and government research institutions. Our Company is built around our knowledge, methods, and know-how in our proprietary manufacturing processes, which are highly adaptable and configurable. These proprietary processes enable us to manufacture and deliver high-quality, custom, made-to-order products with short turnaround times and at scale, across all stages of our customers' product development, from early research through commercialization.

We have two primary product categories: Lab Essentials and Clinical Solutions. We offer three primary product types: (i) pre-poured media plates for cell growth and cloning; (ii) liquid cell culture media and supplements for cellular expansion; and (iii) molecular biology reagents for sample manipulation, resuspension, and purification. Our liquid cell culture media and supplements and molecular biology reagents are available in both of our two product categories; pre-poured media plates are available in our Lab Essentials category only.

We are ISO 13485:2016 certified, enabling us to manufacture products for use in diagnostic and therapeutic applications. Our certification allows us to offer solutions across the entire customer product development workflow, supporting our customers' need for materials in greater volume and that meet increasingly stringent quality requirements as they scale from research to commercialization.

We manufacture our products at our Hollister, California, headquarters and stock inventory of raw materials, components, and finished goods at that campus. We rely on a limited number of suppliers for certain raw materials, and we have no long-term supply arrangements with our suppliers, as we order on a purchase order basis. We ship our products directly from our warehouse in Hollister, California, to our customers and distributors, generally pursuant to purchase orders. We typically recognize revenue when products are shipped.

We generated revenue of $9.6 million during the three months ended June 30, 2024, which represents a decrease of $1.9 million compared to revenue of $11.5 million during the three months ended June 30, 2023. For the three months ended June 30, 2024 and 2023, only 4.0% and 3.9%, respectively, of our revenue was generated from customers located outside of the United States. We generated revenue of $18.9 million during the six months ended June 30, 2024, which represents a decrease of $1.7 million compared to revenue of $20.6 million during the six months ended June 30, 2023. Excluding revenue of $2.7 million from a single large Clinical Solutions order that was delivered during the three and six months ended June 30, 2023, total revenue was up 9% and 5% for the three and six months ended June 30, 2024, compared to the three and six months ended June 30, 2023, respectively. For the six months ended June 30, 2024 and 2023, only 4.3% and 4.1%, respectively, of our revenue was generated from customers located outside of the United States. Our sales outside of the United States are denominated in U.S. Dollars.

We had an operating loss of $5.1 million during the three months ended June 30, 2024, compared to an operating loss of $7.0 million during the three months ended June 30, 2023. We had an operating loss of $13.1 million during the six months ended June 30, 2024, compared to an operating loss of $15.9 million during the six months ended June 30, 2023. While our expenses may fluctuate over the short term, we expect our expenses will continue to increase in future periods, but at a slower rate, in connection with our ongoing activities as we:

- attract, hire, and retain qualified personnel;
- invest in processes and infrastructure to improve operating efficiency and expand capacity at our facilities, including the ramp up of our new, state-of-the-art manufacturing, warehouse, and distribution facilities; and
- build our brand and market, and sell our products and services.

**Impact of Broader Economic Trends on Our Business**

We are closely monitoring economic uncertainty in the U.S. and abroad. General inflation in the U.S. has risen to levels not experienced in recent decades. General inflation, including rising prices for our raw materials and other inputs, as well as rising salaries and other expenses, negatively impact our business by increasing our cost of sales and operating expenses. In addition, the U.S. Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation. Inflation, together with increased interest rates, may cause our customers to reduce, delay, or cancel orders for our goods and services, thereby causing a decrease in or change in timing of sales of our products and services. We cannot predict the impact of future inflation and interest rate increases on the results of our operations. For further information regarding the impact of these economic factors on the Company, please see the risk factors identified in Part I, Item 1A, Risk Factors, of our 2023 Annual Report on Form 10-K.

**Results of Operations**

***Comparison of the Three Months Ended June 30, 2024, and Three Months Ended June 30, 2023***

The following tables set forth our results of operations for the three months ended June 30, 2024 and 2023 (dollars in thousands):

| | For the Three Months Ended June 30, 2024 | 2023 | $ Change | % Change |
|---|---|---|---|---|
| Revenue | $ 9,614 | $ 11,527 | $ (1,913) | (16.6)% |
| Cost of sales | 6,810 | 6,461 | 349 | 5.4% |
| Gross profit | 2,804 | 5,066 | (2,262) | (44.7)% |
| Operating expenses: | | | | |
| Research and development | 678 | 1,464 | (786) | (53.7)% |
| Sales and marketing | 1,456 | 2,174 | (718) | (33.0)% |
| General and administrative | 5,483 | 5,943 | (460) | (7.7)% |
| Amortization of intangible assets | 287 | 287 | — | — |
| Long-lived assets impairment | — | 2,195 | (2,195) | (100.0)% |
| Total operating expenses | 7,904 | 12,063 | (4,159) | (34.5)% |
| Loss from operations | (5,100) | (6,997) | 1,897 | (27.1)% |
| Other expenses, net | | | | |
| Interest expense, net | (272) | (308) | 36 | (11.7)% |
| Other income, net | — | 166 | (166) | 100.0% |
| Total other expenses, net | (272) | (142) | (130) | 91.5% |
| Loss before income taxes | (5,372) | (7,139) | 1,767 | (24.8)% |
| (Benefit from) provision for income taxes | (8) | 15 | (23) | (153.3)% |
| Net loss | $ (5,364) | $ (7,154) | $ 1,790 | (25.0)% |

***Revenue***

Our revenue disaggregated by product category for the three months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Three Months Ended June 30, 2024 | 2023 | $ Change | % Change |
|---|---|---|---|---|
| Lab Essentials | $ 7,638 | $ 7,581 | $ 57 | 0.8% |
| Clinical Solutions | 1,565 | 3,653 | (2,088) | (57.2)% |
| Other | 411 | 293 | 118 | 40.3% |
| Total revenue | $ 9,614 | $ 11,527 | $ (1,913) | (16.6)% |

Total revenue was $9.6 million and $11.5 million for the three months ended June 30, 2024 and 2023, respectively. Excluding revenue of $2.7 million from a single large Clinical Solutions order that was delivered during the three months ended June 30, 2023, total revenue was up 9% and Clinical Solutions revenue was up 66%.

Lab Essentials revenue was $7.6 million in each of the three months ended June 30, 2024 and 2023. Lab Essentials revenue was consistent as an increase in number of customers was offset by a similar decline in average revenue per customer.

Clinical Solutions revenue was $1.6 million for the three months ended June 30, 2024, a decrease of $2.1 million, or 57.2%, compared to $3.7 million for the three months ended June 30, 2023. The decrease in Clinical Solutions revenue was attributable to lower average revenue per customer, partially offset by an increased number of customers.

Our revenue disaggregated by geographic region, for the three months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Three Months Ended June 30, 2024 | For the Three Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| United States | $ 9,228 | $ 11,075 | $ (1,847) | (16.7)% |
| International | 386 | 452 | (66) | (14.6)% |
| Total revenue | $ 9,614 | $ 11,527 | $ (1,913) | (16.6)% |

Revenue from U.S. sales was $9.2 million and $11.1 million for the three months ended June 30, 2024 and 2023, respectively. Revenue from U.S. sales as a percentage of our total revenue was consistent period over period, representing 96.0% and 96.1% of our total revenue during the three months ended June 30, 2024 and 2023, respectively.

Revenue from international sales was $0.4 million and $0.5 million for the three months ended June 30, 2024 and 2023, respectively. Revenue from international sales as a percentage of our total revenue was also consistent, representing 4.0% and 3.9% of our total revenue during the three months ended June 30, 2024 and 2023, respectively.

***Gross profit***

Our gross profit for the three months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Three Months Ended June 30, 2024 | For the Three Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Cost of sales | $ 6,810 | $ 6,461 | $ 349 | 5.4% |
| Gross profit | 2,804 | 5,066 | (2,262) | (44.7)% |
| Gross profit % | 29.2% | 43.9% | | |

Gross profit percentage was 29.2% and 43.9% for the three months ended June 30, 2024 and 2023, respectively. The decrease in gross profit percentage was primarily driven by lower Clinical Solutions revenue and increased overhead costs, largely depreciation expense following the completion of our new manufacturing facility in the prior year, partially offset by reduced headcount.

***Operating expenses***

Our operating expenses for the three months ended June 30, 2024 and 2023, were as follows (dollars in thousands):

| | For the Three Months Ended June 30, 2024 | For the Three Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Research and development | $ 678 | $ 1,464 | $ (786) | (53.7)% |
| Sales and marketing | 1,456 | 2,174 | (718) | (33.0)% |
| General and administrative | 5,483 | 5,943 | (460) | (7.7)% |
| Amortization of intangible assets | 287 | 287 | — | — |
| Long-lived assets impairment | — | 2,195 | (2,195) | (100.0)% |
| Total operating expenses | $ 7,904 | $ 12,063 | $ (4,159) | (34.5)% |

Research and development expenses were $0.7 million and $1.5 million for the three months ended June 30, 2024 and 2023, respectively. The decrease was primarily driven by reduced headcount and supplies expense.

Sales and marketing expenses were $1.5 million and $2.2 million for the three months ended June 30, 2024 and 2023, respectively. The decrease was primarily driven by reduced headcount.

General and administrative expenses were $5.5 million and $5.9 million for the three months ended June 30, 2024 and 2023, respectively. The decrease was driven by reduced headcount and spending, primarily on professional fees, partially offset by increased facility costs.

Amortization of intangible assets was consistent at $0.3 million for each of the three months ended June 30, 2024 and 2023.

We incurred a $2.2 million impairment charge related to long-lived assets for the three months ended June 30, 2023, with no comparable charges for the three months ended June 30, 2024. Refer to "Notes to Financial Statements—Note 6—Property, Plant, and Equipment, Net," in our 2023 Annual Report on Form 10-K for details regarding the impairment.

***Other expenses, net***

Our other expenses, net for the three months ended June 30, 2024 and 2023, were as follows (dollars in thousands):

| | For the Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | $ Change | % Change |
| Interest expense, net | $ (272) | $ (308) | $ 36 | (11.7)% |
| Other income, net | — | 166 | (166) | 100.0% |
| Total other expenses, net | $ (272) | $ (142) | $ (130) | 91.5% |

Total other expenses, net was $0.3 million and $0.1 million for the three months ended June 30, 2024 and 2023, respectively. The increase in total other expenses, net was primarily due to lower amounts of interest capitalized. Additionally, interest expense was lower due to a lower debt balance outstanding despite higher interest rates, partially offset by lower interest income earned on short-term liquid investments. Capitalized interest costs were zero and $0.3 million for the three months ended June 30, 2024 and 2023, respectively.

***(Benefit from) provision for income taxes***

Our (benefit from) and provision for income taxes for the three months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Three Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | $ Change | % Change |
| (Benefit from) provision for income taxes | $ (8) | $ 15 | $ (23) | (153.3)% |
| Effective tax rate | 0.1% | (0.2)% | | |

Our benefit from income taxes was not significant for the three months ended June 30, 2024, and our provision for income taxes was not significant for the three months ended June 30, 2023. The effective tax rates for the three months ended June 30, 2024 and 2023 were 0.1% and (0.2)%, respectively. The effective tax rates differ from the federal statutory rate primarily due to operating losses not expected to produce an income tax benefit.

***Comparison of the Six Months Ended June 30, 2024, and Six Months Ended June 30, 2023***

The following tables set forth our results of operations for the six months ended June 30, 2024 and 2023 (dollars in thousands):

| | For the Six Months Ended June 30, 2024 | For the Six Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Revenue | $ 18,904 | $ 20,648 | $ (1,744) | (8.4)% |
| Cost of sales | 13,891 | 13,159 | 732 | 5.6% |
| Gross profit | 5,013 | 7,489 | (2,476) | (33.1)% |
| Operating expenses: | | | | |
| Research and development | 1,538 | 2,859 | (1,321) | (46.2)% |
| Sales and marketing | 3,123 | 4,517 | (1,394) | (30.9)% |
| General and administrative | 12,864 | 13,288 | (424) | (3.2)% |
| Amortization of intangible assets | 574 | 573 | 1 | 0.2% |
| Long-lived assets impairment | — | 2,195 | (2,195) | (100.0)% |
| Total operating expenses | 18,099 | 23,432 | (5,333) | (22.8)% |
| Loss from operations | (13,086) | (15,943) | 2,857 | (17.9)% |
| Other expenses, net | | | | |
| Interest expense, net | (417) | (215) | (202) | 94.0% |
| Other income, net | — | 184 | (184) | (100.0)% |
| Total other expenses, net | (417) | (31) | (386) | 1245.2% |
| Loss before income taxes | (13,503) | (15,974) | 2,471 | (15.5)% |
| Benefit from income taxes | (42) | (3) | (39) | 1300.0% |
| Net loss | $ (13,461) | $ (15,971) | $ 2,510 | (15.7)% |

***Revenue***

Our revenue disaggregated by product category for the six months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Six Months Ended June 30, 2024 | For the Six Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Lab Essentials | $ 14,904 | $ 14,838 | $ 66 | 0.4% |
| Clinical Solutions | 3,283 | 5,262 | (1,979) | (37.6)% |
| Other | 717 | 548 | 169 | 30.8% |
| Total revenue | $ 18,904 | $ 20,648 | $ (1,744) | (8.4)% |

Total revenue was $18.9 million and $20.6 million for the six months ended June 30, 2024 and 2023, respectively. Excluding revenue of $2.7 million from a single large Clinical Solutions order that was delivered during the six months ended June 30, 2023, total revenue was up 5% and Clinical Solutions revenue was up 29%.

Lab Essentials revenue was $14.9 million for the six months ended June 30, 2024, an increase of $0.1 million, or 0.4%, compared to $14.8 million for the six months ended June 30, 2023. Lab Essentials revenue was consistent as the increase in number of customers was offset by a similar decline in average revenue per customer.

Clinical Solutions revenue was $3.3 million for the six months ended June 30, 2024, a decrease of $2.0 million, or 37.6%, compared to $5.3 million for the six months ended June 30, 2023. The decrease in Clinical Solutions revenue was attributable to lower average revenue per customer, partially offset by an increased number of customers.

Our revenue disaggregated by geographic region, for the six months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Six Months Ended June 30, 2024 | For the Six Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| United States | $ 18,098 | $ 19,801 | $ (1,703) | (8.6)% |
| International | 806 | 847 | (41) | (4.8)% |
| Total revenue | $ 18,904 | $ 20,648 | $ (1,744) | (8.4)% |

Revenue from U.S. sales was $18.1 million and $19.8 million for the six months ended June 30, 2024 and 2023, respectively. Revenue from U.S. sales as a percentage of our total revenue was consistent period over period, representing 95.7% and 95.9% of our total revenue during the six months ended June 30, 2024 and 2023, respectively.

Revenue from international sales was $0.8 million in each of the six months ended June 30, 2024 and 2023. Revenue from international sales as a percentage of our total revenue was also consistent, representing 4.3% and 4.1% of our total revenue during the six months ended June 30, 2024 and 2023, respectively.

***Gross profit***

Our gross profit for the six months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Six Months Ended June 30, 2024 | For the Six Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Cost of sales | $ 13,891 | $ 13,159 | $ 732 | 5.6 % |
| Gross profit | 5,013 | 7,489 | (2,476 ) | (33.1 )% |
| Gross profit % | 26.5 % | 36.3 % | | |

Gross profit percentage was 26.5% and 36.3% for the six months ended June 30, 2024 and 2023, respectively. The decrease in gross profit percentage was primarily driven by lower Clinical Solutions revenue and increased overhead costs, largely depreciation expense following the completion of our new manufacturing facility in the prior year, partially offset by reduced headcount.

***Operating expenses***

Our operating expenses for the six months ended June 30, 2024 and 2023, were as follows (dollars in thousands):

| | For the Six Months Ended June 30, 2024 | For the Six Months Ended June 30, 2023 | $ Change | % Change |
|---|---|---|---|---|
| Research and development | $ 1,538 | $ 2,859 | $ (1,321 ) | (46.2 )% |
| Sales and marketing | 3,123 | 4,517 | (1,394 ) | (30.9 )% |
| General and administrative | 12,864 | 13,288 | (424 ) | (3.2 )% |
| Amortization of intangible assets | 574 | 573 | 1 | 0.2 % |
| Long-lived assets impairment | — | 2,195 | (2,195 ) | (100.0 )% |
| Total operating expenses | $ 18,099 | $ 23,432 | $ (5,333 ) | (22.8 )% |

Research and development expenses were $1.5 million and $2.9 million for the six months ended June 30, 2024 and 2023, respectively. The decrease was primarily driven by reduced headcount and supplies expense.

Sales and marketing expenses were $3.1 million and $4.5 million for the six months ended June 30, 2024 and 2023, respectively. The decrease was primarily driven by reduced headcount.

General and administrative expenses were $12.9 million and $13.3 million for the six months ended June 30, 2024 and 2023, respectively. Excluding the one-time, non-recurring charges related to the reduction in workforce of $1.3 million and $0.7 million for the six months ended June 30, 2024 and 2023, respectively, general and administrative expenses decreased $1.0 million. The decrease was driven by reduced headcount and spending, primarily on professional fees and insurance, partially offset by increased stock-based compensation expense related to the stock option repricing as well as facility costs. See "Notes to Financial Statements—Note 12. Stock-Based Compensation" for a more detailed discussion of the stock option repricing.

Amortization of intangible assets was consistent at $0.6 million for each of the six months ended June 30, 2024 and 2023.

We incurred a $2.2 million impairment charge related to long-lived assets for the six months ended June 30, 2023, with no comparable charges for the six months ended June 30, 2024. Refer to "Notes to Financial Statements—Note 6—Property, Plant, and Equipment, Net," in our 2023 Annual Report on Form 10-K for details regarding the impairment.

***Other expenses, net***

Our other expenses, net for the six months ended June 30, 2024 and 2023, were as follows (dollars in thousands):

| | For the Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | $ Change | % Change |
| Interest expense, net | $ (417) | $ (215) | $ (202) | 94.0% |
| Other income, net | — | 184 | (184) | (100.0)% |
| Total other expenses, net | $ (417) | $ (31) | $ (386) | 1245.2% |

Total other expenses, net was $0.4 million and not significant for the six months ended June 30, 2024 and 2023, respectively. The increase in total other expenses, net was primarily due to lower interest capitalized. Additionally, interest expense was lower due to a lower debt balance outstanding despite higher interest rates, partially offset by lower interest income earned on short-term liquid investments. Capitalized interest costs were zero and $0.9 million for the six months ended June 30, 2024 and 2023, respectively.

***Benefit from income taxes***

Our benefit from income taxes for the six months ended June 30, 2024 and 2023, was as follows (dollars in thousands):

| | For the Six Months Ended June 30, | | | |
|---|---|---|---|---|
| | 2024 | 2023 | $ Change | % Change |
| Benefit from income taxes | $ (42) | $ (3) | $ (39) | 1300.0% |
| Effective tax rate | 0.3% | 0.0% | | |

Our benefit from income taxes was not significant in either of the six months ended June 30, 2024 and 2023. The effective tax rates for the six months ended June 30, 2024 and 2023 were 0.3% and 0.0%, respectively. The effective tax rates differ from the federal statutory rate primarily due to operating losses not expected to produce an income tax benefit.

**Liquidity and Capital Resources**

The primary sources of financing for our operations were our (i) initial public offering, which we completed in June 2021 (IPO) and resulted in net proceeds to us of $99.1 million, (ii) registered direct offering and concurrent private placement completed in September 2023 (collectively, the September 2023 Offerings), which resulted in aggregate gross proceeds of $22.9 million before deducting offering expenses of $0.4 million and the prepayment of $10.0 million owed under the Term Loan as discussed below, and (iii) private placement completed in July 2024 (the July 2024 Offering), which resulted in aggregate gross proceeds of $15.4 million before deducting offering expenses payable by the Company.

To facilitate our expected growth, we have used our sources of liquidity to make investments to expand our operations and increase capacity, and may continue to do so in the future. In particular, we have completed the build out of our new manufacturing facility and have made improvements to our warehouse and distribution facilities, all located in Hollister, California.

Our principal liquidity requirements are to fund our operations and capital expenditures. During the three and six months ended June 30, 2024, we incurred net losses of $5.4 million and $13.5 million, respectively. In addition, as of June 30, 2024, we had an accumulated deficit of $105.2 million and $12.1 million in borrowings outstanding under our Term Loan (defined below). As of June 30, 2024, we had $27.9 million of working capital, which included $18.6 million in cash and cash equivalents.

As of June 30, 2024, we had an outstanding principal amount of $12.1 million under a senior secured term loan (the Term Loan) pursuant to Amendment No. 5 to our Credit Agreement with MidCap Financial Trust (MidCap). On March 8, 2024, we entered into limited waivers and amendments (collectively Amendment No. 5, or, as amended, the Amended Credit Agreement) which includes a waiver from MidCap of the revenue covenant violations for each of the periods ending November 30, 2023 and January 31, 2024. Amendment No. 5 also reduced the revenue covenants for future periods up to and including for the twelve months ending December 31, 2024, from $42.0 million to $34.0 million. Amendment No. 5 also removed those requirements for the periods ending January 31, 2025 through December 31, 2025, instead requiring that for each applicable twelve-month period ending after December 31, 2024, the Company's minimum net revenue requirement will be determined by MidCap in its reasonable discretion in consultation with the Company's senior management and based on financial statements and projections delivered to MidCap in accordance with the financial reporting requirements in the Amended Credit Agreement, so long as the minimum net revenue requirements for those periods shall not be less than the greater of (x) the applicable minimum net revenue requirement for the twelve-month period ending on the last day of the immediately preceding month and (y) $34.0 million. In addition, Amendment No. 5 also removed the advance rate for finished goods inventory in the determination of the borrowing base for the Revolving Loan and increased the minimum cash requirement from $9.0 million to $10.0 million. Finally, Amendment No. 5 conditions the next borrowing under the Revolving Loan on the Company achieving net revenue for the preceding twelve-month period of at least $38.0 million down from $45.0 million. See

"Notes to Financial Statements—Note 10—Long-term Debt, Net," for a more detailed discussion of the material terms of our Amended Credit Agreement.

We were in compliance with our financial covenants under the terms of the Amended Credit Agreement as of June 30, 2024. As a result of recent business improvements and actions taken by management in the current fiscal year to amend our credit agreement, reduce operating costs, and raise additional capital, management believes that there is no longer substantial doubt about our ability to continue as a going concern for the twelve-month period following the date on which the accompanying unaudited financial statements are being issued. However, debt service requirements in the future require that we continue to execute our plans both in terms of operations and financial results. Additionally, unforeseen events or changes in assumptions may occur and result in material differences between our future financial results or forecasts and the current financial forecast, and those differences could result in management concluding in the future that there is substantial doubt about our ability to continue as a going concern based upon the new information.

We also have an ATM Facility under which we may offer and sell, from time to time, shares of our common stock having aggregate gross proceeds of up to $50.0 million. We will pay a commission of up to 3.0% of gross sales proceeds of any common stock sold under the ATM Facility. The aggregate market value of shares eligible for sale under the ATM Facility will be subject to the limitations of General Instruction I.B.6 of Form S-3, to the extent required under such instruction. See "Notes to Financial Statements—Note 11—Stockholder's Equity," for a more detailed discussion of the material terms of our ATM Facility.

As of June 30, 2024, our material cash requirements from known contractual obligations and commitments relate primarily to operating leases for our office, manufacturing, warehouse, and distribution facilities. See "Notes to Financial Statements—Note 7—Leases," for a discussion of our lease obligations reflected on our balance sheet.

The following table sets forth, for the periods indicated, net cash flows used in operating activities, used in investing activities, and used in financing activities (in thousands):

| | For the Six Months Ended June 30, | |
|---|---|---|
| | 2024 | 2023 |
| Net cash used in operating activities | $ (9,396) | $ (11,540) |
| Net cash used in investing activities | (102) | (6,650) |
| Net cash used in financing activities | (390) | (205) |
| Net decrease in cash and cash equivalents | $ (9,888) | $ (18,395) |

***Operating Activities***

Net cash used in operating activities consists primarily of net loss adjusted for certain non-cash items (including depreciation and amortization, bad debt expense, deferred taxes, loss on disposal of property, plant, and equipment, inventory reserve, amortization of debt issuance costs, and stock-based compensation expense), and the effect of changes in working capital and other activities.

Net cash used in operating activities was $9.4 million for the six months ended June 30, 2024, which primarily consisted of net loss of $13.5 million plus net adjustments for non-cash charges of $6.6 million, offset by net changes in operating assets and liabilities of $2.6 million. The primary non-cash adjustments to net loss included $3.3 million of depreciation and amortization, $2.1 million of stock-based compensation, and $0.9 million provision for inventory. The main drivers of the changes in operating assets and liabilities were a $1.8 million decrease in accrued liabilities, a $0.7 million increase in accounts receivable, a $0.4 million decrease in accounts payable, and a $0.3 million increase in inventories, partially offset by a $0.4 million decrease in prepaid expenses and other current assets and a $0.2 million decrease other non-current assets.

Net cash used in operating activities was $11.5 million for the six months ended June 30, 2023, which primarily consisted of net loss of $16.0 million plus net adjustments for non-cash charges of $7.0 million, offset by net changes in operating assets and liabilities of $2.5 million. The primary non-cash adjustments to net loss included $2.4 million of depreciation and amortization, $2.2 million impairment charge related to long-lived assets, $2.1 million of stock-based compensation, and $0.2 million amortization of debt financing costs. The main drivers of the changes in operating assets and liabilities were a $1.4 million decrease in accounts payable, $1.2 million decrease in accrued liabilities, $1.1 million increase in contract assets, and a $0.3 increase in accounts receivable, partially offset by a $1.0 million decrease in prepaid expenses and other current assets, a $0.2 million decrease other non-current assets, and a $0.2 million decrease in inventories.

***Investing Activities***

Net cash used in investing activities was $0.1 million for the six months ended June 30, 2024, which consisted of purchases of property, plant, and equipment of $0.2 million, partially offset by proceeds from the sale of certain long-lived assets of $0.1 million.

Net cash used in investing activities was $6.7 million for the six months ended June 30, 2023, which consisted of purchases of property, plant, and equipment.

***Financing Activities***

Net cash used in financing activities was $0.4 million for the six months ended June 30, 2024, which was primarily attributable to repayments of financed insurance premiums of $0.4 million, partially offset by proceeds of $0.1 million from the issuance of common stock under our employee stock purchase plan.

Net cash used in financing activities was $0.2 million for the six months ended June 30, 2023, which was primarily attributable to the payment of ATM Facility costs of $0.4 million, partially offset by proceeds of $0.1 million from the exercise of stock options and $0.1 million from issuance of common stock under our employee stock purchase plan.

**Critical Accounting Policies and Estimates**

For a discussion of our critical accounting estimates, refer to "Management's Discussion and Analysis of Results of Operations and Financial Condition" in Part II, Item 7 and the notes to our financial statements in Part II, Item 8 of our 2023 Annual Report on Form 10-K. See also Note 2, Basis of Presentation and Summary of Significant Accounting Policies, to our condensed financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q. There have been no material changes to our critical accounting estimates since our 2023 Annual Report on Form 10-K.

**Emerging Growth Company and Smaller Reporting Company**

We qualify as an "emerging growth company" as defined in the JOBS Act. As long as we qualify as an emerging growth company, we may take advantage of certain exemptions from various reporting requirements and other burdens that are otherwise applicable generally to public companies. These provisions include, but are not limited to:

- reduced obligations with respect to financial data, including presenting only two years of audited financial statements;
- an exemption from compliance with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act;
- reduced disclosure about our executive compensation arrangements in our periodic reports, proxy statements, and registration statements; and
- exemptions from the requirements of holding non-binding advisory votes on executive compensation or golden parachute arrangements.

In addition, under the JOBS Act, emerging growth companies can delay adopting new or revised accounting standards until such time as those standards apply to private companies. We have elected to avail ourselves of this exemption from adopting new or revised accounting standards, and, therefore, we will not be subject to the same new or revised accounting standards as other public companies that are not emerging growth companies or that have opted out of using such extended transition period, which may make comparison of our financial statements with those of other public companies more difficult. We may take advantage of these reporting exemptions until we no longer qualify as an emerging growth company, or, with respect to adoption of certain new or revised accounting standards, until we irrevocably elect to opt out of using the extended transition period.

Under the JOBS Act, we will remain an emerging growth company until the earliest to occur of:

- the last day of the fiscal year in which we have total annual gross revenues of $1.235 billion or more;
- the last day of our fiscal year following the fifth anniversary of the date of the closing of our IPO;
- the date on which we have issued more than $1.0 billion in nonconvertible debt during the previous three years; and
- the date on which we are deemed to be a "large accelerated filer" under the Securities Exchange Act of 1934, as amended (the Exchange Act) (i.e., the first day of the fiscal year after we have (i) more than $700.0 million in outstanding common equity held by our non-affiliates, measured each year on the last business day of our most recently completed second fiscal quarter, and (ii) been public for at least 12 months).

We are also a "smaller reporting company" as defined in Rule 12b-2 under the Exchange Act. We may continue to be a smaller reporting company even after we are no longer an emerging growth company. We may take advantage of certain of the scaled disclosures available to smaller reporting companies until the fiscal year following the determination that (i) the market value of our voting and non-voting common stock held by non-affiliates equals or exceeds $250.0 million measured on the last business day of our most recently completed second fiscal quarter, and our annual revenues are more than $100.0 million during the most recently completed fiscal year or (ii) the market value of our voting and non-voting common stock held by non-affiliates equals or exceeds $700.0 million measured on the last business day of our most recently completed second fiscal quarter.

**Recent Accounting Pronouncements**

A description of recent accounting pronouncements that may potentially impact our financial position, results of operations, or cash flows is disclosed in Note 2, Basis of Presentation and Summary of Significant Accounting Policies, to our condensed financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Item 3. Quantitative and Qualitative Disclosures About Market Risk.**

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

**Item 4. Controls and Procedures.**

***Evaluation of Disclosure Controls and Procedures***

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act), as of the end of the period covered by this Quarterly Report on Form 10-Q. Based on the evaluation of our disclosure controls and procedures as of June 30, 2024, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective.

***Changes in Internal Control Over Financial Reporting***

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

***Limitations on Effectiveness of Controls and Procedures***

In designing and evaluating the disclosure controls and procedures and internal control over financial reporting, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives. In addition, the design of disclosure controls and procedures and internal control over financial reporting must reflect the fact that there are resource constraints, and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

## PART II—OTHER INFORMATION

### Item 1. Legal Proceedings.

We are not a party to any material legal proceedings at this time. From time to time, we may become involved in various legal proceedings that arise in the ordinary course of business. For example, we may in the future become involved in legal proceedings relating to customers, employees, suppliers, competitors, government agencies, or others. We will evaluate any claims and lawsuits with respect to their potential merits, our potential defenses and counter claims, and the expected effect on us of defending the claims and a potential adverse result. However, the results of any litigation, investigation, or other legal proceedings are inherently unpredictable and potentially expensive. Any claims against us, whether meritorious or not, could be time consuming, result in costly litigation, damage our reputation, require significant amounts of management time, and divert significant resources. If any legal proceedings were to be determined adversely to us, or we were to enter into a settlement arrangement, we could be exposed to monetary damages or limits on our ability to operate our business, which could have an adverse effect on our business, financial condition, and operating results. Information pertaining to loss contingencies, including those arising out of potential legal liabilities and related matters, are described in Note 16, Contingencies, to our condensed financial statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

**Item 1A. Risk Factors.**

While we attempt to identify, manage, and mitigate risks and uncertainties associated with our business to the extent practical under the circumstances, some level of risk and uncertainty will always be present. Item 1A—"Risk Factors" in the 2023 Annual Report on Form 10-K describes some of the risks and uncertainties associated with our business, which we strongly encourage you to review. These risks and uncertainties have the potential to materially affect our business, financial condition, results of operations, cash flows, projected results, and future prospects. Except as set forth below, there have been no material changes in our risk factors from those disclosed in the 2023 Annual Report on Form 10-K.

***We have incurred operating losses in the past and may incur losses in the future.***

We have incurred operating losses in the past, may incur operating losses in the future and may never achieve or maintain profitability. For the three and six months ended June 30, 2024, we incurred net losses of $5.4 million and $13.5 million, respectively, and during the three and six months ended June 30, 2023, we incurred net losses of $7.2 million and $16.0 million, respectively. We have incurred and will continue to incur costs in connection with legal, accounting, and other administrative expenses related to operating as a public company and we expect that our operating expenses will increase modestly with the growth of our business. Since our inception, we have financed our operations primarily through revenue from our products, the sale of our equity securities (including through our June 2021 IPO, September 2023 registered direct offering and private placements as well as our July 2024 private placements), and debt. While our revenue has generally grown over the last several years, it decreased in 2023 compared to 2022. If our revenue continues to decline or fails to grow at a rate sufficient to offset our operating expenses, we will not be able to achieve and maintain profitability in future periods. We may never be able to generate sufficient revenue to achieve or maintain profitability, and our more recent growth and historical profitability should not be considered predictive of our future performance.

***A significant portion of our total outstanding shares of common stock are available for immediate resale and may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well.***

Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares of common stock intend to sell shares, could reduce the market price of our common stock. All shares sold in our IPO were freely tradable upon such sale without restriction or further registration under the Securities Act, except for any shares held by our affiliates, as that term is defined under Rule 144 of the Securities Act (Rule 144), including our directors, executive officers, and other affiliates (including Telegraph Hill Partners), which may be sold only in compliance with certain limitations. The shares of our common stock issued in the course of our September 2023 registered direct offering and private placements are now also freely tradable, subject to the same limitations applicable to our directors, executive officers, and other affiliates (including Telegraph Hill Partners). In addition, the shares of our common stock most recently issued in the course of our July 2024 private placements (discussed further below) will become freely tradable when we file a registration statement with the Securities and Exchange Commission to register those shares for resale which is expected to occur on or before August 26, 2024 pursuant to the terms of the underlying registration rights agreement.

As of June 30, 2024, we have 40,915,331 shares of common stock outstanding, substantially all of which are held by directors, executive officers, and other affiliates and will be subject to volume, manner of sale, and other limitations under Rule 144. Subsequently, on July 12, 2024, we sold 12,385,883 shares of Teknova's common stock at an offering price of $1.24 per share. Our controlling stockholder, Telegraph Hill Partners Management Company LLC, through its affiliates Telegraph Hill Partners V, L.P. and THP V Affiliates Fund LLC, Teknova's President and Chief Executive Officer and a member of its board of directors, Stephen Gunstream, and Teknova's Chief Financial Officer, Matthew Lowell, participated in the offering and purchased an aggregate of 12,217,740 shares. Registration of any of these outstanding shares of common stock, which is expected to occur with the respect to the shares issued in July 2024 in August 2024, would result in such shares becoming freely tradable without compliance with Rule 144 upon effectiveness of the registration statement.

The market price of our stock could decline if the holders of currently restricted shares of common stock sell them or are perceived by the market as intending to sell them. These factors could also make it more difficult for us to raise additional funds through future offerings of our shares of common stock or other securities. In addition, shares of our common stock that are issued pursuant to our equity incentive plans and our Employee Stock Purchase Plan (ESPP) will become eligible for sale in the public market, subject to provisions relating to various vesting agreements, lock-up agreements, and Rule 144, as applicable.

As of June 30, 2024, there were 312,174, 1,529,495 and 2,313,599 shares of common stock reserved for issuance pursuant to outstanding stock option awards under the 2016 Stock Plan, as amended (2016 Plan), the 2020 Equity Incentive Plan, as amended (2020 Plan) and the 2021 Equity Incentive Plan (2021 Plan), respectively. In addition, the 2021 Plan and the ESPP provide for annual automatic increases in the number of shares reserved thereunder. As of January 1, 2024, a total of 4,825,264 and 976,045 shares of common stock were available and have been reserved for future issuance under the 2021 Plan and our ESPP, respectively. In the future, we may also issue our securities in connection with investments or acquisitions. The amount of shares of our common stock issued in connection with an investment or acquisition could constitute a material portion of our then-outstanding shares of our common stock. Any issuance of additional securities in connection with investments or acquisitions may result in additional dilution to you.

***We face risks arising from our recent and possible future workforce reductions, including adverse effects on employee morale, risks to our ability to meet customer demand with adequate turnaround times, and uncertainty around our ability to achieve anticipated cost savings from the workforce reductions.***

During the roughly twelve-month period from February 2023 to January 2024, we undertook two strategic reductions in our workforce designed both to align the costs of our business with our near-term revenue expectations and to create operational and management-level efficiencies. These workforce reductions may result in unintended consequences, such as attrition beyond the intended number of employees, reduced morale among our remaining employees, and the loss of institutional knowledge and expertise. In addition, while we have eliminated positions, we might not successfully distribute the duties and obligations of our former employees among our remaining employees. The reductions in workforce could also make it difficult for us to pursue, or prevent us from pursuing, new opportunities and initiatives due to insufficient personnel, or require us to incur additional and unanticipated costs to hire new personnel to pursue such opportunities or initiatives.

We cannot provide assurance that we will not undertake additional workforce reductions or that we will be able to realize the cost savings and other anticipated benefits from our previous or any future workforce reductions. In addition, our previous and any future workforce reductions may adversely affect our ability to respond rapidly to any new product, growth, or revenue opportunities, to meet customer demand with adequate turnaround times, and otherwise to execute on our business plans. Additionally, reductions in workforce may make it more difficult to recruit and retain new employees. If we need to increase the size of our workforce in the future, we may encounter a competitive hiring market due to labor shortages, increased employee turnover, changes in the availability of workers, and increased wage costs.

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

**(a) Unregistered Sales of Equity Securities**

No unregistered sales or issuances of equity occurred during the quarter ended June 30, 2024.

**(b) Use of Proceeds from Initial Public Offering of Common Stock**

Not applicable.

**(c) Repurchases**

None.

## Item 3. Defaults Upon Senior Securities.

None.

## Item 4. Mine Safety Disclosures.

Not applicable.

## Item 5. Other Information.

None.

## Item 6. Exhibits.

| Exhibit Number | | Description |
|---|---|---|
| 3.1 | | Amended and Restated Certificate of Incorporation of Alpha Teknova, Inc. (incorporated by reference to Exhibit 3.1 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2021). |
| 3.2 | | Amended and Restated Bylaws of Alpha Teknova, Inc. (incorporated by reference to Exhibit 3.2 to the Registrant's Current Report on Form 8-K filed with the SEC on June 29, 2021). |
| 4.1 | | Form of Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Registrant's Registration Statement on Form S-1 (File No. 333-256795 filed with the SEC on June 21, 2021). |
| 4.2 | | Investors' Rights Agreement, dated as of January 14, 2019, by and among Alpha Teknova, Inc., and certain of its stockholders (incorporated by reference to Exhibit 4.2 to the Registrant's Registration Statement on Form S-1 (File No. 333-256795) filed with the SEC on June 4, 2021). |
| 4.3 | | Common Warrant to Purchase Common Stock of Alpha Teknova, Inc. issued to MidCap Funding XXVII on March 8, 2024 (incorporated by reference to Exhibit 4.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 11, 2024). |
| 10.1 | § | Limited Waiver and Amendment No. 5 dated as of March 8, 2024, to the Amended and Restated Credit and Security Agreement (Term Loan), dated as of May 10, 2022, and as amended on November 8, 2022, March 28, 2023, July 13, 2023, and September 19, 2023, by and among Alpha Teknova, Inc. and MidCap Financial Trust, as agent and as a lender, and the additional lenders from time to time party thereto (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on March 11, 2024). |
| 10.2 | § | Limited Waiver and Amendment No. 5 dated as of March 8, 2024, to the Amended and Restated Credit and Security Agreement (Revolving Loan), dated as of May 10, 2022, and as amended November 8, 2022, March 28, 2023, July 13, 2023, and September 19, 2023, by and among Alpha Teknova, Inc. and MidCap Financial Trust, as agent and as a lender, and the additional lenders from time to time party thereto (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on March 11, 2024). |
| 10.3 | § | Form of Securities Purchase Agreement, dated July 11, 2024 (incorporated by reference to Exhibit 10.1 to the Registrant's Current Report on Form 8-K filed with the SEC on July 12, 2024). |
| 10.4 | § | Form of Registration Rights Agreement, dated July 11, 2024 (incorporated by reference to Exhibit 10.2 to the Registrant's Current Report on Form 8-K filed with the SEC on July 12, 2024). |
| 31.1 | * | Certification of Principal Executive Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |

| | | |
|---|---|---|
| 31.2 | * | Certification of Principal Financial Officer Pursuant to Rules 13a-14(a) and 15d-14(a) under the Securities Exchange Act of 1934, as adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. |
| 32.1 | * | Certification of Principal Executive Officer and Principal Financial Officer Pursuant to 18 U.S.C. Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. |
| 101.INS | | Inline XBRL Instance Document – the instance document does not appear in the Interactive Data File because XBRL tags are embedded within the Inline XBRL document. |
| 101.SCH | | Inline XBRL Taxonomy Extension Schema Document |
| 101.CAL | | Inline XBRL Taxonomy Extension Calculation Linkbase Document |
| 101.DEF | | Inline XBRL Taxonomy Extension Definition Linkbase Document |
| 101.LAB | | Inline XBRL Taxonomy Extension Label Linkbase Document |
| 101.PRE | | Inline XBRL Taxonomy Extension Presentation Linkbase Document |
| 104 | | Cover Page Interactive Data File (embedded within the Inline XBRL document) |

* Filed herewith.

§ Non-material schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant hereby undertakes to furnish supplemental copies of any of the omitted Schedules and exhibits upon request by the SEC.

## 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.

**ALPHA TEKNOVA INC.**

| | | |
|---|---|---|
| Date: August 13, 2024 | By: | /s/ STEPHEN GUNSTREAM<br>**Stephen Gunstream**<br>**President and Chief Executive Officer**<br>**(Principal Executive Officer)** |
| Date: August 13, 2024 | By: | /s/ MATTHEW LOWELL<br>**Matthew Lowell**<br>**Chief Financial Officer**<br>**(Principal Financial Officer)** |

**Exhibit 31.1**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Stephen Gunstream, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alpha Teknova, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2024

By: /s/ STEPHEN GUNSTREAM
**Stephen Gunstream**
**President and Chief Executive Officer**
**(Principal Executive Officer)**

**Exhibit 31.2**

**CERTIFICATION PURSUANT TO**
**RULES 13a-14(a) AND 15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934,**
**AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Matthew Lowell, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Alpha Teknova, 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(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

    (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

    (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

    (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

    (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

    (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 13, 2024

By: /s/ MATTHEW LOWELL
**Matthew Lowell**
**Chief Financial Officer**
**(Principal Financial Officer)**

**Exhibit 32.1**

**CERTIFICATION PURSUANT TO**
**18 U.S.C. SECTION 1350, AS ADOPTED PURSUANT TO**
**SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Alpha Teknova, Inc. (the "Company") on Form 10-Q for the period ending June 30, 2024, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report 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 the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

Date: August 13, 2024

By: /s/ STEPHEN GUNSTREAM
**Stephen Gunstream**
**President and Chief Executive Officer**
**(Principal Executive Officer)**

Date: August 13, 2024

By: /s/ MATTHEW LOWELL
**Matthew Lowell**
**Chief Financial Officer**
**(Principal Financial Officer)**