908devices

Announces Transformative Divestiture

MARCH 4th 2025

Forward looking statements / Non-GAAP financial measures

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Lastly, this presentation incudes certain financial measures not prepared in accordance with generally accepted accounting principles ("GAAP"), including adjusted gross margin percentage and adjusted EBITDA. These non-GAAP financial measures should be considered as a supplement to and not a substitute for GAAP financial measures. Reconciliations to the most directly comparable GAAP financial measures can be found in this presentation.

Summary



- Strategic Transformation Realized
- Product Line Divestiture Catalyzes Value Creation
- Solid Q4 & 2024 Results
- Compelling Growth & Cashflow Breakeven Acceleration
- Investor Thesis Fortified

Strategic Transformation Realized

Sharpens focus, strengthens financials, and accelerates profitability

1

Focus on Growth Market

Shifting focus to high-growth handheld markets, aligning to secular tailwinds in opioid crisis response, defense budgets, and border security.

2

Divest Biopharma

Selling the desktop portfolio to REPLIGEN for $70M cash (~6x multiple). Nearly doubles balance sheet cash. Eliminates NIH / healthcare overhang.

3

Target Adj. EBITDA + by Q4’25 Cash Flow Positive in 2026

Step-change improvement driven by improved gross margins and streamlined operations (fewer facilities, lower headcount).

4

Continued Broader Life Sciences Flexibility

Retaining the ability to operate in broader life sciences market beyond the divested bioprocessing PAT segment.

Divesture of Desktop Portfolio

Accelerates profitability and strengthens balance sheet



$70M Upfront Consideration

Cash at closing for asset purchase of complete desktop portfolio. Representing a ~6X transaction multiple.

Asset Purchase Includes

- 4 Desktop devices – MAVEN, MAVERICK, REBEL, ZIPCHIP
- Facilities, equipment, and lease obligations for Morrisville, North Carolina and Braunschweig, Germany.
- IP assignment / sublicense of select patents.
- 908D to be a supplier of Mass Spec subsytems to REPLIGEN

Reduces Company Headcount by ~33%

YE 2024 headcount of 246, post transaction headcount **~165 employees**.

FY 2024 Reference

Desktop revenues $11.9M, with a total operating loss of **~$20M,** due to subscale operations.

Unrivaled Handheld Portfolio & Opportunity

Sharpens focus on high-conviction growth opportunities

1

Unprecedented opportunity for advanced chemical detection in the field

Total Addressable Market of $2.5B by 2027.

Handheld growth has been ~2X Desktops since IPO in 2020.[1]

2

A comprehensive set of products to fully address opportunity

Only 1 handheld a year ago — to now 4 today.

New FTIR devices delivered +17% growth (Pro Forma) in 2024.

3

Secured balance sheet unlocks future market potential

Flexibility to pursue new growth opportunities.

Active OEM & funded partnerships (including in Industrial QA/QC & Pharma).



[1] Product/Service Handheld Revenue from Continuing Operations vs. Divested Desktop Revenue CAGR 2020-2024

Focus enables a step change in our projected financials[1]

Positioning for Top-Line Growth Acceleration

2025 Revenue guide of $53M to $55M[2]

YoY Growth of 11% to 15%[3] (2025)

Accelerating to 20%+ (2026) with 3 defined catalysts

Improves Gross Margin

Targeting mid to high 50's Adj. GM% (2025)

Further expansion anticipated for FY 2026 post manufacturing transition

Reduces Costs

Consolidation of facilities and a ~33% reduction in headcount

Accelerates Profitability

Reaching Adj. EBITDA + by Q4 2025. FY cash flow positive in 2026.

Balance Sheet for Breakeven & Beyond

$70M (YE 2024) to >$110M (YE 2025)

No debt outstanding

[1] Projected FY 2025 financials (as of 3/4/25)

[2] 2025 Revenue guide (as of 3/4/25) for Continuing Operations, Full year GAAP guide includes additional $1M of revenue from discontinued operations.

[3] Projected FY 2025 YoY Revenue Growth (as of 3/4/25) for Continuing Operations, excluding divested desktop products

We create **next-generation analytical tools,**
designed for ‘point-of-need’ use in vital health and safety contexts

BROAD USE CASES

- **Fentanyl / Drugs-of-Abuse**
- **Corrections & Rehabilitation**
- **Fire / Law Enforcement**
- **Pharma**
- **Toxic VOCs / Pesticides Cancer Prevention**
- **Customs / Postal Inspection**
- **Safety & Defense**
- **Industrial QA/QC**

OEM

Our Core

Introduced new product class moving mass spectrometry out of the lab.





Driven +21% CAGR[1] growth since introduction

>2,800 units fielded

[1]CAGR of handheld revenues (as reported) from 2018 through 2024

Facing A Global Threat to Public Health & Safety

Preventable Poisonings

Expanding Opioid & Illicit Drug Crisis

- Over 100,000 overdoses in 2023, leading cause of injury deaths, more than auto accidents.
- Nationwide public health emergency declared in June 2024
- Undetectable precursor chemicals fuel a synthetic opioid crisis – some 100X potency of morphine
- New drug threats like nitazenes, xylazine, and "pink cocaine" are on the rise globally.

Requires adaptable detection and ID technology.



Cancer Causing

Proliferation of Toxic Industrial Materials

- Consumer products in CA emit >5,000 tons of VOCs annually that are considered hazardous (Prop. 65)
- Cancer is the leading cause of work-related deaths in the EU and accounts for 72% of firefighter line-of-duty deaths in the U.S.
- Detecting & mitigating acute carcinogen exposure is critical.

Requires broad and sensitive gas detectors.



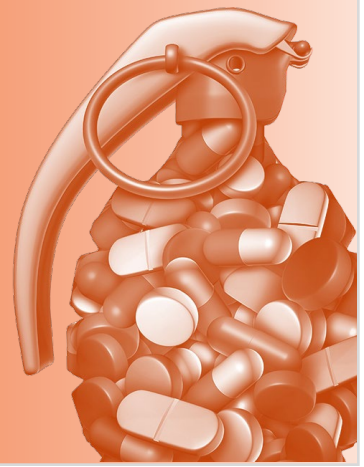
Global Security Concerns

Mixed with Rising Global Tensions, Access & Availability

- In 2024, 80 countries/territories held national-level elections, 70 more planned, reflecting global change and unrest.
- On 1/20/25, President Trump issued an executive order designating Drug cartels as "Foreign Terrorists."

- OPCW reports increased risks of chemical weapons, including pharm-based agents, used by non-state actors.
- Technology, e.g. AI-driven chemical synthesis and novel delivery methods like drones, are raising global risks.

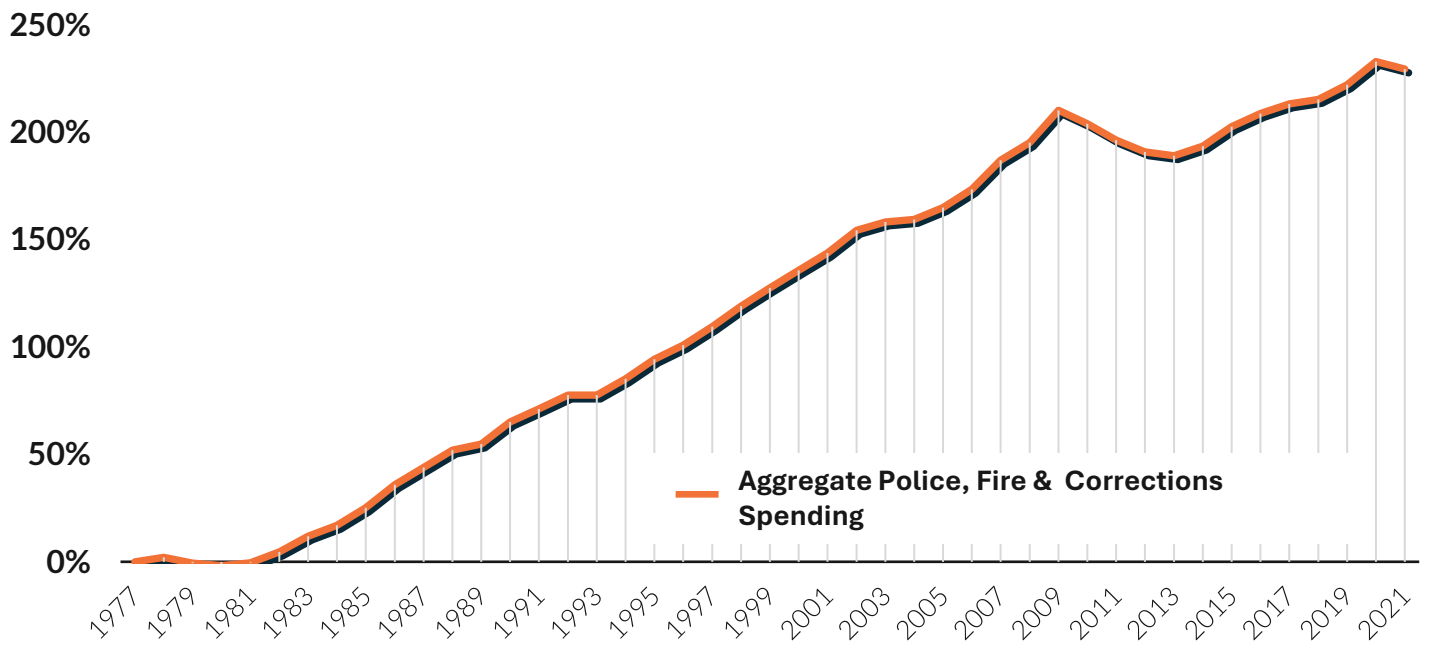
Requires modernizing of detection equipment to address emerging threats.



Public Safety Spending is Robust & Growing

United States and Globally

Cumulative Increase in Direct Expenditure Compared to Baseline Year 1977



Above: US Census Bureau Annual Survey of State and Local Government Finances, 1977-2022 (compiled by the Urban Institute via State and Local Finance Data: Exploring the Census of Governments; accessed 20-Jan-2025 03:16), https://state-local-finance-data.taxpolicycenter.org.

Increasing Global Spend

In 2024, 23 Allies to meet or exceed the target of investing >2% of GDP in defense, compared to only three Allies in 2014.

20% of funding is targeted for equipment modernization[1]

US Administration Policies

Anticipated to increase spending on border, customs, military, fire, law / drug enforcement – globally

[1]https://www.nato.int/cps/em/natohq/topics_67655.htm

Comprehensive Portfolio

Making the invisible VISIBLE and the unknown KNOWN



Gas/Vapor Analyzer



Bulk Liquid/Solid Identification



Trace-level Analysis



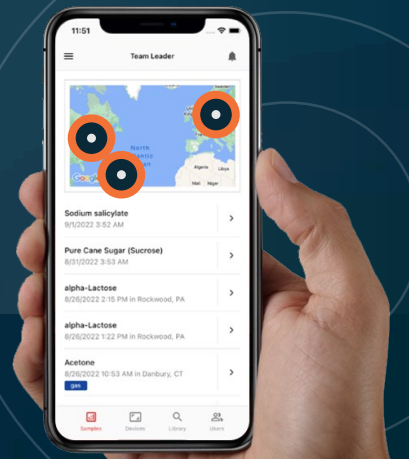
Solid/Liquid/Gas Identification

	908D Capabilities are Unmatched	Legacy
Accessible & Modern Suite of Devices	Exceptional coverage - 100's of trace analytes, 1000's of VOC gases, 20,000+ bulk compounds. Comprehensive - Detection to ID, from air, and aerosols, to surfaces, piles, and puddles. One company.	No full suite available, no other handheld mass spec, Trade-off of sensitivity and selectivity, No aerosols capability, quantification, Out-dated architectures.
Reachback Operations	Provides 24/7/365 access to expert staff for on-site decision support.	Not available / Limited
Data & Analytics	Expanding TeamLeader App for Usage Tracking, Fleet Management, and AI Powered Guidance. Customized Enterprise reports.	Not an option
Best Practice & Scenario Training	Expert trainers providing best practice and real-world training. Toolkit approach.	Limited offerings

More Data & More Analytics

Where we are going

Connected Services



Market Landscape

Life Science tools & analytical instrument companies are main participants in the advanced portion of the market.

INCLUDING

Thermo Fisher Scientific

Rigaku

Agilent

Bruker

Teledyne/FLIR

LOW TECH SENSORS

NO ID
NON-SPECIFIC RESPONSE

$2-2,500

ADVANCED CHEMICAL DETECTION

BULK UNKNOWN ID

10,000 – 20,000 COMPOUNDS

$45K-110K



Solid/Liquid 2022



Vapor 2023



Solid/Liquid/ Vapor 2020

HIGH FIDELITY TRACE

150-300 COMPOUNDS

$75K-120K



Solid/Liquid/ Vapor/Aerosol 2017

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THERMO FISHER



Solid/Liquid 2008



Solid/Liquid 2012

AGILENT



Solid/Liquid 2016

RIGAKU



Solid/Liquid 2014

SMITHS



Solid/Liquid 2012

TELEYDYNE FLIR



Solid/Liquid/Vapor 2019

An Innovation Leader

Differentiated Products that are Poised for Growth



MX908

HANDHELDS

NOW 4 MARKET LEADING DEVICES

Offering Broader Capabilities Driving Scale & Efficiency

2025 - First Full Year of Operational Synergies

GROWTH CATALYST #1

EQUIPMENT MODERNIZATION

Replacing outdated FTIRs & penetrating new enterprise accounts

15,000+ Unit Potential

Connected Services

Fleet Management, AI Powered Guidance, Enterprise Reports

2025/26 – Increasing Impact with Commercial Integration

GROWTH CATALYST #2

LAUNCH OF NEXT GEN MX908

Generate a replacement cycle

>2,800 MX DEVICES FIELDED

A Step Change in Performance & Simplicity

Approx. ½ size and weight, a lower cost of goods, and a higher pull-through opportunity



2026 – New Product Launch Year

GROWTH CATALYST #3

U.S. Department of Defense AVCAD program in partnership with Smiths Detection

NEXT PHASE OF AVCAD

Transition to full rate production

Potential of >$10M / Year



Integrations / Programs of Records

2026+ Production
(Award in 2025)

CAPABILITY EXPANSION | TRACE → BULK

100's of trace analytes, 1000's of gases, 20,000+ bulk compounds

EXPANDING ENTERPRISE PENETRATION

Pilot Programs
18 accounts | 700+ units*

Enterprise Accounts
34 accounts | 1,100+ handhelds* (ongoing potential)

* As of Dec 31, 2024

A Platform Technology

Further Opportunity Through Partnership



Applied

OPPORTUNITY:
Industrial Hygiene & Environmental

OPPORTUNITY:
Applications in **GMP QA/QC**, an estimated incremental TAM opportunity of $1.4B (2027)

PARTNER:
Contractor and partner to US GOV for **Advanced Chemical Detection integrations**



Government





Pharma

OEM:
Design & production partner of optical accessories for Industrial QA/QC and Pharma

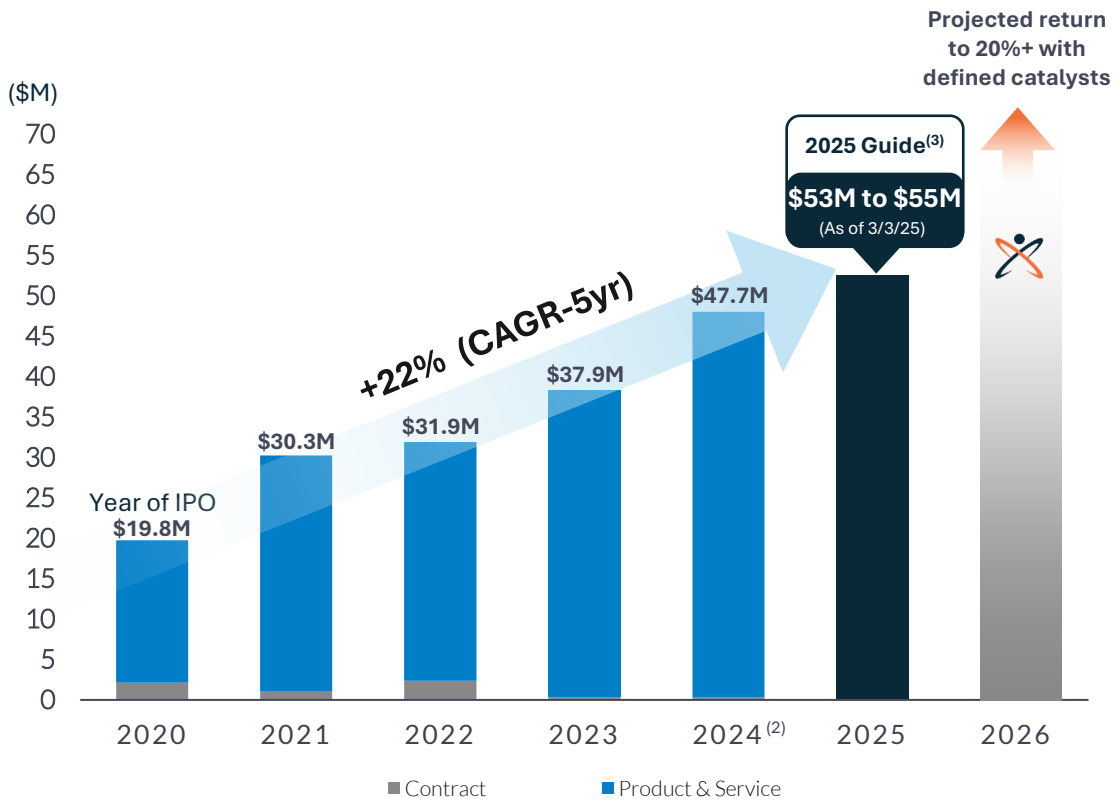
OEM:
Supplier of mass spec subsystems to **REPLIGEN** for Bioprocessing PAT



Biotech

Growth & Profitability

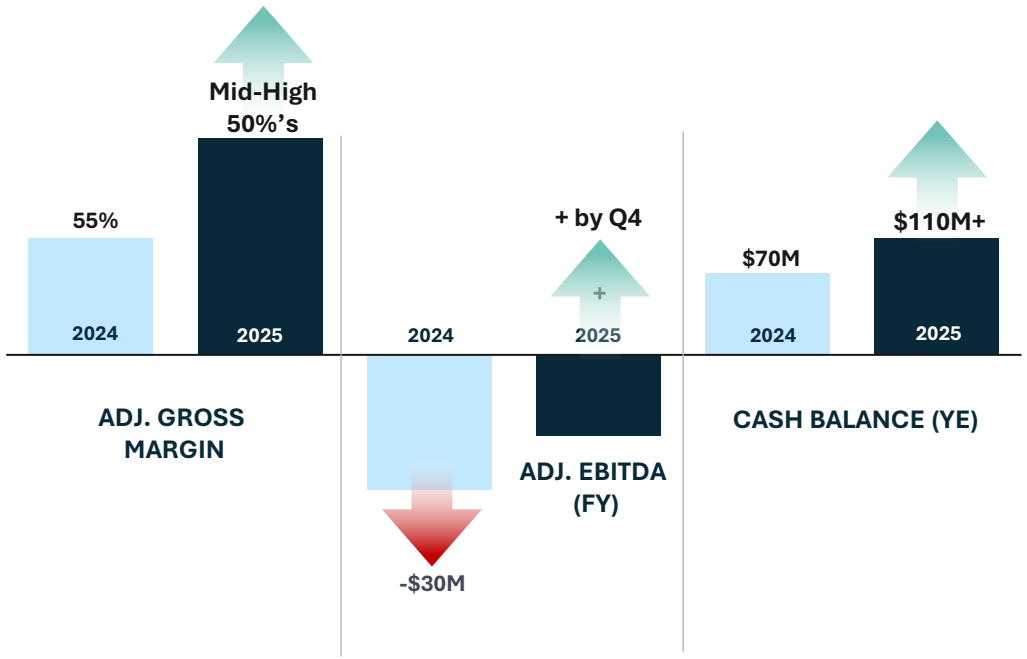
Revenue from Continuing Operations[1]



Represents 2025 YoY Revenue Growth of **+11% to 15%** from Continuing Operations

Compelling Forward Going Financial Profile[4]

Forecasted Adj. EBITDA positive by Q4, and FY Cash flow positive in 2026



[1] Revenue from Continuing Operations is as reported, excluding divested desktop products for all years.
[2] Includes $11.2M of RedWave (RW) revenue. As reference, 2024 RedWave revenue pre-acquisition was $5M.
[3] 2025 Revenue guide for Continuing Operations. Full year GAAP guide includes additional $1M of revenue from discontinued operations.
[4] Projected FY 2025 (as of 3/4/25) compared to reported prior year periods.

Transformative Moment

Of Value Creation for **MASS**



- Sharpening focus on highest-growth handheld markets, addressing today's massive public health & safety challenges – levered to secular trends (i.e. fentanyl / opioid crisis, carcinogens, threats to global security)
- Step change in cost structure - forecasting Adj. EBITDA positive by Q4, targeting FY cash flow positive in 2026
- Revenue growth of 11% to 15%[1] expected in 2025, paving the way for 20%+ growth in 2026, driven by three clear catalysts
- Divestiture nearly doubles balance sheet cash, ensuring enduring operations and fueling growth opportunities
- Future innovation and market potential. Active OEM & funded partnerships – including in Industrial QA/QC & Pharma.

[1] Projected FY 2025 YoY Revenue Growth (as of 3/4/25) for Continuing Operations, excluding divested desktop products

Analysis at the speed of life

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2025 Guidance

(As of 3/4/25)

		2024	2025 Guidance	2026 Expectations
HANDHELD PRODUCT & SERVICE				
MX Mass Spec & RW FTIR[1]	Revenue [Reported]	$44.5M[2]	$51M to $53M +15% to +19%	**GROWTH CATALYSTS** **CATALYST #1 EQUIPMENT MODERNIZATION** FTIR device placement wins and 15,000-unit replacement opportunity. **CATALYST #2 Next-Gen MX Launch –** eEnterprise placement wins, 2,800-unit replacement opportunity, lower COGS, and higher recurring revenue opportunity **CATALYST #3 DoD AVCAD PROGRAM –** Anticipated award for full-rate manufacturing >$10M annual revenue (visibility in 2025, rev. impact by 2026)
PROGRAM PRODUCT & SERVICE				
AVCAD (Low Rate → Next Phase)	Revenue [Reported]	$1.6M	$0	
OEM & FUNDED PARTNERSHIPS				
OEM / Subsystems / Contracts	Revenue [Reported]	$1.6M[2]	~$2M	Opportunity to + w/ Funded Partnerships
TOTAL REVENUES				
Reported Revenue	Continuing Operations Growth [Reported] (Y/Y)	$47.7M	**$53M to $55M** **+11% to +15%**	**Return to 20%+ Growth** *(w/ Catalysts 1-3)*
	Discontinued Ops. (Excl. FTIR OEM)	$11.9M	~$1.0	
	Total Growth [Reported] (Y/Y)	$59.6M	$54M to $56M -9% to -6%	
Recurring Revenues (% of Total Reported)		39%	Roughly 1/3rd	Opportunity to + w/SW & Connected Services
Adj. Gross Margin		55%	Mid-High 50% Range	Year-over-Year Improvement
Adj. EBITDA (Approx. Operational Cash Burn)		(-$29.7M)	**+ Adj. EBITDA by Q4**	**Cash Flow Positive**
Year End Cash Balance		$69.6M	$110M+	$110M+

[1] Excludes AVCAD Program Revenue
[2] Includes $11.2M of RedWave (RW) revenue. As reference, 2024 RedWave revenue pre-aquisition was $5M.

Reconciliation from Gross Profit (GAAP)

– to –

Adjusted Gross Profit (Non-GAAP) and Margin Percentage

	THREE MONTHS ENDED (in thousands)							
	2023				2024			
	Mar 31	June 30	Sept 30	Dec 31	Mar 31	June 30	Sept 30	Dec 31
Gross Profit (GAAP)	$4,384	$5,794	$7,869	$7,275	$5,003	$7,418	$8,332	$9,103
Intangible amortization	106	107	108	107	107	530	743	741
Acquisition and integration costs	-	-	-	-	-	-	-	-
Restructuring	-	-	-	-	-	-	-	69
Stock-based compensation	115	140	155	167	171	202	223	157
Adjusted Gross Profit (Non-GAAP)	$4,605	$6,041	$8,132	$7,549	$5,281	$8,150	$9,298	$10,070
Gross Margin Percentage (GAAP)	46%	48%	55%	51%	50%	53%	50%	48%
Adjusted Gross Margin Percentage (Non-GAAP)	49%	50%	57%	53%	53%	58%	55%	54%

To supplement the Company's financial statements, which are presented on the basis of U.S. generally accepted accounting principles (GAAP), the following non-GAAP measures of financial performance are presented with detailed reconciliations to comparable GAAP financial results in the table above:

Adjusted Gross Profit is defined as gross profit excluding intangible amortization, acquisition and integration costs, restructuring charges (including the costs of severance), and non-cash expenses related to stock-based compensation.

Adjusted Gross Margin is defined as Adjusted Gross Profit expressed as a percentage of total revenue.

Reconciliation from Net Loss (GAAP)

– to –

Adjusted EBITDA (Non-GAAP)

	THREE MONTHS ENDED (in thousands)							
	2023				2024			
	Mar 31	June 30	Sept 30	Dec 31	Mar 31	June 30	Sept 30	Dec 31
Net Loss (GAAP)	**$(12,532)**	**$(9,346)**	**$(7,093)**	**$(7,429)**	**$(10,917)**	**$(12,548)**	**$(29,295)**	**$(19,446)**
Adjustments:								
Other income, net	(485)	(1,522)	(1,909)	(2,282)	(1,701)	(943)	(850)	(736)
Benefit for income taxes	-	(71)	(87)	(2)	(70)	(69)	(72)	(71)
Depreciation	370	368	348	380	418	500	510	514
Intangible amortization	218	219	221	219	220	693	930	903
Goodwill impairment	-	-	-	-	-	-	30,523	10,136
Acquisition and integration costs	-	-	-	44	274	1,950	106	162
Restructuring	524	-	-	-	-	-	171	539
Stock-based compensation	2,166	2,578	2,704	2,339	2,643	3,096	3,199	2,825
Contingent consideration	167	65	104	(228)	-	-	(12,141)	(1,075)
Adjusted EBITDA (Non-GAAP)	**$(9,572)**	**$(7,709)**	**$(5,712)**	**$(6,961)**	**$(9,133)**	**$(7,321)**	**$(6,919)**	**$(6,249)**

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Adjusted EBITDA is defined as net loss excluding other income, benefit for income taxes, depreciation, intangible amortization, acquisition and integration costs, restructuring charges (including the costs of severance), non-cash expenses related to stock-based compensation, and costs associated with contingent consideration related to the Company's acquisitions and for which the conditions for payment have not yet been achieved.