

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549  
FORM 10-Q**

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

For the quarterly period ended June 30, 2022

OR

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

Commission file number 001-39725

**Maravai LifeSciences Holdings, Inc.**

(Exact name of registrant as specified in its charter)

<p style="text-align: center;"><b>Delaware</b></p> <p>(State or other jurisdiction of incorporation or organization)</p> <p style="text-align: center;"><b>10770 Wateridge Circle, Suite 200 San Diego, California</b></p> <p>(Address of principal executive offices)</p>	<p><b>8731</b></p> <p>(Primary Standard Industrial Classification Code Number)</p>	<p><b>85-2786970</b></p> <p>(I.R.S. Employer Identification No.)</p> <p><b>92121</b></p> <p>(Zip code)</p>
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Registrant's telephone number, including area code: (858) 546-0004

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

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Class A common stock, \$0.01 par value	MRVI	The Nasdaq Stock Market LLC

Securities registered pursuant to section 12(g) of the Act: None

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

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

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

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

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

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

As of July 29, 2022, 131,539,642 shares of the registrant's Class A common stock were outstanding and 123,669,196 shares of the registrant's Class B common stock were outstanding.

TABLE OF CONTENTS

	Page
<a href="#">Forward-Looking Statements</a>	<a href="#">3</a>
<a href="#">PART I - FINANCIAL INFORMATION</a>	
<a href="#">Item 1. Financial Statements</a>	
<a href="#">Condensed Consolidated Balance Sheets as of June 30, 2022 (unaudited) and December 31, 2021</a>	<a href="#">5</a>
<a href="#">Condensed Consolidated Statements of Income for the Three and Six Months Ended June 30, 2022 and 2021 (unaudited)</a>	<a href="#">6</a>
<a href="#">Condensed Consolidated Statements of Comprehensive Income for the Three and Six Months Ended June 30, 2022 and 2021 (unaudited)</a>	<a href="#">7</a>
<a href="#">Condensed Consolidated Statements of Changes in Stockholders' Equity for the Three and Six Months Ended June 30, 2022 and 2021 (unaudited)</a>	<a href="#">8</a>
<a href="#">Condensed Consolidated Statements of Cash Flows for the Six Months Ended June 30, 2022 and 2021 (unaudited)</a>	<a href="#">11</a>
<a href="#">Notes to Condensed Consolidated Financial Statements (unaudited)</a>	<a href="#">13</a>
<a href="#">Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</a>	<a href="#">35</a>
<a href="#">Item 3. Quantitative and Qualitative Disclosures About Market Risk</a>	<a href="#">54</a>
<a href="#">Item 4. Controls and Procedures</a>	<a href="#">55</a>
<a href="#">PART II - OTHER INFORMATION</a>	
<a href="#">Item 1. Legal Proceedings</a>	<a href="#">56</a>
<a href="#">Item 1A. Risk Factors</a>	<a href="#">56</a>
<a href="#">Item 2. Unregistered Sales of Equity Securities and Use of Proceeds</a>	<a href="#">56</a>
<a href="#">Item 3. Defaults Upon Senior Securities</a>	<a href="#">56</a>
<a href="#">Item 5. Other Information</a>	<a href="#">56</a>
<a href="#">Item 6. Exhibits</a>	<a href="#">57</a>
<a href="#">Signatures</a>	<a href="#">58</a>

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. All statements other than statements of historical fact included in this report, including, without limitation, statements under the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” are forward-looking statements. Forward-looking statements give our current expectations and projections relating to our financial condition, results of operations, plans, objectives, future performance and business. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements often may include words such as “anticipate,” “estimate,” “expect,” “project,” “plan,” “intend,” “believe,” “may,” “will,” “should,” “can have,” “likely” and other words and terms of similar meaning. These statements are based upon management’s current expectations, assumptions and estimates and are not guarantees of the timing or nature of our future operating or financial performance or other events. All forward-looking statements are subject to risks, uncertainties and other factors that may cause our actual results to differ materially from those that we expected, including:

- The extent and duration of our revenue associated with COVID-19 related products and services are uncertain and are dependent, in important respects, on factors outside our control.
- Certain of our products are used by customers in the production of vaccines and therapies, some of which represent relatively new and still-developing modes of treatment. Unforeseen adverse events, negative clinical outcomes, development of alternative therapies, or increased regulatory scrutiny of these and their financial cost may damage public perception of the safety, utility, or efficacy of these vaccines and therapies or other modes of treatment and may harm our customers’ ability to conduct their business. Such events may negatively impact our revenue and have an adverse effect on our performance.
- We are dependent on our customers’ spending on and demand for outsourced nucleic acid production and biologics safety testing products and services. A reduction in spending or demand could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects.
- We compete with life science, pharmaceutical and biotechnology companies who are substantially larger than we are and potentially capable of developing new approaches that could make our products, services and technology obsolete.
- If our products and services do not perform as expected or the reliability of the technology on which our products and services are based is questioned, we could experience lost revenue, delayed or reduced market acceptance of our products and services, increased costs and damage to our reputation.
- Our products are highly complex and are subject to quality control requirements.
- Our success depends on the market acceptance of our life science reagents. Our reagents may not achieve or maintain significant commercial market acceptance.
- Until the 2020 fiscal year, we had incurred losses for each fiscal year since inception, we may incur losses in the future and we may not be able to generate sufficient revenue to maintain profitability.
- Our operating results may fluctuate significantly in the future, which makes our future operating results difficult to predict and could cause our operating results to fall below expectations or any guidance we may provide.
- Product liability lawsuits against us could cause us to incur substantial liabilities, limit sales of our existing products and limit commercialization of any products that we may develop.
- Our acquisitions expose us to risks that could adversely affect our business, and we may not achieve the anticipated benefits of acquisitions of businesses or technologies.
- We depend on a limited number of customers for a high percentage of our revenue. If we cannot maintain our current relationships with customers, fail to sustain recurring sources of revenue with our existing customers, or if we fail to enter into new relationships, our future operating results will be adversely affected.
- We rely on a limited number of suppliers or, in some cases, sole suppliers, for some of our raw materials and may not be able to find replacements or immediately transition to alternative suppliers.
- Our products could become subject to more onerous regulation by the FDA or other regulatory agencies in the future, which could increase our costs and delay or prevent commercialization of our products, thereby materially and adversely affecting our business, financial condition, results of operations, cash flows and prospects.

[Table of Contents](#)

- If we are unable to obtain, maintain and enforce intellectual property protection for our current or future products, or if the scope of our intellectual property protection is not sufficiently broad, our ability to commercialize our products successfully and to compete effectively may be materially adversely affected.
- If we fail to comply with our obligations under any license agreements, disagree over contract interpretation, or otherwise experience disruptions to our business relationships with our licensors, we could lose intellectual property rights that are necessary to our business.
- Our existing indebtedness could adversely affect our business and growth prospects.
- Our principal asset is our interest in Maravai Topco Holdings, LLC (“Topco LLC”), and, accordingly, we depend on distributions from Topco LLC to pay our taxes and expenses, including payments under a tax receivable agreement with the former owners of Topco LLC (the “Tax Receivable Agreement” or “TRA”). Topco LLC’s ability to make such distributions may be subject to various limitations and restrictions.
- Conflicts of interest could arise between our shareholders and Maravai Life Sciences Holdings, LLC (“MLSH 1”), the only other member of Topco LLC, which may impede business decisions that could benefit our shareholders.
- The Tax Receivable Agreement requires us to make cash payments to MLSH 1 and Maravai Life Sciences Holdings 2, LLC (“MLSH 2”), an entity through which certain of our former owners hold their interests in the Company, in respect of certain tax benefits to which we may become entitled, and we expect that the payments we will be required to make will be substantial.
- Our organizational structure, including the Tax Receivable Agreement, confers certain benefits upon MLSH 1 and MLSH 2 that will not benefit the other common shareholders to the same extent as they will benefit MLSH 1 and MLSH 2.
- GTCR, LLC (“GTCR”) controls us, and its interests may conflict with ours or yours in the future.
- Provisions of our corporate governance documents could make an acquisition of us more difficult and may prevent attempts by our shareholders to replace or remove our current management, even if beneficial to our shareholders.

We derive many of our forward-looking statements from our operating budgets and forecasts, which are based on many detailed assumptions. While we believe that our assumptions are reasonable, we caution that it is very difficult to predict the impact of known factors, and it is impossible for us to anticipate all factors that could affect our actual results. Important factors that could cause our actual results to differ materially from our expectations, or cautionary statements, are disclosed under the sections entitled “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” in our Annual Report on Form 10-K for the year ended December 31, 2021 and in this Quarterly Report on Form 10-Q.

The forward-looking statements included in this report are made only as of the date hereof. We undertake no obligation to update or revise any forward-looking statement as a result of new information, future events or otherwise, except as otherwise required by law.

**Part I.**

**Item 1. Financial Statements and Supplementary Data**

**MARAVAI LIFESCIENCES HOLDINGS, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**  
(in thousands, except par value)  
(Unaudited)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash	\$ 550,676	\$ 551,272
Accounts receivable, net	120,354	117,512
Inventory	60,113	51,557
Prepaid expenses and other current assets	19,664	19,698
Government funding receivable	8,575	—
Total current assets	759,382	740,039
Property and equipment, net	46,956	46,332
Goodwill	283,535	152,766
Intangible assets, net	229,153	117,571
Deferred tax assets	780,354	808,117
Other assets	72,419	53,451
Total assets	\$ 2,171,799	\$ 1,918,276
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 23,267	\$ 8,154
Accrued expenses and other current liabilities	43,641	34,574
Deferred revenue	5,435	10,211
Current portion of payable to related parties pursuant to a Tax Receivable Agreement	34,747	34,838
Current portion of long-term debt	5,440	6,000
Total current liabilities	112,530	93,777
Long-term debt, less current portion	523,655	524,591
Payable to related parties pursuant to a Tax Receivable Agreement, less current portion	711,232	713,481
Other long-term liabilities	50,590	41,066
Total liabilities	1,398,007	1,372,915
Stockholders' equity:		
Class A common stock, \$0.01 par value - 500,000 shares authorized; 131,539 and 131,488 shares issued and outstanding as of June 30, 2022 and December 31, 2021, respectively	1,315	1,315
Class B common stock, \$0.01 par value - 300,000 shares authorized; 123,669 shares issued and outstanding as of June 30, 2022 and December 31, 2021	1,237	1,237
Additional paid-in capital	131,373	128,386
Retained earnings	322,663	184,561
Total stockholders' equity attributable to Maravai LifeSciences Holdings, Inc.	456,588	315,499
Non-controlling interest	317,204	229,862
Total stockholders' equity	773,792	545,361
Total liabilities and stockholders' equity	\$ 2,171,799	\$ 1,918,276

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

## MARAVAI LIFESCIENCES HOLDINGS, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF INCOME**  
 (in thousands, except per share amounts)  
 (Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
<b>Revenue</b>	\$ 242,732	\$ 217,775	\$ 487,025	\$ 365,986
<b>Operating expenses:</b>				
Cost of revenue	37,496	37,811	77,528	69,202
Selling, general and administrative	28,061	24,500	61,261	47,971
Research and development	4,274	1,929	7,969	4,089
Change in estimated fair value of contingent consideration	(7,800)	—	(7,800)	—
Total operating expenses	62,031	64,240	138,958	121,262
Income from operations	180,701	153,535	348,067	244,724
<b>Other income (expense):</b>				
Interest expense	(4,434)	(7,649)	(7,098)	(15,553)
Loss on extinguishment of debt	—	—	(208)	—
Change in payable to related parties pursuant to a Tax Receivable Agreement	—	—	2,340	5,886
Other expense	(1,275)	(3)	(1,268)	—
Income before income taxes	174,992	145,883	341,833	235,057
Income tax expense	18,271	11,386	38,252	25,095
<b>Net income</b>	156,721	134,497	303,581	209,962
Net income attributable to non-controlling interests	85,481	85,354	165,479	137,717
<b>Net income attributable to Maravai LifeSciences Holdings, Inc.</b>	<u>\$ 71,240</u>	<u>\$ 49,143</u>	<u>\$ 138,102</u>	<u>\$ 72,245</u>
<b>Net income per Class A common share attributable to Maravai LifeSciences Holdings, Inc.:</b>				
Basic	\$ 0.54	\$ 0.44	\$ 1.05	\$ 0.69
Diluted	\$ 0.53	\$ 0.44	\$ 1.03	\$ 0.69
<b>Weighted average number of Class A common shares outstanding:</b>				
Basic	131,524	112,203	131,506	104,468
Diluted	255,361	112,280	255,324	257,686

\* As adjusted to reflect the impact of the adoption of Accounting Standards Codification 842 (“ASC 842”). See Note 1 to the condensed consolidated financial statements for a summary of the adjustments.

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

## MARAVAI LIFESCIENCES HOLDINGS, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**  
(in thousands)  
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
Net income	\$ 156,721	\$ 134,497	\$ 303,581	\$ 209,962
Other comprehensive income:				
Foreign currency translation adjustments	—	8	—	16
Total other comprehensive income	156,721	134,505	303,581	209,978
Comprehensive income attributable to non-controlling interests	85,481	85,359	165,479	137,728
Total comprehensive income attributable to Maravai LifeSciences Holdings, Inc.	<u>\$ 71,240</u>	<u>\$ 49,146</u>	<u>\$ 138,102</u>	<u>\$ 72,250</u>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements for a summary of the adjustments.

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

## MARAVAI LIFESCIENCES HOLDINGS, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY**  
 (in thousands)  
 (Unaudited)

	Three Months Ended June 30, 2022							
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>March 31, 2022</b>	131,490	\$ 1,315	123,669	\$ 1,237	\$ 128,584	\$ 251,423	\$ 271,743	\$ 654,302
Issuance of Class A common stock under employee equity plans, net of shares withheld for employee taxes	49	—	—	—	1,114	—	—	1,114
Non-controlling interest adjustment for changes in proportionate ownership in Topco LLC	—	—	—	—	(480)	—	480	—
Stock-based compensation	—	—	—	—	2,220	—	2,088	4,308
Distribution for tax liabilities to non-controlling interest holder	—	—	—	—	(65)	—	(42,588)	(42,653)
Net income	—	—	—	—	—	71,240	85,481	156,721
<b>June 30, 2022</b>	<u>131,539</u>	<u>\$ 1,315</u>	<u>123,669</u>	<u>\$ 1,237</u>	<u>\$ 131,373</u>	<u>\$ 322,663</u>	<u>\$ 317,204</u>	<u>\$ 773,792</u>

	Six Months Ended June 30, 2022							
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Retained Earnings	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount				
<b>December 31, 2021</b>	131,488	\$ 1,315	123,669	\$ 1,237	\$ 128,386	\$ 184,561	\$ 229,862	\$ 545,361
Issuance of Class A common stock under employee equity plans, net of shares withheld for employee taxes	51	—	—	—	1,148	—	—	1,148
Non-controlling interest adjustment for changes in proportionate ownership in Topco LLC	—	—	—	—	(494)	—	494	—
Stock-based compensation	—	—	—	—	4,089	—	3,846	7,935
Distribution for tax liabilities to non-controlling interest holder	—	—	—	—	(65)	—	(82,477)	(82,542)
Impact of change to deferred tax asset associated with cash contribution to Topco LLC	—	—	—	—	(1,691)	—	—	(1,691)
Net income	—	—	—	—	—	138,102	165,479	303,581
<b>June 30, 2022</b>	<u>131,539</u>	<u>\$ 1,315</u>	<u>123,669</u>	<u>\$ 1,237</u>	<u>\$ 131,373</u>	<u>\$ 322,663</u>	<u>\$ 317,204</u>	<u>\$ 773,792</u>



## MARAVAI LIFESCIENCES HOLDINGS, INC.

Three Months Ended June 30, 2021									
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
<b>March 31, 2021</b>	96,647	\$ 966	160,974	\$ 1,610	\$ 85,976	\$ (42)	\$ 25,626	\$ 99,687	\$ 213,823
Effect of exchange of LLC Units	17,666	177	(17,666)	(177)	12,129	—	—	(12,129)	—
Recognition of impact of Tax Receivable Agreement due to exchanges of LLC Units	—	—	—	—	18,940	—	—	—	18,940
Issuance of Class A common stock under employee equity plans, net of shares withheld for employee taxes	39	—	—	—	785	—	—	—	785
Non-controlling interest adjustment for changes in proportionate ownership in Topco LLC	—	—	—	—	(420)	—	—	420	—
Stock-based compensation	—	—	—	—	1,039	—	—	1,344	2,383
Distribution for tax liabilities to non-controlling interest holder	—	—	—	—	37	—	—	(33,112)	(33,075)
Net income	—	—	—	—	—	—	49,143	85,354	134,497
Foreign currency translation adjustment	—	—	—	—	—	3	—	5	8
<b>June 30, 2021 (as adjusted)*</b>	<u>114,352</u>	<u>\$ 1,143</u>	<u>143,308</u>	<u>\$ 1,433</u>	<u>\$ 118,486</u>	<u>\$ (39)</u>	<u>\$ 74,769</u>	<u>\$ 141,569</u>	<u>\$ 337,361</u>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements for a summary of the adjustments.

MARAVAI LIFESCIENCES HOLDINGS, INC.

	Six Months Ended June 30, 2021								
	Class A Common Stock		Class B Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Loss	Retained Earnings	Non-Controlling Interest	Total Stockholders' Equity
	Shares	Amount	Shares	Amount					
<b>December 31, 2020</b>	96,647	\$ 966	160,974	\$ 1,610	\$ 85,125	\$ (44)	\$ 854	\$ 66,235	\$ 154,746
Cumulative effect of adoption of ASC 842, net of tax	—	—	—	—	—	—	1,670	2,784	4,454
Effect of exchange of LLC Units	17,666	177	(17,666)	(177)	12,129	—	—	(12,129)	—
Recognition of impact of Tax Receivable Agreement due to exchanges of LLC Units	—	—	—	—	18,940	—	—	—	18,940
Issuance of Class A common stock under employee equity plans, net of shares withheld for employee taxes	39	—	—	—	785	—	—	—	785
Non-controlling interest adjustment for changes in proportionate ownership in Topco LLC	—	—	—	—	(420)	—	—	420	—
Stock-based compensation	—	—	—	—	1,893	—	—	2,768	4,661
Distribution for tax liabilities to non-controlling interest holder	—	—	—	—	34	—	—	(56,237)	(56,203)
Net income	—	—	—	—	—	—	72,245	137,717	209,962
Foreign currency translation adjustment	—	—	—	—	—	5	—	11	16
<b>June 30, 2021 (as adjusted)*</b>	<b>114,352</b>	<b>\$ 1,143</b>	<b>143,308</b>	<b>\$ 1,433</b>	<b>\$ 118,486</b>	<b>\$ (39)</b>	<b>\$ 74,769</b>	<b>\$ 141,569</b>	<b>\$ 337,361</b>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements for a summary of the adjustments.

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

## MARAVAI LIFESCIENCES HOLDINGS, INC.

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
 (in thousands)  
 (Unaudited)

	Six Months Ended June 30,	
	2022	2021 (as adjusted)*
<b>Operating activities:</b>		
Net income	\$ 303,581	\$ 209,962
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,747	2,871
Amortization of intangible assets	11,779	10,081
Amortization of right-of-use assets	2,639	3,510
Amortization of deferred financing costs	1,410	1,319
Stock-based compensation expense	7,935	4,661
Loss on extinguishment of debt	208	—
Deferred income taxes	26,073	18,211
Change in estimated fair value of contingent consideration	(7,800)	—
Revaluation of liabilities under the Tax Receivable Agreement	(2,340)	(5,886)
Other	(1,283)	(101)
Changes in operating assets and liabilities:		
Accounts receivable	(2,332)	(36,471)
Inventory	(7,502)	(18,494)
Prepaid expenses and other assets	(10,052)	(5,070)
Accounts payable	6,310	4,161
Accrued expenses and other current liabilities	(1,773)	(12,544)
Deferred revenue	(4,776)	31,430
Other long-term liabilities	759	(3,375)
Net cash provided by operating activities	<u>326,583</u>	<u>204,265</u>
<b>Investing activities:</b>		
Cash paid for acquisition of a business, net of cash acquired	(238,836)	—
Purchases of property and equipment	(4,409)	(7,865)
Proceeds from sale of building	—	548
Net cash used in investing activities	<u>(243,245)</u>	<u>(7,317)</u>
<b>Financing activities:</b>		
Distributions for tax liabilities to non-controlling interests holders	(82,477)	(56,203)
Proceeds from borrowings of long-term debt	8,455	—
Principal repayments of long-term debt	(11,175)	(3,000)
Proceeds from employee stock purchase plan and exercise of stock options, net of shares withheld for employee taxes	1,263	1,018
Net cash used in financing activities	<u>(83,934)</u>	<u>(58,185)</u>
Effects of exchange rate changes on cash	—	13
Net (decrease) increase in cash including cash classified within current assets held for sale	(596)	138,776
Less: Net increase in cash classified within current assets held for sale	—	(250)
Net (decrease) increase in cash	(596)	138,526
Cash, beginning of period	551,272	236,184
Cash, end of period	<u>\$ 550,676</u>	<u>\$ 374,710</u>
<b>Supplemental cash flow information:</b>		
Cash paid for interest	<u>\$ 6,132</u>	<u>\$ 13,972</u>
Cash paid for income taxes	<u>\$ 13,856</u>	<u>\$ 9,087</u>

## MARAVAI LIFESCIENCES HOLDINGS, INC.

	Six Months Ended June 30,	
	2022	2021 (as adjusted)*
<b>Supplemental disclosures of non-cash investing and financing activities:</b>		
Property and equipment included in accounts payable and accrued expenses	\$ 2,145	\$ 1,035
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 773	\$ —
Fair value of contingent consideration liability recorded in connection with acquisition of a business	\$ 7,800	\$ —
Accrued consideration payable	\$ 10,000	\$ —
Recognition of liabilities under the Tax Receivable Agreement	\$ —	\$ 137,706
Recognition of deferred tax assets as a result of exchange of LLC Units	\$ —	\$ 156,647

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements for a summary of the adjustments.

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

**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS****1. Organization and Significant Accounting Policies****Description of Business**

Maravai LifeSciences Holdings, Inc. (the “Company”, and together with its consolidated subsidiaries, “Maravai”, “we”, “us”, and “our”) provides critical products to enable the development of drugs, therapeutics, diagnostics and vaccines and to support research on human diseases. Our products address the key phases of biopharmaceutical development and include complex nucleic acids for diagnostic and therapeutic applications and antibody-based products to detect impurities during the production of biopharmaceutical products.

The Company is headquartered in San Diego, California and has historically operated in three principal businesses: Nucleic Acid Production, Biologics Safety Testing and Protein Detection. In September 2021, the Company completed the divestiture of its Protein Detection business. Our Nucleic Acid Production business manufactures and sells products used in the fields of gene therapy, vaccines, nucleoside chemistry, oligonucleotide therapy and molecular diagnostics, including reagents used in the chemical synthesis, modification, labelling and purification of deoxyribonucleic acid (“DNA”) and ribonucleic acid (“RNA”). Our core Nucleic Acid Production offerings include messenger ribonucleic acid (“mRNA”), long and short oligonucleotides, our proprietary CleanCap® capping technology and oligonucleotide building blocks. Our Biologics Safety Testing business sells highly specialized analytical products for use in biologic manufacturing process development, including custom product-specific development antibody and assay development services.

**Organization**

We were incorporated as a Delaware corporation in August 2020 for the purpose of facilitating an initial public offering (“IPO”). Immediately prior to the IPO, we effected a series of organizational transactions (the “Organizational Transactions”), which, together with the IPO, were completed in November 2020, that resulted in the Company operating, controlling all of the business affairs and becoming the ultimate parent company of Maravai Topco Holdings, LLC (“Topco LLC”) and its consolidated subsidiaries. Maravai Life Sciences Holdings, LLC (“MLSH 1”), which is controlled by investment entities affiliated with GTCR, is the only other member of Topco LLC.

The Company is the sole managing member of Topco LLC, which operates and controls TriLink Biotechnologies, LLC (“TriLink”), Glen Research, LLC, MockV Solutions, LLC and Cygnus Technologies, LLC (“Cygnus”) and their respective subsidiaries. Prior to the Company’s divestiture of its Protein Detection business in September 2021, Topco LLC also operated and controlled Vector Laboratories, Inc. and its subsidiaries (“Vector”).

**Basis of Presentation**

The Company operates and controls all of the business and affairs of Topco LLC, and through Topco LLC and its subsidiaries, conducts its business. Because we manage and operate the business and control the strategic decisions and day-to-day operations of Topco LLC and also have a substantial financial interest in Topco LLC, we consolidate the financial results of Topco LLC, and a portion of our net income is allocated to the non-controlling interests in Topco LLC held by MLSH 1.

The accompanying unaudited interim condensed consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany transactions and accounts between the businesses comprising the Company have been eliminated in the accompanying consolidated financial statements.

**Unaudited Interim Condensed Consolidated Financial Statements**

The accompanying unaudited condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“GAAP”) for interim financial information and pursuant to Form 10-Q of Regulation S-X of the Securities and Exchange Commission (“SEC”). Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. These unaudited condensed consolidated financial statements include all adjustments necessary to fairly state the financial position and the results of our operations and cash flows for interim periods in accordance with GAAP. All such adjustments are of a normal, recurring nature. Operating results for the three and six months ended June 30, 2022 are not necessarily indicative of the results that may be expected for the year ending December 31, 2022 or for any future period.

The condensed consolidated balance sheet presented as of December 31, 2021, has been derived from the audited consolidated financial statements as of that date. The condensed consolidated financial statements and notes are presented as permitted by Form 10-Q and do not contain all information that is included in the annual financial statements and notes thereto of the Company. The condensed consolidated financial statements and notes included in this report should be read in conjunction with

the consolidated financial statements and notes included in the Company's Annual Report on Form 10-K for the year ended December 31, 2021 ("2021 Form 10-K") filed with the SEC.

#### **Use of Estimates**

The preparation of consolidated financial statements in accordance with GAAP requires the Company to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities, equity, revenue and expenses, and related disclosures. These estimates form the basis for judgments the Company makes about the carrying values of assets and liabilities that are not readily apparent from other sources. The Company bases its estimates and judgments on historical experience and on various other assumptions that the Company believes are reasonable under the circumstances. These estimates are based on management's knowledge about current events and expectations about actions the Company may undertake in the future. Significant estimates include, but are not limited to the payable to related parties pursuant to the Tax Receivable Agreement (as defined in Note 10), the realizability of our net deferred tax assets, and valuation of goodwill and intangible assets acquired in business combinations. Actual results could differ materially from those estimates.

#### **Significant Accounting Policies**

A description of the Company's significant accounting policies is included in Note 1 of the Notes to the Consolidated Financial Statements included in its 2021 Form 10-K. Except as noted below, there have been no material changes in the Company's significant accounting policies during the three and six months ended June 30, 2022.

#### **Revenue Recognition**

The Company generates revenue primarily from the sale of products, and to a much lesser extent, services in the fields of nucleic acid production, biologics safety testing and protein detection. Revenue is recognized when control of promised goods or services is transferred to a customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. To determine revenue recognition for its arrangements with customers, the Company performs the following five steps: (i) identify the contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenue when (or as) the entity satisfies a performance obligation. The majority of the Company's contracts include only one performance obligation. A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is defined as the unit of account for revenue recognition. The Company also recognizes revenue from other contracts that may include a combination of products and services, the provision of solely services, or from license fee arrangements which may be associated with the delivery of product. Where there is a combination of products and services, the Company accounts for the promises as individual performance obligations if they are concluded to be distinct. Performance obligations are considered distinct if they are both capable of being distinct and distinct within the context of the contract. In determining whether performance obligations meet the criteria for being distinct, the Company considers a number of factors, such as the degree of interrelation and interdependence between obligations, and whether or not the good or service significantly modifies or transforms another good or service in the contract. As a practical expedient, we do not adjust the transaction price for the effects of a significant financing component if, at contract inception, the period between customer payment and the transfer of goods or services is expected to be one year or less. Contracts with customers are evaluated on a contract-by-contract basis as contracts may include multiple types of goods and services as described below.

##### ***Nucleic Acid Production***

Nucleic Acid Production revenue is generated from the manufacture and sale of highly modified, complex nucleic acids products to support the needs of our of customers' research, therapeutic and vaccine programs. The primary offering of products includes CleanCap®, mRNA and specialized oligonucleotides. Contracts typically consist of a single performance obligation. We also sell nucleic acid products for labeling and detecting proteins in cells and tissue samples research. The Company recognizes revenue from these products in the period in which the performance obligation is satisfied by transferring control to the customer. Revenue for nucleic acid catalog products is recognized at a single point in time, generally upon shipment to the customer. Revenue for contracts for certain custom nucleic acid products, with an enforceable right to payment and a reasonable margin for work performed to date, is recognized over time, based on a cost-to-cost input method over the manufacturing period. Payments received from customers in advance of manufacturing their products is recorded as deferred revenue until the products were delivered.

##### ***Biologics Safety Testing***

The Company's Biologics Safety Testing revenue is associated with the sale of bioprocess impurity detection kit products. We also enter into contracts that include custom antibody development, assay development and antibody affinity extraction services. These products and services enable the detection of impurities that occur in the

manufacturing of biologic drugs and other therapeutics. The Company recognizes revenue from the sale of bioprocess impurity detection kits in the period in which the performance obligation is satisfied by transferring control to the customer. Custom antibody development contracts consist of a single performance obligation, typically with an enforceable right to payment and a reasonable margin for work performed to date. Revenue is recognized over time based on a cost-to-cost input method over the contract term. Where an enforceable right to payment does not exist, revenue is recognized at a point in time when control is transferred to the customer. Assay development service contracts consist of a single performance obligation, revenue is recognized at a point in time when a successful antigen test and report is provided to the customer. Affinity extraction services, which generally occur over a short period of time, consist of a single performance obligation to perform the extraction service and provide a summary report to the customer. Revenue is recognized either over time or at a point in time depending on contractual payment terms with the customer.

***Protein Detection***

Prior to the divestiture of its Protein Detection business in September 2021, the Company also manufactured and sold protein labeling and detection reagents to customers that were used for basic research and development. The contracts to sell these catalog products consisted of a single performance obligation to deliver the reagent products. Revenue from these contracts was recognized at a point in time, generally upon shipment of the final product to the customer.

The Company elected the practical expedient to not disclose the unfulfilled performance obligations for contracts with an original length of one year or less. The Company had no material unfulfilled performance obligations for contracts with an original length greater than one year for any period presented.

The Company accepts returns only if the products do not meet customer specifications and historically, the Company's volume of product returns has not been significant. Further, no warranties are provided for promised goods and services other than assurance type warranties.

Revenue for an individual contract is recognized at the related transaction price, which is the amount the Company expects to be entitled to in exchange for transferring the products and/or services. The transaction price for product sales is calculated at the contracted product selling price. The transaction price for a contract with multiple performance obligations is allocated to the separate performance obligations on a relative standalone selling price basis. Standalone selling prices for products are determined based on the prices charged to customers, which are directly observable. Standalone selling price of services are mostly based on time and materials. Generally, payments from customers are due when goods and services are transferred. As most contracts contain a single performance obligation, the transaction price is representative of the standalone selling price charged to customers. Revenue is recognized only to the extent that it is probable that a significant reversal of the cumulative amount recognized will not occur in future periods. Variable consideration has not been material to our consolidated financial statements.

***Sales taxes***

Sales taxes collected by the Company are not included in the transaction price as revenue as they are ultimately remitted to a governmental authority.

***Shipping and handling costs***

The Company has elected to account for shipping and handling activities related to contracts with customers as costs to fulfill the promise to transfer the associated products. Accordingly, revenue for shipping and handling is recognized at the same time that the related product revenue is recognized.

***Contract costs***

The Company recognizes the incremental costs of obtaining contracts as an expense when incurred when the amortization period of the assets that otherwise would have been recognized is one year or less. These costs are included in sales and marketing and general and administrative expenses. The costs to fulfill the contracts are determined to be immaterial and are recognized as an expense when incurred.

***Contract balances***

Contract assets are generated when contractual billing schedules differ from revenue recognition timing and the Company records a contract receivable when it has an unconditional right to consideration. There were no contract asset balances as of June 30, 2022 and December 31, 2021.

Contract liabilities include billings in excess of revenue recognized, such as customer deposits and deferred revenue. Customer deposits, which are included in accrued expenses, are recorded when cash payments are received or due in advance of performance. Deferred revenue is recorded when the Company has unsatisfied performance obligations. Total contract liabilities were \$7.5 million and \$12.6 million as of June 30, 2022 and December 31, 2021, respectively. Contract liabilities are expected to be recognized into revenue within the next twelve months.

#### Disaggregation of Revenue

The following tables summarize the revenue by segment and region for the periods presented (in thousands):

	Three Months Ended June 30, 2022		
	Nucleic Acid Production	Biologics Safety Testing	Total
North America	\$ 82,015	\$ 7,172	\$ 89,187
Europe, the Middle East and Africa	113,461	4,578	118,039
Asia Pacific	29,737	5,605	35,342
Latin and Central America	35	129	164
Total revenue	\$ 225,248	\$ 17,484	\$ 242,732

	Six Months Ended June 30, 2022		
	Nucleic Acid Production	Biologics Safety Testing	Total
North America	\$ 161,433	\$ 14,691	\$ 176,124
Europe, the Middle East and Africa	244,811	9,275	254,086
Asia Pacific	42,604	13,933	56,537
Latin and Central America	50	228	278
Total revenue	\$ 448,898	\$ 38,127	\$ 487,025

	Three Months Ended June 30, 2021			
	Nucleic Acid Production	Biologics Safety Testing	Protein Detection	Total
North America	\$ 65,715	\$ 6,437	\$ 4,197	\$ 76,349
Europe, the Middle East and Africa	106,046	3,899	1,892	111,837
Asia Pacific	20,760	7,668	913	29,341
Latin and Central America	—	204	44	248
Total revenue	\$ 192,521	\$ 18,208	\$ 7,046	\$ 217,775

	Six Months Ended June 30, 2021			
	Nucleic Acid Production	Biologics Safety Testing	Protein Detection	Total
North America	\$ 133,847	\$ 12,849	\$ 7,949	\$ 154,645
Europe, the Middle East and Africa	153,944	8,248	3,360	165,552
Asia Pacific	28,645	14,403	2,273	45,321
Latin and Central America	17	357	94	468
Total revenue	\$ 316,453	\$ 35,857	\$ 13,676	\$ 365,986

Total revenue is attributed to geographic regions based on the bill-to location of the transaction. For all periods presented, the majority of our revenue was recognized at a point in time.

#### Non-Controlling Interests

Non-controlling interests represent the portion of profit or loss, net assets and comprehensive income of our consolidated subsidiaries that is not allocable to the Company based on our percentage of ownership of such entities.



In November 2020, following the completion of the Organizational Transactions, we became the sole managing member of Topco LLC. As of June 30, 2022, we held approximately 51.5% of the outstanding LLC Units of Topco LLC, and MLSH 1 held approximately 48.5% of the outstanding LLC Units of Topco LLC. Therefore, we report non-controlling interests based on the percentage of LLC Units of Topco LLC held by MLSH 1 on the condensed consolidated balance sheet as of June 30, 2022. Income or loss attributed to the non-controlling interest in Topco LLC is based on the LLC Units outstanding during the period for which the income or loss is generated and is presented on the condensed consolidated statements of income and condensed consolidated statements of comprehensive income.

MLSH 1 is entitled to exchange its LLC Units of Topco LLC, together with an equal number of shares of our Class B common stock (together referred to as “Paired Interests”), for shares of Class A common stock on a one-for-one basis or, at our election, for cash, from a substantially concurrent public offering or private sale (based on the price of our Class A common stock in such public offering or private sale). As such, future exchanges of Paired Interests by MLSH 1 will result in a change in ownership and reduce or increase the amount recorded as non-controlling interests and increase or decrease additional paid-in-capital when Topco LLC has positive or negative net assets, respectively. In April 2021, MLSH 1 executed an exchange of Paired Interests prior to the April 2021 Secondary Offering. For the six months ended June 30, 2022, MLSH 1 did not exchange any Paired Interests.

#### ***Exchange and Secondary Offering***

In April 2021, MLSH 1 executed an exchange of 17,665,959 LLC Units (paired with the corresponding shares of Class B common stock) in return for 17,665,959 shares of the Company’s Class A common stock. The corresponding shares of Class B common stock were subsequently cancelled and retired. The Company immediately completed a secondary offering (“April 2021 Secondary Offering”) of 20,700,000 shares of its Class A common stock by MLSH 1 and MLSH 2, which included 3,034,041 shares of Class A common stock previously held by MLSH 2, which included the full exercise of the underwriters’ option to purchase up to 2,700,000 additional shares of Class A common stock, at a price of \$31.25 per share.

The selling stockholders were responsible for the underwriting discounts and commissions of the April 2021 Secondary Offering and received all of the net proceeds of \$24.2 million from the sale of shares of Class A common stock. The Company was responsible for the offering costs associated with the April 2021 Secondary Offering of \$ 1.0 million which were recorded within selling, general and administrative in the condensed consolidated statements of income.

Distributions of \$42.6 million and \$82.5 million for tax liabilities were made to MLSH 1 during the three and six months ended June 30, 2022, respectively. Distributions of \$33.1 million and \$56.2 million for tax liabilities were made to MLSH 1 during the three and six months ended June 30, 2021, respectively.

#### **Segment Information**

The Company has historically operated in three reportable segments. Operating segments are defined as components of an enterprise for which separate financial information is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and assessing performance. The Company’s chief operating decision maker (“CODM”), its Chief Executive Officer, allocates resources and assesses performance based upon discrete financial information at the segment level. All of our long-lived assets are located in the United States. After the divestiture of Vector in September 2021, the Company no longer has the Protein Detection segment. The Company has reported the historical results of the Protein Detection business as such discrete financial information evaluated by the CODM for the periods presented included the information for this legacy segment. As of June 30, 2022, the Company operated in two reportable segments: Nucleic Acid Production and Biologics Safety Testing.

#### **Net Income per Class A Common Share Attributable to Maravai LifeSciences Holdings, Inc.**

Basic net income per Class A common share attributable to Maravai LifeSciences Holdings, Inc. is computed by dividing net income attributable to us by the weighted average number of Class A common shares outstanding during the period. Diluted net income per Class A common share is calculated by giving effect to all potential weighted average dilutive stock options, restricted stock units, and Topco LLC Units, that together with an equal number of shares of our Class B common stock, are convertible into shares of our Class A common stock. The dilutive effect of outstanding awards, if any, is reflected in diluted earnings per share by application of the treasury stock method or if-converted method, as applicable. The Company reported net income attributable to Maravai LifeSciences Holdings, Inc. for the three and six months ended June 30, 2022 and 2021.

#### **Government Assistance**

The consideration awarded to the Company by the U.S. Department of Defense is outside the scope of the contracts with customers, income tax, funded research and development, and contribution guidance. This is because the awarding entity is not considered to be a customer, the receipt of the funding is not predicated on the Company’s income tax position, there are no

refund provisions, and the entity is not receiving reciprocal value for their support provided to the Company. The Company's elected policy is to recognize such assistance as a reduction to the carrying amount of the assets associated with the award when it is reasonably assured that the funding will be received as evidenced through the existence of an arrangement, amounts eligible for reimbursement are determinable and have been incurred or paid, the applicable conditions under the arrangement have been met, and collectability of amounts due is reasonably assured.

### **Contingent Consideration**

Contingent consideration represents additional consideration that may be transferred to former owners of an acquired entity in the future if certain future events occur or conditions are met. Contingent consideration resulting from the acquisition of a business is recorded at fair value on the acquisition date. Such contingent consideration is re-measured to its estimated fair value at each reporting date with the change in fair value recognized within operating expenses in the Company's condensed consolidated statements of income. Subsequent changes in the fair value of the contingent consideration are classified as an adjustment to cash flows from operating activities in the condensed consolidated statements of cash flows because the change in fair value is an input in determining net income. Cash paid in settlement of contingent consideration liabilities are classified as cash flows from financing activities up to the acquisition date fair value with any excess classified as cash flows from operating activities.

Changes in the fair value of contingent consideration liabilities associated with the acquisition of a business can result from updates to assumptions such as the expected timing or probability of achieving customer related performance targets, specified sales milestones, changes in projected revenue or changes in discount rates. Judgment is used in determining those assumptions as of the acquisition date and for each subsequent reporting period. Therefore, any changes in the fair value will impact the Company's results of operations in such reporting period thereby resulting in potential variability in the Company's operating results until such contingencies are resolved.

### **Fair Value of Financial Instruments**

The Company defines fair value as the amount that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The Company follows accounting guidance that has a three-level hierarchy for fair value measurements based upon the transparency of inputs to the valuation of the asset or liability as of the measurement date. Instruments with readily available actively quoted prices, or for which fair value can be measured from actively quoted prices in an orderly market, will generally have a higher degree of market price transparency and a lesser degree of judgment used in measuring fair value. The three levels of the hierarchy are defined as follows:

Level 1—Observable inputs that reflect quoted prices (unadjusted) for identical assets or liabilities in active markets;

Level 2—Include other inputs that are directly or indirectly observable in the marketplace; and

Level 3—Unobservable inputs which are supported by little or no market activity.

As of June 30, 2022 and December 31, 2021, the carrying value of the Company's current assets and liabilities approximated fair value due to the short maturities of these instruments. The fair values of the Company's long-term debt approximated carrying value, excluding the effect of unamortized debt discount, as it is based on borrowing rates currently available to the Company for debt with similar terms and maturities (Level 2 inputs).

### **Acquisitions**

The Company evaluates mergers, acquisitions and other similar transactions to assess whether or not the transaction should be accounted for as a business combination or an acquisition of assets. The Company first identifies who is the acquiring entity by determining if the target is a legal entity or a group of assets or liabilities. If control over a legal entity is being evaluated, the Company also evaluates if the target is a variable interest or voting interest entity. For acquisitions of voting interest entities, the Company applies a screen test to determine if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen test is met, the transaction is accounted for as an acquisition of assets. If the screen is not met, further determination is required as to whether or not the Company has acquired inputs and processes that have the ability to create outputs which would meet the definition of a business.

The Company accounts for its business combinations using the acquisition method of accounting which requires that the assets acquired and liabilities assumed of acquired businesses be recorded at their respective fair values at the date of acquisition. The purchase price, which includes the fair value of consideration transferred, is attributed to the fair value of the assets acquired and liabilities assumed. The purchase price may also include contingent consideration. The Company assesses whether such contingent consideration is subject to liability classification and fair value measurement or meets the definition of a derivative. Contingent consideration liabilities are recognized at their estimated fair value on the acquisition date. Contingent consideration

arrangements that are determined to be compensatory in nature are recognized as post combination expense in our condensed consolidated statements of income ratably over the implied service period beginning in the period it becomes probable such amounts will become payable. The excess of the purchase price of the acquisition over the fair value of the identifiable net assets of the acquiree is recorded as goodwill. The fair value of assets acquired and liabilities assumed in certain cases may be subject to revision based on the final determination of fair value during a period of time not to exceed twelve months from the acquisition date. The results of acquired businesses are included in the Company's consolidated financial statements from the date of acquisition. Transaction costs directly attributable to acquired businesses are expensed as incurred.

Determining the fair value of assets acquired and liabilities assumed requires management to use significant judgment and estimates, including the selection of valuation methodologies and assumptions about future net cash flows, discount rates and market participants. Each of these factors can significantly affect the value attributed to the identifiable intangible asset acquired in a business combination.

#### Concentration of Credit Risk

Financial instruments that potentially subject the Company to significant concentrations of credit risk consist principally of cash and accounts receivable. The Company maintains substantially all of its cash balances at a financial institution that management believes is of high credit-quality and is financially stable. Cash is deposited with major financial institutions in excess of Federal Deposit Insurance Corporation ("FDIC") insurance limits. The Company believes it is not exposed to significant credit risk due to the financial strength of the depository institutions in which the cash is held. The Company provides credit, in the normal course of business, to international and domestic distributors and customers, which are geographically dispersed. The Company attempts to limit its credit risk by performing ongoing credit evaluations of its customers and maintaining adequate allowances for potential credit losses.

The following table summarizes revenue from each of our customers who individually accounted for 10% or more of our total revenue or accounts receivable for the periods presented:

	Revenue				Accounts Receivable, net	
	Three Months Ended June 30,		Six Months Ended June 30,		June 30, 2022	December 31, 2021
	2022	2021	2022	2021		
BioNTech SE	32.7 %	44.8 %	36.7 %	35.6 %	*	*
Pfizer Inc.	32.1 %	18.1 %	30.9 %	22.6 %	64.2 %	23.6 %
CureVac N.V.	*	*	*	*	*	46.5 %
Nacalai USA, Inc.	*	*	*	*	*	11.6 %

\* Less than 10%

For the three and six months ended June 30, 2022 and 2021, substantially all of the revenue recorded for BioNTech SE and Pfizer Inc. was generated by the Nucleic Acid Production segment.

#### Retrospective Application of a Change in Accounting Principle

The Company adopted Accounting Standards Codification ("ASC") 842, *Leases* ("ASC 842"), which supersedes the guidance in ASC 840, *Leases* ("ASC 840"), effective January 1, 2021. As the Company elected the extended transition period for complying with new or revised accounting standards pursuant to Section 107(b) of the Jumpstart Our Business Startups Act of 2012, ASC 842 was not adopted until the fourth quarter of 2021. The comparative information for the three and six months ended June 30, 2021 has been adjusted to reflect the impact of the adoption of ASC 842 as of January 1, 2021.

Select line items from the condensed consolidated statements of income reflecting the adoption of ASC 842 are as follows (in thousands):

	Three Months Ended June 30, 2021		
	As Previously Reported	Adjustments	As Adjusted
<b>Operating expenses:</b>			
Cost of revenue	\$ 37,513	\$ 298	\$ 37,811
Selling, general and administrative	24,085	415	24,500
Research and development	1,932	(3)	1,929
Total operating expenses	63,530	710	64,240
Income from operations	154,245	(710)	153,535
<b>Other income (expense):</b>			
Interest expense	(8,512)	863	(7,649)
Income before income taxes	145,730	153	145,883
<b>Net income</b>	134,344	153	134,497
Net income attributable to non-controlling interests	85,269	85	85,354
<b>Net income attributable to Maravai LifeSciences Holdings, Inc.</b>	49,075	68	49,143

	Six Months Ended June 30, 2021		
	As Previously Reported	Adjustments	As Adjusted
<b>Operating expenses:</b>			
Cost of revenue	\$ 67,881	\$ 1,321	\$ 69,202
Selling, general and administrative	47,322	649	47,971
Research and development	4,096	(7)	4,089
Total operating expenses	119,299	1,963	121,262
Income from operations	246,687	(1,963)	244,724
<b>Other income (expense):</b>			
Interest expense	(17,282)	1,729	(15,553)
Income before income taxes	235,291	(234)	235,057
<b>Net income</b>	210,196	(234)	209,962
Net income attributable to non-controlling interests	137,874	(157)	137,717
<b>Net income attributable to Maravai LifeSciences Holdings, Inc.</b>	72,322	(77)	72,245

The adoption of ASC 842 had no impact on the Company's basic and diluted earnings per share for the three and six months ended June 30, 2021.

Select line items from the condensed consolidated statements of comprehensive income reflecting the adoption of ASC 842 are as follows (in thousands):

	Three Months Ended June 30, 2021		
	As Previously Reported	Adjustments	As Adjusted
Net income	\$ 134,344	\$ 153	\$ 134,497
Total other comprehensive income	134,352	153	134,505
Comprehensive income attributable to non-controlling interests	85,274	85	85,359
Total comprehensive income attributable to Maravai LifeSciences Holdings, Inc.	49,078	68	49,146

	Six Months Ended June 30, 2021		
	As Previously Reported	Adjustments	As Adjusted
Net income	\$ 210,196	\$ (234)	\$ 209,962
Total other comprehensive income	210,212	(234)	209,978
Comprehensive income attributable to non-controlling interests	137,885	(157)	137,728
Total comprehensive income attributable to Maravai LifeSciences Holdings, Inc.	72,327	(77)	72,250

Select line items from the condensed consolidated statements of changes in stockholders' equity reflecting the adoption of ASC 842 are as follows (in thousands):

	As of June 30, 2021		
	As Previously Reported	Adjustments	As Adjusted
Additional paid-in capital	\$ 118,208	\$ 278	\$ 118,486
Retained earnings	73,176	1,593	74,769
Non-controlling interest	139,220	2,349	141,569
Total stockholders' equity	333,141	4,220	337,361

Select line items from the condensed consolidated statements of cash flows reflecting the adoption of ASC 842 are as follows (in thousands):

	Six Months Ended June 30, 2021		
	As Previously Reported	Adjustments	As Adjusted
<b>Operating activities</b>			
Net income	\$ 210,196	\$ (234)	\$ 209,962
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	4,151	(1,280)	2,871
Amortization of right-of-use assets	—	3,510	3,510
Non-cash interest expense recognized on lease facility financing obligation	162	(162)	—
Other	(389)	288	(101)
Changes in operating assets and liabilities:			
Inventory	(18,073)	(421)	(18,494)
Prepaid expenses and other assets	(5,013)	(57)	(5,070)
Accounts payable	4,085	76	4,161
Accrued expenses and other current liabilities	(13,916)	1,372	(12,544)
Other long-term liabilities	(1)	(3,374)	(3,375)
Net cash provided by operating activities	204,547	(282)	204,265
<b>Investing activities</b>			
Purchases of property and equipment	(7,782)	(83)	(7,865)
Net cash used in investing activities	(7,234)	(83)	(7,317)
<b>Financing activities</b>			
Payments made on facility financing lease obligation and capital lease	(365)	365	—
Net cash used in financing activities	(58,550)	365	(58,185)

#### Recently Adopted Accounting Pronouncements

In November 2021, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2021-10, *Government Assistance (Topic 832) - Disclosures by Business Entities about Government Assistance* ("ASU 2021-10"). ASU 2021-10 provides guidance to increase the transparency of government assistance including the disclosure of:

(i) the types of assistance, (ii) an entity's accounting for the assistance, and (iii) the effect of the assistance on an entity's financial statements. Under the new guidance, an entity is required to provide the following annual disclosures about transactions with a government that are accounted for by applying a grant or contribution accounting model by analogy: (i) information about the nature of the transactions and the related accounting policy used to account for the transactions, (ii) the line items on the balance sheet and income statement that are affected by the transactions, and the amounts applicable to each financial statement line item, and (iii) significant terms and conditions of the transactions, including commitments and contingencies. The new guidance is required to be adopted either: (i) prospectively to all transactions within the scope of the amendments that are reflected in financial statements at the date of initial application and new transactions that are entered into after the date of initial application, or (ii) retrospectively to those transactions. The Company adopted ASU 2021-10 on January 1, 2022 using the prospective method and is complying with the related disclosure requirements (see Note 6).

In October 2021, the FASB issued ASU 2021-08, *Business Combinations (Topic 805) - Accounting for Contract Assets and Contract Liabilities from Contracts with Customers* ("ASU 2021-08"), which requires an acquirer in a business combination to recognize and measure contract assets and contract liabilities in accordance with ASC 606 *Revenue from Contracts with Customers*, as if it had originated the contracts. This approach differs from the current requirement to measure contract assets and contract liabilities acquired in a business combination at fair value. ASU 2021-08 is effective for years beginning after December 31, 2022, including interim periods within those fiscal years, with early adoption permitted. The ASU is to be applied prospectively to business combinations occurring on or after the effective date of its adoption. The Company early adopted ASU 2021-08 and there was no impact to the Company's condensed consolidated financial statements as a result of the adoption of this ASU.

## 2. Acquisition

### *MyChem, LLC*

On January 27, 2022, the Company completed the acquisition of MyChem, LLC ("MyChem"), a privately-held San Diego, California-based provider of ultra-pure nucleotides to customers in the diagnostics, pharma, genomics and research markets. The acquisition will vertically integrate the Company's supply chain and expand its product offerings for inputs used in the development of therapeutics and vaccines.

The Company acquired MyChem for a total purchase consideration of \$257.8 million, subject to customary post-closing adjustments, including a working capital settlement. The total cash consideration paid at closing was \$240.0 million using existing cash on hand. The transaction was accounted for as an acquisition of a business as MyChem consisted of inputs and processes applied to those inputs that had the ability to contribute to the creation of outputs.

For the three and six months ended June 30, 2022, the Company incurred \$0.4 million and \$3.4 million, respectively, in transaction costs associated with the acquisition of MyChem, which were recorded within selling, general and administrative in the condensed consolidated statements of income.

The acquisition date fair value of consideration transferred to acquire MyChem consisted of the following (in thousands):

Cash paid	\$	240,012
Consideration payable		10,000
Fair value of contingent consideration		7,800
Total consideration transferred	\$	257,812

Pursuant to the Securities Purchase Agreement (the "MyChem SPA") between the Company and sellers of MyChem, additional payments to the sellers of MyChem are dependent upon meeting or exceeding defined revenue targets during fiscal 2022 (the "Performance Payment"). The MyChem SPA provides for a total maximum Performance Payment of \$40.0 million. The MyChem SPA also provides that the Company will pay to the sellers of MyChem an additional \$20.0 million (the "Retention Payment") as of the second anniversary of the closing of the acquisition date as long as two senior employees who are also the sellers of MyChem continue to be employed by TriLink. The Company considers the payment of the Retention Payment as probable and is recognizing compensation expense related to this payment in the post-acquisition period ratably over the expected service period of two years. The MyChem SPA further provides that the Company will pay to the sellers of MyChem an additional amount of up to \$10.0 million subject to the completion of certain calculations associated with acquired inventory, which has been recorded within accrued expenses and other current liabilities on the condensed consolidated balance sheet as of June 30, 2022. The Performance Payment was recorded as contingent consideration and was included as part of the purchase consideration. For the three and six months ended June 30, 2022, the Company recorded \$2.5 million and \$4.3 million of

compensation expense related to the Retention Payment within research and development in the condensed consolidated statements of income.

The Company estimated the fair value of the Performance Payment contingent consideration based on a Monte-Carlo simulation model which utilized an income approach. The estimated fair value was based on MyChem revenue projections, expected payout term, volatility and risk adjusted discount rates which are Level 3 inputs (see Note 4).

As the Company is in the process of finalizing the evaluation of certain liabilities and assets, the allocation of purchase consideration is preliminary and provisional measurements of certain liabilities and goodwill are subject to change. The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the acquisition date (in thousands):

Cash	\$	1,176
Current assets		2,741
Intangible assets, net		123,360
Other assets		9,288
Total identifiable assets acquired		<u>136,565</u>
Current liabilities		(1,123)
Other long-term liabilities		(8,399)
Total liabilities assumed		<u>(9,522)</u>
Net identifiable assets acquired		127,043
Goodwill		130,769
Net assets acquired	\$	<u><u>257,812</u></u>

The acquisition was accounted for under the acquisition method of accounting, and therefore, the total purchase price was allocated to the identifiable tangible and intangible assets acquired and the liabilities assumed based on their respective fair values as of the acquisition date. Purchase consideration in excess of the amounts recognized for the net assets acquired was recognized as goodwill. Goodwill is primarily attributable to expanded synergies expected from the acquisition associated with a vertical supply integration. There were no tax impacts associated with the acquisition due to the pass-through income tax treatment of MyChem. All of the goodwill acquired in connection with the acquisition of MyChem was allocated to the Company's Nucleic Acid Production segment and is deductible to Topco LLC for income tax purposes.

Upon closing of the acquisition, approximately \$1.0 million was placed into escrow to cover potential working capital adjustments and approximately \$12.5 million was placed into escrow to secure certain representations and warranties pursuant to the terms of the purchase agreement. These amounts are included in the total purchase consideration of \$257.8 million. Because these amounts held in escrow are not controlled by the Company, they are not included in the accompanying condensed consolidated balance sheet as of June 30, 2022.

The following table summarizes the estimated fair values of MyChem's identifiable intangible assets as of the date of acquisition and their estimated useful lives:

	Estimated Fair Value (in thousands)	Estimated Useful Life (in years)
Trade Names	\$ 460	3
Developed Technology	121,000	12
Customer Relationships	1,900	12
Total	<u>\$ 123,360</u>	

The trade name and customer relationship intangible assets are related to MyChem's name, customer loyalty and customer relationships. The developed technology intangible asset is related to processes and techniques for synthesizing and developing ultra-pure nucleotides. The fair value of these intangible assets was based on MyChem's projected revenues and were estimated using an income approach, specifically the multi-period excess earnings method. Under the income approach, an intangible asset's fair value is equal to the present value of future economic benefits to be derived from ownership of the asset. The estimated fair value was developed by discounting future net cash flows to their present value at market-based rates of return utilizing Level 3 inputs. The useful lives for these intangible assets was determined based upon the remaining period for which the assets that are expected to contribute directly or indirectly to future cash flows. Key quantitative assumptions used in the

determination of fair value of the developed technology intangible included revenue growth rates ranging from 3.0% to 30.6%, a discount rate of 16.5% and an assumed technical obsolescent curve range of 5.0% to 7.5%.

Pursuant to the terms of the MyChem SPA, the Company recognized an indemnification asset of \$8.0 million within other assets, which represented the seller's obligation to reimburse pre-acquisition income tax liabilities assumed in the acquisition and was recorded within other long-term liabilities. During the three months ended June 30, 2022, the Company recorded an adjustment of \$1.3 million to the indemnification asset within other expense in the condensed consolidated statements of income. As of June 30, 2022, the carrying value of the indemnification asset was \$6.8 million recorded within other assets in the condensed consolidated balance sheet.

The carrying value of the remaining assets acquired or liabilities assumed was estimated to equal their fair values based on their short-term nature. These estimates were based on the assumption that the Company believes to be reasonable; however, actual results may differ from these estimates.

Revenue and earnings from MyChem included in the Company's condensed consolidated statements of income since the date of acquisition were immaterial.

No proforma revenue or earnings information for the three and six months ended June 30, 2022 and 2021 have been presented as the impact was not determined to be material to the Company's condensed consolidated revenues and net income for the respective periods.

### 3. Goodwill and Intangible Assets

The Company's goodwill of \$283.5 million and \$152.8 million as of June 30, 2022 and December 31, 2021, respectively, represents the excess of purchase consideration over the fair value of assets acquired and liabilities assumed. As of June 30, 2022 and December 31, 2021, the Company had three reporting units, two of which are contained in the Nucleic Acid Production segment. During the first quarter of 2022, the Company recorded goodwill of \$130.8 million in connection with the acquisition of MyChem that was completed in January 2022 (see Note 2). The Company has not recognized any goodwill impairment in any of the periods presented.

The following table summarizes the activity in the Company's goodwill by segment for the period presented (in thousands):

	Nucleic Acid Production	Biologics Safety Testing	Total
Balance as of December 31, 2021	\$ 32,838	\$ 119,928	\$ 152,766
Acquisition	130,769	—	130,769
Balance as of June 30, 2022	<u>\$ 163,607</u>	<u>\$ 119,928</u>	<u>\$ 283,535</u>

Intangible assets are being amortized on a straight-line basis, which reflects the expected pattern in which the economic benefits of the intangible assets are being obtained, over an estimated useful life ranging from 3 to 14 years.

The following are components of finite-lived intangible assets and accumulated amortization as of the periods presented:

	June 30, 2022				
	Gross Carrying Amount	Accumulated Amortization (in thousands)	Net Carrying Amount	Estimated Useful Life (in years)	Weighted Average Remaining Amortization Period (in years)
Trade Names	\$ 7,580	\$ 5,382	\$ 2,198	3 - 10	3.9
Patents and Developed Technology	288,649	73,908	214,741	10 - 14	10.0
Customer Relationships	21,853	9,639	12,214	10 - 12	6.9
Total	<u>\$ 318,082</u>	<u>\$ 88,929</u>	<u>\$ 229,153</u>		9.8



	December 31, 2021				
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Estimated Useful Life	Weighted Average Remaining Amortization Period
	(in thousands)			(in years)	(in years)
Trade Names	\$ 7,120	\$ 5,012	\$ 2,108	5 - 10	2.9
Patents and Developed Technology	167,648	63,465	104,183	5 - 14	8.5
Customer Relationships	19,953	8,673	11,280	10 - 12	6.4
Total	<u>\$ 194,721</u>	<u>\$ 77,150</u>	<u>\$ 117,571</u>		8.1

During the first quarter of 2022, the Company recorded intangible assets of \$123.4 million in connection with the acquisition of MyChem that was completed in January 2022 (see Note 2).

The Company recognized \$5.6 million and \$10.3 million of amortization expense from intangible assets directly linked with revenue generating activities within cost of revenue in the condensed consolidated statements of income for the three and six months ended June 30, 2022, respectively. The Company recognized \$3.1 million and \$6.2 million of amortization expense from intangible assets directly linked with revenue generating activities within cost of revenue in the condensed consolidated statements of income for the three and six months ended June 30, 2021, respectively.

Amortization expense for intangible assets that are not directly related to sales generating activities of \$0.7 million and \$1.5 million was recorded as selling, general and administrative expenses for the three and six months ended June 30, 2022, respectively. Amortization expense for intangible assets that are not directly related to sales generating activities of \$1.9 million and \$3.8 million was recorded as selling, general and administrative expenses for the three and six months ended June 30, 2021, respectively.

As of June 30, 2022, the estimated future amortization expense for finite-lived intangible assets were as follows (in thousands):

2022 (remaining six months)	\$ 12,490
2023	24,812
2024	24,812
2025	24,669
2026	24,432
Thereafter	117,938
Total estimated amortization expense	<u>\$ 229,153</u>

#### 4. Fair Value Measurements

The following table summarizes the Company's financial assets and liabilities that are measured at fair value on a recurring basis by level within the fair value hierarchy (in thousands):

	Fair Value Measurements as of June 30, 2022			
	Level 1	Level 2	Level 3	Total
<b>Assets</b>				
Interest rate cap	\$ —	\$ 5,406	\$ —	\$ 5,406

Assets and liabilities measured at fair value on a recurring basis as of December 31, 2021 were insignificant.

#### Contingent Consideration

In connection with the acquisition of MyChem (see Note 2), the Company is required to make contingent payments to the sellers of up to \$0.0 million subject to achieving certain revenue thresholds. The preliminary fair value of the liability for the contingent payments recognized upon the acquisition as part of the purchase accounting opening balance sheet totaled \$7.8 million. The preliminary fair value of the contingent consideration was determined using a Monte-Carlo simulation-based model discounted to present value. Assumptions used in this calculation are expected revenue, a discount rate of 16.9% and various probability factors. The ultimate settlement of the contingent consideration could deviate from current estimates based on the actual results of these financial measures. The contingent consideration projected year of payment is 2023. This liability

is considered to be a Level 3 financial liability that is remeasured each reporting period. Changes in fair value of contingent consideration are recognized as a gain or loss and recorded within change in estimated fair value of contingent consideration in the condensed consolidated statements of income. During the three months ended June 30, 2022, the Company recorded a \$7.8 million decrease in the estimated fair value of contingent consideration. This was due to a change in estimate associated with MyChem revenue projections reaching thresholds that would trigger a contingent payment per the MyChem SPA.

The following table provides a reconciliation of liabilities measured at fair value on a recurring basis using significant unobservable inputs (Level 3) for the period presented (in thousands):

	<b>Contingent Consideration</b>
Balance as of December 31, 2021	\$ —
Contingent consideration related to the acquisition of MyChem	7,800
Change in estimated fair value of contingent consideration	(7,800)
Balance as of June 30, 2022	\$ —

## 5. Balance Sheet Components

### *Inventory*

Inventory consisted of the following as of the periods presented (in thousands):

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Raw materials	\$ 20,311	\$ 19,726
Work-in-process	30,067	21,382
Finished goods	9,735	10,449
Total inventory	\$ 60,113	\$ 51,557

### *Other assets*

Other assets consisted of the following as of the periods presented (in thousands):

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Right-of-use assets	\$ 47,229	\$ 49,095
Prepaid lease payments	9,563	—
Indemnification asset (see Note 2)	6,766	—
Interest rate cap	5,406	541
Other	3,455	3,815
Total other assets	\$ 72,419	\$ 53,451

### *Accrued expenses and other current liabilities*

Accrued expenses and other current liabilities consisted of the following as of the periods presented (in thousands):

	<b>June 30, 2022</b>	<b>December 31, 2021</b>
Employee related	\$ 13,186	\$ 18,894
Consideration payable (see Note 2)	10,000	—
Lease liabilities, current portion	4,311	3,722
Professional services	3,324	2,897
Customer deposits	2,090	2,429
Sales and use tax liability	1,670	1,296
Other	9,060	5,336
Total accrued expenses and other current liabilities	\$ 43,641	\$ 34,574

## 6. Government Assistance

### *Cooperative Agreement*

In May 2022, TriLink entered into a cooperative agreement (the “Cooperative Agreement”) with the U.S. Department of Defense, as represented by the Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense on behalf of the Biomedical Advanced Research and Development Authority (“BARDA”), within the U.S. Department of Health and Human Services, to advance the development of domestic manufacturing capabilities and to expand TriLink’s domestic production capacity in its San Diego manufacturing campus (the “Flanders San Diego Facility”) for products critical to the development and manufacture of mRNA vaccines and therapeutics.

Pursuant to certain requirements, BARDA awarded TriLink an amount equal to \$8.8 million or 50% of the construction and validation costs currently budgeted for the Flanders San Diego Facility. The contract period of performance is May 2022 through December 2023, which is the effective date of the Cooperative Agreement through the anticipated date of completion of construction and validation of manufacturing capacity. Amounts reimbursed are subject to audit and may be recaptured by the U.S. Department of Defense in certain circumstances.

The Cooperative Agreement requires the Company to provide the U.S. Government with conditional priority access and certain preferred pricing obligations, for a 10-year period from the completion of the construction project, for the production of a medical countermeasure (or a component thereof) that the Company manufactures in the Flanders San Diego Facility during a declared public health emergency.

As of June 30, 2022, the Company had not yet received any reimbursements under the Cooperative Agreement, but has recorded a receivable of \$8.6 million with an offset recorded to prepaid lease payments associated with our Flanders San Diego Facility within other assets on the condensed consolidated balance sheet.

## 7. Long-Term Debt

### *Credit Agreement*

In October 2020, Maravai Intermediate Holdings, LLC (“Intermediate”), a wholly-owned subsidiary of Topco LLC, along with its subsidiaries Vector, TriLink and Cygnus (together with Intermediate, the “Borrowers”), entered into a credit agreement (as amended, the “Credit Agreement”), which provides for a \$600.0 million term loan facility, maturing October 2027 (the “Term Loan”), and a \$180.0 million revolving credit facility (the “Revolving Credit Facility”).

In August 2021, in conjunction with the Company’s divestiture of the Protein Detection segment, the Company transferred, per the existing terms of the Credit Agreement, the portion of the Term Loan held by Vector of \$118.4 million to Intermediate in its entirety. This amount was not assumed by Voyager Group Holdings, Inc., the entity that acquired Vector, as part of the divestiture. Total outstanding debt and loan covenant requirements remained unchanged as a result of the divestiture.

In January 2022, the Company entered into an amendment (the “Amendment”) to the Credit Agreement to: (i) refinance \$44.0 million in aggregate principal amount of first lien term loans initially issued thereunder (the “First Lien Term Loan”) and replace it with a Tranche B Term Loan (the “Tranche B Term Loan”); (ii) replace the London Interbank Offered Rate (“LIBOR”) based interest rate with a Term Secured Overnight Financing Rate (“SOFR”) based rate; and (iii) reduce the interest rate margins applicable to the Term Loan and Revolving Credit Facility under the Credit Agreement. The previous interest rate margin on the facilities was, with respect to each LIBOR-based loan, 3.75% to 4.25% and, with respect to each base rate-based loan, 2.75% to 3.25% (depending, in each case, on consolidated first lien leverage). Following the Amendment, the interest rate margin on the facilities is 3.00%, with respect to each Term SOFR-based loan, and 2.00%, with respect to each base rate-based loan. Further, the Amendment reduces the base rate floor for the term loans from 2.00% to 1.50%, sets the floor for Term SOFR-based term loans at 0.50% and sets the floor for Term SOFR-based revolving loans at 0.00%. No other significant terms under the Credit Agreement were changed in connection with the Amendment.

As of June 30, 2022, the interest rate on the Tranche B Term Loan was 3.85% per annum.

The Credit Agreement also provides for a \$20.0 million limit for letters of credit, which remained unused as of June 30, 2022.

Borrowings under the Credit Agreement are unconditionally guaranteed by Topco LLC, together with the existing and future material domestic subsidiaries of Topco LLC (subject to certain exceptions), as specified in the respective guaranty agreements. Borrowings under the Credit Agreement are also secured by a first-priority lien and security interest in substantially all of the assets (subject to certain exceptions) of existing and future material domestic subsidiaries of Topco LLC that are loan parties.

The accounting related to entering into the Amendment was evaluated on a creditor-by-creditor basis to determine whether each transaction should be accounted for as a modification or extinguishment. Certain creditors under the First Lien Term Loan did

not participate in this refinancing transaction, were repaid their principal and interest of \$8.5 million and ceased being creditors of the Company and the repayment of their related outstanding debt balances has been accounted for as an extinguishment of debt. Proceeds of borrowings from new lenders of \$8.5 million were accounted for as a new debt financing. The Company recorded a loss on extinguishment of debt of \$0.2 million in the accompanying condensed consolidated statements of income during the first quarter of 2022. For the remainder of the creditors, this transaction was accounted for as a modification because the change in present value of cash flows between the two term loans before and after the transaction was less than 10% on a creditor-by-creditor basis. As part of the refinancing, the Company incurred \$0.9 million of various costs, of which an insignificant amount was related to an original issuance discount, and were all capitalized in the accompanying balance sheet within long-term debt, and are subject to amortization over the term of the refinanced debt as an adjustment to interest expense using the effective interest method.

We also incurred \$0.3 million of financing-related fees related to the Revolving Credit Facility. As of June 30, 2022, unamortized debt issuance costs totaled \$2.6 million and are recorded as assets within other assets on the accompanying condensed consolidated balance sheet as there is no balance outstanding related to the Revolving Credit Facility.

Commencing with the fiscal year ended December 31, 2021, and each fiscal year thereafter, the Credit Agreement requires that we make mandatory prepayments on the Term Loan principal upon certain excess cash flow, subject to certain step-downs based on the Company's first lien net leverage ratio. The mandatory prepayment shall be reduced to 25% or 0% of the calculated excess cash flow if the first lien net leverage ratio was equal to or less than 4.75:1.00 or 4.25:1.00, respectively, however, no prepayment shall be required to the extent excess cash flow calculated for the respective period is equal to or less than \$10.0 million. As of June 30, 2022, the Company's first lien net leverage ratio was less than 4.25:1.00, thus a prepayment was not required.

The Tranche B Term Loan became repayable in quarterly payments of \$1.4 million beginning in March 2022, with all remaining outstanding principal due in October 2027. The Tranche B Term Loan includes prepayment provisions that allow the Company, at our option, to repay all or a portion of the principal amount at any time. The Revolving Credit Facility allows the Company to repay and borrow from time to time until October 2025, at which time all amounts borrowed must be repaid. Subject to certain exceptions and limitations, we are required to repay borrowings under the Tranche B Term Loan and Revolving Credit Facility with the proceeds of certain occurrences, such as the incurrence of debt, certain equity contributions and certain asset sales or dispositions.

Accrued interest under the Credit Agreement is payable by us (a) quarterly in arrears with respect to Base Rate loans, (b) at the end of each interest rate period (or at each three-month interval in the case of loans with interest periods greater than three months) with respect to Term SOFR Rate loans, (c) on the date of any repayment or prepayment and (d) at maturity (whether by acceleration or otherwise). An annual commitment fee is applied to the daily unutilized amount under the Revolving Credit Facility at 0.375% per annum, with one stepdown to 0.25% per annum based on Intermediate's first lien net leverage ratio.

The Credit Agreement contains certain covenants, including, among other things, covenants limiting our ability to incur or prepay certain indebtedness, pay dividends or distributions, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments and make changes in the nature of the business. Additionally, the Credit Agreement also requires us to maintain a certain net leverage ratio. The Company was in compliance with these covenants as of June 30, 2022.

#### ***Interest Rate Cap***

In the first quarter of 2021, the Company entered into an interest rate cap agreement to manage a portion of its variable interest rate risk on its outstanding long-term debt. The contract, which was effective March 31, 2021, entitles the Company to receive from the counterparty at each calendar quarter end the amount, if any, by which a specified defined floating market rate exceeds the cap strike interest rate, applied to the contract's notional amount of \$415.0 million. The floating rate of interest is reset at the end of each three-month period. The contract was set to expire on March 31, 2023.

In May 2022, the Company amended the interest rate cap agreement, effective June 30, 2022, to increase the contract's notional amount to \$500.0 million and to extend the maturity date to January 19, 2025. Additionally, the floating rate option changed from a LIBOR-based rate to a SOFR-based rate. Other provisions remained unchanged as a result of the amendment. Premiums paid to amend the interest rate cap agreement were immaterial.

The interest rate cap agreement has not been designated as a hedging relationship and has been recognized on the condensed consolidated balance sheet at fair value of \$4 million within other assets with changes in fair value recognized within interest expense in the condensed consolidated statements of income.

The Company's long-term debt consisted of the following as of (in thousands):

	June 30, 2022	December 31, 2021
Tranche B Term Loan	\$ 541,280	\$ —
First Lien Term Loan	—	544,000
Unamortized debt issuance costs	(12,185)	(13,409)
Total long-term debt	529,095	530,591
Less: current portion	(5,440)	(6,000)
Total long-term debt, less current portion	\$ 523,655	\$ 524,591

There were no balances outstanding on the Company's Revolving Credit Facility as of June 30, 2022 and December 31, 2021.

As of June 30, 2022, the aggregate future principal maturities of the Company's debt obligations for each of the next five years, based on contractual due dates, were as follows (in thousands):

2022 (remaining six months)	\$ 2,720
2023	5,440
2024	5,440
2025	5,440
2026	5,440
Thereafter	516,800
Total long-term debt	\$ 541,280

#### 8. Net Income Per Class A Common Share Attributable to Maravai LifeSciences Holdings, Inc.

Basic net income per Class A common stock has been calculated by dividing net income for the period, adjusted for net income attributable to non-controlling interests, by the weighted average Class A common stock outstanding during the period. Diluted net income per Class A common share gives effect to potentially dilutive securities by application of the treasury stock method or if-converted method, as applicable. Diluted net income per share of Class A common stock attributable to the Company is computed by adjusting the net income and the weighted-average number of shares of Class A common stock outstanding to give effect to potentially diluted securities.

The following table presents the computation of basic and diluted net income per common share attributable to the Company for the periods presented (in thousands, except per share amounts):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
<b>Net income per Class A common share:</b>				
<b>Numerator—basic:</b>				
Net income	\$ 156,721	\$ 134,497	\$ 303,581	\$ 209,962
Less: income attributable to common non-controlling interests	(85,481)	(85,354)	(165,479)	(137,717)
Net income attributable to Maravai LifeSciences Holdings, Inc.—basic	\$ 71,240	\$ 49,143	\$ 138,102	\$ 72,245
<b>Numerator—diluted:</b>				
Net income attributable to Maravai LifeSciences Holdings, Inc.—basic	\$ 71,240	\$ 49,143	\$ 138,102	\$ 72,245
<b>Net income effect of dilutive securities:</b>				
Effect of dilutive employee stock purchase plan ("ESPP"), restricted stock units ("RSUs") and stock options	\$ 43	\$ 19	\$ 74	\$ 21
Effect of the assumed conversion of Class B common stock	65,256	—	126,327	104,665
Net income attributable to Maravai LifeSciences Holdings, Inc.—diluted	\$ 136,539	\$ 49,162	\$ 264,503	\$ 176,931
<b>Denominator—basic:</b>				
Weighted average Class A common shares outstanding—basic	131,524	112,203	131,506	104,468
Net income per Class A common share—basic	\$ 0.54	\$ 0.44	\$ 1.05	\$ 0.69
<b>Denominator—diluted:</b>				
Weighted average Class A common shares outstanding—basic	131,524	112,203	131,506	104,468
<b>Weighted average effect of dilutive securities:</b>				
Effect of dilutive ESPP, RSUs and stock options	168	77	149	52
Effect of the assumed conversion of Class B common stock	123,669	—	123,669	153,166
Weighted average Class A common shares outstanding—diluted	255,361	112,280	255,324	257,686
Net income per Class A common share—diluted	\$ 0.53	\$ 0.44	\$ 1.03	\$ 0.69

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 for a summary of the adjustments.

Shares of Class B common stock do not share in the earnings or losses of the Company and are therefore not participating securities. As such, a separate presentation of basic and diluted net income per share for Class B common stock under the two-class method has not been presented.

The following table presents potentially dilutive securities excluded from the computation of diluted net income per share for the periods presented because their effect would have been anti-dilutive for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Stock options	2,063	1,619	2,064	1,631
Shares estimated to be purchased under the ESPP	55	25	52	17
Shares of Class B common stock	—	143,308	—	—
	2,118	144,952	2,116	1,648

## 9. Income Taxes

We are subject to U.S. federal and state income taxes with respect to our allocable share of any taxable income or loss of Topco LLC, as well as any stand-alone income or loss we generate. Topco LLC is organized as a limited liability company and treated

as a partnership for federal tax purposes and generally does not pay income taxes on its taxable income in most jurisdictions. Instead, Topco LLC's taxable income or loss is passed through to its members, including us.

The following table summarizes the Company's income tax expense and effective tax rate for the periods presented (in thousands, except percentages):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
Income before income taxes	\$ 174,992	\$ 145,883	\$ 341,833	\$ 235,057
Income tax expense	\$ 18,271	\$ 11,386	\$ 38,252	\$ 25,095
Effective tax rate	10.4 %	7.8 %	11.2 %	10.7 %

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 for a summary of the adjustments.

The Company's effective tax rate of 10.4% and 11.2% for the three and six months ended June 30, 2022, respectively, differed from the U.S. federal statutory rate of 21.0%, primarily due to income associated with the non-controlling interest.

The Company's effective tax rate of 7.8% and 10.7% for the three and six months ended June 30, 2021, respectively, differed from the U.S. federal statutory rate of 21.0%, primarily due to income associated with the non-controlling interest, nondeductible expense related to the Tax Receivable Agreement, and a provisional tax benefit of \$2.8 million recorded for the book-tax outside basis difference on Vector due to it meeting the held-for-sale criteria at June 30, 2021.

#### ***Tax Distributions to Topco LLC's Owners***

Topco LLC is subject to an operating agreement put in place at the date of the Organizational Transactions ("LLC Operating Agreement"). The LLC Operating Agreement has numerous provisions related to allocations of income and loss, as well as timing and amounts of distributions to its owners. This agreement also includes a provision requiring cash distributions enabling its owners to pay their taxes on income passing through from Topco LLC. These tax distributions are computed based on an assumed income tax rate equal to the sum of (i) the maximum combined marginal federal and state income tax rate applicable to an individual and (ii) the net investment income tax. The assumed income tax rate currently totals 46.7%, which may increase to 54.1% in certain cases where the qualified business income deduction is unavailable.

In addition, under the tax rules, Topco LLC is required to allocate taxable income disproportionately to its unit holders. Because tax distributions are determined based on the holder of LLC Units who is allocated the largest amount of taxable income on a per unit basis, but are made pro rata based on ownership, Topco LLC is required to make tax distributions that, in the aggregate, will likely exceed the amount of taxes Topco LLC would have otherwise paid if it were taxed on its taxable income at the assumed income tax rate. Topco LLC is subject to entity level taxation in certain states and certain of its subsidiaries are subject to entity level U.S. and foreign income taxes. As a result, the accompanying condensed consolidated statements of income include income tax expense related to those states and to U.S. and foreign jurisdictions where Topco LLC or any of our subsidiaries are subject to income tax.

During the three months ended June 30, 2022, Topco LLC paid tax distributions of \$88.2 million to its owners, including \$45.5 million to us. During the six months ended June 30, 2022, Topco LLC paid tax distributions of \$170.5 million to its owners, including \$87.9 million to us.

During the three months ended June 30, 2021, Topco LLC paid tax distributions of \$59.5 million to its owners, including \$26.4 million to us. During the six months ended June 30, 2021, Topco LLC paid tax distributions of \$96.5 million to its owners, including \$40.3 million to us.

As of June 30, 2022, no amounts for tax distributions had been accrued as such payments were made during the period.

#### **10. Related Party Transactions**

MLSH 1's majority owner is GTCR, LLC ("GTCR"). The Company's Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") and General Counsel are executives of MLSH 1 and MLSH 2.

***Payable to Related Parties Pursuant to the Tax Receivable Agreement***

We are a party to a Tax Receivable Agreement (“TRA”) with MLSH 1 and MLSH 2. The TRA provides for the payment by us to MLSH 1 and MLSH 2, collectively, of 85% of the amount of certain tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of the Organizational Transactions, IPO and any subsequent purchases or exchanges of LLC Units of Topco LLC. Based on our current projections of taxable income, and before deduction of any specially allocated depreciation and amortization, we anticipate having enough taxable income to utilize most of these tax benefits.

As of June 30, 2022, our liability under the TRA is \$746.0 million payable to MLSH 1 and MLSH 2, representing approximately 85% of the calculated tax savings we anticipate being able to utilize in future years. During the six months ended June 30, 2022, the Company recognized a gain of \$2.3 million on TRA liability adjustment reflecting a change in the tax benefit obligation attributable to a change in the expected tax benefit. The remeasurement was primarily due to changes in our estimated state apportionment and the corresponding reduction of our estimated state tax rate.

During the three and six months ended June 30, 2022, no payments were made to MLSH 1 or MLSH 2 pursuant to the TRA.

***Topco LLC Operating Agreement***

MLSH 1 is party to the LLC Operating Agreement put in place at the date of the Organizational Transactions. This agreement includes a provision requiring cash distributions enabling its owners to pay their taxes on income passing through from Topco LLC. During the three and six months ended June 30, 2022 the Company made distributions of \$42.6 million and \$82.5 million, respectively, for tax liabilities to MLSH 1 under this agreement. During the three and six months ended June 30, 2021, the Company made distributions of \$33.1 million and \$56.2 million, respectively, for tax liabilities to MLSH 1 under this agreement.

***Contract Development and Manufacturing Agreement with Curia Global***

GTCR has significant influence over Curia Global (“Curia”). During the three and six months ended June 30, 2022, the Company paid insignificant amounts to Curia for contract manufacturing and development services. During the three and six months ended June 30, 2021, the Company paid \$6.1 million and \$6.6 million to Curia, respectively. Such amounts were included in research and development expense on the condensed consolidated statements of income.

**11. Segments**

The Company’s financial performance is reported in three segments. A description of each segment follows:

- *Nucleic Acid Production:* focuses on the manufacturing and sale of highly modified nucleic acids products to support the needs of customers’ research, therapeutic and vaccine programs. This segment also provides research products for labeling and detecting proteins in cells and tissue samples.
- *Biologics Safety Testing:* focuses on manufacturing and selling biologics safety and impurity tests and assay development services that are utilized by our customers in their biologic drug manufacturing spectrum.
- *Protein Detection:* focused on manufacturing and selling labeling and visual detection reagents to scientific research customers for their tissue-based protein detection and characterization needs. The Company completed the divestiture of its Protein Detection business in September 2021.

The Company has determined that adjusted earnings before interest, tax, depreciation and amortization (“Adjusted EBITDA”) is the profit or loss measure that the CODM uses to make resource allocation decisions and evaluate segment performance. Adjusted EBITDA assists management in comparing the segment performance on a consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect the core operations and, therefore, are not included in measuring segment performance. The Company defines Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, certain non-cash items and other adjustments that we do not consider in our evaluation of ongoing operating performance from period to period. Corporate costs, net of eliminations are managed on a standalone basis and are not allocated to segments.

The following schedule includes revenue and adjusted EBITDA for each of the Company’s reportable operating segments (in thousands). We have revised our presentation for the prior periods below to remove the presentation of Total Adjusted EBITDA and reconcile the total of our reportable segments’ measure of profit or loss to income before income taxes in addition to net income, and removed corporate costs, net of eliminations from total reportable segments’ adjusted EBITDA and included such amounts in the reconciliation to income before income taxes. Additionally, we have revised our prior years’ presentation of our



total reportable segments' revenue, in which we removed intersegment eliminations from our total reportable segment's revenue.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
<b>Revenue:</b>				
Nucleic Acid Production	\$ 225,255	\$ 192,738	\$ 448,905	\$ 316,907
Biologics Safety Testing	17,484	18,208	38,127	35,857
Protein Detection	—	7,046	—	13,676
<b>Total reportable segments' revenue</b>	<b>242,739</b>	<b>217,992</b>	<b>487,032</b>	<b>366,440</b>
Intersegment eliminations	(7)	(217)	(7)	(454)
<b>Total</b>	<b>\$ 242,732</b>	<b>\$ 217,775</b>	<b>\$ 487,025</b>	<b>\$ 365,986</b>
<b>Segment adjusted EBITDA:</b>				
Nucleic Acid Production	\$ 186,291	\$ 156,320	\$ 369,090	\$ 251,352
Biologics Safety Testing	14,102	14,293	30,634	28,580
Protein Detection	—	3,375	—	5,334
<b>Total reportable segments' adjusted EBITDA</b>	<b>200,393</b>	<b>173,988</b>	<b>399,724</b>	<b>285,266</b>
<b>Reconciliation of total reportable segments' adjusted EBITDA to income before income taxes</b>				
Amortization	(6,252)	(5,040)	(11,779)	(10,081)
Depreciation	(1,892)	(1,615)	(3,747)	(2,871)
Interest expense	(4,434)	(7,649)	(7,098)	(15,553)
Corporate costs, net of eliminations	(11,914)	(9,610)	(24,253)	(19,992)
Other adjustments:				
Acquisition contingent consideration	7,800	—	7,800	—
Acquisition integration costs	(3,103)	(13)	(7,882)	(17)
Stock-based compensation	(4,308)	(2,383)	(7,935)	(4,661)
Merger and acquisition related expenses	(7)	(943)	(1,195)	(1,862)
Financing costs	(27)	(852)	(1,064)	(1,058)
Acquisition related tax adjustment	(1,264)	—	(1,264)	—
Tax Receivable Agreement liability adjustment	—	—	2,340	5,886
Other	—	—	(1,814)	—
<b>Income before income taxes</b>	<b>174,992</b>	<b>145,883</b>	<b>341,833</b>	<b>235,057</b>
Income tax expense	(18,271)	(11,386)	(38,252)	(25,095)
<b>Net income</b>	<b>\$ 156,721</b>	<b>\$ 134,497</b>	<b>\$ 303,581</b>	<b>\$ 209,962</b>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 for a summary of the adjustments.

During the three and six months ended June 30, 2022, intersegment revenue was immaterial between the Nucleic Acid Production and Biologics Safety Testing segments. During the three and six months ended June 30, 2021, intersegment revenue was \$0.2 million and \$0.5 million, respectively, between the Nucleic Acid Production and Protein Detection segments. The intersegment sales and the related gross margin on inventory recorded at the end of the period are eliminated for consolidation purposes. Internal selling prices for intersegment sales are consistent with the segment's normal retail price offered to external parties. There was no commission expense recognized for intersegment sales for the three and six months ended June 30, 2022 and 2021.

The Company does not allocate assets to its reportable segments as they are not included in the review performed by the CODM for purposes of assessing segment performance and allocating resources.

**12. Subsequent Event**

In July 2022, the Company entered into a facility lease agreement for additional office, warehouse and light lab space in San Diego, California. The lease term began in July 2022 and will end in September 2026. The lease includes annual base rent payable between \$1.9 million and \$2.2 million.

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

*You should read the following discussion and analysis of financial condition and results of operations together with our condensed consolidated financial statements and related notes included elsewhere in this Quarterly Report on Form 10-Q and the audited consolidated financial statements and notes thereto included in our Annual Report on Form 10-K for the year ended December 31, 2021, as filed with the Securities and Exchange Commission. This discussion and analysis reflects our historical results of operations and financial position, and contain forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed in or implied by these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2021. Please also see the section titled "Special Note Regarding Forward-Looking Statements." We were incorporated in August 2020 and, pursuant to the Organizational Transactions described in Note 1 to our condensed consolidated financial statements, became a holding company whose principal asset is a controlling equity interest in Topco LLC. As the sole managing member of Topco LLC, we operate and control the business and affairs of Topco LLC and its subsidiaries. Accordingly, we consolidate Topco LLC in our consolidated financial statements and report a non-controlling interest related to the portion of Topco LLC not owned by us. Because the Organizational Transactions were considered transactions between entities under common control, the consolidated financial statements for periods prior to the Organizational Transactions and the initial public offering have been adjusted to combine the previously separate entities for presentation purposes. Unless otherwise noted or the context otherwise requires, references in this Quarterly Report on Form 10-Q to "we," "us" or "our" refer to Maravai LifeSciences Holdings, Inc. and its subsidiaries.*

### Overview

We are a leading life sciences company providing critical products to enable the development of drug therapies, diagnostics, novel vaccines and support research on human diseases. Our customers include the top global biopharmaceutical companies ranked by research and development expenditures according to industry consultants, and many other emerging biopharmaceutical and life sciences research companies, as well as leading academic research institutions and *in vitro* diagnostics companies. Our products address the key phases of biopharmaceutical development and include complex nucleic acids for diagnostic and therapeutic applications, antibody-based products to detect impurities during the production of biopharmaceutical products, and products to detect the expression of proteins in tissues of various species.

We have and will continue to build a transformative life sciences products company by acquiring businesses and accelerating their growth through capital infusions and industry expertise. Biomedical innovation is dependent on a reliable supply of reagents in the fields of nucleic acid production, biologics safety testing and protein labeling. From inventive startups to the world's leading biopharmaceutical, vaccine, diagnostics and gene and cell therapy companies, these customers turn to us to solve their complex discovery challenges and help them streamline and scale their supply chain needs beginning from research and development through clinical trials to commercialization.

Our primary customers are biopharmaceutical companies who are pursuing novel research and product development programs. Our customers also include a range of government, academic and biotechnology institutions.

As of June 30, 2022, we employed a team of over 550 employees, approximately 18% of whom have advanced degrees. We primarily utilize a direct sales model for our sales to our customers in North America. Our international sales, primarily in Europe and Asia Pacific, are sold through a combination of third-party distributors as well as via a direct sales model. The percentage of our total revenue derived from customers in North America was 36.7% and 36.2% for the three and six months ended June 30, 2022, respectively. The percentage of our total revenue derived from customers in North America was 35.1% and 42.3% for the three and six months ended June 30, 2021, respectively.

We generated revenue of \$242.7 million and \$487.0 million for the three and six months ended June 30, 2022, respectively, and \$217.8 million and \$366.0 million for the three and six months ended June 30, 2021, respectively.

Total revenue by segment was \$225.2 million in Nucleic Acid Production and \$17.5 million in Biologics Safety Testing for the three months ended June 30, 2022. Total revenue by segment was \$192.5 million in Nucleic Acid Production, \$18.2 million in Biologics Safety Testing and \$7.0 million in Protein Detection for the three months ended June 30, 2021. We divested our Protein Detection segment in September 2021, and since then operate two business segments only, Nucleic Acid Production and Biologics Safety Testing.

Total revenue by segment was \$448.9 million in Nucleic Acid Production and \$38.1 million in Biologics Safety Testing for the six months ended June 30, 2022. Total revenue by segment was \$316.5 million in Nucleic Acid Production, \$35.9 million in Biologics Safety Testing and \$13.7 million in Protein Detection for the six months ended June 30, 2021.

We focus a substantial portion of our resources supporting our core business segments. We are actively pursuing opportunities to expand our customer base both domestically and internationally by fostering strong relationships with both existing and new customers and distributors. Our management team has experience working with biopharmaceutical, vaccine, diagnostics and gene and cell therapy companies as well as academic and research scientists. We also intend to continue making investments in our overall infrastructure and business segments to support our growth. We incurred aggregate selling, general and administrative expenses of \$28.1 million and \$61.3 million for the three and six months ended June 30, 2022, respectively, and \$24.5 million and \$48.0 million for the three and six months ended June 30, 2021, respectively.

Our research and development efforts are geared towards supporting our customers' needs. We incurred research and development expenses of \$4.3 million and \$8.0 million for the three and six months ended June 30, 2022, respectively, and \$1.9 million and \$4.1 million for the three and six months ended June 30, 2021, respectively. We intend to continue to invest in research and development and new products and technologies to support our customers' needs for the foreseeable future.

## **Recent Developments**

### *Acquisition*

In January 2022, we completed the acquisition of MyChem, LLC ("MyChem"), a privately-held San Diego, California-based provider of ultra-pure nucleotides to customers in the diagnostics, pharma, genomics and research markets, for a total purchase consideration of \$257.8 million. As a result of the acquisition, we own all the outstanding interest in MyChem. Our consolidated results of operations for the three and six months ended June 30, 2022 include the operating results of MyChem from the acquisition date. See Note 2 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### *Government Assistance*

In May 2022, TriLink entered into a cooperative agreement ("Cooperative Agreement") with the U.S. Department of Defense, as represented by the Joint Program Executive Office for Chemical, Biological, Radiological and Nuclear Defense on behalf of the Biomedical Advanced Research and Development Authority ("BARDA"), within the U.S. Department of Health and Human Services, to advance the development of domestic manufacturing capabilities and to expand TriLink's domestic production capacity for products critical to the development and manufacture of mRNA vaccines and therapeutics, including nucleoside triphosphates and CleanCap®, TriLink's proprietary co-transcriptional mRNA capping reagents.

TriLink is expanding its San Diego manufacturing campus by making a significant investment in additional cleanroom and small molecule manufacturing space, implementing automation systems and adding support areas to augment production capacity (the "Flanders San Diego Facility"). Pursuant to certain requirements, BARDA awarded TriLink an amount equal to 50% of the construction and validation costs currently budgeted for the Flanders San Diego Facility. See Note 6 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

## **Trends and Uncertainties**

### *COVID-19 Related Revenue Trends and Uncertainties*

Since the start of the COVID-19 pandemic in early 2020, our results of operations and cash flows have substantially benefited from the strong demand for COVID-19 related products and services, including our proprietary CleanCap® analogs and highly modified RNA products, particularly mRNA. We estimate that revenue from COVID-19 related products and services represented approximately 73.2% and 71.8%, respectively, of our total revenues for the three and six months ended June 30, 2022. However, we expect the second quarter of 2022 to represent the highest revenue quarter for revenue attributable to our COVID-19 related products and services, with substantial declines in COVID-19 related revenue expected in the future. In addition to the general market trend of reduced demand for COVID-19 related products and services as the pandemic subsides, our COVID-19 related revenue for the remainder of 2022 and continuing into 2023 may be negatively impacted by unused inventory of our products that our customers have on hand. We are unable to estimate the impact of this unused inventory on future demand given both binding contractual commitments by our customers for additional purchases and that our customers generally have not provided us with detailed inventory data. Our longer-term revenue prospects for COVID-19 related products are highly uncertain but are expected to be substantially less than pandemic highs. The factors that could influence longer-term COVID-19 related revenue include: the emergence, duration and intensity of new virus variants; competition faced by our customers from other COVID-19 vaccine manufacturers or developers of alternative treatments; the availability and administration of pediatric and booster vaccinations, vaccine supply constraints, vaccine hesitancy and the effectiveness of vaccines against new virus strains; and the U.S. economy and global economy, including impacts resulting from supply chain constraints, labor market shortages and inflationary pressures. This contraction in COVID-19 related demand will significantly

decrease our revenue and cash flow, which in turn could have a material adverse impact on our operating results and financial condition in the future.

#### *Other Trends and Uncertainties*

Biopharmaceutical customers are increasingly relying on outside parties to provide important inputs and services for their clinical research and manufacturing, a development driving growth for suppliers with unique capabilities and the ability to manufacture at an appropriate scale to support customer programs. We believe that suppliers like ourselves, with this rare combination of capabilities, proprietary products and the required investment in manufacturing and quality systems, are benefiting from rapid growth as biopharmaceutical customers seek to partner with a small number of trusted suppliers. In addition to the continued trend toward outsourcing, several market developments are driving increased growth, in our addressable market segments, including: (i) pivot toward mRNA vaccines driven in part by COVID-19; (ii) rapid growth in development of cell and gene therapies; (iii) large and growing pipeline of protein-based therapeutics; and (iv) rise in molecular diagnostics driven by COVID-19.

#### *How We Assess Our Business*

We consider a variety of financial and operating measures in assessing the performance of our business. The key measures we use to determine how our business is performing are revenue and Adjusted EBITDA.

Adjusted EBITDA is a non-GAAP financial measure that we define as net income (loss) adjusted for interest expense, provision for income taxes, depreciation, amortization and stock-based compensation expenses. Adjusted EBITDA reflects further adjustments to eliminate the impact of certain items, including certain non-cash and other items, that we do not consider representative of our ongoing operating performance. We also present Adjusted Free Cash Flow, which is a non-GAAP measure that we define as Adjusted EBITDA less capital expenditures.

Management uses Adjusted EBITDA to evaluate the financial performance of our business and the effectiveness of our business strategies. We present Adjusted EBITDA and Adjusted Free Cash Flow because we believe they are frequently used by analysts, investors and other interested parties to evaluate companies in our industry and they facilitate comparisons on a consistent basis across reporting periods. Further, we believe they are helpful in highlighting trends in our operating results because they exclude items that are not indicative of our core operating performance. Adjusted EBITDA is also a component of the financial covenant under our credit agreement that governs our ability to access more than \$63.0 million in aggregate letters of credit and available borrowings under our revolving credit facility. In addition, if we borrow more than \$63.0 million, we are required to maintain a specified net leverage ratio. See *“Liquidity and Capital Resources—Sources of Liquidity—Debt Covenants”* below for a discussion of this financial covenant.

Adjusted EBITDA and Adjusted Free Cash Flow have limitations as analytical tools and you should not consider them in isolation, or as substitutes for analysis of our results as reported under GAAP. We may in the future incur expenses similar to the adjustments in the presentation of Adjusted EBITDA. In particular, we expect to incur meaningful share-based compensation expense in the future. Other limitations include that Adjusted EBITDA and Adjusted Free Cash Flow do not reflect:

- all expenditures or future requirements for capital expenditures or contractual commitments;
- changes in our working capital needs;
- provision for income taxes, which may be a necessary element of our costs and ability to operate;
- the costs of replacing the assets being depreciated, which will often have to be replaced in the future;
- the non-cash component of employee compensation expense; and
- the impact of earnings or charges resulting from matters we consider not to be reflective, on a recurring basis, of our ongoing operations.

In addition, Adjusted EBITDA and Adjusted Free Cash Flow may not be comparable to similarly titled measures used by other companies in our industry or across different industries.

## **Components of Results of Operations**

### ***Revenue***

Our revenue consists primarily of product revenue and, to a much lesser extent, service revenue. We generated total consolidated revenue of \$242.7 million and \$487.0 million for the three and six months ended June 30, 2022, respectively, and \$217.8 million and \$366.0 million for the three and six months ended June 30, 2021, respectively, through the following segments: (i) Nucleic Acid Production, (ii) Biologics Safety Testing and (iii) Protein Detection. We divested our Protein Detection segment in September 2021, and since then operate two business segments only, Nucleic Acid Production and Biologics Safety Testing.

#### *Nucleic Acid Production Segment*

Our Nucleic Acid Production segment focuses on the manufacturing and sale of highly modified nucleic acids products to support the needs of customers' research, therapeutic and vaccine programs. This segment also provides research products for labeling and detecting proteins in cells and tissue samples.

#### *Biologics Safety Testing Segment*

Our Biologics Safety Testing segment focuses on manufacturing and selling biologics safety and impurity tests and assay development services that are utilized by our customers in their biologic drug manufacturing activities.

#### *Protein Detection Segment*

Our Protein Detection segment products, which included a portfolio of labeling and visual detection reagents, were purchased by our scientific research customers for their tissue-based protein detection and characterization needs. In September 2021, we completed the divestiture of Vector Laboratories, Inc. and subsidiaries ("Vector"), which made up our Protein Detection segment.

### ***Cost of Revenue***

Cost of revenue associated with our products primarily consists of manufacturing related costs incurred in the production process, including personnel and related costs, stock-based compensation expense, inventory write-downs, costs of materials, labor and overhead, packaging and delivery costs and allocated costs, including facilities, information technology, depreciation and amortization of intangibles. Cost of revenue associated with our services primarily consists of personnel and related costs, stock-based compensation expense, cost of materials and allocated costs, including facilities and information technology costs. Costs of services were not material for the three and six months ended June 30, 2022 and 2021.

We expect cost of revenue to increase in future periods as our revenue grows.

### ***Operating Expenses***

#### *Selling, General and Administrative*

Our selling, general and administrative expenses primarily consist of salaries, benefits and stock-based compensation expense for our employees in our commercial sales functions, marketing, executive, accounting and finance, legal and human resource functions as well as travel expenses, professional services fees, such as consulting, audit, tax and legal fees, general corporate costs and allocated costs, including facilities, information technology and amortization of intangibles.

We expect that our selling, general and administrative expenses will continue to increase, primarily due to increased headcount and expanding facilities footprint to support anticipated growth in the business, costs incurred in increasing our presence globally and increases in marketing activities to drive awareness and adoption of our products and services, and due to incremental costs associated with operating as a public company.

#### *Research and Development*

Research and development costs primarily consist of salaries, benefits, stock-based compensation expense, outside contracted services, cost of supplies, in-process research and development costs from asset acquisitions and allocated facilities costs for employees engaged in research and development of products and services. We expense all research and development costs in the period in which they are incurred. Payment made prior to the receipt of goods or services to be used in research and development are recognized as prepaid assets until the goods are received or services are rendered.

We expect that our research and development costs will continue to increase to support our research and development efforts, including meeting our customers' needs.

*Change in Estimated Fair Value of Contingent Consideration*

In the first quarter of 2022, we completed the acquisition of MyChem and recorded a contingent consideration liability of \$7.8 million. In the second quarter of 2022, we recorded a fair value adjustment to the liability based on our assessment of the probability of achieving certain revenue thresholds and other probability factors. This was due to a change in estimate associated with MyChem revenue projections reaching thresholds that would trigger a contingent payment per the MyChem Securities Purchase Agreement (the "MyChem SPA").

**Other Income (Expense)**

*Interest Expense*

Interest expense consist of interest costs and the related amortization of the debt discount and deferred issuance costs on our outstanding debt.

*Loss on Extinguishment of Debt*

Loss on extinguishment of debt represent the write-off of remaining unamortized debt discount and deferred issuance costs on previously outstanding debt when we engage in refinancing activities.

*Change in Payable to Related Parties Pursuant to a Tax Receivable Agreement*

The Tax Receivable Agreement liability adjustment reflects changes in the Tax Receivable Agreement liability recorded in our condensed consolidated balance sheets as a result of change in the tax benefit obligation attributable to a change in the expected tax benefit.

**Income Tax Expense**

As a result of our ownership of LLC Units in Topco LLC, we are subject to U.S. federal, state and local income taxes with respect to our allocable share of any taxable income of Topco LLC and will be taxed at the prevailing corporate tax rates.

**Non-Controlling Interests**

Non-controlling interests represent the portion of profit or loss, net assets and comprehensive income or loss of our consolidated subsidiaries that is not allocable to the Company based on our percentage of ownership of such entities. Income or loss attributed to the non-controlling interests is based on the LLC Units outstanding during the period and is presented on the condensed consolidated statements of income. As of June 30, 2022, we held 51.5% of the outstanding LLC Units of Topco LLC and 48.5% of the outstanding LLC Units of Topco LLC were held by MLSH I.

**Results of Operations**

The results of operations presented below should be reviewed in conjunction with the condensed consolidated financial statements and notes included elsewhere in this Quarterly Report on Form 10-Q. For information with respect to recent

accounting pronouncements that are of significance or potential significance to us, see Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

	Three Months Ended June 30,		
	2022	2021 (as adjusted)*	Change
	(in thousands, except per share amounts)		
Revenue	\$ 242,732	\$ 217,775	11.5 %
Operating expenses:			
Cost of revenue <sup>(1)</sup>	37,496	37,811	(0.8)%
Selling, general and administrative <sup>(1)</sup>	28,061	24,500	14.5 %
Research and development <sup>(1)</sup>	4,274	1,929	121.6 %
Change in estimated fair value of contingent consideration	(7,800)	—	#
Total operating expenses	62,031	64,240	(3.4)%
Income from operations	180,701	153,535	17.7 %
Other income (expense), net	(5,709)	(7,652)	(25.4)%
Income before income taxes	174,992	145,883	20.0 %
Income tax expense	18,271	11,386	60.5 %
Net income	\$ 156,721	\$ 134,497	16.5 %
Net income attributable to non-controlling interests	85,481	85,354	0.1 %
Net income attributable to Maravai LifeSciences Holdings, Inc.	\$ 71,240	\$ 49,143	45.0 %
<b>Net income per Class A common share attributable to Maravai LifeSciences Holdings, Inc.:</b>			
Basic	\$ 0.54	\$ 0.44	
Diluted	\$ 0.53	\$ 0.44	
<b>Weighted average number of Class A common shares outstanding:</b>			
Basic	131,524	112,203	
Diluted	255,361	112,280	
<b>Non-GAAP measures:</b>			
Adjusted EBITDA	\$ 188,479	\$ 164,378	
Adjusted Free Cash Flow	\$ 175,215	\$ 158,810	

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

# Not meaningful

(1) Includes stock-based compensation expense as follows (in thousands, except percentages):

	Three Months Ended June 30,		
	2022	2021	Change
Cost of revenue	\$ 1,004	\$ 509	97.2 %
Selling, general and administrative	3,063	1,768	73.2 %
Research and development	241	106	127.4 %
Total stock-based compensation expense	\$ 4,308	\$ 2,383	80.8 %



	Six Months Ended June 30,		
	2022	2021 (as adjusted)*	Change
(in thousands, except per share amounts)			
Revenue	\$ 487,025	\$ 365,986	33.1 %
Operating expenses:			
Cost of revenue <sup>(1)</sup>	77,528	69,202	12.0 %
Selling, general and administrative <sup>(1)</sup>	61,261	47,971	27.7 %
Research and development <sup>(1)</sup>	7,969	4,089	94.9 %
Change in estimated fair value of contingent consideration	(7,800)	—	#
Total operating expenses	138,958	121,262	14.6 %
Income from operations	348,067	244,724	42.2 %
Other income (expense), net	(6,234)	(9,667)	(35.5)%
Income before income taxes	341,833	235,057	45.4 %
Income tax expense	38,252	25,095	52.4 %
Net income	\$ 303,581	\$ 209,962	44.6 %
Net income attributable to non-controlling interests	165,479	137,717	20.2 %
Net income attributable to Maravai LifeSciences Holdings, Inc.	\$ 138,102	\$ 72,245	91.2 %
<b>Net income per Class A common share attributable to Maravai LifeSciences Holdings, Inc.:</b>			
Basic	\$ 1.05	\$ 0.69	
Diluted	\$ 1.03	\$ 0.69	
<b>Weighted average number of Class A common shares outstanding:</b>			
Basic	131,506	104,468	
Diluted	255,324	257,686	
<b>Non-GAAP measures:</b>			
Adjusted EBITDA	\$ 375,471	\$ 265,274	
Adjusted Free Cash Flow	\$ 359,459	\$ 256,374	

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

# Not meaningful

(1) Includes stock-based compensation expense as follows (in thousands, except percentages):

	Six Months Ended June 30,		
	2022	2021	Change
Cost of revenue	\$ 1,827	\$ 1,019	79.3 %
Selling, general and administrative	5,696	3,449	65.1 %
Research and development	412	193	113.5 %
Total stock-based compensation expense	\$ 7,935	\$ 4,661	70.2 %

## Revenue

Consolidated revenue by segment was as follows for the periods presented (in thousands, except percentages):

	Three Months Ended June 30,			Percentage of Revenue	
	2022	2021	Change	2022	2021
Nucleic Acid Production	\$ 225,248	\$ 192,521	17.0 %	92.8 %	88.4 %
Biologics Safety Testing	17,484	18,208	(4.0)%	7.2 %	8.4 %
Protein Detection	—	7,046	#	—%	3.2 %
Total revenue	\$ 242,732	\$ 217,775	11.5 %	100.0 %	100.0 %

# Not meaningful

	Six Months Ended June 30,			Percentage of Revenue	
	2022	2021	Change	2022	2021
Nucleic Acid Production	\$ 448,898	\$ 316,453	41.9 %	92.2 %	86.5 %
Biologics Safety Testing	38,127	35,857	6.3 %	7.8 %	9.8 %
Protein Detection	—	13,676	#	—%	3.7 %
Total revenue	\$ 487,025	\$ 365,986	33.1 %	100.0 %	100.0 %

# Not meaningful

### Comparison of Three Months Ended June 30, 2022 and 2021

Total revenue was \$242.7 million for the three months ended June 30, 2022 compared to \$217.8 million for the three months ended June 30, 2021, representing an increase of \$25.0 million, or 11.5%.

Nucleic Acid Production revenue increased from \$192.5 million for the three months ended June 30, 2021 to \$225.2 million for the three months ended June 30, 2022, representing an increase of \$32.7 million, or 17.0%. The increase in Nucleic Acid Production revenue was the result of continued strong demand for our proprietary CleanCap analogs as COVID-19 vaccine manufacturers scaled production and increased demand for mRNA products as this technology becomes incorporated into more therapeutic and vaccine development programs for a variety of indications. For the three months ended June 30, 2022, we estimate that approximately \$177.6 million, or 93.2%, of our \$190.6 million CleanCap revenue was a result of customer demand attributable to COVID-19 vaccines or other COVID-19 related commercial products or developmental programs. For the three months ended June 30, 2021, we estimate that approximately \$155.1 million, or 94.9%, of our \$163.5 million CleanCap revenue was a result of customer demand attributable to COVID-19 vaccines or other COVID-19 related commercial products or developmental programs.

Biologics Safety Testing revenue decreased from \$18.2 million for the three months ended June 30, 2021 to \$17.5 million for the three months ended June 30, 2022, representing a decrease of \$0.7 million, or 4.0%. The decrease from prior period was not significant.

There was no Protein Detection revenue for the three months ended June 30, 2022 due to the sale of our Protein Detection business segment, which was completed in early September 2021.

### Comparison of Six Months Ended June 30, 2022 and 2021

Total revenue was \$487.0 million for the six months ended June 30, 2022 compared to \$366.0 million for the six months ended June 30, 2021, representing an increase of \$121.0 million, or 33.1%.

Nucleic Acid Production revenue increased from \$316.5 million for the six months ended June 30, 2021 to \$448.9 million for the six months ended June 30, 2022, representing an increase of \$132.4 million, or 41.9%. The increase in Nucleic Acid Production revenue was driven by continued strong demand for our proprietary CleanCap analogs as COVID-19 vaccine manufacturers scaled production and ongoing demand for highly modified RNA products. For the six months ended June 30, 2022, we estimate that approximately \$349.6 million, or 93.4%, of our \$374.4 million CleanCap revenue was a result of customer demand attributable to COVID-19 vaccines or other COVID-19 related commercial products or developmental programs. For the six months ended June 30, 2021, we estimate that approximately \$246.3 million, or 95.4%, of our \$258.2

million CleanCap revenue was a result of customer demand attributable to COVID-19 vaccines or other COVID-19 related commercial products or developmental programs.

Biologics Safety Testing revenue increased from \$35.9 million for the six months ended June 30, 2021 to \$38.1 million for the six months ended June 30, 2022, representing an increase of \$2.3 million, or 6.3%. The increase was driven by higher demand as the result of growth in the underlying markets supporting cell and gene therapies, biosimilar and other biologic programs.

There was no Protein Detection revenue for the six months ended June 30, 2022 due to the sale of our Protein Detection business segment, which was completed in early September 2021.

### ***Segment Information***

Management has determined that adjusted earnings before interest, tax, depreciation and amortization is the profit or loss measure used to make resource allocation decisions and evaluate segment performance. Adjusted EBITDA assists management in comparing the segment performance on a consistent basis for purposes of business decision-making by removing the impact of certain items that management believes do not directly reflect the core operations and, therefore, are not included in measuring segment performance. We define Adjusted EBITDA as net income before interest, taxes, depreciation and amortization, certain non-cash items and other adjustments that we do not consider in our evaluation of ongoing operating performance from period to period. Corporate costs, net of eliminations are managed on a standalone basis and are not allocated to segments.

We do not allocate assets to our reportable segments as they are not included in the review performed by our Chief Operating Decision Maker for purposes of assessing segment performance and allocating resources.

As of June 30, 2022, all of our long-lived assets were located within the United States.

The following schedule includes revenue and adjusted EBITDA for each of our reportable operating segments (in thousands). We have revised our presentation for the prior periods below to remove the presentation of Total Adjusted EBITDA and reconcile the total of our reportable segments' measure of profit or loss to income before income taxes, in addition to net income, and removed corporate costs, net of eliminations from total reportable segments' adjusted EBITDA and included such amounts in the reconciliation to income before income taxes. Additionally, we have revised our presentation for the prior

periods below of our total reportable segments' revenue, in which we removed intersegment eliminations from our total reportable segment's revenue.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
<b>Revenue:</b>				
Nucleic Acid Production	\$ 225,255	\$ 192,738	\$ 448,905	\$ 316,907
Biologics Safety Testing	17,484	18,208	38,127	35,857
Protein Detection	—	7,046	—	13,676
<b>Total reportable segments' revenue</b>	<b>242,739</b>	<b>217,992</b>	<b>487,032</b>	<b>366,440</b>
Intersegment eliminations	(7)	(217)	(7)	(454)
<b>Total</b>	<b>\$ 242,732</b>	<b>\$ 217,775</b>	<b>\$ 487,025</b>	<b>\$ 365,986</b>
<b>Segment adjusted EBITDA:</b>				
Nucleic Acid Production	\$ 186,291	\$ 156,320	\$ 369,090	\$ 251,352
Biologics Safety Testing	14,102	14,293	30,634	28,580
Protein Detection	—	3,375	—	5,334
<b>Total reportable segments' adjusted EBITDA</b>	<b>200,393</b>	<b>173,988</b>	<b>399,724</b>	<b>285,266</b>
<b>Reconciliation of total reportable segments' adjusted EBITDA to income before income taxes</b>				
Amortization	(6,252)	(5,040)	(11,779)	(10,081)
Depreciation	(1,892)	(1,615)	(3,747)	(2,871)
Interest expense	(4,434)	(7,649)	(7,098)	(15,553)
Corporate costs, net of eliminations	(11,914)	(9,610)	(24,253)	(19,992)
Other adjustments:				
Acquisition contingent consideration	7,800	—	7,800	—
Acquisition integration costs	(3,103)	(13)	(7,882)	(17)
Acquired in-process research and development costs	—	—	—	—
Stock-based compensation	(4,308)	(2,383)	(7,935)	(4,661)
Merger and acquisition related expenses	(7)	(943)	(1,195)	(1,862)
Financing costs	(27)	(852)	(1,064)	(1,058)
Acquisition related tax adjustment	(1,264)	—	(1,264)	—
Tax Receivable Agreement liability adjustment	—	—	2,340	5,886
Other	—	—	(1,814)	—
<b>Income before income taxes</b>	<b>174,992</b>	<b>145,883</b>	<b>341,833</b>	<b>235,057</b>
Income tax expense	(18,271)	(11,386)	(38,252)	(25,095)
<b>Net income</b>	<b>\$ 156,721</b>	<b>\$ 134,497</b>	<b>\$ 303,581</b>	<b>\$ 209,962</b>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 for a summary of the adjustments.

During the three and six months ended June 30, 2022, intersegment revenue was immaterial between the Nucleic Acid Production and Biologics Safety Testing segments. During the three and six months ended June 30, 2021, intersegment revenue was \$0.2 million and \$0.5 million, respectively, between the Nucleic Acid Production and Protein Detection segments. The intersegment sales and the related gross margin on inventory recorded at the end of the period are eliminated for consolidation purposes. Internal selling prices for intersegment sales are consistent with the segment's normal retail price offered to external parties. There was no commission expense recognized for intersegment sales for the three and six months ended June 30, 2022 and 2021.

### Non-GAAP Financial Measures

#### Adjusted EBITDA

A reconciliation of net income to adjusted EBITDA, which is a non-GAAP measure, is set forth below (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
Net income	\$ 156,721	\$ 134,497	\$ 303,581	\$ 209,962
Add:				
Amortization	6,252	5,040	11,779	10,081
Depreciation	1,892	1,615	3,747	2,871
Interest expense	4,434	7,649	7,098	15,553
Income tax expense	18,271	11,386	38,252	25,095
EBITDA	187,570	160,187	364,457	263,562
Acquisition contingent consideration <sup>(1)</sup>	(7,800)	—	(7,800)	—
Acquisition integration costs <sup>(2)</sup>	3,103	13	7,882	17
Stock-based compensation <sup>(3)</sup>	4,308	2,383	7,935	4,661
Merger and acquisition related expenses <sup>(4)</sup>	7	943	1,195	1,862
Financing costs <sup>(5)</sup>	27	852	1,064	1,058
Acquisition related tax adjustment <sup>(6)</sup>	1,264	—	1,264	—
Tax Receivable Agreement liability adjustment <sup>(7)</sup>	—	—	(2,340)	(5,886)
Other <sup>(8)</sup>	—	—	1,814	—
Adjusted EBITDA	\$ 188,479	\$ 164,378	\$ 375,471	\$ 265,274

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

(1) Refers to the change in fair value of performance payments related to the acquisition of MyChem, which was completed in January 2022.

(2) Refers to incremental costs incurred to execute and integrate completed acquisitions, and retention payments in connection with these acquisitions.

(3) Refers to non-cash expense associated with stock-based compensation.

(4) Refers to diligence, legal, accounting, tax and consulting fees incurred associated with acquisitions that were not consummated.

(5) Refers to transaction costs related to the refinancing of our long-term debt and costs from our secondary offering that are not capitalizable or cannot be offset against proceeds from such transactions.

(6) Refers to non-cash expense associated with adjustments to the indemnification asset recorded in connection with the acquisition of MyChem.

(7) Refers to the gain related to the adjustment of our Tax Receivable Agreement liability primarily due to changes in our estimated state apportionment and the corresponding reduction of our estimated state tax rate.

(8) Refers to the loss recognized during the period associated with certain working capital and other adjustments for the sale of Vector, which was completed in September 2021, and the non-cash expense incurred on extinguishment of debt.

### Adjusted Free Cash Flow

Adjusted Free Cash Flow, which is a non-GAAP measure that we define as Adjusted EBITDA less capital expenditures, is set forth below for the periods presented (in thousands):

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021 (as adjusted)*	2022	2021 (as adjusted)*
Adjusted EBITDA	\$ 188,479	\$ 164,378	\$ 375,471	\$ 265,274
Capital expenditures <sup>(1)</sup>	(13,264)	(5,568)	(16,012)	(8,900)
Adjusted Free Cash Flow	\$ 175,215	\$ 158,810	\$ 359,459	\$ 256,374

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

(1) We define capital expenditures as: (i) purchases of property and equipment, which are included in cash flows from investing activities, accounts payable and accrued expenses; and (ii) construction costs determined to be lessor improvements, which are recorded as prepaid lease payments; offset by government funding recognized.

### Operating Expenses

Operating expenses included the following for the periods presented (in thousands, except percentages):

	Three Months Ended June 30,			Percentage of Revenue	
	2022	2021 (as adjusted)*	Change	2022	2021 (as adjusted)*
Cost of revenue	\$ 37,496	\$ 37,811	(0.8)%	15.4 %	17.4 %
Selling, general and administrative	28,061	24,500	14.5 %	11.6 %	11.2 %
Research and development	4,274	1,929	121.6 %	1.8 %	0.9 %
Change in estimated fair value of contingent consideration	(7,800)	—	#	(3.2)%	— %
Total operating expenses	\$ 62,031	\$ 64,240	(3.4)%	25.6 %	29.5 %

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

# Not meaningful

	Six Months Ended June 30,			Percentage of Revenue	
	2022	2021 (as adjusted)*	Change	2022	2021 (as adjusted)*
Cost of revenue	\$ 77,528	\$ 69,202	12.0 %	15.9 %	18.9 %
Selling, general and administrative	61,261	47,971	27.7 %	12.6 %	13.1 %
Research and development	7,969	4,089	94.9 %	1.6 %	1.1 %
Change in estimated fair value of contingent consideration	(7,800)	—	#	(1.6)%	— %
Total operating expenses	\$ 138,958	\$ 121,262	14.6 %	28.5 %	33.1 %

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

# Not meaningful

### **Cost of Revenue**

#### *Comparison of Three Months Ended June 30, 2022 and 2021*

Cost of revenue decreased by \$0.3 million from \$37.8 million for the three months ended June 30, 2021 to \$37.5 million for the three months ended June 30, 2022, or 0.8%. The decrease in cost of revenue compared to the prior period was not significant.

#### *Comparison of Six Months Ended June 30, 2022 and 2021*

Cost of revenue increased by \$8.3 million from \$69.2 million for the six months ended June 30, 2021 to \$77.5 million for the six months ended June 30, 2022, or 12.0%. The increase in cost of revenue was primarily attributable to an increase in direct product costs and supplies and materials resulting from higher sales volume. Gross profit increased by \$112.7 million from \$296.8 million for the six months ended June 30, 2021 to \$409.5 million for the six months ended June 30, 2022. The increase in the gross profit margin as a percentage of sales was primarily attributable to favorable product mix shift.

### **Selling, General and Administrative**

#### *Comparison of Three Months Ended June 30, 2022 and 2021*

Selling, general and administrative expenses increased by \$3.6 million from \$24.5 million for the three months ended June 30, 2021 to \$28.1 million for the three months ended June 30, 2022, or 14.5%. The increase was primarily driven by a \$3.0 million increase in personnel costs and \$0.4 million of transaction costs associated with the acquisition of MyChem.

#### *Comparison of Six Months Ended June 30, 2022 and 2021*

Selling, general and administrative expenses increased by \$13.3 million from \$48.0 million for the six months ended June 30, 2021 to \$61.3 million for the six months ended June 30, 2022, or 27.7%. The increase was primarily driven by a \$4.0 million increase in personnel costs, \$3.4 million of transaction costs associated with the acquisition of MyChem, a \$1.7 million increase in marketing and consulting services, \$1.6 million from working capital adjustments related to the sale of Vector in September 2021, \$1.2 million of diligence fees associated with merger and acquisition activities and \$0.9 million of fees relating to the debt refinancing transaction.

### **Research and Development**

#### *Comparison of Three Months Ended June 30, 2022 and 2021*

Research and development expenses increased by \$2.3 million from \$1.9 million for the three months ended June 30, 2021 to \$4.3 million for the three months ended June 30, 2022, or 121.6%. The increase was primarily driven by \$2.5 million in personnel costs relating to retention payment accruals associated with the acquisition of MyChem.

#### *Comparison of Six Months Ended June 30, 2022 and 2021*

Research and development expenses increased by \$3.9 million from \$4.1 million for the six months ended June 30, 2021 to \$8.0 million for the six months ended June 30, 2022, or 94.9%. The increase was primarily driven by \$4.3 million in personnel costs relating to retention payment accruals associated with the acquisition of MyChem.

### **Change in Estimated Fair Value of Contingent Consideration**

#### *Comparison of Three and Six Months Ended June 30, 2022 and 2021*

The change in estimated fair value of contingent consideration of \$7.8 million for the three and six months ended June 30, 2022 was due to the decrease in estimated fair value of the liability for the contingent payments associated with the acquisition of MyChem. This was due to a change in estimate associated with MyChem revenue projections reaching thresholds that would trigger a contingent payment per the MyChem SPA.

### Other Income (Expense)

Other income (expense) included the following for the periods presented (in thousands, except percentages):

	Three Months Ended June 30,			Percentage of Revenue	
	2022	2021 (as adjusted)*	Change	2022	2021 (as adjusted)*
Interest expense	\$ (4,434)	\$ (7,649)	(42.0)%	(1.9)%	(3.5) %
Other expense	(1,275)	(3)	#	(0.5)%	0.0 %
Total other expense	<u>\$ (5,709)</u>	<u>\$ (7,652)</u>	<u>(25.4)%</u>	<u>(2.4)%</u>	<u>(3.5) %</u>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

# Not meaningful

	Six Months Ended June 30,			Percentage of Revenue	
	2022	2021 (as adjusted)*	Change	2022	2021 (as adjusted)*
Interest expense	\$ (7,098)	\$ (15,553)	(54.4)%	(1.5)%	(4.2) %
Loss on extinguishment of debt	(208)	—	#	0.0 %	— %
Change in payable to related parties pursuant to a Tax Receivable Agreement	2,340	5,886	(60.2)%	0.5 %	1.6 %
Other expense	(1,268)	—	#	(0.3)%	— %
Total other expense	<u>\$ (6,234)</u>	<u>\$ (9,667)</u>	<u>(35.5)%</u>	<u>(1.3)%</u>	<u>(2.6) %</u>

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

# Not meaningful

#### Comparison of Three Months Ended June 30, 2022 and 2021

Other expense was \$7.7 million for the three months ended June 30, 2021 compared to \$5.7 million for the three months ended June 30, 2022, representing a decrease of \$1.9 million, or 25.4%. The decrease in expense was primarily attributable to a \$3.2 million decrease in interest expense due to a \$1.7 million change in fair value of the interest rate cap and \$1.5 million decrease in interest expense driven by the lower interest rates from the debt refinancing transaction. This was partially offset by an increase of \$1.3 million in other expense relating to adjustments to the indemnification asset recorded in connection with the acquisition of MyChem.

#### Comparison of Six Months Ended June 30, 2022 and 2021

Other expense was \$9.7 million for the six months ended June 30, 2021 compared to \$6.2 million for the six months ended June 30, 2022, representing a decrease of \$3.4 million, or 35.5%. The decrease in expense was primarily attributable to a \$8.5 million decrease in interest expense due to a \$4.7 million change in fair value of the interest rate cap and \$3.7 million decrease in interest expense driven by the lower interest rates from the debt refinancing transaction. This was partially offset by a \$3.5 million decrease in gain related to the payable to related parties pursuant to a Tax Receivable Agreement as a result of changes in our estimated state income tax apportionment and the corresponding reduction of our estimated state income tax rate, and an increase of \$1.3 million in other expense relating to adjustments to the indemnification asset recorded in connection with the acquisition of MyChem.

#### Relationship with GTCR, LLC (“GTCR”)

Prior to our initial public offering (“IPO”), we utilized GTCR for certain services pursuant to an advisory services agreement. Under this agreement, GTCR provided us with financial and management consulting services in the areas of corporate strategy, budgeting for future corporate investments, acquisition and divestiture strategies, and debt and equity financings. The advisory services agreement provided that we pay a \$0.1 million quarterly management fee to GTCR for these services. We also reimbursed GTCR for out-of-pocket expenses incurred while providing these services. The advisory services agreement also



provided that certain of our subsidiaries pay placement fees to GTCR of 1.0% of the gross amount of debt or equity financings. In connection with our IPO, this advisory services agreement was terminated.

As GTCR continues to have representation on our Board of Directors, we will continue to pay GTCR for any direct reimbursable expenses related to their Board activities. We paid GTCR insignificant amounts during the three and six months ended June 30, 2022 and 2021. We may continue to engage GTCR from time to time, subject to compliance with our related party transactions policy.

We made distributions of \$42.6 million and \$82.5 million during the three and six months ended June 30, 2022, respectively, and \$33.1 million and \$56.2 million during the three and six months ended June 30, 2021, respectively, for tax liabilities to MLSH 1, which is primarily owned by GTCR.

We are also a party to a Tax Receivable Agreement, or TRA, with MLSH 1, who is primarily owned by GTCR, and MLSH 2 (see Note 10 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q). The TRA provides for the payment by us to MLSH 1 and MLSH 2, collectively, of 85.0% of the amount of tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, from exchanges of LLC Units (together with the corresponding shares of Class B common stock) for Class A common stock, as a result of (i) certain increases in the tax basis of assets of Topco LLC and its subsidiaries resulting from purchases or exchanges of LLC Units, (ii) certain tax attributes of the entities acquired from MLSH 1 and MLSH 2 in connection with the Organizational Transactions, Topco LLC and subsidiaries of Topco LLC that existed prior to the IPO, and (iii) certain other tax benefits related to our entering into the TRA, including tax benefits attributable to payments that we make under the TRA (collectively, the "Tax Attributes"). Payment obligations under the TRA are not conditioned upon any Topco LLC unitholders maintaining a continued ownership interest in us or Topco LLC, and the rights of MLSH 1 and MLSH 2 under the TRA are assignable. There is no stated term for the TRA, and the TRA will continue until all tax benefits have been utilized or expired unless we exercise our right to terminate the TRA for an agreed-upon amount.

No payments were made to MLSH 1 or MLSH 2 pursuant to the TRA during the three and six months ended June 30, 2022. As of June 30, 2022, our liability under the TRA was \$746.0 million.

## **Liquidity and Capital Resources**

### ***Overview***

We have financed our operations primarily from cash flow from operations, borrowings under long-term debt agreements and, to a lesser extent, the sale of our Class A common stock.

As of June 30, 2022, we had cash of \$550.7 million and retained earnings of \$322.7 million. We had net income of \$156.7 million and \$303.6 million for the three and six months ended June 30, 2022, respectively. We also had positive cash flows from operations of \$326.6 million for the six months ended June 30, 2022.

We have relied on revenue derived from product and services sales, and equity and debt financings to fund our operations to date.

Our principal uses of cash have been to fund operations, acquisitions and capital expenditures, as well as make tax distributions to MLSH 1, make TRA payments to MLSH 1 and MLSH 2 as well as make interest payments and mandatory principal payments on our long-term debt.

We plan to utilize our existing cash on hand, together with cash generated from operations, primarily to fund our commercial and marketing activities associated with our products and services, continued research and development initiatives, and ongoing investments into our manufacturing facilities to create efficiencies and build capacity. We believe our cash on hand, cash generated from operations and continued access to our credit facilities, will be sufficient to satisfy our cash requirements over the next 12 months and beyond.

To the extent revenue from sales in our two remaining business segments continues to grow, we expect our accounts receivable and inventory balances to increase. Any increase in accounts receivable and inventory may not be completely offset by increases in accounts payable and accrued expenses, which could result in greater working capital requirements. Moreover, we have and will continue to incur additional costs associated with operating as a public company, including expenses related to legal, accounting, regulatory, exchange listing and regulatory compliance matters.

As a result of our ownership of LLC Units in Topco LLC, the Company is subject to U.S. federal, state and local income taxes with respect to its allocable share of any taxable income of Topco LLC and is taxed at the prevailing corporate tax rates. In addition to tax expenses, we also will incur expenses related to our operations and we will be required to make payments under the TRA with MLSH 1 and MLSH 2. Due to the uncertainty of various factors, we cannot precisely quantify the likely tax

benefits we will realize as a result of LLC Unit exchanges and the resulting amounts we are likely to pay out to LLC Unitholders of Topco LLC pursuant to the TRA; however, we estimate that such payments may be substantial. Assuming no changes in the relevant tax law, and that we earn sufficient taxable income to realize all tax benefits that are subject to the TRA, we expect that future payments under the TRA relating to the purchase by the Company of LLC Units from MLSH 1 and the tax attributes to be approximately \$746.0 million and to range over the next 15 years from approximately \$34.7 million to \$63.0 million per year and decline thereafter. Future payments in respect of subsequent exchanges or financings would be in addition to these amounts and are expected to be substantial. The foregoing numbers are estimates and the actual payments could differ materially. We expect to fund these payments using cash on hand and cash generated from operations.

As a result of a change of control, material breach, or our election to terminate the TRA early, (1) we could be required to make cash payments to MLSH 1 and MLSH 2 that are greater than the specified percentage of the actual benefits we ultimately realize in respect of the tax benefits that are subject to the TRA and (2) we will be required to make an immediate cash payment equal to the present value of the anticipated future tax benefits that are the subject of the TRA, which payment may be made significantly in advance of the actual realization, if any, of such future tax benefits. In these situations, our obligations under the TRA could have a material adverse effect on our liquidity and could have the effect of delaying, deferring or preventing certain mergers, asset sales, other forms of business combination, or other changes of control. There can be no assurance that we will be able to adequately finance our payment obligations under the TRA.

In addition to payments to be made under the TRA, we are also required to make tax distributions to MLSH 1 pursuant to the LLC Operating Agreement for the portion of income passing through to them from Topco LLC.

#### ***Credit Agreement***

The Credit Agreement, among Intermediate, Cygnus and TriLink, as the borrowers, Topco LLC, as holdings, the lenders from time-to-time party thereto and Morgan Stanley Senior Funding, Inc., as administrative and collateral agent (as amended, supplemented or otherwise modified, the “Credit Agreement”), provides us with a term-loan facility (the “Term Loan”) totaling \$600.0 million and a revolving credit facility (the “Revolving Credit Facility”) of \$180.0 million for letters of credit and loans to be used for working capital and other general corporate financing purposes. Borrowings under the Credit Agreement are unconditionally guaranteed by Topco LLC, along with the existing and future material domestic subsidiaries of Topco LLC (subject to certain exceptions) as specified in the respective guaranty agreements, and are secured by a lien and security interest in substantially all of the assets of existing and future material domestic subsidiaries of Topco LLC that are loan parties.

In January 2022, the Company entered into an amendment (the “Amendment”) to the Credit Agreement to: (i) refinance the existing \$544.0 million aggregate principal balance on the First Lien Term Loan and replace it with a new Tranche B Term Loan (“Tranche B Term Loan”), (ii) replace the LIBOR-based interest rate with a Term Secured Overnight Financing Rate (“SOFR”) based rate, and (iii) reduce the interest rate margins applicable to the Term Loan and Revolving Credit Facilities under the Credit Agreement. The previous interest rate margin on the facilities was, with respect to each LIBOR-based loan, 3.75% to 4.25% and, with respect to each base rate-based loan, 2.75% to 3.25% (depending, in each case, on consolidated first lien leverage). Following the Amendment, the interest rate margin on the facilities is 3.00%, with respect to each Term SOFR-based loan, and 2.00%, with respect to each base rate-based loan. Further, the Amendment reduced the base rate floor for the term loans from 2.00% to 1.50%, sets the floor for Term SOFR-based term loans at 0.50% and sets the floor for Term SOFR-based revolving loans at 0.00%. No other significant terms under the Credit Agreement were changed in connection with the Amendment.

The Base Rate is defined in the Credit Agreement as the greatest of (i) the rate last quoted by The Wall Street Journal as the “Prime Rate” in the United States, (ii) the NYFRB Rate plus 0.50% per annum, (iii) the Term SOFR Rate for a one month interest period plus 1.00% per annum, (iv) solely with respect to the Tranche B term loans, 1.50% per annum and (v) for any loans that are not Tranche B term loans, 1.00% per annum. The “Term SOFR Rate,” as defined in the Credit Agreement, means with respect to any Term SOFR Rate Borrowing and for any other tenor comparable to the applicable interest period, the Term SOFR Reference Rate at approximately 5:00 a.m., Chicago time, two U.S. Government Securities Business Days prior to the commencement of such tenor comparable to the applicable interest period, as such rate is published by the CME Term SOFR Administrator; provided that in no event shall the Term SOFR Rate for any interest period (i) for Term B Loans be less than 0.50% or (ii) for any other Loans, be less than 0.00%.

The Tranche B Term Loan became repayable in quarterly payments of \$1.4 million beginning in March 2022, with all remaining outstanding principal due in October 2027. The Tranche B Term Loan includes prepayment provisions that allow us, at our option, to repay all or a portion of the principal amount at any time. The Revolving Credit Facility allows us to repay and borrow from time to time until October 2025, at which time all amounts borrowed must be repaid. Subject to certain exceptions and limitations, we are required to repay borrowings under the Tranche B Term Loan and Revolving Credit Facility with the proceeds of certain occurrences, such as the incurrence of debt, certain equity contributions and certain asset sales or dispositions.

Commencing with the fiscal year ended December 31, 2021, and each fiscal year thereafter, the Credit Agreement requires that we make mandatory prepayments on the Term Loan principal out of certain excess cash flow, subject to certain step-downs based on the Company's first lien net leverage ratio. The mandatory prepayment shall be reduced to 25% or 0% of the calculated excess cash flow if the first lien net leverage ratio was equal to or less than 4.75:1.00 or 4.25:1.00, respectively; however, no prepayment is required to the extent excess cash flow calculated for the respective period is equal to or less than \$10.0 million. As of June 30, 2022, our first lien net leverage ratio was less than 4.25:1.00, thus a prepayment was not required.

Accrued interest under the Credit Agreement is payable by us (a) quarterly in arrears with respect to Base Rate loans, (b) at the end of each interest rate period (or at each three-month interval in the case of loans with interest periods greater than three months) with respect to Term SOFR Rate loans, (c) on the date of any repayment or prepayment and (d) at maturity (whether by acceleration or otherwise). An annual commitment fee is applied to the daily unutilized amount under the Revolving Credit Facility at 0.375% per annum, with one stepdown to 0.25% per annum based on Intermediate's first lien net leverage ratio.

#### *Debt Covenants*

The Credit Agreement includes financial covenants. One financial covenant is a consolidated first lien coverage ratio measured as of the last day of each fiscal quarter. Another requires that, if as of the end of any fiscal quarter the aggregate amount of letters of credit obligations and borrowings under the Revolving Credit Facility outstanding as of the end of such fiscal quarter (excluding cash collateralized letters of credit obligations and letter of credit obligations in an aggregate amount not in excess of \$5.0 million at any time outstanding and for the first four fiscal quarters ending after October 2020, borrowings of revolving credit loans made before October 2020) exceeds 35% of the aggregate amount of all Revolving Credit Commitments in effect as of such date, then the net leverage ratio of Intermediate may not be greater than 8.00 to 1.00. For purposes of this covenant, the net leverage ratio is calculated by dividing outstanding first lien indebtedness (net of cash) by Adjusted EBITDA over the preceding four fiscal quarters. As of June 30, 2022, we were in compliance with these covenants.

The Credit Agreement also contains negative and affirmative covenants in addition to the financial covenant, including covenants that restrict our ability to, among other things, incur or prepay certain indebtedness, pay dividends or distributions, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments, and make changes in the nature of the business. The Credit Agreement contains certain events of default, including, without limitation, nonpayment of principal, interest or other obligations, violation of the covenants, insolvency, court ordered judgments and certain changes of control. The Credit Agreement also requires the Company to provide audited consolidated financial statements to the lenders no later than 120 days after year-end.

As of June 30, 2022, interest rate on the Tranche B Term Loan was 3.85%.

#### *Tax Receivable Agreement*

We are a party to the TRA with MLSH 1 and MLSH 2. The TRA provides for the payment by us to MLSH 1 and MLSH 2, collectively, of 85% of the amount of certain tax benefits, if any, that we actually realize, or in some circumstances are deemed to realize, as a result of the Organizational Transactions, IPO and any subsequent purchases or exchanges of LLC Units of Topco LLC. Based on our current projections of taxable income, and before deduction of any specially allocated depreciation and amortization, we anticipate having enough taxable income to utilize most of these tax benefits.

As of June 30, 2022, our liability under the TRA was \$746.0 million, representing 85% of the calculated tax savings we anticipated being able to utilize in future years. We may record additional liabilities under the TRA when LLC Units are exchanged in the future and as our estimates of the future utilization of the Tax Attributes, NOLs and other tax benefits change. We expect to make payments under the TRA, to the extent they are required, within 125 days after the extended due date of our U.S. federal income tax return for such taxable year. Interest on such payment will begin to accrue from the due date (without extensions) of such tax return at a rate of LIBOR plus 100 basis points. Any late payments will continue to accrue interest at LIBOR plus 500 basis points until such payments are made.

The payment obligations under the TRA are obligations of Maravai LifeSciences Holdings, Inc. and not of Topco LLC. Although the actual timing and amount of any payments that may be made under the TRA will vary, we expect that the aggregate payments that we will be required to make to MLSH 1 and MLSH 2 will be substantial. Any payments made by us under the TRA will generally reduce the amount of overall cash flow that might have otherwise been available to us or to Topco LLC and, to the extent that we are unable to make payments under the TRA for any reason, the unpaid amounts will be deferred and will accrue interest until paid by us. We anticipate funding ordinary course payments under the TRA from cash flow from operations of Topco LLC and its subsidiaries, available cash and/or available borrowings under the Credit Agreement.

**Cash Flows**

The following table summarizes our cash flows for the periods presented (in thousands):

	Six Months Ended June 30,	
	2022	2021 (as adjusted)*
Net cash provided by (used in):		
Operating activities	\$ 326,583	\$ 204,265
Investing activities	(243,245)	(7,317)
Financing activities	(83,934)	(58,185)
Effects of exchange rate changes on cash	—	13
Net increase in cash classified within current assets held for sale	—	(250)
Net (decrease) increase in cash	\$ (596)	\$ 138,526

\* As adjusted to reflect the impact of the adoption of ASC 842. See Note 1 to the condensed consolidated financial statements in Part I, Item 1 of this Quarterly Report on Form 10-Q for a summary of the adjustments.

**Operating Activities**

Net cash provided by operating activities for the six months ended June 30, 2022 was \$326.6 million, which was primarily attributable to a net income of \$303.6 million, non-cash depreciation and amortization of \$15.5 million, non-cash amortization of right-of-use assets of \$2.6 million, non-cash amortization of deferred financing costs of \$1.4 million, non-cash stock-based compensation of \$7.9 million and non-cash decrease in deferred income taxes of \$26.1 million. These were partially offset by a non-cash gain on the change in estimated fair value of contingent consideration of \$7.8 million, non-cash gain on the revaluation of liabilities under the TRA of \$2.3 million and a net cash outflow from the change in our operating assets and liabilities of \$19.4 million, of which \$9.6 million was driven by an increase in prepaid lease payments for our leased Flanders San Diego Facility and Leland Facility.

Net cash provided by operating activities for the six months ended June 30, 2021 was \$204.3 million, which was primarily attributable to a net income of \$210.0 million, non-cash depreciation and amortization of \$13.0 million, non-cash amortization of right-of-use assets of \$3.5 million, non-cash amortization of deferred financing costs of \$1.3 million, non-cash stock-based compensation of \$4.7 million and non-cash decrease in deferred income taxes of \$18.2 million. These were partially offset by a non-cash gain on the revaluation of liabilities under the Tax Receivable Agreement of \$5.9 million and a net cash outflow from the change in our operating assets and liabilities of \$40.4 million.

**Investing Activities**

Net cash used in investing activities for the six months ended June 30, 2022 was \$243.2 million, which was primarily comprised of \$238.8 million for the net cash consideration paid for the acquisition of MyChem and net cash outflows of \$4.4 million for property and equipment purchases.

Net cash used in investing activities for the six months ended June 30, 2021 was \$7.3 million, which was primarily attributable to net cash outflows of \$7.9 million for property and equipment purchases, partially offset by cash receipts of \$0.5 million from the sale of our United Kingdom facility.

**Financing Activities**

Net cash used in financing activities for the six months ended June 30, 2022 was \$83.9 million, which was primarily attributable to \$82.5 million of distributions for tax liabilities to non-controlling interest holders, required pursuant to the terms of the LLC Operating Agreement, and \$11.2 million of principal repayments of long-term debt. This was partially offset by proceeds from borrowings of long-term debt of \$8.5 million.

Net cash used in financing activities for the six months ended June 30, 2021 was \$58.2 million, which was primarily attributable to \$56.2 million of distributions for tax liabilities to non-controlling interest holders, required pursuant to the terms of the LLC Operating Agreement, and \$3.0 million of principal repayments of long-term debt.

**Capital Expenditures**

Capital expenditures for the six months ended June 30, 2022 totaled \$16.0 million. Capital expenditures, including costs incurred for lessor improvements, for the year ending December 31, 2022 are projected to be in the range of \$65.0 million to

\$75.0 million, which is net of anticipated government funding of \$20.0 million. This primarily includes new facility construction costs recorded as prepaid lease payments, and equipment for our leased Flanders San Diego, California and Leland, North Carolina locations.

### Contractual Obligations and Commitments

The following table summarizes our contractual obligations and commitments as of June 30, 2022 (in thousands):

	Payments due by period				
	Total	1 year	2 - 3 years	4 - 5 years	5+ years
Operating leases <sup>(1)</sup>	\$ 103,271	\$ 8,278	\$ 22,525	\$ 22,837	\$ 49,631
Debt obligations <sup>(2)</sup>	541,280	5,440	10,880	10,880	514,080
TRA payments <sup>(3)</sup>	745,979	34,747	84,377	86,745	540,110
Unconditional purchase obligations <sup>(4)</sup>	7,200	4,200	3,000	—	—
Consideration payable <sup>(5)</sup>	10,000	10,000	—	—	—
Total	\$ 1,407,730	\$ 62,665	\$ 120,782	\$ 120,462	\$ 1,103,821

(1) Represents operating lease payments including for our Flanders San Diego Facility and Leland Facility, which are expected to commence in the third and fourth quarter of 2022, respectively.

(2) Represents long-term debt principal maturities, excluding interest. See Note 7 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

(3) Reflects the estimated timing of TRA payments as of June 30, 2022. Such payments could be due later than estimated depending on the timing of our use of the underlying tax attributes. See Note 10 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding our liability under the TRA.

(4) Represents firm purchase commitments to our suppliers.

(5) Represents an additional amount we may be required to pay to the sellers of MyChem subject to the completion of certain calculations associated with acquired inventory. See Note 2 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information.

Tax distributions are required under the terms of the Topco LLC Agreement. See Note 9 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional information regarding tax distributions.

Commencing with the fiscal year ended December 31, 2021, and each fiscal year thereafter, the Credit Agreement requires that we make mandatory prepayments of the Term Loan principal upon certain excess cash flow, subject to certain step-downs based on our first lien net leverage ratio. The mandatory prepayment shall be reduced to 25% or 0% of the calculated excess cash flow if the first lien net leverage ratio was equal to or less than 4.75:1.00 or 4.25:1.00, respectively, however, no prepayment shall be required to the extent excess cash flow calculated for the respective period is equal to or less than \$10.0 million. As of June 30, 2022, our first lien net leverage ratio was less than 4.25:1.00.

In connection with our acquisition of MyChem, we may be required to make certain payments to its sellers. We may be required to make additional payments of up to \$40.0 million to the sellers of MyChem dependent upon meeting or exceeding defined revenue targets during fiscal 2022. We may also be required to make certain payments of \$20.0 million to them as of the second anniversary of the closing of the acquisition date as long as the sellers of MyChem continue to be employed by TriLink. We cannot, at this time, determine when or if the related targets will be achieved or whether the events triggering the commencement of payment obligations will occur. Therefore, such payments were not included in the table above. See Notes 2 and 4 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details.

### Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations are based upon our interim condensed consolidated financial statements, which have been prepared in accordance with U.S. generally accepted accounting principles. The preparation of these condensed consolidated financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenue, expenses and related disclosures in the consolidated financial statements. Our estimates are based on historical experience and on various other assumptions that we believe are reasonable under the

circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results could differ from these estimates under different assumptions or conditions and any such difference may be material. For a discussion of how these and other factors may affect our business, financial condition or results of operations, see “Item 1A. Risk Factors” in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

The critical accounting estimates that we believe affect our more significant judgments and estimates used in the preparation of our condensed consolidated financial statements presented in this report are described in Management’s Discussion and Analysis of Financial Condition and Results of Operations and in the Notes to the Consolidated Financial Statements included in our Annual Report on Form 10-K for fiscal year ended December 31, 2021. Except as noted below, there have been no material changes to our critical accounting policies or estimates from those set forth in our Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

#### ***Recognition of Intangible Assets as Part of a Business Combination***

We account for our business combinations using the acquisition method of accounting which requires that the assets acquired and liabilities assumed of acquired businesses be recorded at their respective fair values at the date of acquisition. The purchase price, which includes the fair value of consideration transferred, is attributed to the fair value of the assets acquired and liabilities assumed. The excess of the purchase price of the acquisition over the fair value of the identifiable net assets of the acquiree is recorded as goodwill.

Determining the fair value of intangible assets acquired requires management to use significant judgment and estimates, including the selection of valuation methodologies, assumptions about future net cashflows, discount rates and market participants. Each of these factors can significantly affect the value attributed to the identifiable intangible asset acquired in a business combination.

We generally utilize a discounted cash flow method under the income approach to estimate the fair value of identifiable intangible assets acquired in a business combination. For the acquisition of MyChem, LLC, the estimated fair value of the developed technology intangible asset was based on the multi-period excess earnings method. The estimated fair value was developed by discounting future net cash flows to their present value at market-based rates of return. We selected the assumptions used in the financial forecasts using historical data, supplemented by current and anticipated market conditions, estimated revenue growth rates, management’s plans, and guideline companies. Some of the more significant assumptions inherent in estimating the fair value of this intangible asset included revenue growth rates ranging from 3.0% to 30.6%, technical obsolescent curves ranging from 5.0% to 7.5%, and a discount rate of 16.5%.

The use of alternative estimates and assumptions could increase or decrease the estimated fair value and amounts allocated to identifiable intangible assets acquired and future amortization expense as well as goodwill.

#### **Recent Accounting Pronouncements**

For a description of the expected impact of recent accounting pronouncements, see Note 1 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q.

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

#### ***Interest Rate Risk***

As of June 30, 2022, our primary exposure to interest rate risk was associated with our variable rate long-term debt. Borrowings under our Credit Agreement bear interest at a rate equal to the Base Rate plus a margin of 2.00%, with respect to each Base Rate-based loan, or the Term SOFR (Secured Overnight Financing Rate) plus a margin of 3.00% with respect to each Term SOFR-based loan, subject in each case to an applicable Base Rate or Term SOFR floor (see Note 7 to the condensed consolidated financial statements contained in Part I, Item 1 of this Quarterly Report on Form 10-Q). Interest rates can fluctuate for a number of reasons, including changes in the fiscal and monetary policies or geopolitical events or changes in general economic conditions. This could adversely affect our cash flows.

As of June 30, 2022, we have an interest rate cap agreement in place to hedge a portion of our variable interest rate risk on our outstanding long-term debt. The agreement has a contract notional amount of \$500.0 million and entitles us to receive from the counterparty at each calendar quarter end the amount, if any, by which a specified floating market rate exceeds the cap strike interest rate. The floating interest rate is reset at the end of each three-month period. The contract expires on January 19, 2025.

We had \$541.3 million of outstanding borrowings under our Tranche B Term Loan and no outstanding borrowings under our Revolving Credit Facility as of June 30, 2022. For the three and six months ended June 30, 2022, the effect of a hypothetical

100 basis point increase or decrease in overall interest rates would have changed our interest expense by approximately \$1.4 million and \$2.7 million, respectively.

We had cash of \$550.7 million as of June 30, 2022. Our cash is held in demand deposits and is not subject to market risk.

***Foreign Currency Risk***

All of our revenue is denominated in U.S. dollars. Although approximately 63.3% and 63.8% of our revenue for the three and six months ended June 30, 2022, respectively, was derived from international sales, primarily in Europe and Asia Pacific, none of these sales are denominated in local currency. The majority of our expenses are generally denominated in the currencies in which they are incurred, which is primarily in the United States. As we expand our presence in international markets, to the extent we are required to enter into agreements denominated in a currency other than the U.S. dollar, results of operations and cash flows may increasingly be subject to fluctuations due to changes in foreign currency exchange rates and may be adversely affected in the future due to changes in foreign exchange rates. To date, we have not entered into any hedging arrangements with respect to foreign currency risk. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates.

**Item 4. Controls and Procedures**

**Evaluation of Disclosure Controls and Procedures**

Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we evaluated the effectiveness of our disclosure controls and procedures pursuant to Rule 13a-15(e) and 15(d)-15(e) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”) as of the end of the period covered by this Quarterly Report on Form 10-Q. Our disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including the Chief Executive Officer and the Chief Financial Officer, to allow timely decisions regarding required disclosures. Any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objective and management necessarily applies its judgment in evaluating the cost-benefit relationship of possible controls and procedures. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at a reasonable assurance level as of June 30, 2022.

**Changes in Internal Control over Financial Reporting**

There have been no changes in our internal control over financial reporting, as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act, during the six months ended June 30, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

## Part II.

### Item 1. Legal Proceedings

From time to time, we may be involved in various legal proceedings and subject to claims that arise in the ordinary course of business. Although the results of litigation and claims are inherently unpredictable and uncertain, we are not currently a party to any legal proceedings the outcome of which, if determined adversely to us, are believed to, either individually or taken together, have a material adverse effect on our business, operating results, cash flows or financial condition. Regardless of the outcome, litigation has the potential to have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

### Item 1A. Risk Factors

Other than the addition of the risk factor set forth below to “Risk Factors—Risks Related to our Business and Strategy,” there have been no material changes to the risk factors disclosed under the heading “Risk Factors” in our most recent Annual Report on Form 10-K.

#### Risks Related to Our Business and Strategy

*The extent and duration of our revenue associated with COVID-19 related products and services are uncertain and are dependent, in important respects, on factors outside our control.*

Certain of our products, including our proprietary CleanCap® analogs, are used by our customers in the production of COVID-19 vaccines. The evolving nature of the COVID-19 pandemic and the resulting global public health response will affect the continued demand for our COVID-19 related products and services, which have comprised the majority of our revenue in recent periods. More specifically, the ongoing manufacture and supply of COVID-19 vaccines (including potential booster doses) by our customers is uncertain and subject to various political, social, economic, and regulatory factors that are outside of our control, including the duration of the pandemic; emerging information concerning the severity and incidence of the virus and its variants; the emergence of additional virus variants; regional resurgences of the virus globally; the rate at which the population globally becomes vaccinated against COVID-19; the development and availability of antiviral therapeutic alternatives; and political and social debate relating to the need for, efficacy of, or side effects related to one or more specific COVID-19 vaccines. To the extent that the supply and manufacture of COVID-19 vaccines by our customers slows or becomes no longer necessary, demand for our products and services COVID-19 related products and services would significantly decrease, which would have a material adverse effect on our revenue, results of operations and financial condition.

### Item 2. Unregistered Sales of Equity Securities

None.

### Item 3. Defaults Upon Senior Securities

None.

### Item 5. Other Information

None.



**Item 6. Exhibits**

<u>Exhibit Number</u>	<u>Description</u>
3.1	<a href="#">Amended and Restated Certificate of Incorporation of Maravai LifeSciences Holdings, Inc. dated November 19, 2020 (incorporated by reference to Exhibit 3.1 to Maravai Life Sciences Holdings, Inc.'s Form 8-K filed on November 25, 2020)</a>
3.2	<a href="#">Amended and Restated Bylaws of Maravai LifeSciences Holdings, Inc. dated November 19, 2020 (incorporated by reference to Exhibit 3.2 to Maravai Life Sciences Holdings, Inc.'s Form 8-K filed on November 25, 2020).</a>
31.1	<a href="#">Certification of the Chief Executive Officer pursuant to Exchange Act Rules Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</a>
31.2	<a href="#">Certification of the Chief Financial Officer pursuant to Exchange Act Rules Rules 13a-14(a) and 15d-14(a), as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002, filed herewith.</a>
32.1*	<a href="#">Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350.</a>
32.2*	<a href="#">Certification of the Chief Financial Officer pursuant to 18 U.S.C. Section 1350.</a>
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.
101.SCH	XBRL Taxonomy Extension Schema Document.
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	XBRL Extension Definition Linkbase Document.
101.LAB	XBRL Taxonomy Label Linkbase Document.
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File (formatted as Inline XBRL and contained in exhibit 101)

\* The certifications furnished in Exhibits 32.1 and 32.2 hereto are deemed to accompany this Quarterly Report on Form 10-Q and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the registrant specifically incorporates it by reference.



## Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Carl Hull, certify that:

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

Date: August 5, 2022

/s/ Carl Hull  
Carl Hull  
*Chief Executive Officer*

## Certification Pursuant to Section 302 of Sarbanes-Oxley Act of 2002

I, Kevin Herde, certify that:

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

Date: August 5, 2022

/s/ Kevin Herde  
Kevin Herde  
Chief Financial Officer

**Certification of the Chief Executive Officer**

**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Maravai LifeSciences Holdings, Inc. (the "Company") for the period ended June 30, 2022, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Carl Hull, Chief Executive Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2022

/s/ Carl Hull  
Carl Hull  
*Chief Executive Officer*

**Certification of the Chief Financial Officer**

**Pursuant to Rule 18 U.S.C. Section 1350**

In connection with the Quarterly Report on Form 10-Q of Maravai LifeSciences Holdings, Inc. (the "Company") for the period ended June 30, 2022, as filed with the U.S. Securities and Exchange Commission (the "Report"), I, Kevin Herde, Chief Financial Officer of the Company, hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge:

1. The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2022

/s/ Kevin Herde  
Kevin Herde  
*Chief Financial Officer*