



SeqLL Announces Fourth Quarter and Year End 2021 Financial Results and Provides a Corporate Update

March 30, 2022

BILLERICA, Mass., March 30, 2022 (GLOBE NEWSWIRE) -- SeqLL Inc. ("SeqLL" or the "Company") (NASDAQ: SQL; SQLLW), a technology company providing life sciences instrumentation and research services in collaborative partnerships aimed at the development of novel scientific assets and intellectual property, today announced its operating and financial results for the fourth quarter and year ended December 31, 2021, and provided a corporate update.

"We are pleased with our progress across multiple developmental programs around novel asset creation using SeqLL's platform," said Daniel Jones, CEO, President, and Co-Founder of SeqLL. "Our tSMS technology and team are focused on developing improved genetic tools for researchers so they can better understand the molecular mechanisms of disease that are essential for the continued development of new breakthroughs in genomic medicine, and finally addressing the critical concerns involved with today's precision medicine."

Recent Business Highlights

- Announced the formation of a Scientific Advisory Board comprised of distinguished and world-renowned leaders of the scientific community. The SAB will discuss with management potential new development opportunities that leverage the Company's unique True Single Molecule Sequencing (tSMS®) technology across the "omics" fields, as well as advise management with their existing collaborative, scientific, & development partnerships. Each leader has previously utilized the tSMS platform and will leverage their expertise to provide valuable insight to our company.

Year End 2021 Results and Financial Highlights

- Total revenues for the year ended December 31, 2021 were \$0.21 million compared to \$0.33 million during the year ended December 31, 2020, representing a decrease of 36%. The change in revenue was primarily a result of the reduction in research services and business activities due to the slow-down during the COVID-19 pandemic.
- Gross profits remained essentially unchanged at \$0.16 million for the year ended December 31, 2021; however, the gross profit margin increased to 72%, as compared to gross profit margin of 48% for the year ended December 31, 2020. The change in gross profit margin was primarily a result of the reduction in costs of products and services, including reduced salaries, due to the COVID-19 pandemic.
- Research and development expenses for the year ended December 31, 2021 increased 60% to \$0.53 million compared to \$0.33 million for the year ended December 31, 2020. The increase in expense was primarily a result of research and development activities returning to the levels of pre-COVID-19 pandemic. The company anticipates these expenditures to increase over the year of 2022 and beyond as it grows its research and development efforts to advance certain projects that were on hold during the COVID-19 pandemic.
- General and administrative expenses for the year ended December 31, 2021 were \$2.2 million compared to \$0.77 million for the year ended December 31, 2020, an increase of \$1.4 million. The increase in general and administrative expenses was primarily related to the preparation for the company's initial public offering in August 2021, which included professional fees for accounting and legal of approximately \$870,000, and increased personnel expenses of approximately \$275,000.
- Interest and other income expense dropped for the year ended December 31, 2021 to \$0.21 million compared with \$0.29 million for the year ended December 31, 2020. A decrease in interest expense of \$78,000 was due to a decrease in the company's outstanding indebtedness as a result of the conversion of \$2.1 million in notes to equity concurrently with the completion of the company's initial public offering on August 31, 2021, and the 50% reduction in its cost of capital on its remaining \$1.3 million in long term debt
- Net loss attributable to common stockholders for the year ended December 31, 2021 was \$3.7 million, or (\$0.51) per basic and diluted share compared to \$1.0 million, or (\$0.21) per basic and diluted share, for the year ended December 31, 2020. The increase in the company's net loss was primarily related to its approximate \$1.2 million in preparation costs for its initial public offering and the \$1.0 million

expense attributable to the extinguishment of convertible notes into stock at the IPO.

- Cash, cash equivalents and, investments, as of December 31, 2021, were \$9.9 million.
- As of December 31, 2021, the Company had 11,886,379 shares of common stock outstanding.

About True Single Molecule Sequencing (tSMS) Technology

SeqLL's collaborators are thoroughly committed to using only our tSMS platform in their scientific research due to its unique RNA and DNA sequencing and related services. Our true single molecule sequencing platform is NGS technology offers maximum flexibility and avoids many of the challenges common for standard NGS approaches. It that enables direct sequencing of millions of individual molecules not requiring PCR amplification at any stage of the process and a simple, economical sample prep protocols. Therefore, it captures a precise sample composition, without bias and loss of diversity and rare species. Our tSMS platform is ideally suited for RNA biomarker discovery and diagnostic assay developments, including challenging applications for the standard NGS platform, such as low quantity, difficult or degraded samples of cell-free DNA, FFPE-isolated nucleic acids, ancient DNA and forensic samples.

About SeqLL, Inc.

SeqLL Inc. ("SeqLL") is a technology company providing life sciences instrumentation and research services in collaborative partnerships aimed at the development of novel scientific assets and intellectual property across multiple "omics" fields. The Company leverages its expertise with its True Single Molecule Sequencing ("tSMS®") platform to empower scientists and researchers with improved genetic tools to better understand the molecular mechanisms of disease that is essential to the continued development of new breakthroughs in genomic medicine, and that hopefully address the critical concerns involved with today's precision medicine. In sum, our experienced team works with our collaborators to develop innovative solutions tailored to the needs of each specific project.

Forward Looking Statements

This press release contains certain forward-looking statements, including those related to the applicability and viability of the Company's technology to quantifying RNA molecules from blood and other statements that are predictive in nature. Forward-looking statements are based on the Company's current expectations and assumptions. The Private Securities Litigation Reform Act of 1995 provides a safe-harbor for forward-looking statements. These statements may be identified by the use of forward-looking expressions, including, but not limited to, "expect," "anticipate," "intend," "plan," "believe," "estimate," "potential," "predict," "project," "should," "would" and similar expressions and the negatives of those terms. Prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this presentation. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise. Important factors that could cause actual results to differ materially from those in the forward-looking statements are set forth in the Company's filings with the Securities and Exchange Commission, including its registration statement on Form S-1, as amended, under the caption "Risk Factors."

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SeqLL Inc. Consolidated Balance Sheets (Unaudited)

Assets	December 31,	
	2021	2020
Current assets		
Cash and cash equivalents	\$ 4,015,128	\$ -
Marketable securities	5,933,364	-
Accounts receivable, net	30,714	30,714
Other receivables	34,965	108,815
Inventory	224,155	203,011
Prepaid expenses	186,056	-
Total current assets	10,424,382	342,540
Other assets		
Property and equipment, net	265,267	337,241
Other assets	50,488	14,262
Total assets	\$ 10,740,137	\$ 694,043
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities		
Accounts payable	\$ 871,364	\$ 861,840
Accrued expenses	311,405	123,639
Loan payable - related party	-	26,000
Non-convertible promissory notes - current	1,375,000	-
Total current liabilities	2,557,769	1,011,479
Non-current liabilities		
Convertible notes	-	1,105,000
Non-convertible promissory notes - long-term	-	2,431,730
Total non-current liabilities	-	3,536,730
Total liabilities	2,557,769	4,548,209

Commitments and contingencies (Note 14)

Stockholders' equity (deficit)

Preferred stock, \$0.00001 par value; 20,000,000 shares authorized; 0 and 5,791,665 shares issued and outstanding as of December 31, 2021 and 2020, respectively	-	58
Common stock, \$0.00001 par value; 80,000,000 shares authorized; 11,886,379 and 4,864,862 shares issued and outstanding as of December 31, 2021 and 2020, respectively	119	49
Additional paid-in capital	22,596,100	6,856,020
Accumulated deficit	(14,413,851)	(10,710,293)
Total stockholders' equity (deficit)	8,182,368	(3,854,166)
Total liabilities and stockholders' equity (deficit)	\$ 10,740,137	\$ 694,043

SeqLL Inc. Consolidated Statements of Operations

	December 31,	
	2021	2020
Revenue		
Sales	\$ 48,021	\$ 50,588
Grant revenue	161,974	278,907
Total revenue	209,995	329,495
Cost of sales	57,690	170,803
Gross profit	152,305	158,692
Operating expenses		
Research and development	530,076	330,979
General and administrative	2,170,857	777,435
Total operating expenses	2,700,933	1,108,414
Operating loss	(2,548,628)	(949,722)
Other (income) and expenses		
Other income	(190,193)	(191,566)
Investment income	(36,463)	-
Unrealized loss on marketable securities	43,078	-
Change in fair value of convertible notes	195,962	-
Loss on extinguishment of convertible notes	934,257	-
Interest expense	208,289	287,197
Net loss	\$ (3,703,558)	\$ (1,045,353)
Net loss per share - basic and diluted	\$ (0.51)	\$ (0.21)
Weighted average common shares - basic and diluted	7,216,001	4,864,862



Source: SeqLL, Inc