



## SeqLL Provides First Quarter 2022 Financial Results and a Corporate Update

May 13, 2022

BILLERICA, Mass., May 13, 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 first quarter ended March 31, 2021, and provided a corporate update.

"We continue rapidly with our progress across multiple developmental programs around novel asset creation using SeqLL's tSMS® platform," said Daniel Jones, CEO, President, and Co-Founder of SeqLL. "Our team is focused on developing improved genetic tools for researchers, so they can better understand and detect the molecular mechanisms of disease which are essential for the continued development of new breakthroughs in genomic 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.

### First Quarter 2022 Results and Financial Highlights

- Our revenues during the three-month period ended March 31, 2022, were \$47,482 as compared to revenues of \$60,733 during the three-month period ended March 31, 2021, representing a decrease of \$13,251, or 22%. During the three-month period ended March 31, 2022, revenue included grants of \$47,482 and no revenues from product sales and research services as compared to revenue in the same period of 2021 from product sales of \$15,600, grants of \$34,633 and \$10,500 in research services. The decrease in revenue was due to the reduction in research services and business activities due to the Company's relocation to Billerica, Massachusetts. This relocation resulted in the Company temporarily not having facilities that were sufficient to perform its research services and business activities. The Company expects to resume normal operations in the second half of 2022.
- Gross profit for the three-month period ended March 31, 2022 was \$47,482, as compared to gross profit of \$32,782 for the three-month periods ended March 31, 2021, which represents a 45% increase primarily due to the fact that the Company had no sales of products or services during the three-month period ended March 31, 2022 due to its relocation to Billerica, Massachusetts.
- Research and development expenses increased by \$316,715, or 1,764%, from \$17,955 for the three-month period ended March 31, 2021 compared to \$334,670 for the three-month period ended March 31, 2022. The increase in expenses was a result of our progressive return to research and development activities to levels of pre-COVID-19 pandemic. We expect these expenditures to increase over 2022 and beyond as we increase our research and development efforts to pre-pandemic levels.
- General and administrative expenses increased by \$197,485, or 51%, from \$387,387 for the three-month period ended March 31, 2021 compared to \$584,872 for the three-month period ended March 31, 2022. The increase was primarily attributable to increased operating expenses as a public company, including the addition of accounting, legal and audit related expenses, of which approximately \$100,000 is related to increased payroll expense and approximately \$60,000 is related to the addition of director and officer insurance. General and administrative expenditures will continue to increase during 2022 to support ongoing financial reporting and compliance activities.
- We recognized interest expense of \$16,806 and \$107,801 in the three-month periods ended March 31, 2022 and 2021, respectively, representing a decrease of \$90,995, or 84%. The decrease in interest expense was due to a decrease in our outstanding indebtedness as a result of the conversion of \$2.1 million in notes to equity concurrently with the consumption of our initial public offering on August 31, 2021. We recognized \$51,816 in net realized and unrealized losses on the marketable securities during the three-month period ended March 31,

2022. We did not hold such investments during the three-month period ended March 31, 2021.

- We recognized a loss on extinguishment of debt totaling \$934,257 in the three-month period ended March 31, 2021 related to certain convertible notes. The loss on the extinguishment of debt represented the excess of the fair value of these convertible notes totaling \$3,075,987 over their carrying value of \$2,141,730 at their amendment date in the first quarter of 2021. We did not incur such losses in the three-month period ended March 31, 2022.
- Our net loss decreased by \$476,664, or 34%, to \$937,954 as compared to \$1,414,618 for the period ended March 31, 2021 due to the loss on extinguishment of convertible notes in the three-month period ended March 31, 2021 in the amount of \$934,257, when no such loss occurred during the period ended March 31, 2022. This reduction was offset by an increase in the operating expenses of \$514,200 when comparing the three-month period ended March 31, 2022 to the same period in the prior year.
- Cash and cash equivalents, as of March 31, 2022, were \$8.9 million.
- As of March 31, 2022, 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. Condensed Consolidated Balance Sheets

	March 31, 2022 (Unaudited)	December 31, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and cash equivalents	\$ 8,859,317	\$ 4,015,128
Marketable securities	-	5,933,364
Accounts receivable, net	29,514	30,714
Other receivables	125,672	34,965
Inventory	228,533	224,155
Prepaid expenses	123,118	186,056
Total current assets	9,366,154	10,424,382
<b>Other assets</b>		
Property and equipment, net	255,490	265,267
Operating lease right-of-use asset	1,455,194	-
Other assets	111,250	50,488
<b>Total assets</b>	\$ 11,188,088	\$ 10,740,137
<b>Liabilities and Stockholders' Equity (Deficit)</b>		
<b>Current liabilities</b>		
Accounts payable	\$ 624,449	\$ 871,364
Accrued expenses	327,418	311,405
Non-convertible promissory notes - current	1,375,000	1,375,000

Current portion of operating lease liability	27,068	-
Total current liabilities	2,353,935	2,557,769
<b>Non-current liabilities</b>		
Operating lease liability, less current portion	1,533,825	-
Total non-current liabilities	1,533,825	-
<b>Total liabilities</b>	<u>3,887,760</u>	<u>2,557,769</u>
<b>Commitments and contingencies (Note 11)</b>		
<b>Stockholders' equity (deficit)</b>		
Common stock, \$0.00001 par value; 80,000,000 shares authorized; 11,886,379 shares issued and outstanding as of March 31, 2022 and December 31, 2021	119	119
Additional paid-in capital	22,652,014	22,596,100
Accumulated deficit	<u>(15,351,805)</u>	<u>(14,413,851)</u>
<b>Total stockholders' equity (deficit)</b>	<u>7,300,328</u>	<u>8,182,368</u>
<b>Total liabilities and stockholders' equity (deficit)</b>	<u>\$ 11,188,088</u>	<u>\$ 10,740,137</u>

**SeqLL Inc.**  
**Condensed Consolidated Statements of Operations**  
**(Unaudited)**

	<b>Three months ended March 31,</b>	
	<b>2022</b>	<b>2021</b>
<b>Revenue</b>		
Sales	\$ -	\$ 26,100
Grant revenue	\$ 47,482	34,633
Total revenue	\$ 47,482	60,733
Cost of sales	\$ -	27,951
<b>Gross profit</b>	<u>\$ 47,482</u>	<u>32,782</u>
<b>Operating expenses</b>		
Research and development	\$ 334,670	17,955
General and administrative	\$ 584,872	387,387
Total operating expenses	\$ 919,542	405,342
<b>Operating loss</b>	\$ (872,060)	(372,560)
<b>Other (income) and expenses</b>		
Realized loss on marketable securities, net	\$ 51,816	-
Investment and other income	\$ (2,728)	-
Loss on extinguishment of convertible notes	\$ -	934,257
Interest expense	\$ 16,806	107,801
Net loss	\$ (937,954)	\$ (1,414,618)
<b>Net loss per share - basic and diluted</b>	\$ (0.08)	\$ (0.29)
<b>Weighted average common shares - basic and diluted</b>	\$ 11,886,379	4,864,862



Source: SeqLL, Inc