



SeqLL Provides First Quarter 2023 Financial Results

May 9, 2023

BILLERICA, Mass., May 09, 2023 (GLOBE NEWSWIRE) -- SeqLL Inc. ("SeqLL" or the "Company") (NASDAQ: SQL; SQLLW), a technology company providing life sciences instrumentation and research services 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, 2023.

First Quarter 2023 Results and Financial Highlights

- Our revenues during the three months ended March 31, 2023, were \$0 as compared to revenues of \$47,482 during the three-month period ended March 31, 2022, representing a decrease of \$47,482, or 100%. During the three-month period ended March 31, 2023, the Company had no revenues from product sales, grants or research services as compared to revenue in the same period of 2022 of \$47,482 from grants, and no revenues from product sales or research services. The decrease in revenue was due to the fact that the Company does not currently have any active grants under which it is providing services.
- Gross profit for the three months ended March 31, 2023 was \$0, as compared to gross profit of \$47,482 for the three-month periods ended March 31, 2022, which represented a 100% decrease due to the fact that the Company did not have any revenue-generating transactions in the three-month period ended March 31, 2023.
- Research and development expenses increased by \$442,050, or 132%, from \$334,670 for the three-month period ended March 31, 2022, compared to \$776,720 for the three-month period ended March 31, 2023. The increase in expenses was a result of our progressive return to research and development activities to pre-COVID-19 levels. The Company expects these expenditures to continue increasing throughout 2023 and beyond as the Company increases research and development efforts.
- General and administrative expenses increased by \$396,235, or 68%, from \$584,872 for the three-month period ended March 31, 2022 compared to \$981,107 for the three-month period ended March 31, 2023. During the three-month period ended March 31, 2023, the Company performed a detailed evaluation of its inventory and determined that \$165,852 of its inventory was obsolete, and as such, expensed the value of the obsolete inventory. No such expense was recognized in the three-month period ended March 31, 2022. The Company, also, as part of its implementation of ASC 326, Financial Instruments – Credit Losses, recorded approximately \$78,000 of bad debt expense. Additionally, the increase was attributable to increased operating expenses related to the transition to reporting as a public company, including the addition of accounting, legal, insurance and audit related expenses. General and administrative expenditures will continue to increase to support ongoing financial reporting and compliance activities.
- The Company recognized \$56,267 related to investment income from marketable debt securities of \$48,072 and \$8,195 for funds in money market accounts, respectively, during the three-month period ended March 31, 2023. The Company did not hold such investments during the three-month period ended March 31, 2022.
- The Company recognized \$51,816 in net realized and unrealized losses on the marketable equity securities during the three-month period ended March 31, 2022. The Company did not hold such investments during the three-month period ended March 31, 2023.
- The Company recognized interest expense of \$16,806 in the three-month periods ended March 31, 2023 and 2022, representing no change. Interest expense was identical for both periods as there were no changes to the terms of the non-convertible promissory note.
- Overall, the net loss increased by \$780,412, or 83%, to \$1,718,366 as compared to \$937,954 for the three-month period ended March 31, 2022, primarily due to increased operating expenses during the three-month period ended March 31, 2023.

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 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, 2023 (Unaudited)	December 31, 2022
Assets		
Current assets		
Cash and cash equivalents	\$ 5,043,851	\$ 2,180,525
Marketable securities	1,531,574	4,036,014
Accounts receivable, net of allowance for doubtful accounts of \$24,507 and \$6,016 as of March 31, 2023 and December 31, 2022, respectively	2,723	21,214
Other receivables	-	60,000
Inventory	-	165,852
Prepaid expenses	120,900	171,859
Total current assets	6,699,048	6,635,464
Other assets		
Property and equipment, net	561,750	530,108
Operating lease right-of-use asset	1,097,392	1,129,715
Other assets	111,098	118,954
Total assets	\$ 8,469,288	\$ 8,414,241
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 886,122	\$ 622,436
Accrued expenses	448,491	495,462
Current portion of operating lease liability	137,478	110,114
Total current liabilities	1,472,091	1,228,012
Non-current liabilities		
Operating lease liability, less current portion	1,396,345	1,444,343
Non-convertible promissory notes - long-term	1,375,000	1,375,000
Total non-current liabilities	2,771,345	2,819,343
Total liabilities	4,243,436	4,047,355
Commitments and contingencies (Note 10)		
Stockholders' equity		
Preferred stock, \$0.00001 par value; 20,000,000 shares authorized; 0 shares issued and outstanding	-	-
Common stock, \$0.00001 par value; 80,000,000 shares authorized; 13,886,379 and 11,886,379 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	139	119
Additional paid-in capital	24,434,824	22,853,000
Accumulated deficit	(20,227,050)	(18,508,684)

Accumulated other comprehensive income	17,939	22,451
Total stockholders' equity	4,225,852	4,366,886
Total liabilities and stockholders' equity	\$ 8,469,288	\$ 8,414,241

SeqLL Inc.
Condensed Consolidated Statements of Operations and Comprehensive Loss
(Unaudited)

	Three months ended	
	March 31,	
	2023	2022
Revenue		
Sales	\$ -	\$ -
Grant revenue	-	47,482
Total revenue	-	47,482
Cost of sales	-	-
Gross profit	-	47,482
Operating expenses		
Research and development	776,720	334,670
General and administrative	981,107	584,872
Total operating expenses	1,757,827	919,542
Operating loss	(1,757,827)	(872,060)
Other (income) and expenses		
Investment income	(56,267)	-
Unrealized gain on equity marketable securities	-	(54,508)
Realized loss on equity marketable securities	-	106,324
Other income	-	(2,728)
Interest expense	16,806	16,806
Net loss	(1,718,366)	(937,954)
Other comprehensive income		
Unrealized gain on marketable debt securities	17,569	-
Less: reclassification adjustment for net gains included in net loss	(22,081)	-
Net change	(4,512)	-
Total comprehensive loss	\$ (1,722,878)	\$ (937,954)
Net loss per share - basic and diluted	\$ (0.13)	\$ (0.08)
Weighted average common shares - basic and diluted	12,886,379	11,886,379

SeqLL Inc.
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended	
	March 31,	
	2023	2022
Cash Flows from Operating Activities		
Net loss	\$ (1,718,366)	\$ (937,954)
Adjustment to reconcile net loss to net cash used in operating activities:		
Depreciation	30,246	16,712
Write-off of obsolete inventory	165,852	-
Unrealized (gain)/loss on marketable equity securities	-	(54,508)
Realized (gain)/loss on marketable debt and equity securities	(48,072)	106,324
Provision for bad debts	78,491	-
Stock-based compensation	82,594	55,914
Non-cash lease expense	11,689	27,509
Changes in operating assets and liabilities:		
Accounts receivable, net	-	1,200

Other receivables	-	(12,517)
Prepaid expenses	50,959	62,938
Inventory	-	(4,378)
Other assets	7,856	(60,762)
Accounts payable	263,686	(246,915)
Accrued expenses	(46,971)	16,013
Net cash used in operating activities	<u>(1,122,036)</u>	<u>(1,030,424)</u>
Cash Flows from Investing Activities		
Purchases of lab equipment	(61,888)	(6,935)
Purchases of marketable equity securities	-	(590)
Sales of marketable equity securities	-	5,882,138
Maturity of marketable debt securities	2,548,000	-
Net cash provided by investing activities	<u>2,486,112</u>	<u>5,874,613</u>
Cash Flows from Financing Activities		
Proceeds from issuance of common stock, net	1,499,250	-
Net cash provided by financing activities	<u>1,499,250</u>	<u>-</u>
Net increase in cash and cash equivalents	2,863,326	4,844,189
Cash and cash equivalents, beginning of period	<u>2,180,525</u>	<u>4,015,128</u>
Cash and cash equivalents, end of period	\$ 5,043,851	\$ 8,859,317
Supplemental disclosure of cash flow information and non-cash financing transactions		
Right-of-use asset acquired through operating lease	\$ -	\$ 1,481,646

Seqll Inc.