



SeqLL Announces Fourth Quarter and Year End 2022 Financial Results

March 17, 2023

BILLERICA, Mass., March 17, 2023 (GLOBE NEWSWIRE) -- SeqLL Inc. ("SeqLL" or the "Company") (NASDAQ: SQL; SQLLW), a technology company providing life sciences instrumentation and research services, today announced its operating and financial results for the fourth quarter and year ended December 31, 2022.

Year End 2022 Results and Financial Highlights

- Total revenues for the year ended December 31, 2022 were \$0.079 million compared to \$0.21 million during the year ended December 31, 2021, representing a decrease of 63%. 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 were \$0.078 million for the year ended December 31, 2022; as compared to \$.15 million for the year ended December 31, 2021. The change represents a decrease of approximately 49%.
- Research and development expenses for the year ended December 31, 2022 increased 196% to \$1.57 million compared to \$0.53 million for the year ended December 31, 2021. 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 2023 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, 2022 were \$2.5 million compared to \$2.2 million for the year ended December 31, 2021, an increase of \$0.3 million or 15%. The increase in general and administrative expenses was primarily related to the increase in operating expense as a public company, including addition of accounting, legal, insurance, and audit related expenses. General and administrative expenses will continue to increase to support ongoing financial reporting and compliance activities.
- We recognized interest and dividend income for the year ended December 31, 2022 of \$0.045 million compared with \$0.036 million for the year ended December 31, 2021. This primarily relates to dividend income earned on the Company's investment in equity securities. The Company expects to see increases in interest income over the next twelve months based on the current interest rates and market conditions.
- We recognized interest expense of \$90,748 and \$208,289 in the year ended December 31, 2022 and 2021, respectively, representing a decrease of \$117,541, or 56%. 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 consummation of our initial public offering on August 31, 2021.
- Net loss attributable to common stockholders increased by \$391,275, or 11%, to \$4,094,833 as compared to \$3,703,558 for the year ended December 31, 2022. This increase in net loss is primarily attributable to increased operating expenses as a public company and our progressive return to research and development activities to levels of pre-COVID-19 pandemic. This increase in operating expenses was partially offset by the decrease in the interest expense and the loss on extinguishment of the convertible notes in the year ended December 31, 2021 in the amount of \$934,257.
- Cash, cash equivalents and investments, as of December 31, 2022, were \$6.2 million.
- As of December 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. Consolidated Balance Sheets

	December 31,	
	2022	2021
Assets		
Current assets		
Cash and cash equivalents	\$ 2,180,525	\$ 4,015,128
Marketable securities	4,036,014	5,933,364
Accounts receivable, net of allowance for doubtful accounts of \$6,016	21,214	30,714
Other receivables	60,000	34,965
Inventory	165,852	224,155
Prepaid expenses	171,859	186,056
Total current assets	6,635,464	10,424,382
Other assets		
Property and equipment, net	530,108	265,267
Operating lease right-of-use asset	1,129,715	-
Other assets	118,954	50,488
Total assets	\$ 8,414,241	\$ 10,740,137
Liabilities and Stockholders' Equity		
Current liabilities		
Accounts payable	\$ 622,436	\$ 871,364
Accrued expenses	495,462	311,405
Non-convertible promissory notes - current	-	1,375,000
Current portion of operating lease liability	110,114	-
Total current liabilities	1,228,012	2,557,769
Non-current liabilities		
Operating lease liability, less current portion	1,444,343	-
Non-convertible promissory notes - long-term	1,375,000	-
Total non-current liabilities	2,819,343	-
Total liabilities	4,047,355	2,557,769
Commitments and contingencies (Note 14)		
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; 11,886,379 shares issued and outstanding	119	119

Additional paid-in capital	22,853,000	22,596,100
Accumulated deficit	(18,508,684)	(14,413,851)
Accumulated other comprehensive income	22,451	-
Total stockholders' equity	<u>4,366,886</u>	<u>8,182,368</u>
Total liabilities and stockholders' equity	<u>\$ 8,414,241</u>	<u>\$ 10,740,137</u>

SeqLL Inc.
Consolidated Statements of Operations and Comprehensive Loss

	December 31,	
	<u>2022</u>	<u>2021</u>
Revenue		
Sales	\$ 1,177	\$ 48,021
Grant revenue	77,482	161,974
Total revenue	<u>78,659</u>	<u>209,995</u>
Cost of sales	<u>690</u>	<u>57,690</u>
Gross profit	<u>77,969</u>	<u>152,305</u>
Operating expenses		
Research and development	1,568,266	530,076
General and administrative	2,506,851	2,170,857
Total operating expenses	<u>4,075,117</u>	<u>2,700,933</u>
Operating loss	(3,997,148)	(2,548,628)
Other (income) and expenses		
Interest and dividend income	(44,879)	(36,463)
Other income	-	(190,193)
Unrealized (gain)/loss on marketable equity securities	(54,508)	43,078
Realized loss on marketable equity securities	106,324	-
Change in fair value of convertible notes	-	195,962
Loss on extinguishment of convertible notes	-	934,257
Interest expense	<u>90,748.00</u>	<u>208,289</u>
Net loss	<u>(4,094,833)</u>	<u>(3,703,558)</u>
Other comprehensive income		
Unrealized gain on marketable debt securities	22,451	-
Total comprehensive loss	\$ (4,072,382)	\$ (3,703,558)
Net loss per share - basic and diluted	\$ (0.34)	\$ (0.51)
Weighted average common shares - basic and diluted	11,886,379	7,216,001

Source: SeqLL, Inc

Seqll Inc.