

TELESIS BIO

Telesis Bio Inc. Reports Third Quarter 2022 Financial Results

November 8, 2022

- Record revenue of \$6.7M in 3QFY22; Increase of 140% over \$2.8M 3QFY 2021
- BioXp® Kit Revenue increased to \$884k, or 69% in 3QFY22 over 3QFY2021
- Increases revenue guidance to \$23 million to \$25 million for the full year fiscal 2022

SAN DIEGO, Nov. 08, 2022 (GLOBE NEWSWIRE) -- Telesis Bio Inc. (NASDAQ: DNAY), a company enabling customers to accelerate the reading and writing of biology, today reported financial results and business highlights for the third quarter ended September 30, 2022.

"We are continuing to execute to our plan of being the leader in benchtop automation for synthetic biology, multiomics and next gen sequencing," said Todd R. Nelson, Ph.D., CEO and Founder of Telesis Bio.

Dr. Nelson continued, "Beginning in Q1 of 2023 we will release additional BioXp® kits that will enable scientists to begin the cloning, amplification, and mRNA synthesis process from the customer's own linear DNA or plasmid DNA. We believe providing scientists the flexibility to begin with their own materials as an optional starting point will further expand the utility, speed, and impact of our systems. This will allow us to deliver increased value to our customers and to access a significantly larger portion of the customer base. The new kits will also position us well to take increased share of the synthetic biology and multiomics markets, while at the same time growing our revenue, and improving our margins."

THIRD QUARTER 2022 FINANCIAL RESULTS

- Revenue: Revenue for the third quarter of 2022 was \$6.7 million compared to \$2.8 million for the same period in 2021.
- BioXp® Revenue: BioXp® revenue, which consists of instruments and kits, for the third quarter of 2022 was \$2.6 million compared to \$1.9 million for the same period in 2021.
- Cost of Revenues: Cost of revenues for the third quarter of 2022 was \$3.0 million compared to \$1.6 million for the same period in 2021.
- Gross Margin: Gross margin was 55% for the third quarter of 2022 compared to 42% for the same period in 2021.
- Operating Expenses: Total operating expenses for the third quarter of 2022 were \$14.9 million compared to \$10.6 million for the same period of 2021.
- Net Loss: Net loss attributable to common stockholders for the third quarter of 2022 was \$12.3 million, or \$0.42 per share, compared to \$9.8 million, or \$0.34 per share, for the same period of 2021.
- Cash Position: As of September 30, 2022, the Company had \$49.9 million in cash, restricted cash, cash equivalents and short-term investments.

Recent Highlights

- Announced a plan to change its name to Telesis Bio Inc., to reflect portfolio growth and expansion to include an array of tools for both synthetic biology and multiomics applications.
- Launched and recorded our initial customer placements of the BioXp® 9600 system, the second release on the powerful and versatile BioXp® platform targeting customers seeking a distributed automation platform with high throughput DNA synthesis and cloning capabilities.
- Launched BioXp® Error Corrected Libraries, expanding application of Telesis Bio's proprietary error correction technology and enabling researchers to build DNA libraries of up to 64 million variants per well with two-fold greater fidelity than non-error corrected libraries without compromising on expected sequence diversity of amino acids.
- Participated in and presented at key industry conferences including the 7th Annual CAR-TCR Summit in Boston, MA and World of Technology & Science Conference in Utrecht, Netherlands.
- Announced development roadmap that beginning in Q1 of 2023 will release additional BioXp® kits that enable scientists to begin the cloning, amplification, and mRNA synthesis process from the customers own linear DNA or plasmid DNA.
- Granted two patents; US 11,408,020 (Gibson assembly® technology) on August 9, 2022, and US 11,447,755 (Vibrio technology) on September 20, 2022.
- Continued progress with SOLA on the future BioXp® Digital-to-Biological Converter™ (BioXp® DBC) instrument for fully automated manufacturing of on-demand CRISPR-Cas9 guide RNA (gRNA), and announced initiation of work under a collaboration agreement with Cellibre to optimize the development and validation of the BioXp® DBC instrument for genome editing applications.

Updated 2022 Financial Guidance

The following statements are based on Telesis Bio's current expectations for fiscal 2022. The following statements are forward-looking, and actual results could differ materially depending on market conditions and the factors set forth under "Forward-Looking Statements" below. For the full fiscal year 2022, Telesis Bio provided the following updated financial guidance:

- Revenue is now expected to be between \$23 million and \$25 million, an increase from previous guidance of \$22 million to \$24 million.
- Gross margin is expected to be within the 48% to 52% range, consistent with previous guidance.
- Operating expenses including R&D and SG&A are expected to be within the \$62 million to \$65 million range, consistent with previous guidance.
- Cash on hand is anticipated to be approximately \$40 million at the end of 2022.

Webcast and Conference Call Information

Company management will host a conference call today, November 8, 2022, at 1:30 p.m. PDT / 4:30 p.m. EDT to discuss the financial results and other recent corporate highlights.

The press release and live audio webcast can be accessed via the Investor section of Telesis Bio's website at www.telesisbio.com. The conference call can be accessed by registering at the following link: <https://register.vevent.com/register/BI49e33f1c6b4f43358b820bbfd7b78ed6>

Once registered, participants can dial in with an assigned personal PIN number or select the 'Call Me' option for an instant dial to your phone. Please log in approximately 5-10 minutes before the event to ensure a timely connection. The archived webcast will remain available for replay on Telesis Bio's website for 30 days.

About Telesis Bio

Telesis Bio is empowering scientists with the ability to create novel, synthetic biology-enabled solutions for many of humanity's greatest challenges. As inventors of the industry-standard Gibson Assembly® method and the first commercial automated benchtop DNA and mRNA synthesis system, Telesis Bio is enabling rapid, accurate and reproducible writing of DNA and mRNA for numerous downstream markets. The award-winning BioXp® system consolidates, automates, and optimizes the entire synthesis, cloning and amplification workflow. As a result, it delivers virtually error-free synthesis of DNA and RNA at scale within days and hours instead of weeks or months. Scientists around the world are using the technology in their own laboratories to accelerate the design-build-test paradigm for novel, high-value products for precision medicine, biologics drug discovery, vaccine and therapeutic development, genome editing, and cell and gene therapy. Telesis Bio is a public company based in San Diego. For more information, visit www.telesisbio.com.

Telesis Bio, the Telesis Bio logo, Gibson Assembly, and BioXp are trademarks of Telesis Bio Inc.

Forward-Looking Statements

This press release contains forward-looking statements. All statements other than statements of historical facts contained herein are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. These statements include statements and guidance regarding Telesis Bio's future financial performance as well as statements regarding the future release and success of new and existing products and services. Such statements are based on current assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties, many of which are beyond our control, include risks described in the section entitled Risk Factors and elsewhere in our Quarterly Report on Form 10-Q, which is anticipated to be filed with the Securities and Exchange Commission on November 9, 2022. These forward-looking statements speak only as of the date hereof and should not be unduly relied upon. Telesis Bio disclaims any obligation to update these forward-looking statements.

Telesis Bio Inc.

Selected Balance Sheet Financial Data (in thousands) (unaudited)

	September 30, 2022	December 31, 2021
Balance Sheet Data:		
Cash, restricted cash, cash equivalents and short-term investments	\$ 49,930	\$ 82,806
Working capital	49,377	83,451
Total assets	88,142	116,257
Total liabilities	34,834	25,473
Accumulated deficit	(105,609)	(65,270)
Total stockholders' equity	53,308	90,784

Telesis Bio Inc.

Selected Statements of Operations Financial Data (in thousands, except per share amounts)

	(unaudited) Three Months Ended September 30,		(unaudited) Nine Months Ended September 30,	
	2022	2021	2022	2021
Revenue:				
Product sales	\$ 4,723	\$ 2,180	\$ 12,943	\$ 6,099

Royalties and other revenue	1,952	606	5,023	1,866
Total revenue	<u>6,675</u>	<u>2,786</u>	<u>17,966</u>	<u>7,965</u>
Cost of revenue	<u>3,016</u>	<u>1,624</u>	<u>8,817</u>	<u>4,548</u>
Gross Profit	3,659	1,162	9,149	3,417
Operating expenses:				
Research and development	5,816	3,593	19,321	9,217
Sales and marketing	3,833	2,955	11,808	7,881
General and administrative	<u>5,261</u>	<u>4,055</u>	<u>16,621</u>	<u>9,596</u>
Total operating expenses	<u>14,910</u>	<u>10,603</u>	<u>47,750</u>	<u>26,694</u>
Loss from operations	(11,251)	(9,441)	(38,601)	(23,277)
Interest expense, net	(319)	(381)	(954)	(1,001)
Change in fair value of derivative liabilities	(17)	15	(21)	(1,532)
Loss on extinguishment of debt	(727)	—	(727)	(618)
Other income (expense), net	6	(13)	(18)	(29)
Provision for income taxes	<u>(6)</u>	<u>(4)</u>	<u>(18)</u>	<u>(10)</u>
Net loss	<u>\$ (12,314)</u>	<u>\$ (9,824)</u>	<u>\$ (40,339)</u>	<u>\$ (26,467)</u>
Net loss per share, basic and diluted	<u>\$ (0.42)</u>	<u>\$ (0.34)</u>	<u>\$ (1.37)</u>	<u>\$ (1.83)</u>
Weighted average common shares used to compute net loss per share, basic and diluted	<u>29,518,955</u>	<u>29,299,769</u>	<u>29,429,393</u>	<u>14,485,161</u>

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