



Quantum-Si Reports First Quarter 2023 Financial Results

May 11, 2023

Q1 2023 revenue \$254,000 on orders of \$449,000; gross margin 48.8%

This was the Company's first quarter of revenue generated on the sale of Platinum™ instruments and kits

Expect revenue to accelerate in the second half of 2023 based on robust business funnel

GUILFORD, Conn.--(BUSINESS WIRE)--May 11, 2023-- [Quantum-Si Incorporated](#) (Nasdaq: QSI) ("Quantum-Si," "QSI" or the "Company"), The Protein Sequencing Company™, today announced financial results for the first quarter ended March 31, 2023.

Recent Highlights

- Revenue was \$254,000 on orders of \$449,000 in the first quarter of 2023.
- Gross margin was 48.8% in the first quarter of 2023.
- Appointed Jeff Keyes as Chief Financial Officer effective May 15, 2023.
- Strengthened commercial, operations, and development teams with [several key executive appointments](#) to help advance commercialization operations.
- Attended Association of Biomolecular Resource Facilities (ABRF) Annual Meeting and exhibited four new application notes.

2023 Financial Outlook

- The Company expects non-GAAP operating expense growth to be approximately flat in 2023 relative to the prior year.
- The Company expects the balance in cash and cash equivalents and investments in marketable securities of \$322.1 million as of March 31, 2023 to provide a runway to support operations and invest in the business into 2026.

"We are off to a good start in 2023 with first quarter customer orders coming in slightly above our internal plan. We are also pleased with the solid gross margin we delivered in the first quarter of commercialization of Platinum," said Jeff Hawkins, Chief Executive Officer. "Our business funnel is robust, we have a strong team in place, and we are well-positioned to accelerate commercial momentum in the second half of the year."

First Quarter 2023 Financial Results

Revenue was \$254,000 in the first quarter of 2023. Revenue was composed predominantly of revenue recognized on the sale of Platinum instruments and kits. Revenue recognized in the quarter was negatively impacted by a delay in the shipment of two international orders that were subsequently shipped early in the second quarter of 2023. In total, customer orders were \$449,000 in the first quarter of 2023.

Gross profit was \$124,000 in the first quarter of 2023. Gross margin was 48.8% in the first quarter of 2023.

Operating expenses were \$29.3 million in the first quarter of 2023, compared to \$27.1 million in the first quarter of 2022. Operating expenses included \$3.9 million in stock-based compensation and \$0.8 million in restructuring costs in the first quarter of 2023, compared to negative \$0.7 million in stock-based compensation due to the reversal of certain restricted stock unit awards that were forfeited in the first quarter of 2022.

Net loss was \$23.6 million in the first quarter of 2023, compared to a net loss of \$35.2 million in the first quarter of 2022. Adjusted EBITDA was negative \$23.7 million in the first quarter of 2023, compared to negative \$27.4 million in the first quarter of 2022. The reconciliation of non-GAAP adjusted EBITDA to net loss is provided in a table included in this press release.

As of March 31, 2023, cash and cash equivalents and investments in marketable securities were \$322.1 million.

Webcast and Conference Call Information

Quantum-Si will host a conference call to discuss its first quarter 2023 financial results on Thursday, May 11, 2023, at 4:30 PM Eastern Time (ET). Individuals interested in listening to the conference call may do so by joining the live webcast on the Investors section of the Quantum-Si website under [Events & Presentations](#). Alternatively, individuals can [register online](#) to receive a dial-in number and personalized PIN to participate in the call. An archived webcast of the event will be available for replay following the event.

About Quantum-Si Incorporated

Quantum-Si, The Protein Sequencing Company™, is focused on revolutionizing the growing field of proteomics. The Company's suite of technologies is powered by a first-of-its-kind semiconductor chip designed to enable next-generation single-molecule protein sequencing and digitize proteomic research in order to advance drug discovery and diagnostics beyond what has been possible with DNA sequencing. Learn more at www.quantum-si.com.

Use of Non-GAAP Financial Measures

In addition to providing financial measurements that have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), the Company provides additional financial metrics that are not prepared in accordance with U.S. GAAP ("non-GAAP"). The non-GAAP financial measures included in this press release are EBITDA and Adjusted EBITDA. The Company presents non-GAAP

financial measures to assist readers of its condensed consolidated financial statements in understanding the core operating results that its management uses to evaluate the business and for financial planning purposes. The Company's non-GAAP financial measures, EBITDA and Adjusted EBITDA, provide an additional tool for investors to use in comparing its financial performance over multiple periods.

EBITDA and Adjusted EBITDA are key performance measures that the Company's management uses to assess its operating performance. These non-GAAP measures facilitate internal comparisons of the Company's operating performance on a more consistent basis. The Company uses these performance measures for business planning purposes and forecasting. The Company believes that EBITDA and Adjusted EBITDA enhance an investor's understanding of the Company's financial performance as they are useful in assessing its operating performance from period-to-period by excluding certain items that the Company believes are not representative of its core business.

EBITDA and Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate these measures in the same manner. EBITDA and Adjusted EBITDA are not prepared in accordance with U.S. GAAP and should not be considered in isolation of, or as an alternative to, measures prepared in accordance with U.S. GAAP. When evaluating the Company's performance, you should consider EBITDA and Adjusted EBITDA alongside other financial performance measures prepared in accordance with U.S. GAAP, including net loss.

The non-GAAP financial measures do not replace the presentation of the Company's U.S. GAAP financial results and should only be used as a supplement to, not as a substitute for, the Company's financial results presented in accordance with U.S. GAAP. In this press release, the Company has provided a reconciliation of EBITDA and Adjusted EBITDA to net loss, the most directly comparable U.S. GAAP financial measure. A reconciliation of EBITDA and Adjusted EBITDA to corresponding U.S. GAAP measures is not available on a forward-looking basis because the Company is unable to predict with reasonable certainty the non-cash component of employee compensation expense, changes in its working capital needs, the impact of earnings or charges resulting from matters the Company considers not to be reflective, on a recurring basis, of its ongoing operations, and other such items without unreasonable effort. These items are uncertain, depend on several factors, and could be material to the Company's results computed in accordance with U.S. GAAP. Management strongly encourages investors to review the Company's financial statements and publicly-filed reports in their entirety and not rely on any single financial measure.

Forward Looking Statements

This press release includes "forward-looking statements" within the meaning of the "safe harbor" provisions of the United States Private Securities Litigation Reform Act of 1995. The actual results of the Company may differ from its expectations, estimates, and projections and, consequently, you should not rely on these forward-looking statements as predictions of future events. Words such as "expect," "estimate," "project," "budget," "forecast," "anticipate," "intend," "plan," "may," "will," "could," "should," "believes," "predicts," "potential," "continue," and similar expressions (or the negative versions of such words or expressions) are intended to identify such forward-looking statements. These forward-looking statements include, without limitation, the Company's expectations with respect to future performance and development and commercialization of products and services. These forward-looking statements involve significant risks and uncertainties that could cause the actual results to differ materially from those discussed in the forward-looking statements. Most of these factors are outside the Company's control and are difficult to predict. Factors that may cause such differences include, but are not limited to: the impact of COVID-19 on the Company's business; the inability to maintain the listing of the Company's Class A common stock on The Nasdaq Stock Market; the ability to recognize the anticipated benefits of the business combination, which may be affected by, among other things, competition and the ability of the Company to grow and manage growth profitably and retain its key employees; our ongoing leadership transition; changes in applicable laws or regulations; the ability of the Company to raise financing in the future; the success, cost and timing of the Company's product development and commercialization activities; the commercialization and adoption of the Company's existing products and the success of any product the Company may offer in the future; the potential attributes and benefits of the Company's commercialized PlatinumTM protein sequencing instrument and the Company's other products once commercialized; the Company's ability to obtain and maintain regulatory approval for its products, and any related restrictions and limitations of any approved product; the Company's ability to identify, in-license or acquire additional technology; the Company's ability to maintain its existing lease, license, manufacture and supply agreements; the Company's ability to compete with other companies currently marketing or engaged in the development or commercialization of products and services that serve customers engaged in proteomic analysis, many of which have greater financial and marketing resources than the Company; the size and growth potential of the markets for the Company's products and services, and its ability to serve those markets once commercialized, either alone or in partnership with others; the Company's estimates regarding future expenses, future revenue, capital requirements and needs for additional financing; the Company's financial performance; and other risks and uncertainties described under "Risk Factors" in the Company's Annual Report for the fiscal year ended December 31, 2022, and in the Company's other filings with the SEC. The Company cautions that the foregoing list of factors is not exclusive. The Company cautions readers not to place undue reliance upon any forward-looking statements, which speak only as of the date made. The Company does not undertake or accept any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements to reflect any change in its expectations or any change in events, conditions, or circumstances on which any such statement is based.

QUANTUM-SI INCORPORATED
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except share and per share amounts)
(Unaudited)

	Three months ended March 31,	
	2023	2022
Revenue:		
Product	\$ 251	\$ -
Service	3	-
Total revenue	254	-
Cost of revenue	130	-
Gross profit	124	-
Operating expenses:		
Research and development	18,167	18,771

Selling, general and administrative	11,178	8,369
Total operating expenses	29,345	27,140
Loss from operations	(29,221)	(27,140)
Dividend income	2,219	855
Change in fair value of warrant liabilities	391	2,647
Other income (expense), net	3,000	(11,537)
Loss before provision for income taxes	(23,611)	(35,175)
Provision for income taxes	-	-
Net loss and comprehensive loss	\$ (23,611)	\$ (35,175)
Net loss per common share attributable to common stockholders, basic and diluted	\$ (0.17)	\$ (0.25)
Weighted-average shares used to compute net loss per share attributable to common stockholders, basic and diluted	140,280,332	138,619,929

QUANTUM-SI INCORPORATED
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands, except share and per share amounts)
(Unaudited)

	March 31, 2023	December 31, 2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 81,660	\$ 84,319
Marketable securities	240,432	266,990
Accounts receivable, net	82	-
Inventory, net	1,708	-
Prepaid expenses and other current assets	6,135	6,873
Total current assets	330,017	358,182
Property and equipment, net	18,203	16,849
Internally developed software	887	-
Other assets	697	697
Operating lease right-of-use assets	15,221	15,757
Total assets	\$ 365,025	\$ 391,485
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 2,657	\$ 3,903
Accrued expenses and other current liabilities	6,033	10,434
Short-term operating lease liabilities	1,406	1,369
Total current liabilities	10,096	15,706
Long-term liabilities:		
Warrant liabilities	605	996
Other long-term liabilities	24	-
Operating lease liabilities	15,297	16,077
Total liabilities	26,022	32,779
Commitments and contingencies		
Stockholders' equity		
Class A Common stock, \$0.0001 par value; 600,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 121,559,340 and 120,006,757 shares issued and outstanding as of March 31, 2023 and December 31, 2022, respectively	12	12
Class B Common stock, \$0.0001 par value; 27,000,000 shares authorized as of March 31, 2023 and December 31, 2022; 19,937,500 shares issued and outstanding as of March 31, 2023 and December 31, 2022	2	2
Additional paid-in capital	762,274	758,366
Accumulated deficit	(423,285)	(399,674)
Total stockholders' equity	339,003	358,706
Total liabilities and stockholders' equity	\$ 365,025	\$ 391,485

QUANTUM-SI INCORPORATED
RECONCILIATION OF U.S. GAAP TO NON-GAAP FINANCIAL MEASURES
(in thousands)
(Unaudited)

Adjusted EBITDA

	Three months ended March 31,	
	2023	2022
Net loss	\$ (23,611)	\$ (35,175)
Adjustments to reconcile to EBITDA:		
Dividend income	(2,219)	(855)
Depreciation and amortization	803	452
EBITDA	(25,027)	(35,578)
Adjustments to reconcile to Adjusted EBITDA:		
Change in fair value of warrant liabilities	(391)	(2,647)
Other (income) expense, net	(3,000)	11,537
Stock-based compensation	3,908	(714)
Restructuring costs	813	-
Adjusted EBITDA	\$ (23,697)	\$ (27,402)

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