



Quotient Limited Provides Business Update and Delays Releasing Second Quarter Fiscal 2022 Results

- **Executive Leadership Team:** Recent new hires will support anticipated rapid growth and help lead future development
- **MosaiQ™ Solution**
 - **Transfusion Dx:** The Expanded Immunohematology CE regulatory dossier has been submitted with 20 specificities; and Expanded Serological Disease Screening immunoassay microarray is progressing towards field trials expected to begin in Q2 CY 2022
 - **Commercial Execution:** Six MosaiQ tender evaluations are in progress; Multiple distributors identified with more than 100 qualified customer targets
 - **Potential New Market Segments:** Initiated an R&D program to develop Clinical Diagnostic solutions, focusing first on potential candidates for the \$2B Allergy IVD market. Quotient Limited and Janssen Vaccines & Prevention B.V. form collaboration in MosaiQ proof of concept study
- **Alba by Quotient:** Achieved year-over year growth in Q2 2022 of 15.9%; Unaudited revenues exceeded guidance; Pursuing strategies to grow Alba by expanding its product portfolio and doing more business in Europe
- **Financial Position:** Negotiated amendments to the terms of the Company's senior secured notes that reduced near-term cash obligations by approximately \$60 million
- **Delayed publication of Q2 FY 2022 results:** The Company is working through a technical, non-cash accounting adjustment related to the historical treatment of debt and associated royalty rights contracts. This will result in an adjustment of the Company's previously issued financial statements included in the Company's fiscal year 2021 annual report on Form 10-K and its quarterly report for the first quarter of fiscal year 2022 on Form 10-Q. Quotient reaffirms its previously provided guidance for FY 2022.

JERSEY, Channel Islands, November 8, 2021 (GLOBE NEWSWIRE) -- Quotient Limited (NASDAQ:QTNT), a commercial-stage diagnostics company (Quotient or the Company), headquartered in Eysins, Switzerland, today announced that it will provide a business update as scheduled tomorrow, November 9th 2021 but the release of its second quarter fiscal 2022 results will be delayed. The Company is currently working through a non-cash technical accounting adjustment relating to bifurcation of the Senior Secured Notes and related Royalty Right Agreement. This will result in an adjustment of the Company's previously issued financial statements included in the Company's fiscal year 2021 annual report on Form 10-K and its quarterly report for the first quarter of fiscal year 2022 on Form 10-Q. The Company provided an update on recent key achievements and other business developments while reaffirming its outlook for fiscal year 2022.

Executive Leadership Team

In the second quarter, the Company made substantial progress in constituting its new management team with a view to enabling the commercialization of its initial MosaiQ products, pursuing new applications for its MosaiQ platform and pursuing new growth strategies for its Alba by Quotient business. The incoming executive leadership team members bring deep industry knowledge and proven track records of success.

“As we embark on a new phase, we have realigned the organization to accelerate the execution of strategic priorities. We have supplemented our executive management committee with four new members to meet our expanding needs as a public company and to better serve our customers,” said Manuel O. Méndez, Chief Executive Officer of Quotient Limited.

MosaiQ Solution

Transfusion Dx Updates – The Company has continued to make significant progress towards commercialization of its blood transfusion diagnostics products.

- **Immuno-hematology (IH):** The Expanded IH CE regulatory dossier has been submitted. The submission includes results from the three-site, prospective EU performance evaluation trial which included more than 4500 random blood donors.
 - Submitted for approval 20 individual specificities a 25% increase compared to the previously published microarray panel
 - Antigen performance demonstrated on average 99.5% or greater for most specificities

“With the MosaiQ solution and our Expanded IH microarray, our customers would receive results for 20 individual specificities from a single sample of less than 2mls. This would represent a significant advance in the simplification of the operations in a blood donor testing laboratory,” said Manuel O. Méndez, Chief Executive Officer of Quotient Limited.

- **Serological Disease Screening (SDS):** Expanded SDS field trials are on track to commence in Q2 CY 2022 and Anti-HIV and anti-HCV antibody tests are currently in development, observing 100 % sensitivity and greater than 99.8 % specificity. Anti-Syphilis T. *pal.* and HBsAg tests are progressing well to complete initial blood donor screening panel.

Commercial Execution – In the second quarter, the Company has been pursuing opportunities to acquire new customers for the expanded IH microarray product.

- **Tenders/Evaluations:** Six MosaiQ tender evaluations at five locations are in progress
- **Distribution:** Multiple distributors identified with more than 100 qualified customer targets excluding tenders

New Market Segments – Quotient is pursuing various potential ways to leverage MosaiQ’s multiplexed antibody and antigen immunoassay capabilities beyond transfusion, and pursuant to that initiative the Company has begun developing potential new solutions for the Clinical Diagnostics market.

- **Clinical Dx:** Quotient’s new-product research team has demonstrated MosaiQ’s ability to detect food and environmental allergens. This development has potential as a product for the \$2B Allergy IVD market.
- **Pharma/BioPharma:** Earlier this year, Quotient entered into a proof-of-concept MosaiQ microarray development agreement with Janssen Vaccines & Prevention B.V., to develop a human immunodeficiency virus (HIV) vaccine discriminatory microarray. Due to the need for commercial serology assays for anticipated vaccine trials, Janssen Vaccines & Prevention B.V. part of the Pharmaceutical Companies of Johnson & Johnson, selected MosaiQ as a technology for this application.

Alba by Quotient – Unaudited revenues exceeded guidance and continued to drive double digit growth. Alba generated \$9.2 million in product sales in Q2 FY 22, growing 15.9% over Q2 of FY 21

- **Product expansion:** Product portfolio expansion in development can bring value added to the Company’s commercial network and OEM partners
- **Geographic expansion:** Several Alba by Quotient products placed on the market in Germany and Spain
- **OEM:** Alba’s sales to OEM customers grew 18.6% in the second quarter versus a decline of -5.3% in the first quarter

Financial Position: Successful amendment in early October of the terms of our Senior Secured Notes postponed mandatory principal payments and final maturity, thereby reducing the Company’s near-term cash obligations by approximately \$60 million, which significantly boosted the Company’s liquidity.

- Negotiated amendment of Senior Notes Indenture, postponing principal payments by 18 months
- Received payout of \$5.4 million in August and September related to the Credit Suisse Supply Chain Finance Funds. Remaining outstanding balance of \$23.6 million.

Delayed Q2 Fiscal 2022 results: The Company is working through non-cash technical accounting correction of an error relating to its Senior Secured Notes and related Royalty Right Agreements, to account for them as separate instruments rather than as a single instrument. The adjustments would be non-cash items and will result in a restatement of the Company’s previously issued financial statements included in the Company’s fiscal year (FY) 2021 annual report on Form 10-K and its quarterly report for the first quarter of fiscal year 2022 on Form 10-Q. The estimated impact is anticipated to be below 5% of net loss and total liabilities in each year presented in the FY21 Form 10-K. The financial impact on prior periods is considered immaterial.

Outlook for the Fiscal Year Ending March 31, 2022 remains unchanged

- Total product sales of Alba by Quotient reagents continue to be expected in the range of \$35.5 to \$36.5 million compared to product sales in fiscal 2021 of \$34.5 million. No other revenues are expected.
- Capital expenditures in the range of \$5 to \$10 million.
- Average monthly cash use for operations in the range of \$6.5 to \$7 million (excluding debt service cost and capital expenditures)

Alba by Quotient product sales in the third quarter of fiscal 2022 are expected to be within the range of \$9.1 to \$9.7 million, compared with \$8.4 million for the third quarter of fiscal 2021.

The Company does not provide guidance on the operating loss.

Quarterly product sales can fluctuate depending upon the shipment cycles for red blood cell-based products, which account for approximately two-thirds of current product sales. These products typically experience 13 shipment cycles per year, equating to three shipments of each product per quarter, except for one quarter per year when four shipments occur. The timing of shipment of bulk antisera products to OEM customers may also move revenues from quarter to quarter. Some seasonality in demand is also experienced around holiday periods in both Europe and the United States. As a result of these factors, Quotient expects to continue to see seasonality and quarter-to-quarter variations in product sales.

Conference Call

Quotient will host a conference call on November 9th, 2021, at 8:00 a.m. Eastern Time to provide a business update. We will not be able to comment further on our delayed financial results until the technical accounting issue is resolved. Participants may access the call by dialing 1-877-407-0784 in the U.S. or 1-201-689-8560 outside the U.S. The access code is 13724411. The conference call will be webcast live on the Company's website at www.quotientbd.com.

A replay of this conference call will be available through November 16, 2021, by dialing 1-844-512-2921 in the U.S. or 1-412-317-6671 outside the U.S. The replay access code is 13724411.

About Quotient Limited

Building on over 30 years of experience in transfusion diagnostics, Quotient is a commercial-stage diagnostics company committed to delivering solutions that reshape the way diagnostics is practiced. MosaiQ, Quotient's proprietary multiplex microarray technology, offers the world's first fully automated, consolidated testing platform, allowing for multiple tests across different modalities. MosaiQ is designed to be a game-changing solution, which Quotient believes will increase efficiencies, improve clinical practice, deliver significant workflow improvements, and create operational cost savings to laboratories around the world. Quotient's operations are based in Eysins, Switzerland, Edinburgh, Scotland and Newtown, Pennsylvania.

Forward-Looking Statements

This news release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements may include statements regarding our expectations of continued growth, the development, regulatory approval, commercialization and impact of MosaiQ and other new products (including the potential for using the Company's MosaiQ technology to infectious disease diagnostics), current estimates of third quarter and full year fiscal 2022 operating results and expectations regarding our future funding sources. 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 delays or denials of regulatory approvals or clearances for products or applications; market acceptance of our products; the impact of competition; the impact of facility expansions and expanded product development, clinical, sales and marketing activities on operating expenses; delays or other unforeseen problems with respect to manufacturing, product development or field trial studies; adverse results in connection with any ongoing or future legal proceedings; continued or worsening adverse conditions in the general domestic and global economic markets, including as a result of the global COVID-19 pandemic; as well as the other risks set forth in the Company's filings with the Securities and Exchange Commission. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Quotient disclaims any obligation to update these forward-looking statements.

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