

## **NEXGEL Reports Third Quarter 2022 Financial Results**

Revenue increased 69.6% YoY while gross profit margin improved both sequentially and YoY to 26%

**LANGHORNE, Pa., Nov. 08, 2022 (GLOBE NEWSWIRE) --** NEXGEL, Inc. ("NEXGEL" or the "Company") (NASDAQ: "NXGL"), a leading provider of ultra-gentle, high-water-content hydrogel products for healthcare and consumer applications, today announced its financial results for the third quarter ended September 30, 2022.

Adam Levy, NEXGEL Chief Executive Officer, commented, "We are pleased to report yet another quarter of year-over-year revenue growth. During the third quarter revenue grew 69.6% while our gross profit margin improved both sequentially and year-over-year, with a gross profit margin of 26% for the three months ended September 30, 2022. At quarter-end, we had \$7.4 million in cash and cash equivalents and marketable securities, which provides us ample runway through 2024 and supports our strategic investments in R&D to drive future growth. We expect to grow revenue in 2023 and margins to expand as we continue to scale while realizing the benefits from our fixed facility expense structure."

#### Third Quarter 2022 and Recent Operational Highlights

- Appointed Dr. Neil Chesen and Dr. Leonard Nelson to the Company's Scientific Advisory Board.
- <u>Launched MEDAGEL Hydroliner Pro Pads</u> for the protection of eyelashes during cosmetic extension and lift and tint services. These under-eye pads provide powerful, yet skin-friendly adhesion aimed at isolating the lower lashes.
- Subsequent to quarter-end, NEXGEL reported positive results from its proof-of-concept study comparing its diclofenac hydrogel patches designed to treat pain indications such as arthritis, joint pain, muscle aches and more against leading commercially available topical treatment.
- Developed a new, proprietary hydrogel eye patch to treat amblyopia, a type of poor vision that typically occurs in one or both eyes often referred to as lazy eye, that is much gentler on the skin and is manufactured without the use of harsh chemicals or painful adhesives.
- <u>SAGE Journals' Scars, Burns and Healing</u> publication, a peer-reviewed journal that focuses on scar and burns research, published
   <u>new data</u> from a study evaluating the impact of NEXGEL's SilverSeal® hydrogel dressing on postoperative scarring and
   complications. The results demonstrated significant scar improvement in patients treated with SilverSeal.

#### Third Quarter 2022 Financial Highlights

Revenue for the three months ended September 30, 2022 was \$568 thousand, an increase of 69.6%, when compared to \$233 thousand for the three months ended September 30, 2021. The increase in overall revenue was due to sales growth in branded consumer products.

Gross profit was \$148 thousand for the three months ended September 30, 2022, representing a 26% gross profit margin, compared to a gross profit loss of \$57 thousand for the same period in 2021. The improvement was primarily due to higher volume of contract manufacturing sales relative to fixed costs. The Company anticipates continued improvement in gross margins due to both increased revenue against fixed facility expenses

and larger production runs on commercially proven products.

Cost of revenues was \$420 thousand for the three months ended September 30, 2022, compared to \$392 thousand for the three months ended September 30, 2021. The year-over-year increase reflects the higher sales generated in the current year.

Total operating expenses, including R&D and SG&A expenses, increased to \$1.2 million for the three months ended September 30, 2022, compared to \$553 thousand for the same period in 2021. Increased selling, general and administrative expenses during the period was primarily attributable to an increase of franchise tax expense, increased research and development investment and the costs for professional fees and other administrative expenses in the current period associated with public company governance requirements.

During the third quarter, the Company incurred \$220 thousand of franchise tax expense due to the Company's IPO and related increase in gross assets. In August 2022, the Company reduced its authorized shares at its annual meeting therefore in 2023 franchise tax liability is expected to decrease to approximately \$28 thousand on a similar asset base.

Compensation and benefits increased by \$31 thousand, or 35.6%, to \$118 thousand for the three months ended September 30, 2022, mainly due to the larger number of employees compared to the prior year and as officer compensation increased related to contract renewals. Share-based compensation increased by \$40 thousand, or 88.9%, to \$85 thousand for the three months ended September 30, 2022.

Other Expenses and professional fees increased by \$367 thousand, or 87.8%, to \$785 thousand for the three months ended September 30, 2022, compared to \$418 thousand for the same period in 2021. This was primary due to an increase in professional fees in connection with our NASDAQ up-listing, which was completed in December 2021, and the aforementioned franchise tax.

Research and development expenses increased to \$193 thousand for the three months ended September 30, 2022, compared to \$0 for the three months ended September 30, 2021. The increase is due to the initiation of two proof of concept studies for drug delivery candidates utilizing our hydrogel technology.

As of September 30, 2022, NEXGEL had \$7.4 million of cash and cash equivalents and marketable securities, which includes an investment in treasuries of \$6 million.

As of November 8, 2022 NEXGEL had 5,572,234 shares of common stock outstanding.

#### **NEXGEL Third Quarter 2022 Results Conference Call Details**

Management will host a conference call and webcast today at 4:30 p.m. Eastern Time to discuss its quarterly operational and financial results for the third quarter 2022.

**Date:** November 8, 2022 **Time:** 4:30 P.M. ET

**Live Call:** +1-866-575-6539 (U.S. Toll Free) or +1-323-794-2551 (International)

Webcast: <a href="https://viavid.webcasts.com/starthere.jsp?ei=1581243&tp">https://viavid.webcasts.com/starthere.jsp?ei=1581243&tp</a> key=7e1a2a26a1

For interested individuals unable to join the conference call, a replay will be available

through November 15, 2022, at +1-844-512-2921 (U.S. Toll Free) or +1-412-317-6671 (International). Participants must use the following code to access the replay of the call: 1455990. An archived version of the webcast will also be available on NEXGEL's Investor Relations site: <a href="https://ir.nexgel.com/">https://ir.nexgel.com/</a>.

#### About NEXGEL, INC.

NEXGEL is a leading provider of ultra-gentle, high-water-content hydrogels for healthcare and consumer applications. Based in Langhorne, Pa., the Company has developed and manufactured electron-beam, cross-linked hydrogels for over two decades. NEXGEL has formulated more than 200 different combinations to bring natural ingredients to gentle skin patches that can be worn for long periods of time with little to no irritation.

#### **Forward-Looking Statement**

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended (the "Exchange Act") (which Sections were adopted as part of the Private Securities Litigation Reform Act of 1995). Statements preceded by, followed by or that otherwise include the words "believe," "anticipate," "estimate," "expect," "intend," "plan," "project," "prospects," "outlook," and similar words or expressions, or future or conditional verbs, such as "will," "should," "would," "may," and "could," are generally forward-looking in nature and not historical facts. These forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the Company's actual results, performance, or achievements to be materially different from any anticipated results, performance, or achievements for many reasons including the impact of the COVID-19 pandemic. The Company disclaims any intention to, and undertakes no obligation to, revise any forward-looking statements, whether as a result of new information, a future event, or otherwise. For additional risks and uncertainties that could impact the Company's forwardlooking statements, please see the Company's Annual Report on Form 10-K for the year ended December 31, 2021, including but not limited to the discussion under "Risk Factors" therein, which the Company filed with the SEC and which may be viewed at http://www.sec.gov/.

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NEXGEL, INC
CONDENSED CONSOLIDATED BALANCE SHEETS

### AS OF SEPTEMBER 30, 2022 AND DECEMBER 31, 2021 (Unaudited)

(in thousands, except share and per share data)

	September 30, 2022		December 31, 2021	
ASSETS:				
Current Assets:				
Cash and cash equivalents	\$	1,427	\$	13,350
Marketable securities		5,985		-
Accounts receivable, net		265		209
Inventory		399		291
Prepaid expenses and other current assets		239		77
Total current assets		8,315		13,927
Goodwill		311		311
Intangibles, net		23		33
Property and equipment, net		737		723
Operating lease - right of use asset		1,785		1,926
Other assets		63		63
Total assets	\$	11,234	\$	16,983
LIABILITIES AND STOCKHOLDERS' EQUITY				
Current Liabilities:				
Accounts payable	\$	358	\$	254
Accrued expenses and other current liabilities		164		62
Convertible notes payable		-		2,037
Notes payable, current portion		14		10
Warrant liability		372		318
Operating lease liability, current portion		207		207
Total current liabilities		1,115		2,888
Long-Term Liabilities:				
Operating lease liability, net of current portion		1,632		1,744
Notes payable, net of current portion		269		266
Total long-term liabilities		1,901		2,010
Total liabilities		3,016		4,898
Commitments and Contingencies (Note 14)		-		-
Preferred Stock, par value \$0.001 per share, 5,000,000 shares authorized, no shares issued and outstanding		_		_
Common Stock, par value \$0.001 per share, 25,000,000 shares authorized; 5,572,234 shares issued and				
outstanding as of both September 30, 2022 and December 31, 2021		6		6
Additional paid-in capital		19,122		18,891
Accumulated deficit		(10,910)		(6,812)
Total stockholders' equity		8,218		12,085
Total liabilities and stockholders' equity	\$	11,234	\$	16,983

# NEXGEL, INC. CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (Unaudited)

(in thousands, except share and per share data)

	Three Months Ended September 30,			Nine Months Ended September 30,				
		2022		2021		2022	2021	
Revenues, net	\$	568	\$	335	\$	1,524	\$	1,018
Cost of revenues	_	420		392		1,304		1,113
Gross (loss)/profit	_	148		(57)		220		(95)
Operating expenses								
Research and development		193		-		328		17
Selling, general and administrative		992		553		2,459		1,571
Total operating expenses		1,185		553		2,787		1,588
Loss from operations		(1,037)		(610)		(2,567)		(1,683)
Other expense, net								
Interest expense		(242)		(534)		(1,334)		(1,052)
Loss on debt extinguishment		-		-		(150)		(25)
Warrant modification expense		(57)		-		(57)		-
Debt discount costs		-		-		-		(68)
Other income		-		-		2		147
Gain on investments in marketable securities		5		-		5		-
Changes in fair value of warrant liability		104		2		3		10
Total other expense, net	<u>-</u>	(190)		(532)		(1,531)		(988)
Loss before income taxes		(1,227)		(1,142)		(4,098)		(2,671)
Income tax expense		-		-		-		-
Net loss	\$	(1,227)	\$	(1,142)		(4,098)		(2,671)
Net loss per common share - basic	\$	(0.22)	\$	(0.38)		(0.74)		(0.91)
Net loss per common share - diluted	\$	(0.22)	\$	(0.38)		(0.74)		(0.91)
Weighted average shares used in computing net loss per common share - basic	5	,572,234	2,	979,371	5,	,572,234	2,	942,057
Weighted average shares used in computing net loss per common share – diluted	5	,572,234	2,	979,371	5,	,572,234	2,	942,057

#### **NEXGEL, INC.** CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (Unaudited) (in thousands)

Operating Activities         (a,049)         2021           Roll tosis         (a,049)         (a,057)           Adjustments to reconcile net loss to net cash used in operating activities:         20           Changes in ROU asset and operating lease liability         23         20           Changes in Fair value of warrant liability         3         3         20           Changes in fair value of warrant liability         3         3         10           Marrant modification expense         5         1         6           Cass on extinguishment of debt         15         2         1           Cass on extinguishment of debt         15         2         1           Cass on extinguishment of debt         15         2         1           Cass on extinguishment of debt         6         1         2         1           Energician conversion feature in excess of face value         15         2         1         2         1           Energician conversion feature in excess of face value         15         2         1         2         1         2         1         2         1         2         1         2         1         2         1         2         1         2         2         2         2		Nine Months Ended September 30,			ember 30,		
Not loss         (4,098)         (2,671)           Aljustments to reconcile net loss to net cash used in operating activities:         2,626           Depreciation and amortization         2,92         1,62           Changes in ROU asset and operating lease liability         2,92         1,225           Changes in fair value of warrant liability         3,35         1,058           Warrant modification expense         5,7         2           Cass on exitinguishment of debt         150         2.5           Gain on investments in marketable securities         6         1,0         1,0           Carriage in operating assets and liabilities:         3         1,0         1,0         2,0           Changes in operating assets and liabilities:         4         1,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0         2,0         1,0 <th></th> <th colspan="2"></th> <th colspan="4"></th>							
Aginaments for reconcile net loss to net cash used in operating activities:   Depreciation and amortization   29   16     Changes in ROU asset and operating lease liability   29   16     Changes in ROU asset and operating lease liability   29   16     Changes in Fair value of warrant liability   (3)   (10)     Amortization of deferred financing costs   57   1.058     Warrant modification expenses   57   1.058     Warrant modification expenses   57   1.058     Warrant modification expenses   57   1.050     Cash on extinguishment of debt   50   2.50     Cagin on investments in marketable securities   57   1.050     Cagin on investments in marketable securities   57   1.050     Changes in operating assets and liabilities:   50   1.050     Changes in operating assets and other current sests   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Change in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating assets and other current liabilities   50   1.050     Changes in operating		•	// \		(2.22.1)		
Depreciation and amortization         84         206           Changes in ROU asset and operating lease liability         29         16           Share-based compensation         231         229           Changes in fair value of warrant liability         (3)         (10)           Amortization of deterned financing costs         1,325         1,508           Warrant modification expense         57         -           Loss on exiting simble mot of debt         150         25           Gain on investments in marketable securities         (5)         -           Forgiveness of debt         (5)         -           Berneficial conversion feature in excess of face value         5         (65)         (121)           Berneficial conversion feature in excess of face value         5         (65)         (121)           Inventory         (108)         (28)         (28)         (29)         (21)           Inventory         (108)         (28)         (29)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (21)         (22)         (22)         (22)         (22)         (22)         (22)         (22)         (22) <th></th> <th>\$</th> <th>(4,098)</th> <th>\$</th> <th>(2,671)</th>		\$	(4,098)	\$	(2,671)		
Changes in ROU asset and operating lease liability         29         16           Share based compensation         231         229           Changes in fair value of warrant liability         (3)         (10)           Amortization of deferred financing costs         57         0.58           Loss on extinguishment of debt         150         25           Gain on investments in marketable securities         (6)         0.           Forgiveness of debt         57         0.58           Beneficial conversion feature in excess of face value         5         0.           Changes in operating assets and liabilities:         (56)         (121)           Inventory         (108)         (28)           Accounts receivable         (56)         (121)           Inventory         (108)         (28)           Prepaid expenses and other current assets         (62)         39           Accounts payable         (56)         (21)           Accured expenses and other current liabilities         109         (21)           Investing Activities         (88)         (38)           Investing Activities         (8,8)         (38)           Investing Activities         (8,8)         (39)           Investing Activities			0.1		206		
Share-based compensation         231         229           Changes in fair value of warrant liability         (3)         (10)           Amortization of deferred financing costs         1,325         1,508           Warrant modification expense         57         -           Loss on extinguishment of debt         (5)         -           Gain on investments in marketable securities         (5)         -           Forgiveness of debt         (5)         -           Enrogiveness of debt         (5)         -           Changes in operating assets and liabilities:         -         -           Changes in operating assets and discurrent assets         (162)         39           Accounts receivable         (56)         (121)           Inventory         (108)         (28)           Prepaid expenses and other current assets         (162)         39           Accounts payable         (162)         39           Accurued expenses and other current liabilities         (190)         (21)           Deferred revenue         (2,34)         (1,55)           Investing Activities         (6,980)         (5,56)           Investing Activities         (6,980)         (6,980)           Investing Activities         (6,980)							
Changes in fair value of warrant liability         (3)         (10)           Amordization of deferned financing costs         1,325         1,525           Loss on extinguishment of debt         150         25           Cain on investments in marketable securities         (5)         2-           Forgiveness of debt         2         (147)           Beneficial conversion feature in excess of face value         5         2           Changes in operating assets and liabilities:         (66)         (21)           Changes in operating assets and other current assets         (108)         (28)           Accounts receivable         (56)         (21)           Inventory         (108)         (28)           Prepaid expenses and other current liabilities         104         (145)           Accounts payable         104         (145)           Accounts payable         104         (145)           Accounts payable         104         (145)           Net Cash Used in Operating Activities         (6,980)         1,556           Investing Activities         (6,980)         -           Investing Activities         (6,980)         -           Investing Activities         (6,980)         -           Investing Activities							
Amortization of deferred financing costs         1,325         1,058           Warrant modification expense         57         -           Loss on extinguishment of debt         150         25           Gain on investments in marketable securities         (5)         -           Forgiveness of debt         -         -         62           Changes in operating assets and liabilities:         -         (108)         (28)           Accounts receivable         (56)         (121)         (108)         (28)           Inventory         (108)         (28)         (39)         (20)         (20)           Accounts payable         104         (145)         (38)         (20	·						
Warrant modification expense         57         -           Loss on extinguishment of debt         150         25           Gain on investments in marketable securities         (5)         -           Forgiveness of debt         2         (147)           Beneficial conversion feature in excess of face value         5         (147)           Changes in operating assets and liabilities:         5         (121)           Accounts receivable         (56)         (121)           Inventory         (108)         (28)           Prepaid expenses and other current assets         (162)         39           Accounts payable         104         (145)           Accrued expenses and other current liabilities         109         (21)           Deferred revenue         109         (21)           Deferred revenue         (2,343)         (1,556)           Investing Activities         (6,980)         -           Financing Activities         (6,980)         -					` ,		
Loss on extinguishment of debt         150         25           Gain on investments in marketable securities         (1477)           Beneficial conversion feature in excess of face value         5         (1477)           Beneficial conversion feature in excess of face value         5         52           Changes in operating assets and liabilities:         (168)         (121)           Accounts receivable         (168)         (28)           Prepald expenses and other current assets         (162)         39           Accounts payable         104         (145)           Accounts payable         109         (21)           Deferred revenue         2,343         (1,556)           Investing Activities         (6,960)         -           Investing Activities         (6,960)         -           Investing Activities         (6,960)         -           Proceeds from sale of marketable securities         (6,060)         3(390)           Not Cash Used in Investing Activities         (6,960)         -           Financing Activities         (6,960)         -           Proceeds from sale of marketable securities         (6,060)         3(390)           Not Cash Used in Investing Activities         (6,060)         3(390)           Fi			•		1,000		
Gain on investments in marketable securities         (5)         1-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7-7	·				25		
Progress of debt					-		
Peneficial conversion feature in excess of face value			(3)		(147)		
Changes in operating assets and liabilities:         (56)         (121)           Accounts receivable         (56)         (121)           Inventory         (108)         (28)           Prepaid expenses and other current assets         (162)         39           Accounts payable         104         (145)           Accounts payable         109         (21)           Deferred revenue         109         (238)           Net Cash Used in Operating Activities         (88)         (88)           Investing Activities         (6,980)         -           Investing Activities         (6,980)         -           Proceeds from sale of marketable securities         1,000         -           Capital expenditures         (88)         (390)           Net Cash Used in Investing Activities         (6,088)         3900           Financing Activities         (6,088)         3900           Financing Activities         (6,088)         3900           Proceeds from notes payable (Primary Expenses)         (6,088)         3900           Principle payment of notes payable         (8)         3900           Principle payment of notes payable         (7)         12           Proceeds from notes payable (PPP)         1			-				
Accounts receivable         (56)         (121)           Inventory         (108)         (28)           Prepaid expenses and other current lassets         (162)         39           Accounts payable         104         (145)           Accrued expenses and other current liabilities         109         (21)           Deferred revenue         -         -         (38)           Net Cash Used in Operating Activities         (6,980)         -         -           Investing Activities         (6,980)         -         -           Investing Activities         (6,980)         -         -           Proceeds from sale of marketable securities         (6,980)         -         -           Proceeds from sale of marketable securities         (6,980)         -         -           Proceeds from sale of marketable securities         (6,980)         -         -           Proceeds from sale of marketable securities         (6,980)         -         -           Proceeds from sale of marketable securities         (6,980)         -         -           Investing Activities         (6,980)         -         -         285           Proceeds from sale of marketable securities         (3,900)         -         -         285 <th>Deficition Conversion readure in excess of face value</th> <th></th> <th>_</th> <th></th> <th>52</th>	Deficition Conversion readure in excess of face value		_		52		
Inventory	Changes in operating assets and liabilities:						
Prepaid expenses and other current lassets         (162)         39           Accounts payable         104         (145)           Accrued expenses and other current liabilities         109         (21)           Deferred revenue	Accounts receivable				, ,		
Accounts payable         104         (145)           Accrued expenses and other current liabilities         109         (21)           Deferred revenue         -         (38)           Net Cash Used in Operating Activities         (2,343)         (1,556)           Investing Activities         (6,980)         -           Investing Activities         (6,980)         -           Proceeds from sale of marketable securities         (88)         (390)           Net Cash Used in Investing Activities         (6,068)         (390)           Net Cash Used in Investing Activities         6(6,068)         (390)           Financing Activities         -         (88)         (390)           Proceeds from notes payable (Porticiple payment of inces payable (Porticiple payment on convertible notes         (3,512)         127           Proceeds from notes payable (PPP)         3,51         127           Proceeds from convertible notes         -         (115)           Principle payment on convertible notes         -         (100)           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         3,3512         3,169	•				(28)		
Accrued expenses and other current liabilities         109         (21)           Deferred revenue         a         (38)           Net Cash Used in Operating Activities         (2,343)         (1,556)           Investing Activities         (6,980)         -           Investing Activities         (6,980)         -           Proceeds from sale of marketable securities         (1,000)         -           Capital expenditures         (88)         (390)           Net Cash Used in Investing Activities         (6,068)         (390)           Financing Activities         2         285           Issuance of common stock, net of issuance costs         -         2         285           Proceeds from notes payable         -         15         2         285           Proceeds from notes payable (PPP)         -         12         2         285         2         285         2         2         285         2         2         285         2<	Prepaid expenses and other current assets		(162)		39		
Deferred revenue         —         (38)           Net Cash Used in Operating Activities         (2,343)         (1,556)           Investing Activities         —         —           Investment in marketable securities         (6,980)         —         —           Proceeds from sale of marketable securities         (6,980)         —         —           Capital expenditures         (6,080)         —         —           Capital expenditures         (88)         (390)           Net Cash Used in Investing Activities         (6,080)         —         —           Financing Activities         —         —         —         200         —			104		(145)		
Net Cash Used in Operating Activities         (2,343)         (1,556)           Investing Activities         (6,980)         -           Proceeds from sale of marketable securities         1,000         -           Capital expenditures         (88)         (390)           Net Cash Used in Investing Activities         (6,068)         (390)           Financing Activities         (6,068)         (390)           Financing Activities         -         285           Proceeds from notes payable         -         15           Principle payment of notes payable (PPP)         -         127           Proceeds from convertible notes         -         2,957           Payment of financing costs         -         2,957           Payment of financing costs         -         (115)           Principal payment on convertible notes         -         (100)           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         3,350         32           Supplemental Disclosure of Cash Flows Information         -         -           Cash paid during the year for:         -         -	Accrued expenses and other current liabilities		109		(21)		
Investing Activities	Deferred revenue		<u>-</u>		(38)		
Investment in marketable securities	Net Cash Used in Operating Activities		(2,343)		(1,556)		
Investment in marketable securities	Investing Activities						
Proceeds from sale of marketable securities         1,000         -           Capital expenditures         (88)         (390)           Net Cash Used in Investing Activities         (6,068)         (390)           Financing Activities         Secondary of Common Stock, net of issuance costs         Secondary of Issuance of Common Stock, net of Issuance costs         Secondary of Issuance Costs         Secondary of Issuance Issuance Costs         Secondary of Issuance Issuance Costs         Secondary of Issuance Costs         Secondary			(6.980.)		_		
Capital expenditures         (88)         (390)           Net Cash Used in Investing Activities         (6,068)         (390)           Financing Activities         (6,068)         (390)           Fish activities         5         285           Issuance of common stock, net of issuance costs         5         285           Proceeds from notes payable         6         3,512         15           Principle payment of notes payable (PPP)         6         3,512         127           Proceeds from convertible notes         6         2,957         2,957           Payment of financing costs         6         2,957         2,957           Payment of moconvertible notes         6         3,122         1,115           Principal payment on convertible notes         6         4,192         1,192           Payment of financing costs         (3,512)         3,169         1,252           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169         1,253           Net Increase (Decrease) in Cash and Cash Equivalents – Beginning of period         3,1427         1,255         3,255           Supplemental Disclosure of Cash Flows Information         2         1,247         1,255           Supplemental Disclosure of Cash Flows Information <td></td> <td></td> <td></td> <td></td> <td>_</td>					_		
Financing Activities         (6,068)         (390)           Issuance of common stock, net of issuance costs         -         285           Proceeds from notes payable         -         15           Principle payment of notes payable (PPP)         -         127           Proceeds from convertible notes         -         2,957           Payment of financing costs         -         (115)           Principal payment on convertible notes         -         (100)           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         3,350         32           Cash and Cash Equivalents – End of period         1,427         1,255           Supplemental Disclosure of Cash Flows Information         1,427         1,255           Cash principal the year for:         -         -         -           Interest         -         -         -           Taxes         -         -         -           Supplemental Non-cash Investing and Financing Activities         -         -         -           Fair value of beneficial conversion and warrant features of convertible notes payable         -					(390.)		
Suance of common stock, net of issuance costs							
Issuance of common stock, net of issuance costs         -         285           Proceeds from notes payable         -         15           Principle payment of notes payable (PPP)         -         127           Proceeds from notes payable (PPP)         -         -         2,957           Proceeds from convertible notes         -         (115)           Payment of financing costs         -         (115)           Principal payment on convertible notes         -         (100)           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         13,350         32           Cash and Cash Equivalents – End of period         \$ 1,427         1,255           Supplemental Disclosure of Cash Flows Information         \$ 1,427         1,255           Cash paid during the year for:         -         -         -           Interest         -         -         -           Taxes         -         -         -           Supplemental Non-cash Investing and Financing Activities         -         -         -           Fair value of beneficial conversion and warrant features of convertible notes p	Not out it involving Addivides		(0,000)		(000)		
Proceeds from notes payable         -         15           Principle payment of notes payable         (3,512)         -           Proceeds from notes payable (PPP)         -         127           Proceeds from convertible notes         -         (115)           Payment of financing costs         -         (115)           Principal payment on convertible notes         -         (100)           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         13,350         32           Cash and Cash Equivalents – End of period         \$ 1,427         1,255           Supplemental Disclosure of Cash Flows Information         Taxes         -         -           Cash paid during the year for:         -         -         -         -           Interest         -         -         -         -         -           Taxes         -         -         -         -         -           Supplemental Non-cash Investing and Financing Activities         -         -         -         -         -         -         -         -         -         -         - <td></td> <td></td> <td></td> <td></td> <td></td>							
Principle payment of notes payable Proceeds from notes payable (PPP) Proceeds from notes payable (PPP) Proceeds from convertible notes Payment of financing costs Principal payment on convertible notes payable  (3,512) (3,512) (3,515) (3,512)			-		285		
Proceeds from notes payable (PPP)         -         127           Proceeds from convertible notes         -         2,957           Payment of financing costs         -         (115)           Principal payment on convertible notes         -         (100)           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         13,350         32           Cash and Cash Equivalents – End of period         \$ 1,427         \$ 1,255           Supplemental Disclosure of Cash Flows Information         -         -           Cash paid during the year for:         -         -           Interest         -         -           Taxes         -         -           Supplemental Non-cash Investing and Financing Activities         -         -           Fair value of beneficial conversion and warrant features of convertible notes payable         -         \$ 2,587           Original issue discounts recognized on convertible notes payable         -         \$ 653           Warrants issued for debt and equity financing costs         -         \$ 203			-		15		
Proceeds from convertible notes         -         2,957           Payment of financing costs         -         (115)           Principal payment on convertible notes         -         (100)           Net Cash Provided by (Used In) Financing Activities         (3,512)         3,169           Net Increase (Decrease) in Cash and Cash Equivalents         (11,923)         1,223           Cash and Cash Equivalents – Beginning of period         13,350         32           Cash and Cash Equivalents – End of period         \$ 1,427         \$ 1,255           Supplemental Disclosure of Cash Flows Information           Cash paid during the year for:         -         -           Interest         -         -         -           Taxes         -         -         -           Supplemental Non-cash Investing and Financing Activities         -         -         -           Fair value of beneficial conversion and warrant features of convertible notes payable         -         \$ 2,587           Original issue discounts recognized on convertible notes payable         -         \$ 653           Warrants issued for debt and equity financing costs         \$ 203			(3,512)		-		
Payment of financing costs Principal payment on convertible notes payable Principal payment on convertible notes			-				
Principal payment on convertible notes  Net Cash Provided by (Used In) Financing Activities  Net Increase (Decrease) in Cash and Cash Equivalents Cash and Cash Equivalents – Beginning of period Cash and Cash Equivalents – End of period Cash and Cash Equivalents – End of period Cash paid during the year for: Interest Taxes  Supplemental Non-cash Investing and Financing Activities Fair value of beneficial conversion and warrant features of convertible notes payable Warrants issued for debt and equity financing costs  - (100) 3,169 3,169  (11,923) 1,223 1,225  1,225  1,255  1,427 1,255  - (100) 1,3150 1,223 1,223 1,225			-				
Net Cash Provided by (Used In) Financing Activities(3,512)3,169Net Increase (Decrease) in Cash and Cash Equivalents(11,923)1,223Cash and Cash Equivalents – Beginning of period13,35032Cash and Cash Equivalents – End of period\$ 1,427\$ 1,255Supplemental Disclosure of Cash Flows InformationCash paid during the year for:InterestTaxesSupplemental Non-cash Investing and Financing ActivitiesFair value of beneficial conversion and warrant features of convertible notes payable\$ -\$ 2,587Original issue discounts recognized on convertible notes payable\$ -\$ 653Warrants issued for debt and equity financing costs\$ -\$ 203			-				
Net Increase (Decrease) in Cash and Cash Equivalents(11,923)1,223Cash and Cash Equivalents – Beginning of period13,35032Cash and Cash Equivalents – End of period\$ 1,427\$ 1,255Supplemental Disclosure of Cash Flows InformationCash paid during the year for: InterestTaxesSupplemental Non-cash Investing and Financing ActivitiesFair value of beneficial conversion and warrant features of convertible notes payable\$-\$ 2,587Original issue discounts recognized on convertible notes payable\$-\$ 653Warrants issued for debt and equity financing costs\$-\$ 203			<u>-</u>				
Cash and Cash Equivalents – Beginning of period \$13,350 \$32 Cash and Cash Equivalents – End of period \$1,427 \$1,255 \$  Supplemental Disclosure of Cash Flows Information Cash paid during the year for:  Interest	Net Cash Provided by (Used In) Financing Activities				3,169		
Cash and Cash Equivalents – End of period \$ 1,427 \$ 1,255  Supplemental Disclosure of Cash Flows Information  Cash paid during the year for: Interest	Net Increase (Decrease) in Cash and Cash Equivalents				1,223		
Supplemental Disclosure of Cash Flows Information  Cash paid during the year for:  Interest Taxes  Supplemental Non-cash Investing and Financing Activities Fair value of beneficial conversion and warrant features of convertible notes payable Original issue discounts recognized on convertible notes payable Warrants issued for debt and equity financing costs  \$ 2,587	Cash and Cash Equivalents – Beginning of period		13,350		32		
Cash paid during the year for:  Interest	Cash and Cash Equivalents – End of period	\$	1,427	\$	1,255		
Interest Taxes  Taxes  Supplemental Non-cash Investing and Financing Activities  Fair value of beneficial conversion and warrant features of convertible notes payable Original issue discounts recognized on convertible notes payable Warrants issued for debt and equity financing costs  \$ 2,587  653  Warrants issued for debt and equity financing costs	Supplemental Disclosure of Cash Flows Information						
Taxes	Cash paid during the year for:						
Supplemental Non-cash Investing and Financing Activities  Fair value of beneficial conversion and warrant features of convertible notes payable  Original issue discounts recognized on convertible notes payable  Warrants issued for debt and equity financing costs  \$ 2,587  653  Warrants issued for debt and equity financing costs	Interest		-		-		
Fair value of beneficial conversion and warrant features of convertible notes payable \$ - \$ 2,587  Original issue discounts recognized on convertible notes payable \$ - \$ 653  Warrants issued for debt and equity financing costs \$ - \$ 203	Taxes		-		-		
Fair value of beneficial conversion and warrant features of convertible notes payable \$ - \$ 2,587  Original issue discounts recognized on convertible notes payable \$ - \$ 653  Warrants issued for debt and equity financing costs \$ - \$ 203	Supplemental Non-cash Investing and Financing Activities						
Original issue discounts recognized on convertible notes payable \$ - \$ 653 Warrants issued for debt and equity financing costs \$ - \$ 203		\$	-	\$	2,587		
Warrants issued for debt and equity financing costs \$ - \$ 203	• •		-		•		
			-				
	Operating lease, ROU assets and liabilities		-		2,050		



Source: NEXGEL, INC.