



SQI Diagnostics Inc. Announces Closing of \$4.05 Million Debt Financing

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TORONTO, June 17, 2022 /CNW/ - **SQI Diagnostics Inc. ("SQI" or the "Company")** (TSXV: SQD) (OTCQB: SQIDF), a life sciences and diagnostics company that develops and commercializes proprietary technologies and products for advanced microarray diagnostics, today announces that it has completed a non-brokered private placement (the "**Offering**") of secured debentures at a price of \$1,000 per Debenture for aggregate gross proceeds of \$4.05 million (collectively, the "**Debentures**").

The Debentures will bear interest at a rate of 8% per annum and will mature two years from the date of issuance (the "**Maturity Date**"). In connection with the Offering, the Company amended its existing security agreement (the "**Security Agreement**") dated January 30, 2015, as supplemented and amended from time to time, entered into among the Company and certain holders of existing 10% secured debentures (the "**Existing Debentures**") of the Company in order to secure the obligations of the Company under the Debentures on the same priority as the Existing Debentures. At any time prior to the first anniversary of Offering, the Company may redeem the Debentures, in whole or in part, at a price equal to 105% of the aggregate amount of indebtedness under the Debentures that the Company elects to redeem and at any time following the first anniversary of the Offering, the Company may redeem the Debentures, in whole or in part, at a price equal to 110% of the aggregate amount of indebtedness under the Debentures that the Company elects to redeem.

SQI intends to use the net proceeds of the Offering to fund the Company's product commercialization and manufacturing programs, sales and marketing and for general working capital purposes.

The Debentures were purchased by three insiders of the Company, who are control persons of the Company. The issuances of Debentures to insiders pursuant to the Offering are considered related party transactions within the meaning of TSXV Policy 5.9 and Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). SQI relied on exemptions from the formal valuation and minority approval requirements in sections 5.5(b) and 5.7(f) of MI 61-101 in respect of such insider participation. Further details will be provided in the Company's material change report to be filed on SEDAR. The Offering is subject to all necessary regulatory and approvals, including the final approval of the TSX Venture Exchange. The Debentures will be subject to a hold period expiring four months and one day from the date of issuance in accordance with applicable Canadian securities law.

The securities described herein have not been, and will not be, registered under the *United States Securities Act of 1933*, as amended (the "**U.S. Securities Act**") or any state securities laws and accordingly may not be offered or sold within the United States or to "U.S. persons", as such term is defined in Regulation S promulgated under the U.S. Securities Act ("**U.S. Persons**"), except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities requirements or pursuant to exemptions therefrom. This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the Company's securities to, or for the account of benefit of, persons in the United States or U.S. Persons.

About SQI Diagnostics

SQI Diagnostics are leaders in the science of lung health. We develop and manufacture respiratory health and precision medicine tests that run on SQI's fully automated systems. Our tests simplify and improve COVID-19 mobile PCR, Point of Care antigen testing and antibody monitoring, Rapid Acute Lung Injury testing, donor organ transplant informatics, and immunological protein and antibody testing. We're driven to create and market life-saving testing technologies that help more people in more places live longer, healthier lives. For more information, please visit www.sqidiagnostics.com.

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CAUTIONARY NOTES

This news release contains certain forward-looking statements, including, without limitation, statements containing the words "will", "may", "expects", "intends", "anticipates" and other similar expressions which constitute "forward-looking information" within the meaning of applicable securities laws. Forward-looking statements reflect the Company's current expectation and assumptions, and are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated. The forward-looking statements in this news release include without limitation, statements with respect to the Offering and the use of proceeds of the Offering. These forward-looking statements involve risks and uncertainties including,

but not limited to risks related to the failure to obtain necessary regulatory and stock exchange approvals for the Offering, general economic and market factors, competition, the effect of the global pandemic and consequent economic disruption, and the factors detailed in the Company's ongoing filings with the securities regulatory authorities, available at www.sedar.com. Although forward-looking statements contained herein are based on what management considers to be reasonable assumptions based on currently available information, there can be no assurance that actual events, performance or results will be consistent with these forward-looking statements, and our assumptions may prove to be incorrect. Readers are cautioned not to place undue reliance on these forward-looking statements. The Company undertakes no obligation to publicly update or revise any forward-looking statements either as a result of new information, future events or otherwise, except as required by applicable laws.

This news release does not constitute an offer to sell or a solicitation of an offer to sell any of the securities in the United States. The securities have not been and will not be registered under the U.S. Securities Act or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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