HTG Forms New Drug Discovery Business Unit

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New unit to focus on development of drug candidates through use of HTG Transcriptome Panel

TUCSON, Ariz., July 20, 2021 (GLOBE NEWSWIRE) -- HTG Molecular Diagnostics, Inc. (Nasdaq: HTGM) (HTG), a life science company whose mission is to advance precision medicine, today announced the creation of a new business unit, HTG Therapeutics. HTG plans to use this new drug discovery business unit to leverage its capabilities and expand upon the utility of the HTG EdgeSeq platform technology in the development of early stage drug candidates.

This new business unit is a direct result and extension of HTG's nearly 20,000 gene mRNA panel (the HTG Transcriptome Panel) that is expected to provide full transcriptome gene expression data from much smaller sample loads using a simplified workflow with a more rapid turnaround time. The HTG Transcriptome Panel is expected to be commercially released in August 2021 and is currently being utilized by several participants in our previously announced Early Adopter Program.

The HTG Therapeutics business unit plans to use the HTG Transcriptome Panel and a full epitranscriptome profiling technology evolved from the original HTG EdgeSeq technology (HTG EpiEdgeSeq) for the profiling of RNA modifications. By leveraging these profiling technologies earlier in the drug discovery process, HTG Therapeutics is expected to generate lead compounds faster, and with superior efficacy and toxicity profiles. In addition to the platform technology for molecular profiling, HTG is building a full machine learning-based chemical library design platform, including advanced docking modeling, which is expected to allow HTG and its collaborators to better predict binding properties of a drug candidate to its target. HTG has partnered with several collaborators who plan to contribute meaningful cohorts for the study of disease versus normal, treated versus non-treated and responder versus non-responder.

"HTG Therapeutics will enable us to take advantage of our transcriptomic and epitranscriptomic profiling technology and contribute to improving the existing drug development process. We can produce a profile with close to 42,000 data points per sample in three independent data sets which includes the ability to detect changes in RNA modifications, such as N^6-methyladenosine (m^6A), which has been increasingly implicated in various disease states," said Marian Navratil, Senior Vice President of Research and Development.

HTG has begun to assemble a team of proven industry veterans to lead this new business unit. We will also leverage the proven experience of our Tucson-based research and development teams to aid in advancing these drug discovery programs.

"We are thrilled to launch the HTG Therapeutics business unit, created to build on our expertise in RNA and apply it to drug discovery. Our historical focus on RNA, coupled with our expanding chemistry, transcriptome and epitranscriptome capabilities and the rapid emergence of RNA-targeted therapeutics have made this the logical next step in our mission to drive personalized medicine," said John Lubniewski, President and CEO of HTG. "The potential benefits of creating HTG Therapeutics became apparent over the past several months based on the successful completion of a series of proof of concept studies highlighting the potential to embed our RNA profiling technology into the drug discovery process. While completing these studies, we simultaneously began the assembly of an experienced team with extensive drug development experience to lead this endeavor and proceed with the building and testing of a differentiated library construction technology based on machine learning and AI."

The initial focus of HTG Therapeutics will be to identify development candidates targeting RNA or RNA modifying proteins, which could be relevant in areas such as oncology, immunology, transplant, diabetes, and rare disease. These efforts will be aimed at the generation of high-quality primary data from HTG's proprietary profiling platform from known and well annotated cohorts, overcoming the notable shortfalls of data mined from public databases. The company intends to leverage its extensive past experiences partnering with biopharma to collaborate throughout the drug development process. For these programs, HTG expects to initiate these partnerships early in the drug discovery process, rather than later in the clinical development stages of development, as it has in past collaborative development services programs.

"We will continue to invest in our existing life science tools and diagnostics business, including HTG EdgeSeq instruments, RUO panels and VERI/O lab service offerings, which we believe are the fundamental building blocks of our overall business. We believe the HTG Therapeutics business unit is a natural outgrowth of the knowledge and experience that our HTG employees have built over the years. With the upcoming launch of the HTG Transcriptome Panel, and the new growth trajectory we believe HTG Therapeutics can create from our platform technology, we are extremely excited for the future of HTG as a leader in precision medicine solutions. We believe we are at the cutting edge of drug discovery with our disruptive approach, and that this new business unit gives us the opportunity to continue to meaningfully advance precision medicine," Mr. Lubniewski concluded.

About HTG:
HTG is focused on NGS-based molecular profiling. The company's proprietary HTG EdgeSeq technology automates complex, highly multiplexed molecular profiling from solid and liquid samples, even when limited in amount. HTG's customers use its technology to identify biomarkers important for precision medicine, to understand the clinical relevance of these discoveries, and ultimately to identify treatment options. Its mission is to empower precision medicine.

Safe Harbor Statement:

Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding: our planned HTG Transcriptome Panel, including the timing of its planned commercial launch and its expected capabilities and performance; the initial focus of our HTG Therapeutics business unit and the expected

technology it will use; our expectation that HTG Therapeutics will generate lead compounds faster and with superior efficacy and toxicity profiles; our plan to build a full machine learning-based chemical library design platform, and its expected benefits; our expectation that we will initiate partnerships early in the drug discovery process and that we will be able to leverage our experience with biopharma partnering; the new growth trajectory we believe HTG Therapeutics can create from our platform technology; our belief that HTG Therapeutics gives us the opportunity to continue to meaningfully advance precision medicine; and the utility and use of our HTG EdgeSeq technology. Words such as "believe," "expect," "will," "plan," "intend" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements necessarily contain these identifying words. These forward-looking statements are based upon management's current expectations, are subject to known and unknown risks, and involve assumptions that may never materialize or may prove to be incorrect. Actual results and the timing of events could differ materially from those anticipated in such forward-looking statements as a result of various risks and uncertainties, including, without limitation, risks associated with: the risk that our HTG Transcriptome Panel and HTG EdgeSeq technology may not have the utility and be used by our potential partners and customers as we expect; risks associated with our ability to develop and commercialize our products, including the HTG Transcriptome Panel; the risk that our products and services may not be adopted by biopharmaceutical companies or other customers as anticipated, or at all; our ability to manufacture our products to meet demand; the level and availability of third party payor reimbursement for our products; our ability to protect our intellectual property rights and proprietary technologies; our ability to operate our business without infringing the intellectual property rights and proprietary technology of third parties; competition in our industry; additional capital and credit availability; our ability to attract and retain qualified personnel; the impact of the COVID-19 pandemic on us and our customers; and product liability claims. These and other factors are described in greater detail in our filings with the Securities and Exchange Commission, including without limitation our Quarterly Report on Form 10-Q for the period ended March 31, 2021. All forward-looking statements contained in this press release speak only as of the date on which they were made, and we undertake no obligation to update such statements to reflect events that occur or circumstances that exist after the date on which they were made.

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