

## Pacific Biosciences of California, Inc. Announces First Quarter 2018 Financial Results

May 2, 2018

MENLO PARK, Calif., May 02, 2018 (GLOBE NEWSWIRE) -- Pacific Biosciences of California, Inc. (NASDAQ:PACB) today announced financial results for its first quarter ended March 31, 2018.

Total revenue for the first quarter of 2018 was \$19.4 million, compared to \$24.9 million for the first quarter of 2017.

Gross profit for the first quarter of 2018 was \$7.3 million, resulting in a gross margin of 38%. Gross profit for the first quarter of 2017 was \$8.9 million, resulting in a gross margin of 36%.

Operating expenses for the first quarter of 2018 totaled \$31.2 million, compared to \$32.2 million for the first quarter of 2017. Operating expenses for the first quarter of 2018 and 2017 included non-cash stock-based compensation of \$4.6 million and \$4.5 million, respectively.

Net loss for the first quarter of 2018 was \$24.2 million, compared to \$23.9 million for the first quarter of 2017.

Cash, cash equivalents and investments, excluding restricted cash, at March 31, 2018 totaled \$79.3 million, compared to \$62.9 million at December 31, 2017.

### Quarterly Conference Call Information

Management will host a quarterly conference call to discuss its first quarter ended March 31, 2018 results today at 4:30 p.m. Eastern Time. Investors may listen to the call by dialing 1.888.366.7247, or if outside the U.S., by dialing +1.707.287.9330, using an Audience Passcode of 936-7938. The call will be webcast live and will be available for replay at Pacific Biosciences' website at <http://investor.pacificbiosciences.com/>.

### About Pacific Biosciences

Pacific Biosciences of California, Inc. (NASDAQ:PACB) offers sequencing systems to help scientists resolve genetically complex problems. Based on its novel Single Molecule, Real-Time (SMRT®) Technology, Pacific Biosciences' products enable: *de novo* genome assembly to finish genomes in order to more fully identify, annotate and decipher genomic structures; full-length transcript analysis to improve annotations in reference genomes, characterize alternatively spliced isoforms in important gene families, and find novel genes; targeted sequencing to more comprehensively characterize genetic variations; and real-time kinetic information for epigenome characterization. Pacific Biosciences' technology provides high accuracy, ultra-long reads, uniform coverage, and the ability to simultaneously detect epigenetic changes. PacBio® sequencing systems, including consumables and software, provide a simple, fast, end-to-end workflow for SMRT Sequencing. More information is available at [www.pacb.com](http://www.pacb.com).

### Forward-Looking Statements

All statements in this press release that are not historical are forward-looking statements, including, among other things, statements relating to the timeline for Pacific Biosciences' potential development of products, future uses, quality or performance of, or benefits of using, products or technologies and other future events. You should not place undue reliance on forward-looking statements because they involve known and unknown risks, uncertainties, changes in circumstances and other factors that are, in some cases, beyond Pacific Biosciences' control and could cause actual results to differ materially from the information expressed or implied by forward-looking statements made in this press release. Factors that could materially affect actual results can be found in Pacific Biosciences' most recent filings with the Securities and Exchange Commission, including Pacific Biosciences' most recent reports on Forms 8-K, 10-K and 10-Q, and include those listed under the caption "Risk Factors." Pacific Biosciences undertakes no obligation to revise or update information in this press release to reflect events or circumstances in the future, even if new information becomes available.

### Contact:

Trevin Rard  
650.521.8450  
[ir@pacificbiosciences.com](mailto:ir@pacificbiosciences.com)

### Pacific Biosciences of California, Inc. Unaudited Condensed Consolidated Statement of Operations (amounts in thousands, except per share amounts)

	Quarter Ended March 31,			
	2018		2017	
Revenue:				
Product revenue	\$	16,282	\$	21,294
Service and other revenue		3,080		3,621
Total revenue		19,362		24,915
Cost of Revenue:				
Cost of product revenue		9,019		11,362
Cost of service and other revenue		3,047		4,616
Total cost of revenue		12,066		15,978
Gross profit		7,296		8,937
Operating Expense:				
Research and development		16,311		16,971
Sales, general and administrative		14,934		15,265
Total operating expense		31,245		32,236
Operating loss		(23,949)	)	(23,299)

Interest expense		(581	)		(838	)
Other income (expense), net		351			270	
Net loss	\$	(24,179	)	\$	(23,867	)
Basic and diluted net loss per share	\$	(0.20	)	\$	(0.26	)
Shares used in computing basic and diluted net loss per share		123,768			92,970	

**Pacific Biosciences of California, Inc.**  
**Unaudited Condensed Consolidated Balance Sheets**  
*(amounts in thousands)*

	<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b>Assets</b>		
Cash and investments	\$ 79,260	\$ 62,872
Accounts receivable	8,452	13,433
Inventory	25,930	23,065
Prepaid and other current assets	2,057	2,249
Property and equipment	36,704	37,920
Long-term restricted cash	4,500	4,500
Other long-term Assets	46	45
<b>Total Assets</b>	<b>\$ 156,949</b>	<b>\$ 144,084</b>
<b>Liabilities and Stockholders' Equity</b>		
Accounts payable	\$ 8,567	\$ 9,093
Accrued expenses	10,243	12,618
Deferred service revenue	7,087	7,394
Deferred rent	14,285	14,453
Other liabilities	145	605
Financing derivative	12	183
Notes payable	13,872	13,635
Stockholders' equity	102,738	86,103
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$ 156,949</b>	<b>\$ 144,084</b>

[Primary Logo](#)

Source: Pacific Biosciences, Inc.