J.P. Morgan 39th Annual Healthcare Conference

January 14, 2021

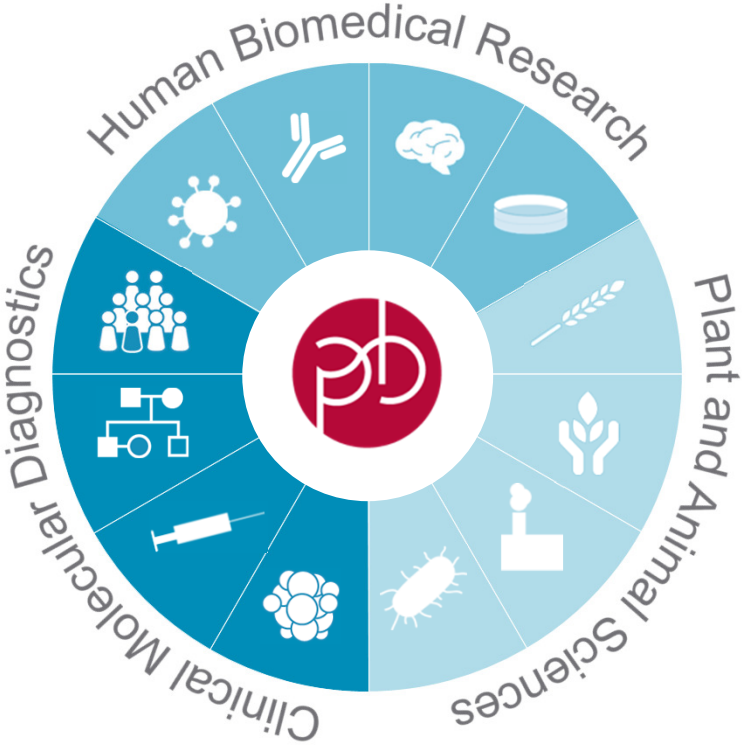
Christian Henry
President & Chief Executive Officer

Safe Harbor Statement

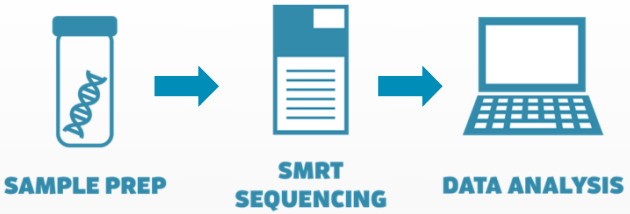
All statements in this presentation (and any accompanying oral presentation) that are not historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements generally relate to future events or our future financial or operating performance and are based on management's current beliefs, assumptions and projections and on information available to management as of the date of this presentation. Forward-looking statements include, among other things, statements regarding estimated growth; strategic plans, including market opportunities, penetration and increased digital presence; attributes and sequencing advantages of SMRT® technology, the Sequel®II/IIe Systems and HiFi sequencing, including the expected research and diagnostic benefits of using SMRT® technology; manufacturing and distribution plans, including the scaling of manufacturing of Sequel®II/IIe Systems, SMRT Cells and reagents and the delivery of products; expectations regarding the pricing and gross margin for products, including statements related to the reduction of sequencing costs; research and development plans; commercial collaborations and partnerships; product commercialization, including adoption rates, expectations related to the newly launched Sequel IIe System and expansion of the sales and marketing team; product development, including improvements in throughput; future applications, uses, availability, quality, performance, or benefits of using products or technologies, product improvements, or updates; and other future events. Accordingly, 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 the Company's control and could cause actual results to differ materially from the information expressed or implied by forward-looking statements made in the presentation. Factors that could materially affect actual results can be found in our filings with the Securities and Exchange Commission, including our most recent reports on Forms 8-K, 10-K and 10-Q, and include those listed under the caption "Risk Factors." The Company undertakes no obligation to revise or update information in this presentation to reflect events or circumstances in the future, even if new information becomes available.

The COVID-19 pandemic and efforts to control its spread have affected our financial results for the three and nine months ended September 30, 2020 and will likely continue to adversely impact our revenues during the fourth quarter of 2020. Due to the uncertain scope and duration of the pandemic, we cannot reasonably estimate the future impact to our operations and financial results. Even after the COVID-19 pandemic has subsided, we may continue to experience an adverse impact to our business as a result of its global economic impact, including any recession that has occurred or may occur in the future.

A Global Leader in Complete & Accurate Long-Read Sequencing



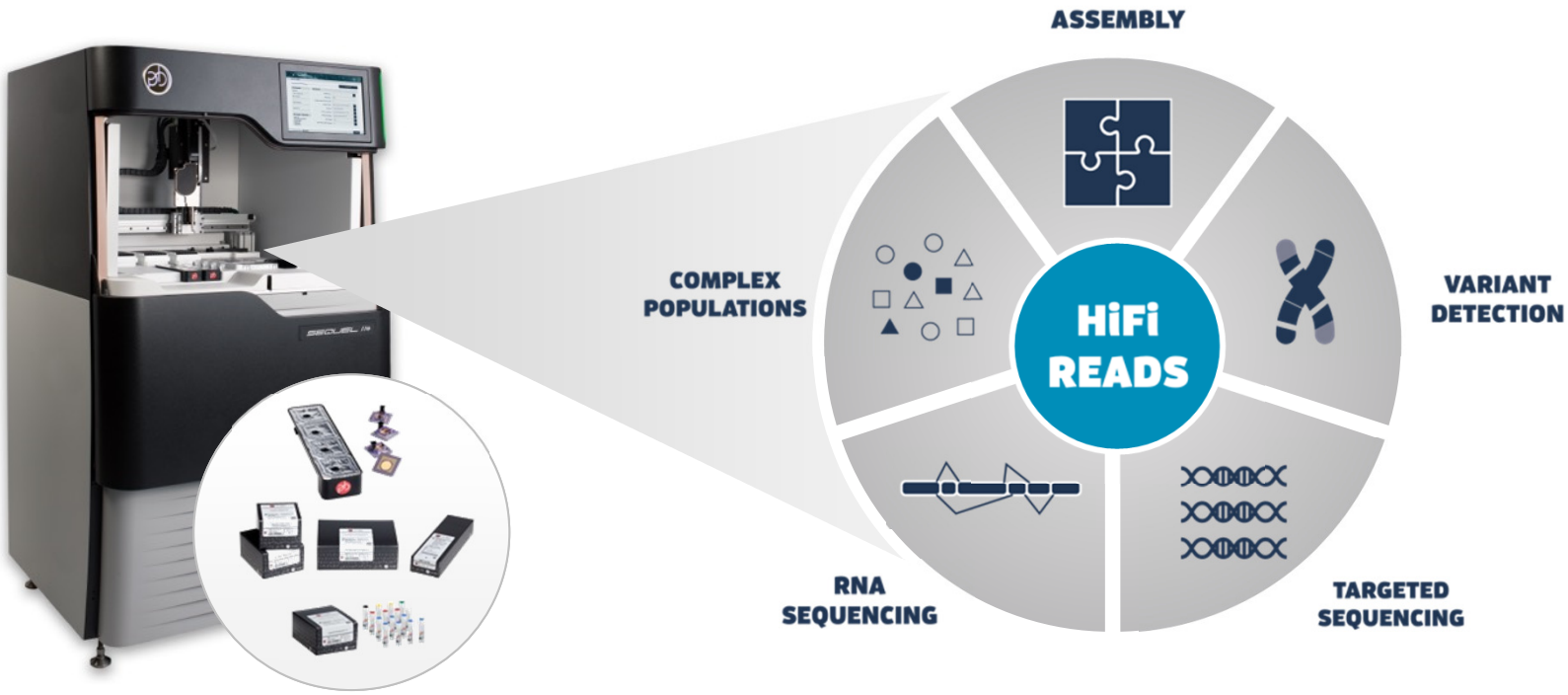
End-to-end solutions



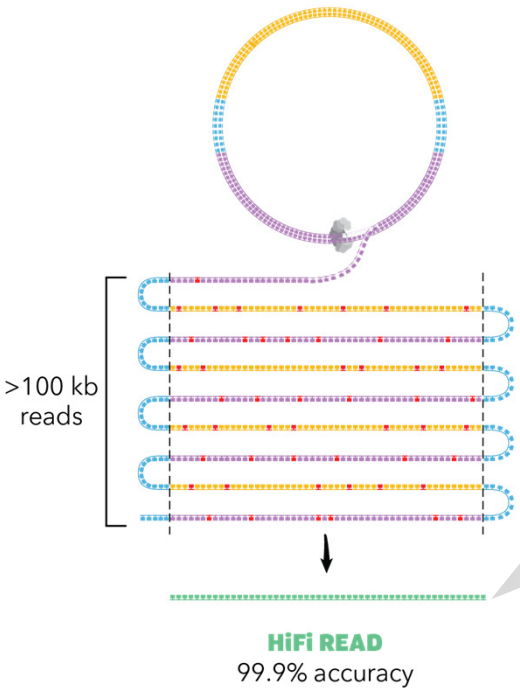
Total Addressable Market Opportunity | **>$20** Billion

Markets & Markets Report: Next Generation Sequencing Market Global Forecasts to 2025

Technology to Deliver Comprehensive Solutions



PacBio HiFi Reads are Transforming Genomics



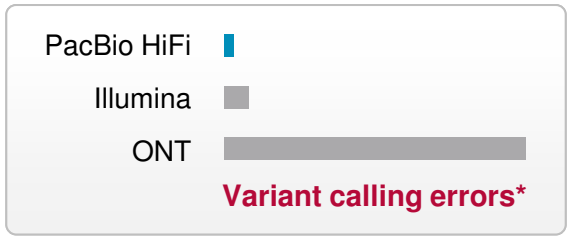
Even coverage

Genome completeness

Extraordinary accuracy

Allele resolution, long-range phasing

Best performance for all variant classes
SNVs | Indels | Structural Variants



*https://precision.fda.gov/challenges/10/view/results

Sequel IIe System – HiFi Reads with a Dramatic Reduction in Data Cost

Launched Q4 2020

On-instrument data processing

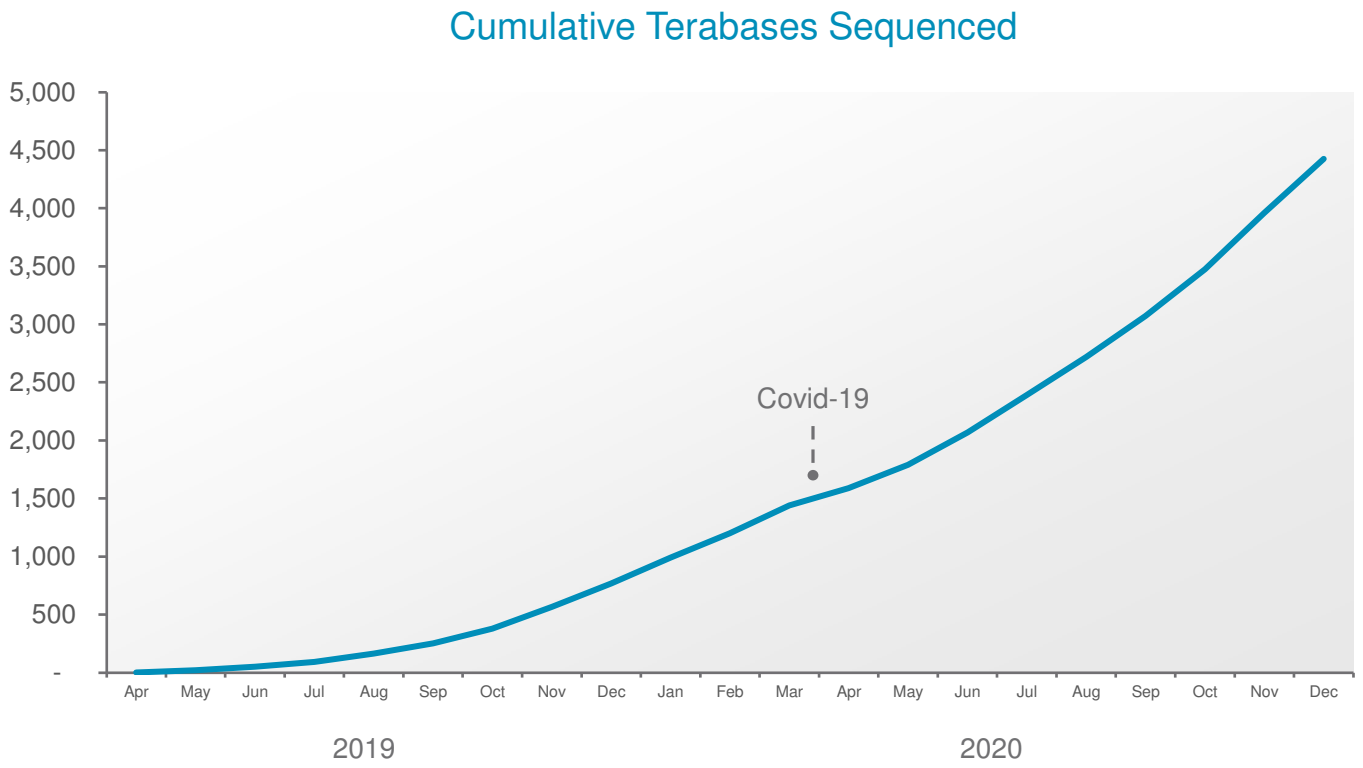
~90% reduction in data storage needs

~70-85% reduction in data analysis time

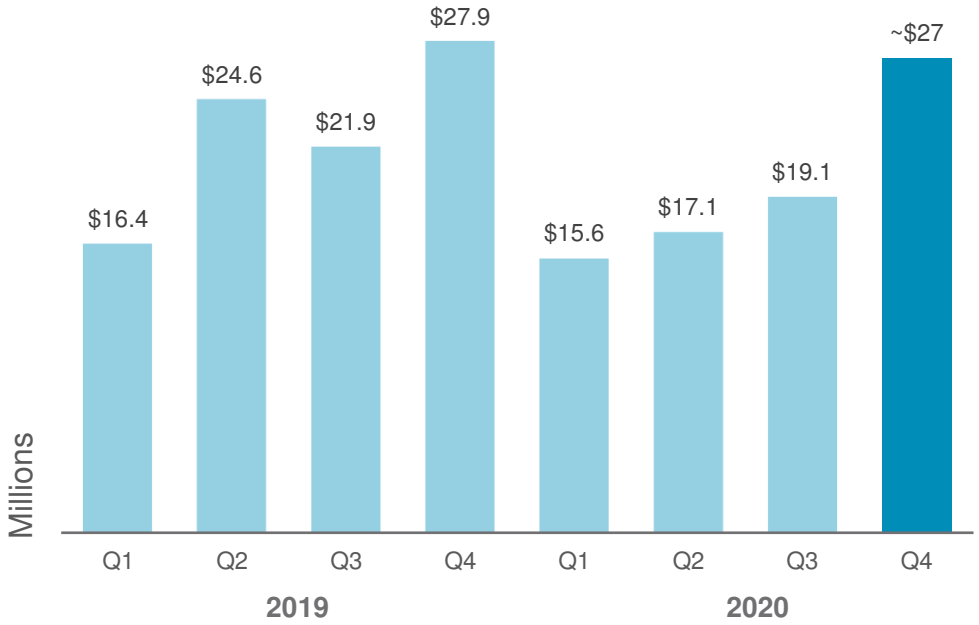
Cloud enablement

Compute cost savings of $700/human genome

Sequel II/IIe Utilization Accelerated



Preliminary Q4 Revenues



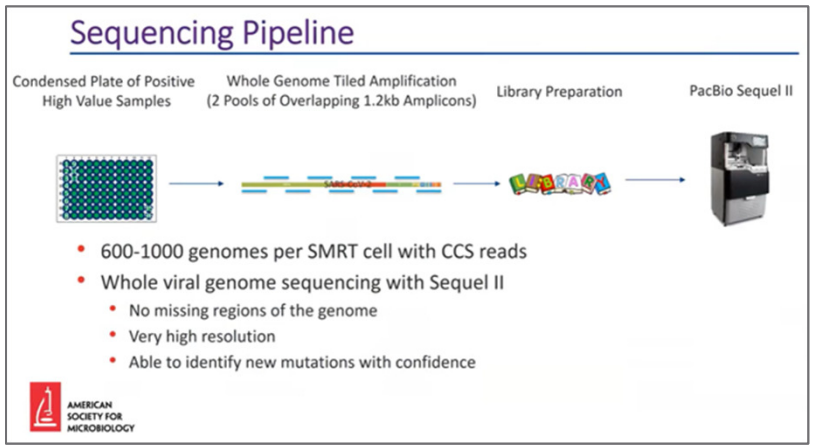
Revenue	**~$27M**
Sequential Growth	**41%**
Ending Cash/Investments Balance	**>$318M**
Sequel II/IIe Install Base	**203**

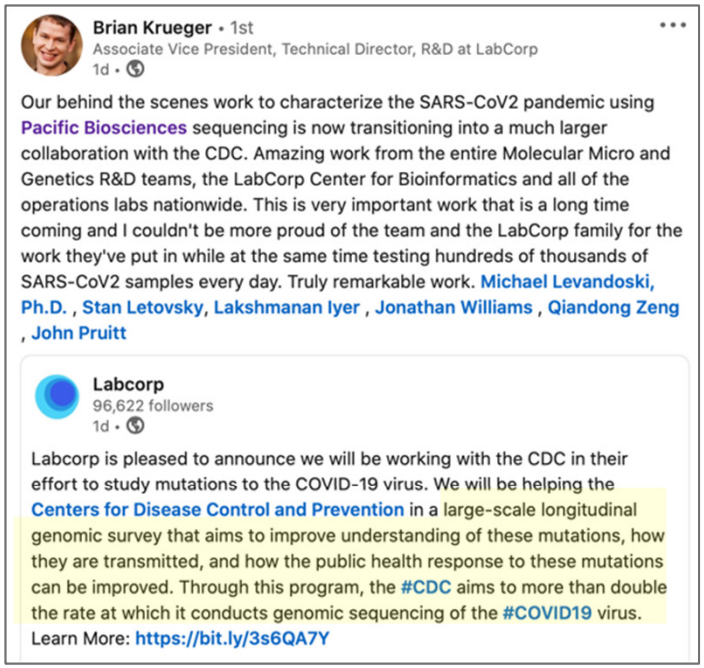
LabCorp Expands PacBio Sequencing for CDC COVID Work

JANUARY 7, 2021| **SOURCE:** LABCORP

Labcorp Awarded CDC Contract to Study Variants of COVID-19 Virus and Improve Public Health Response

Genomic Sequencing Aims to Help Define Changes in Transmission and Identify New Mutations





Brian Krueger • 1st
Associate Vice President, Technical Director, R&D at LabCorp
1d •

Our behind the scenes work to characterize the SARS-CoV2 pandemic using Pacific Biosciences sequencing is now transitioning into a much larger collaboration with the CDC. Amazing work from the entire Molecular Micro and Genetics R&D teams, the LabCorp Center for Bioinformatics and all of the operations labs nationwide. This is very important work that is a long time coming and I couldn't be more proud of the team and the LabCorp family for the work they've put in while at the same time testing hundreds of thousands of SARS-CoV2 samples every day. Truly remarkable work. Michael Levandoski, Ph.D. , Stan Letovsky, Lakshmanan Iyer , Jonathan Williams , Qiandong Zeng , John Pruitt

Labcorp
96,622 followers
1d •

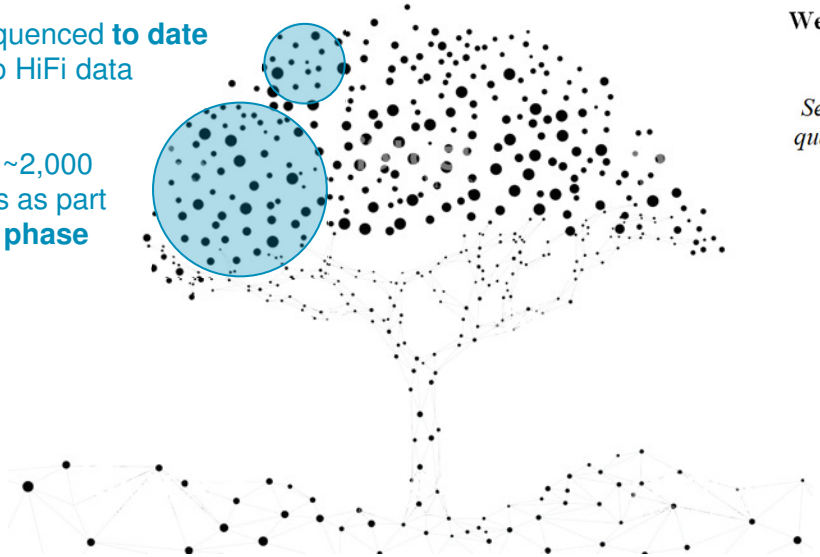
Labcorp is pleased to announce we will be working with the CDC in their effort to study mutations to the COVID-19 virus. We will be helping the Centers for Disease Control and Prevention in a large-scale longitudinal genomic survey that aims to improve understanding of these mutations, how they are transmitted, and how the public health response to these mutations can be improved. Through this program, the #CDC aims to more than double the rate at which it conducts genomic sequencing of the #COVID19 virus. Learn More: https://bit.ly/3s6QA7Y

https://www.labcorp.com/coronavirus-disease-covid-19/news/labcorp-awarded-cdc-contract-study-variants-covid-19-virus-and-improve-public-health-response
https://www.youtube.com/watch?v=NfK-C-mgv7Q&feature=youtu.be; https://www.linkedin.com/posts/briankruegerphd_cdc-covid19-activity-6753086749557198848-aNI-

Darwin Tree of Life (DToL) Initiative Demonstrates our Leadership in Plant and Animal Genomics

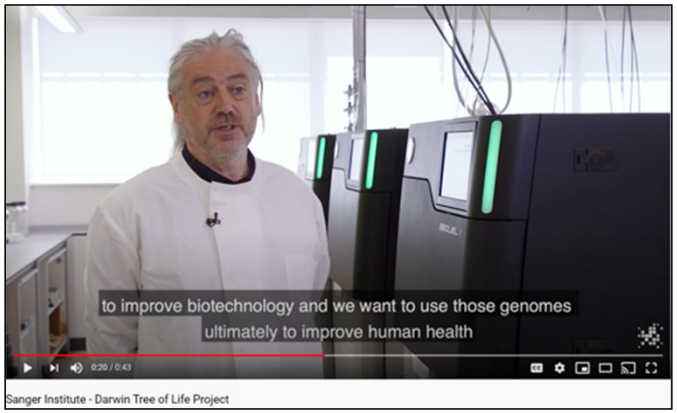
>300 species sequenced **to date** with PacBio HiFi data

Plan to sequence ~2,000 additional genomes as part of **first, two-year phase**



Wellcome Sanger Institute Increases Investment in PacBio Long-Read Sequencing to Support Darwin Tree of Life Research Initiative

Seven new Sequel IIe Systems will support expanded generation of high-quality genomes for improving fundamental understanding of biology and aiding biodiversity conservation



Sequence all 66,000 UK species over 10 years

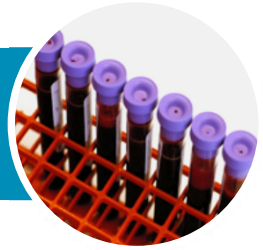
https://www.darwintreeoflife.org/; https://www.youtube.com/watch?v=aK1Ek39z4sA; http://ow.ly/YtJ550D3icv

Strategic Objectives for 2021

1 | **Expand Commercial Reach**

2 | **Drive Product Development Pipeline**

3 | **Market Leadership in Whole-Genome Clinical Sequencing**



Aggressive Commercial Expansion Objectives to Enable Growth

1 | **Expand executive team with commercial experience**

2 | **More than double our commercial footprint**

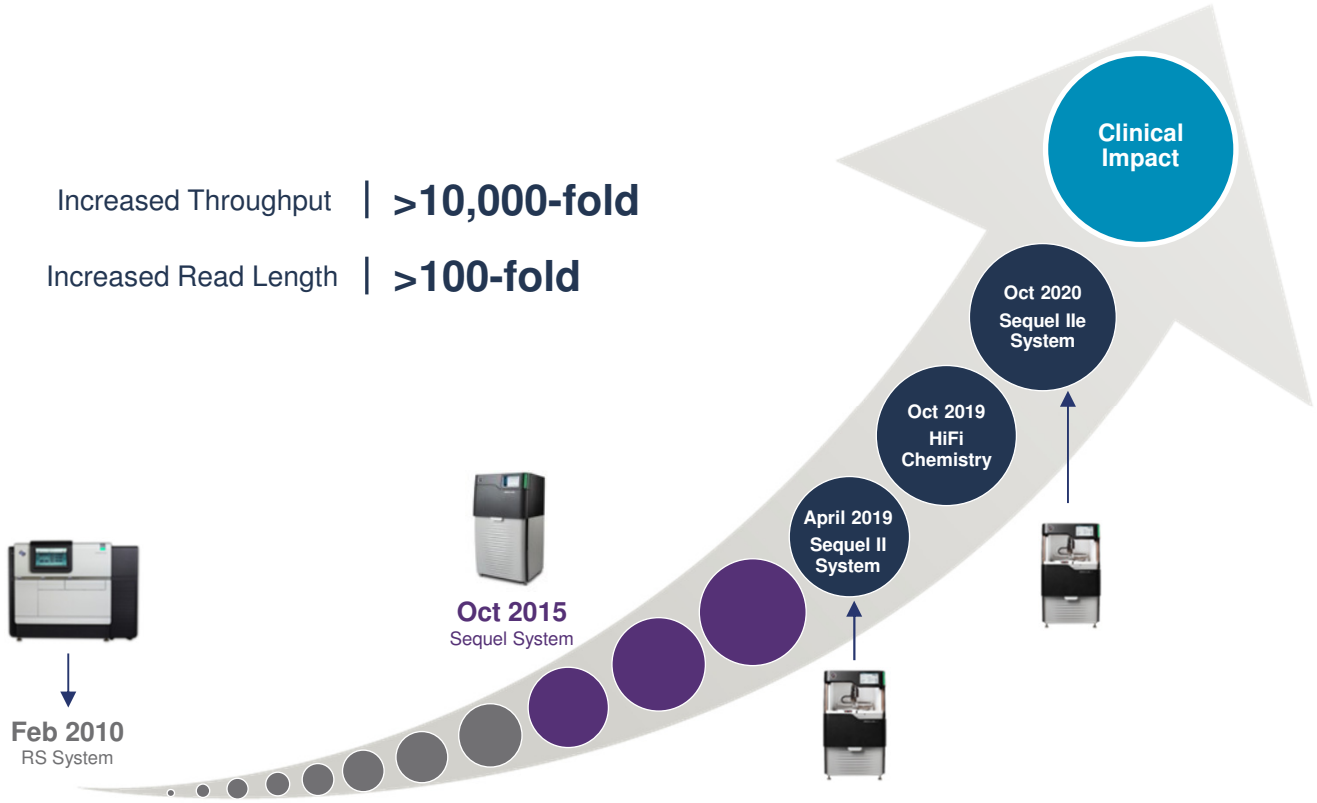
3 | **Increase digital presence**

Global Commercial Footprint

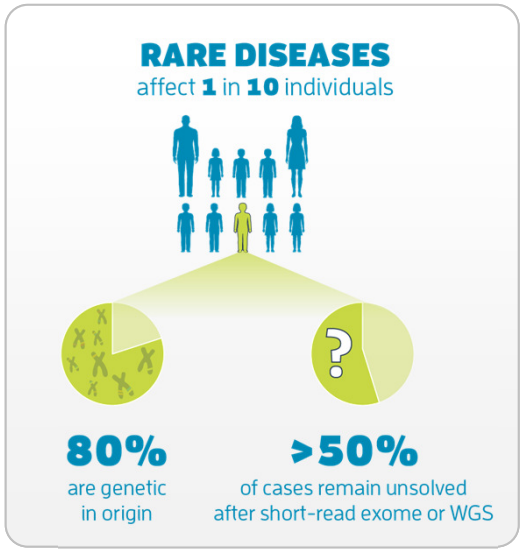
A Decade of Development Ready for Clinical Impact

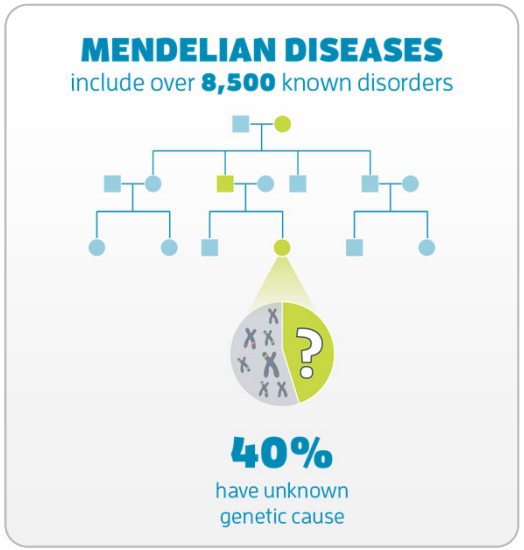
Increased Throughput | **>10,000-fold**

Increased Read Length | **>100-fold**



Clinical Impact: Rare and Inherited Disease Diagnosis



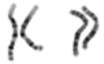


PacBio provides a more comprehensive and accurate whole genome

Our goal in 2021 is to demonstrate the increased Dx power with PacBio in Rare and Inherited Disorders as the first of many clinical indications

Clinical WGS is the future of medicine

More Complete Detection Yields More Diagnoses




Karyotype	Microarrays	Short-read Sequencing		Long-read Sequencing
		Exome	Genome	HiFi Genome
Chromosomal abnormalities	Copy-number variants >50kb	SNVs & indels, some large exonic variants	SNVs, indels, some large variants	**SNVs, indels, SVs, CNVs, phasing, translocations, inversions, repeat expansions**
~5% solve rate				
Phelan Proc. of Greenwood Genetics Center 1996	De Vries AJHG 2008	De Ligt NEJM 2012	Gilissen Nature 2014	Collaborations, presentations & publications to date

Adoption by Leading Medical Institutes & Consortia

https://www.pacb.com/blog/solve-rd-team-adopts-pacbio-sequel-ii-system-to-solve-rare-diseases/
https://investor.pacificbiosciences.com/news-releases/news-release-details/childrens-mercy-kansas-city-teams-pacific-biosciences-fight-rare
https://allofus.nih.gov/news-events-and-media/announcements/nih-funds-new-all-us-research-program-genome-center-test-advanced-sequencing-tools
https://investor.pacificbiosciences.com/node/11431/pdf

Accelerating Development to Support a WGS Workflow

Automation
Reducing Input

Loading
Faster polymerase
Nucleotide analogs
ZMW density

Raw base calling
HiFi compute algorithm
Secondary analysis
Cloud implementation

HiFi READS

Genome as a Platform

Pediatric	Rare Disease	Pediatric Onc	Newborn screening	
Early Adult	Cancer Risk	Cardiac Risk	Reproductive Health	Pharmaco-genomics
Elderly	Cancer Risk	Cardiac Risk	Neuro-degenerative concerns	Pharmaco-genomics
Acute Indications	Germline Cancer mutations (Tx)	Neuro-degenerative concerns	Pharmaco-genomics	Cardiac/ metabolic event

Collaboration to Accelerate Long Read WGS into Routine Clinical Care

Joint development of production scale high-throughput clinical whole genome sequencing platform, leveraging PacBio's HiFi Reads

Expected to deliver the most clinically relevant whole genome at substantially less than $1,000, opening adoption in routine medical care

Enables Invitae to dramatically scale their whole genome testing capabilities

Summary

- Leading long-read sequencing capability
- Launch of Sequel IIe drives strong performance
- Our collaboration with Invitae aims to deliver on the promise of routine WGS in medicine
- Commercial expansion will help drive growth in 2021