

PacBio + Apton

Bringing SBB™ to high throughput

📅 **August 2, 2023**

Forward-looking statements

This presentation and the accompanying webcast include forward-looking statements within the meaning of the federal securities laws. All statements, other than statements of historical facts, are forward-looking statements. Generally, you can identify forward-looking statements by terms such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “targets,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these terms or other similar expressions. Forward-looking statements contained in this presentation and the webcast include, but are not limited to, statements about our acquisition of Apton, including the potential benefits of adding short-read, high-throughput sequencing technologies to our product portfolio and the synergies such technologies may provide with our existing offerings; forthcoming PacBio products or technologies, including the Onso and Apton systems, and their future availability, use cases, performance, and specifications; the size and growth rates of the markets in which we compete, as well as PacBio’s evaluations of its market opportunities; our future operating results, including revenue, margins, and expenses, as well as goals and operating plans; and expectations with respect to development and commercialization timeframes. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions and other factors, including, among others, challenges inherent in executing on our acquisition of Apton, including integrating Apton into our organization and achieving the synergies and other benefits anticipated from the acquisition; challenges inherent in developing, manufacturing, launching, marketing and selling new products; and rapidly changing technologies or other developments affecting us and the markets in which we compete. Some of these risks are described in greater detail under the captions “Special Note Regarding Forward-Looking Statements” and “Risk Factors” in our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023, filed with the Securities and Exchange Commission (the “SEC”) on May 4, 2023, and in our future filings with the SEC. Our management cannot predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors,

may cause actual results to differ materially from those contained in any forward-looking statements we may make. These factors may cause our actual results, performance or achievements to differ materially and adversely from those anticipated or implied by our forward-looking statements. Furthermore, our forward-looking statements may prove to be materially inaccurate. Considering the significant uncertainties in these forward-looking statements, you should not place undue reliance on them or regard them as a representation or warranty by us or any other person that we will achieve our objectives and plans in any specified time frame, or at all. We undertake no obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

In addition, forward-looking statements reflect our current beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this presentation and webcast, and although we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted a thorough inquiry into, or review of, all potentially available relevant information.

Market data and industry and industry information used throughout this presentation are based on management’s knowledge of the industry and the good faith estimates of management. We also relied, to the extent available, upon management’s review of independent industry surveys and publications and other publicly available information prepared by a number of third-party sources. All of the market data and industry information used in this presentation involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we believe that these sources are reliable, we cannot guarantee the accuracy or completeness of this information, and we have not independently verified this information.

Enabling the
promise of genomics to
better human health

PacBio●

Apton, at a glance



Pre-commercial company developing a **short-read, high throughput (HT) sequencing system**



Developed advanced optical systems for sequencing and protein detection



36 granted patents with 49 pending covering various aspects of sequencing consumables and instrumentation¹



Based in Pleasanton, CA, with 30 employees¹ and has raised \$57 million prior to acquisition



Expect Apton to accelerate our entry into the high throughput, short-read sequencing market



Aligns with our **strategy to build a portfolio of sequencing offerings**



Onso beta/collabs further substantiated our belief that an **SBB-based high throughput solution can differentially address customers' needs**



Apton offers innovative and cost-effective **high throughput optics**



Apton's system **has the potential to combine the accuracy of SBB with HT sequencing** at a highly competitive price point



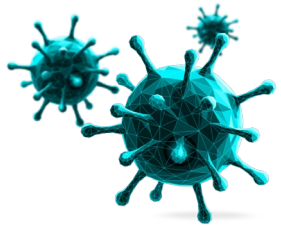
Provides a head start in **addressing a growing HT market** of 1,000+ customers with 2,000+ sequencers that spend >\$1M in consumables annually per box



We intend to **quickly integrate Apton's agile** team into our R&D organization

Apton's technology can offer a high throughput system that is "SBB-ready"

Potential capabilities include:



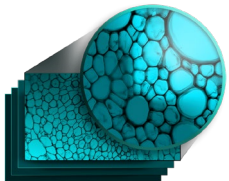
Clustering and chemistry systems that allow us to achieve extreme densities

DNA nanotechnology allows us to fabricate well-defined nanostructures to overcome spatial challenges with high-density sequencing and protein detection



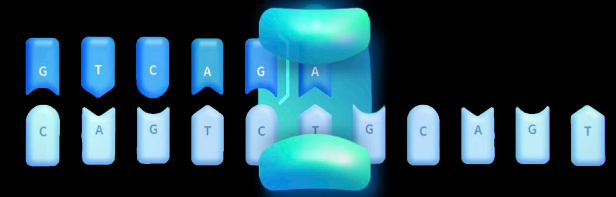
Advanced HW-SW integration

Instrument control parameters are meticulously tuned to deliver high-speed imaging generating an unparalleled density of molecular image data.



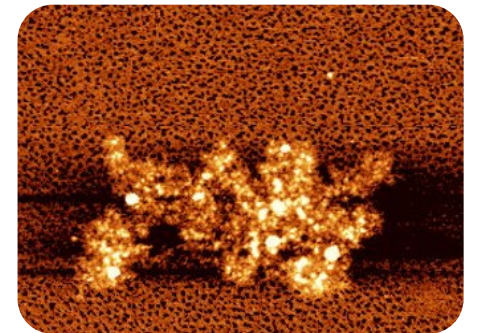
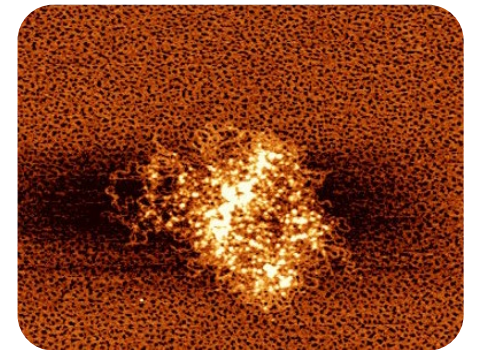
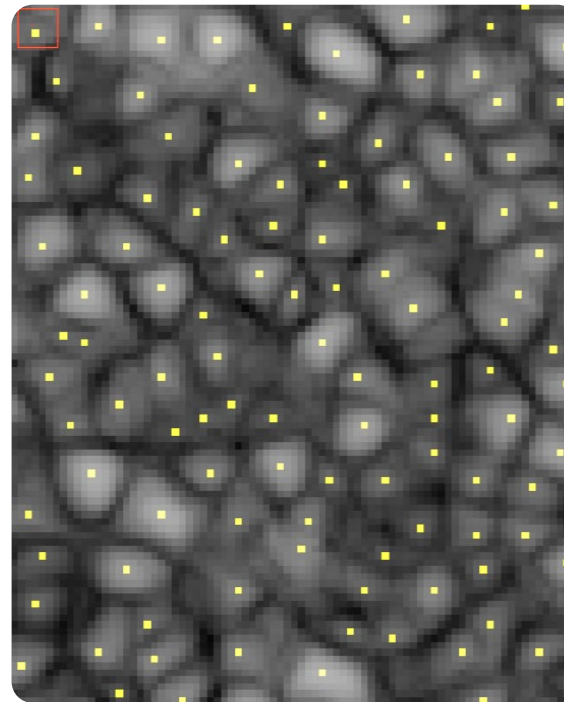
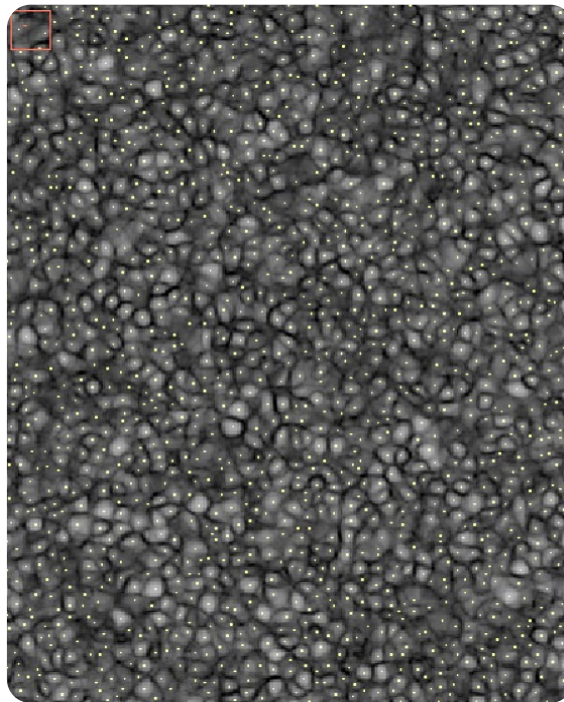
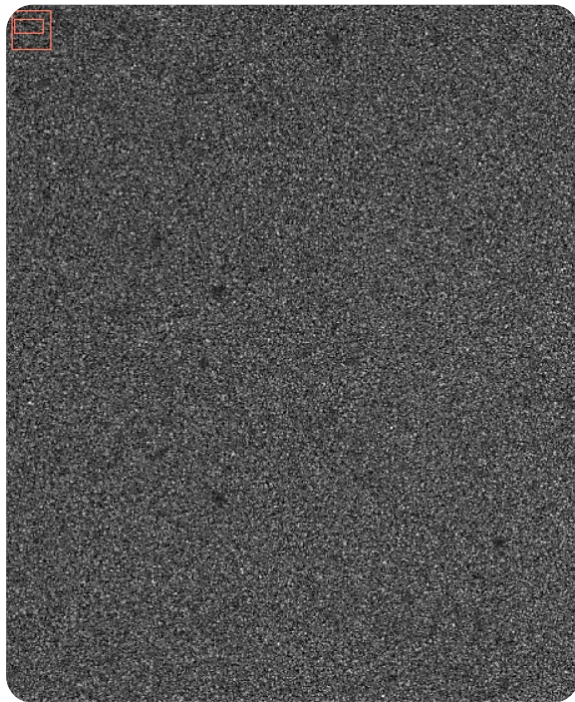
Advanced image processing

Advanced ML and physics techniques for image transformation allow us to achieve visibility of individual molecules beyond the diffraction-limit



SBB levels of performance demonstrated on Apton system

Apton's optical system can detect billions of molecules densely packed on the surface at single molecule resolution

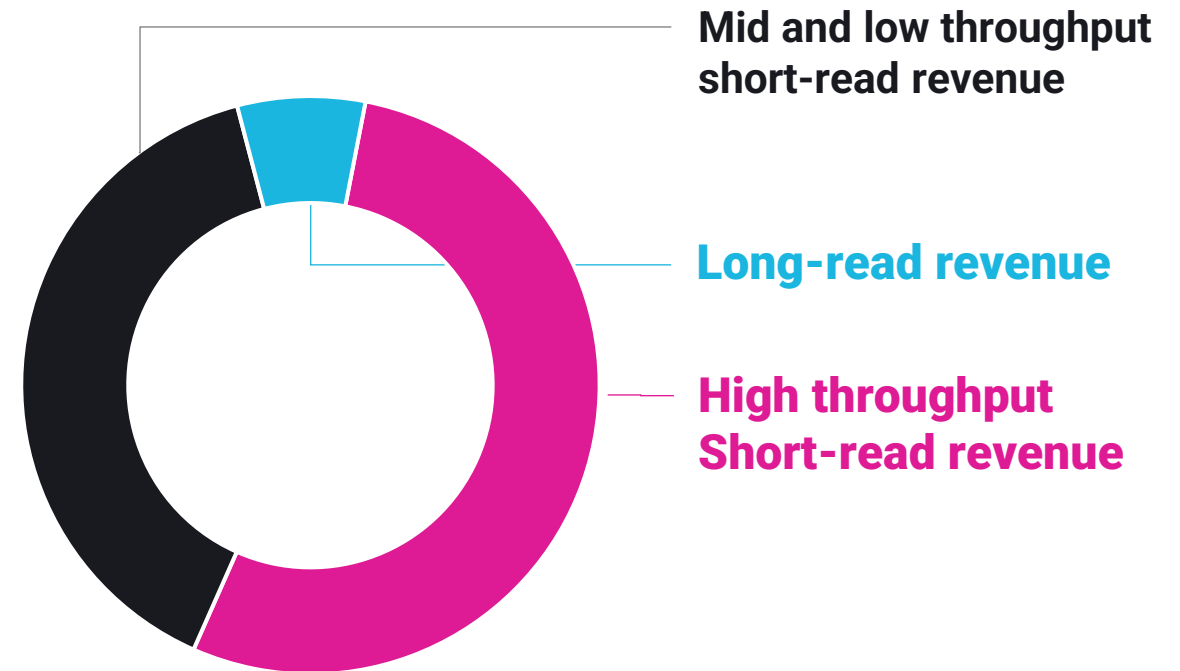


Apton's novel imaging technology optical resolution is 40 nm/pixel with a detection sensitivity of 1 molecule.

AFM Images of Circularized DNA Clusters

The high throughput, short-read customer base is the most significant driver of the multi-billion-dollar sequencing TAM¹

Breakout of the multi-billion-dollar sequencing market¹:

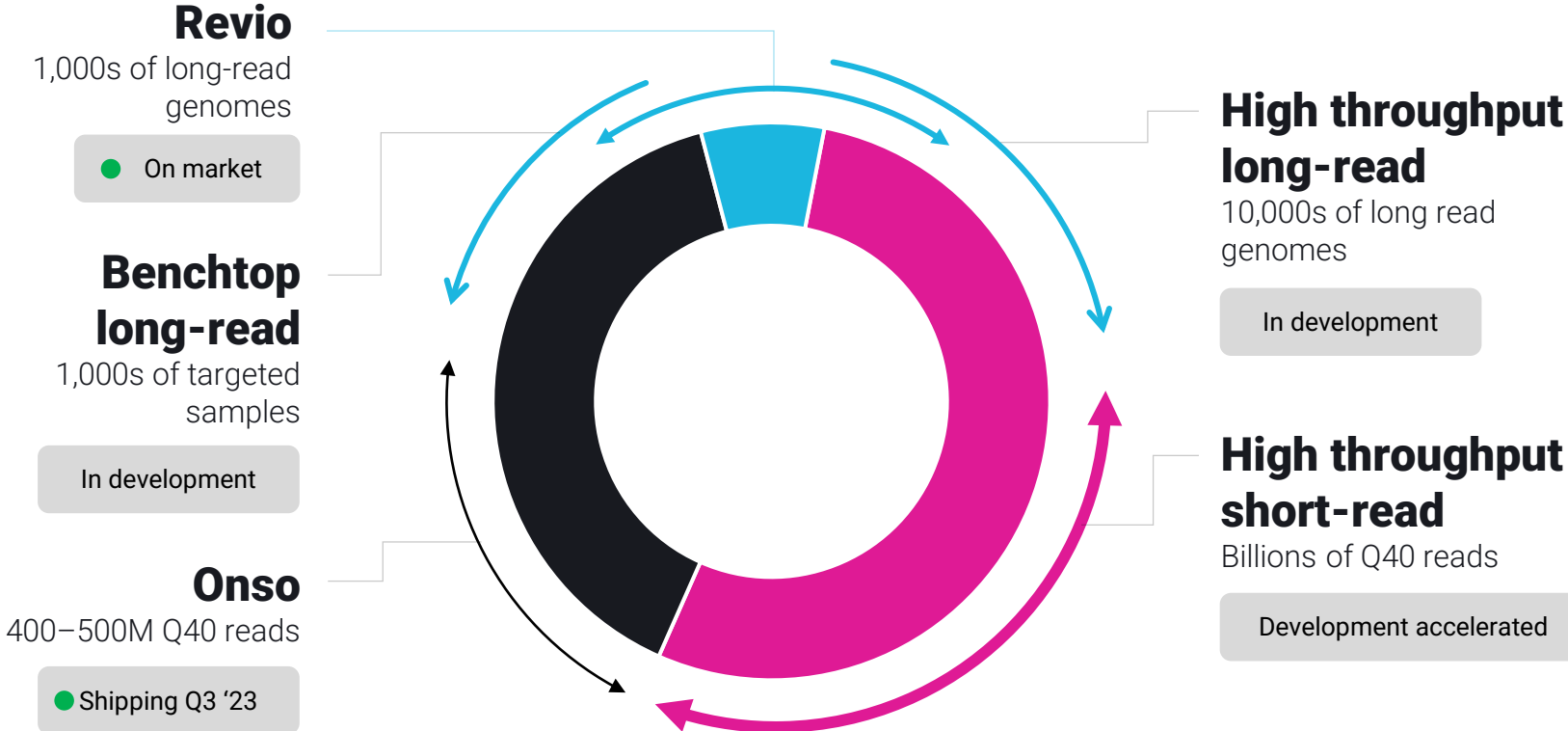


1. For illustrative purposes only and is meant to depict the estimated approximate share of total sequencing revenue opportunity; based on peer data and internal estimates

PacBio will have a differentiated ability to address the broad sequencing market with multiple platforms

We continue to expect future HiFi-based product offerings to expand the long-read revenue opportunity

Breakout of the multi-billion-dollar sequencing market¹:



1. For illustrative purposes only and is meant to depict the estimated approximate share of total sequencing revenue opportunity; based on peer data and internal estimates

A portfolio of both short- and long-read systems allows PacBio to offer the **best-suited technology** in each application for **optimal results**



HiFi sequencing

Delivers long reads with the highest accuracy¹ – even in hard-to-sequence regions



SBB sequencing

Promises significant accuracy improvements over conventional NGS approaches

Complex disease research

Clinical whole genomes

Plant + animal sciences

Immunology

Rare + inherited disease

Gene editing confirmation

Infectious disease/microbiology

Targeted clinical panels

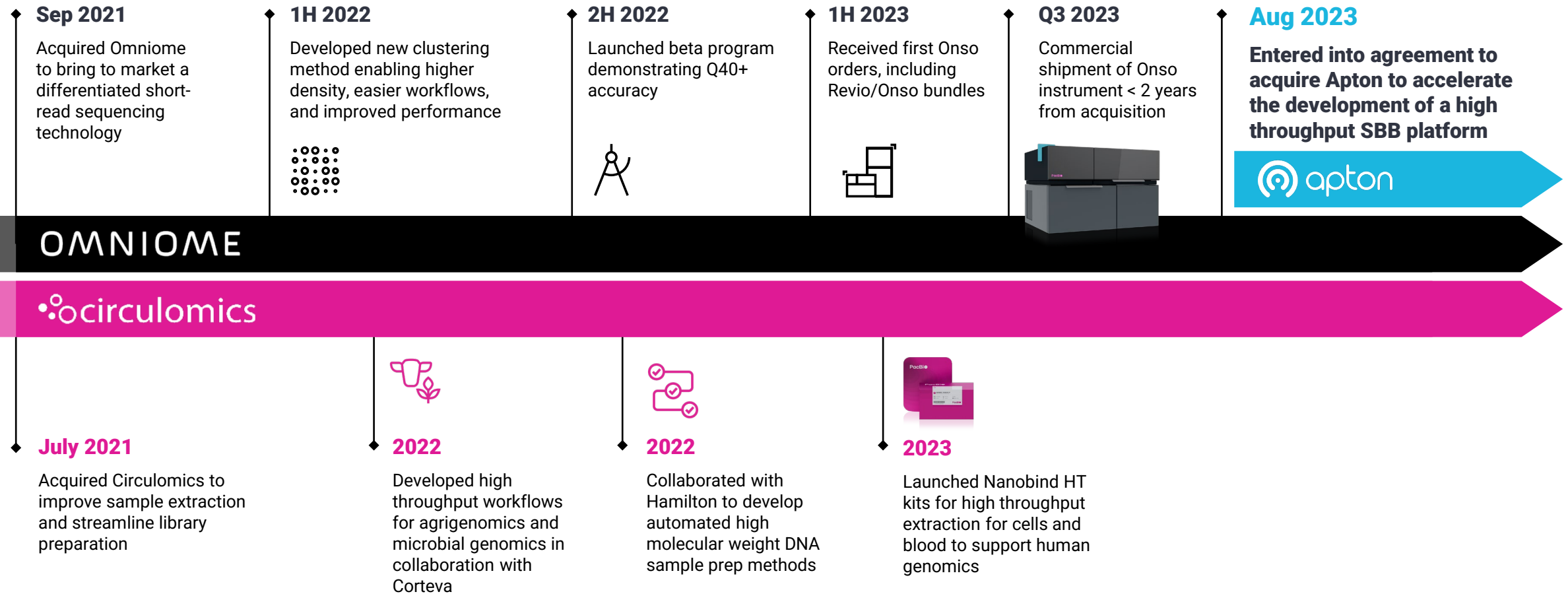
Therapy selection

Noninvasive prenatal screening

Early-stage cancer screening

Cancer recurrence monitoring

Track record of acquiring differentiated technology and accelerating development



Onso™

Now shipping



400–500M
Reads



200 + 300
Cycle kits



48-hr
Run time



≥90%
Bases Q40+



HT SBB

In development*



Billions of
Reads



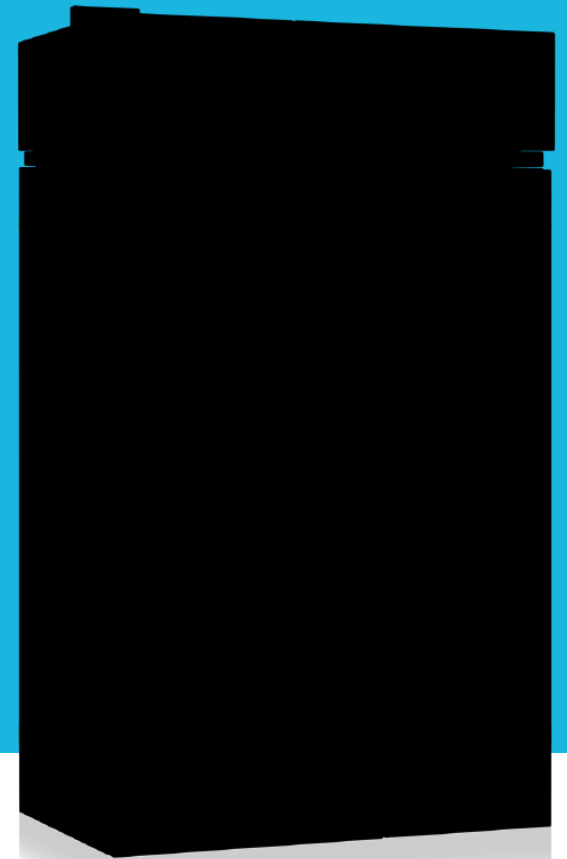
<48 hours
Run time with
onboard clustering



≥90%
Bases Q40+



Multiple
Flow cells per run



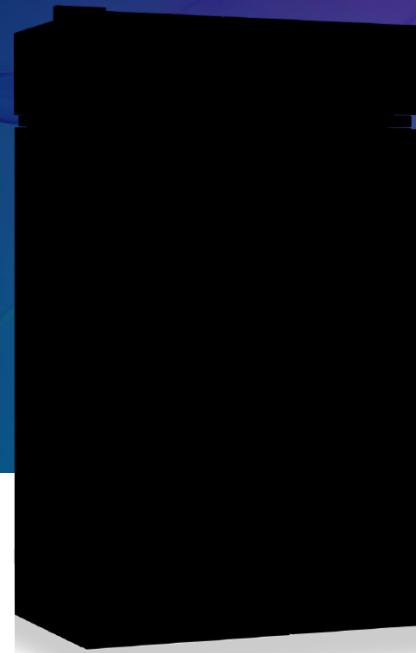
PacBio

SBB & HiFi offer the best of both worlds

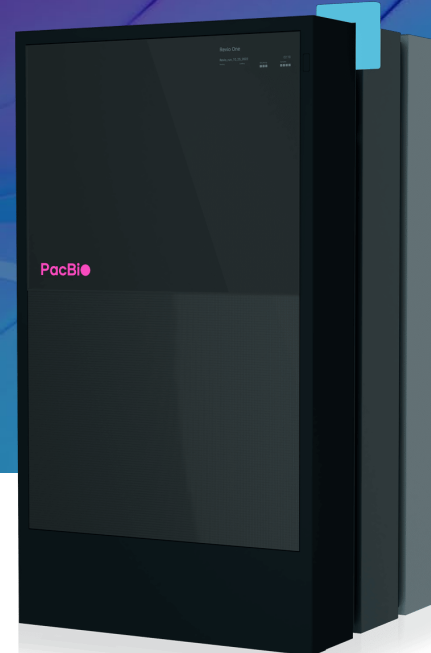
We believe PacBio is the only sequencing company with both highly accurate short-read and long-read technologies



Onso™



HT SBB
(in development)



Revio™



Sequel IIe™

SBB technology

HiFi technology

Financial details



\$85 million upfront, which consists of ~6.3 million shares



\$25 million milestone (cash or stock at PACB discretion) upon \$50 million in revenue



No change to our long-term OpEx growth target of 5% CAGR through 2026



Accelerated time to market in HT short read further supports our belief in 40-50% revenue CAGR through 2026



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