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EDITED TRANSCRIPT

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PRESENTATION

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Good afternoon. Welcome to another session at the UBS Global Healthcare Conference in the 04:40 slot. Pleased to be joined with the senior executive team [from Fluidigm] I have with me on the phone or virtual presentation, Chris Linthwaite, President and CEO; Vikram Jog, Chief Financial Officer; Agnes Lee, Head of Investor Relations.

So please don't hesitate if you're on the webcast to shoot me a question. Looks like I've already got one coming through, which is interesting. But feel free to shoot them through, and hopefully, we can get to those questions as we proceed.

So with that, Chris, Vikram and Agnes, thanks for attending the conference, and thanks for presenting.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

You bet, Dan. Thanks, and thank you to UBS for including us in this May conference.

QUESTIONS AND ANSWERS

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Awesome. So I thought we could just -- there's obviously a lot to tackle the base business, the opportunity with cytometry, COVID. But I think it's most important to start with COVID testing, if you will, not the COVID drag on the cytometry business since that seems to be a really nice potential upside optionality for the company and drive a lot of potential growth for your microfluidics business. So maybe, if you don't mind, could we start with the RNA side of the equation, and obviously, you got Oklahoma that you've got the relationship with that filed for EUA and is starting to test, and I believe you're also filing your own EUA.

One question I get, I think, out of the gate is, how do we think about pricing for the RNA test? I know microfluidics gives you the ability to use dramatically less, the reagents, and if you check some of the price points of some of your chips, I mean, you could argue for a much lower price point than what competing technologies offer for. But I'm just wondering about as we kind of look out as this test is commercialized, what's the right level of pricing to assume?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I appreciate the question. And yes, I do agree with you that the COVID, both as a -- it's near-term kind of a business challenge that we're all facing with globally on a level playing field, but it's also a very significant catalytic opportunity for a company like Fluidigm to accelerate programs

that we have the technology and capabilities to provide, I think, a really meaningful benefit for the world and significantly increase our own market share in the process. And this has created a catalytic event to get all of those kind of organized into a series of value propositions.

So I think pricing and really the value to Fluidigm has been -- is a common theme, and it's probably one of the ones that's a little difficult to fully parse out right now. So there's 2 -- just using 2 approaches to COVID testing, and I know I'm sure you'll ask a third later related to the epigenetics test with DARPA.

So the first instance of the Oklahoma opportunity, that's a situation, it's more of a classic LDT approach in which Fluidigm can provide the components, so the LEGOs, if you will, and OU as the testing house compiles the combination of LEGOs they want to put together to create their structure, their village, their kit. And they take that kit and support it and then submit it to the EUA -- or to the FDA for their EUA submission. In those situations, the value to Fluidigm is driven by how many of our components they consume. And if you think about all the things that they might need to make their LEGO village, they could require a sample collection vehicle. So in the case of the NP approach, that would be the nasopharyngeal swabs, then there's storage mediums, there's extraction if they're using an extraction-based approach, which OU is using an extraction-based approach. There's then the economic value tied to loading that on, in our case, onto the chips. Then there's the IFCs, that are the consumable related to that and there's master mixes and buffers and other sundry chemistry components that can be added in.

So at the very, very base level, if Fluidigm got nothing else other than just using the IFCs, the chips, then we, today, for -- in that sort of configuration, a list price for a kit is they're sold in 10 packs. So it's approximately $5,000 for a 10 pack. So call it about $500 per run. And per run, you can process up to 192 samples. So that's kind of like a floor and maybe that's useful to think about as a floor in terms of the value to Fluidigm. And then it increases depending on how many more components that we provide for that solution that's going to go into a laboratory developed test configuration.

I'll pause for a second. Does that kind of make sense?

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Yes, that makes sense.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Okay. So -- okay. Go ahead.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

That's fine.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. Okay. And then as we move towards a kitted solution, and I definitely want to talk a little bit about the kitted solution when the time is right. The kitted solution provides Fluidigm providing kind of all of the elements that goes into the LEGO kit and/or many of the components, and they're all in one submission package. So whether Fluidigm is a seller of that or they point to another third-party that may be, let's say, for instance, the collection device, whatever that may be, then that economic, sometimes it can be kitted by the kit provider or sometimes the customer may purchase it, but it's from separate -- from a vendor, but there's a specific part number and a vendor that's tied to it. But that does increase the share of wallet for Fluidigm for -- in a kitted solution and it allows us, I think, to better realize the full economic value that we unlock for our complete value proposition.

So we do expect that the total value to Fluidigm in a kitted solution will be much larger than the simple example I gave you for an IFC alone.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

So any way to characterize, I mean, thermo somewhere between $7 and $11, most of the fully kitted high throughput platforms is somewhere between $20 and $35, are you -- I mean, is it safe to say that your Thermo esque or any -- or in between? Or any color to help us think about what the kitted solution price could be?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I'd say once we prepare the commercial claims related to it, then I think that's when we'll present what the value -- the cost to the customer will look like. In Canada right now, we're looking at many different use cases on situations and kind of also thinking about what's the total economics from a testing, if it's going to a central lab for testing, like a large national testing house or if it's being done by, say, a major academic medical institution that's servicing through their health care systems. I think there's a couple of different ways to think about who is the final payer for this, how much they're getting paid and what's the margin they expect and then backing into what's an appropriate margin for the fully kitted solution.

So you can obviously look at this different ways. You can look at it a cost-plus model, you can look at it from a value creation perspective. But you've given some reference prices, and I think those reference prices are kind of anchoring our underlying assumptions as we think through these scenarios.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. And any update, I know OU has filed the EUA, so they're able to now run the test, I think, there is a CLIA lab. How about for Fluidigm? Like where do you stand with timing on your own EUA?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. We've been working at a very feverish pace on this, and it's kind of amazing that there's 16 months or 16 weeks ago, this was a blank canvas for COVID and everything related to COVID. And the pace in which we're working to develop, what would normally take months or really years to deploy in a kitted solution. I feel pretty comfortable saying that we're going to be in a position to submit our own EUA in the early part of June. We'll have the specific claims related to that as part of that filing and announcement. So it's not too far on the horizon. It's certainly in our planning right now. There's going to be some unique elements to our kitted approach that will be different from the approach that we've supported OU through, which will be pretty notable. And we think they could be very important to the market. We're looking at approach that's one of the biggest pain points, as we've dissected this, is the collection process. And so the vast majority of the market, in fact, all the kitted solutions, except for one, that's a home kit solution today is using the NP approach, that's the nasopharyngeal.

We're committed to a saliva approach. We think that's going to be a very important step forward for the marketplace and to make it easier and address one of the key pain points in the collection as well as the quality of the samples that are being collected from the potentially infected population or as we're screening the population.

And in addition, we're aggressively attacking an extraction-free approach. So we think that one of the biggest bottlenecks has been extraction-based chemistry and the restrictions and adding additional work steps and time and cycle time and costs. And so we're attacking an approach that's extraction free. So I think as we put saliva extraction free and make that to the IFCs and the Biomark, which has a leading throughput of up to 6,000 tests per day, we think we're going to have a highly differentiated offering that we're very excited to get out into the market.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

And are you willing to sacrifice analytical performance for either one of those to enable it? Because we were, I think, we haven't studied this. I know there's been a couple of studies, which I think I flipped through the Yale study on the saliva approach, but I was told like where this virus is. The

first time the nasopharyngeal approach, at least you get in the back of the -- kind of the back of the, I guess, into the throat, where I guess it resides, to some extent, but the saliva, maybe it's kind of glued with a lot more bacteria and I don't know virus. So it's harder to get a clean viral sample. So again, how -- should we expect performance to be in line? Or would there be some sacrifice in order to achieve those differentiating features?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I mean our filing submission will reflect our final claims related to that. But we believe that there is a viable approach that there will be not a compromise in sensitivity. In fact, through improvements, there may be a path to even improving the limits of detection. But we'll let the studies kind of just dictate at the end what our final claims will be. And it's possible that there's initial claims then follow-up claims as larger studies are done. But we believe that we have an approach that can -- would not require a compromise in both the quality of the initial sample substrate, and that's -- that our approach to the extraction-free approach will be effectively at least at par, and that's what we have to do a benchmarking against the nasopharyngeal as part of our study design to prove those claims. So we don't believe that we're going to have any trade-off with regards to the NP approach. And in fact, there'll be a tremendous number of benefits on the ledger.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

And is the extraction-free approach, is that something that was internally developed? Or do you have to lean on some third party in order to achieve that?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I'm not really at liberty to talk a lot about the details, but it is a combination of Fluidigm advances and a third party. We'll probably be at liberty to discuss the third party at the time of the launch.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Interesting. Okay. And in terms of your -- I mean, capacity has been a huge gating factor for a lot of other traditional PCR vendors, partly due to RNA extraction and swabs and just scaling up all these platforms to meet the demand. What -- you've got 500 boxes that are out there today, could you just speak to with this EUA filing upcoming, what kind of capacity you think you'd be able to supply, however you want to characterize it, a week, a month, a year? Just any color on that front would be helpful.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

So just one more time, so what's the question is going to be around how we're going to manage the supply chain from our capacity?

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Capacity. Just in terms of -- yes. I mean each of the vendors typically come out and they say, we can -- we could supply x number of tests per month or per week or per year. What would you become the change you guys could be?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. Yes. So part of the advantages to this approach was one of the things as we were trying to eliminate supply chain risk. We certainly don't want to be co-dependent upon areas that are already constraints in the national and international supply chain. So that's part of why we committed to this approach because we felt that it was important to open up another front outside of the current co-dependence or the dependencies on a number of different -- the same kind of core suppliers.

So I think we're -- we'll have -- we are building to different forecast models. So I have to say that once we're ready, we're working feverishly right now to develop kind of some level of guidance on what the availability will be in terms of IFCs, instrument platforms and other components that may go into this final solution.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

And are the existing Biomarks, is there anything unique to the way you're setting up this particular RNA test? Would there be any reason why existing Biomarks can't run them or all 500 Biomarks potentially targets to run this type of platform? Maybe, I guess, the type of instrument that can run it and where these Biomarks sit, could you give a little flavor between which ones actually sit at places where you think they'd be into and running a diagnostic test?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I think that's also a piece of analysis that we've been working on. So we have started -- we've created scatter plots on an international basis of where we believe the units are today and beginning to as our part of our preparation activities to figure out which ones can be most easily activated. We believe that the majority of the Biomarks -- there are some Biomarks that we're seeing in agricultural and biosciences applications. So I would assume that those will not be easily lifted and shifted over to this.

The benefit of us being fairly significant to having a large academic and medical focused academic center, research center focus, is that many of these systems should be in the hospital systems or in the research arms across the campuses that they're attached to. So I'll only be speculating on the ability to move those quickly within their own facilities. We do have a number of beachheads in higher throughput labs and processing facilities already today. So those would be the obvious ones to leverage out of the gates. And we would expect that we would place additional instruments as part of this process.

The majority of those Biomarks should be -- there shouldn't be any needs for modifications or changes to the Biomarks themselves. The IFC chips are a well-established format. Our 192.24 chip, which has a robust and high yield in our factory. So we feel good about that portion of the supply chain. And then I think the questions will be around -- you do either need a Juno or one of the -- one of our controllers in front. So there's possible that they have a system without a controller so we can place a controller, but that's a pretty straightforward exercise. So we've been working through the supply chain requirements for this as part of national surveillance programs, as part of challenges and how we're going to help meet national testing requirements in the United States and in other geographies. And so we've been working with governmental groups and officials to try to identify what would be the model for doing high-level durable scaling -- testing at the scale that's required to meet our needs.

And I know actually it goes without saying, but as you know, we're making -- I'm making a lot of forward-looking statements. So all of our normal disclosure agreements and disclosures and stipulations all relate to this and making these are -- these are things that should happen in the future, but we have -- this is the work that we're doing right now. So they're subject to the normal usual risk.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Great. We can come back to -- that's exciting stuff. Maybe one more there before we jump over to the mRNA approach. What -- are any of the 500 Biomarks that go to the reference labs what have you kind of indicated? And any presumably, given the throughput here is like triple what the next closest platform is, presumably, I would think reference labs would be kind of a target customer. So can you speak to what's there today? And what's the opportunity you think with reference labs?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I think that's -- it's part of the thought exercise that we're going through right now, which is -- which customer segments are the ones that would most easily shift or lift and shift from their existing approaches. And I don't want to be speculating because part of this is tied back to the

ultimate pricing strategies that we go forward with. And is it an instrument they're taking advantage of already today? Is it an instrument rental model? Or is it a sale of an instrument and then they're buying the consumables and what volume commitments that they're making?

I think that everyone right now is scrambling to figure out just take any university system right now, as they're trying to imagine what's the scale of testing and the frequency of testing that will be required in order to, for instance, get their student campus back to full normal operations. I think things like the NP approach has been an obstacle as well as maybe some of the cost structure associated right now today. So I think we've got to be very careful about thinking through what's the elasticity of demand and what will be the different groups that we'll be looking for? What price points will they be able to afford? And how frequently will they be able to afford to test in this case, students, but it could be any workforce.

I think this is the key unknown to how big this market can become in terms of the volume. And so I think as technologies like ours, as these value propositions become established in the market, then it will start to be very interesting to think about where samples were aggregate to and where the maximum value is. And will the -- in the current wave, the majority of the processing, I think, is probably going through the Quest and the Labcorps and the big central labs is that will it stay in a highly concentrated environment? Or will it move to more of a distributed model? I think these are all things that we are developing points of view on, but I don't have a strong one today.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. And the Biomark is not a CLIA wave, right? I mean, it has to be run in a kind of CLIA lab, which complex -- I don't know what the complexity level is, but it's not CLIA waved.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. So this -- the filing will include the Biomark as part of that.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Right, right. But I'm saying that can't be used in like a low complexity lab, it couldn't be used like a minute point or something like that, right?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes, I think it will be more in the high complexity lab space. That is correct.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. Okay. Okay. And then maybe before I kind of switch over to funding, let's talk about the mRNA approach. Maybe from a high level before I get into that aspect, pretty exciting news, obviously, on the RNA approach, which you just mentioned. But when you think about both approaches, which -- I mean, could you give a high-level view on which do you think is the bigger opportunity for Fluidigm?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

I think they're very different -- they may be different use cases. I'm not sure yet today where we stand. I think I look at this as a portfolio theory and/or taking a -- look at it different way, it's a bit of a hub and spoke. So if you put at the hub at the core, where the Biomark platform and the Juno-Biomark combination are at the hub of multiple testing strategies. So you'll have testing strategy A, which is the laboratory developed test do-it-yourself configuration, we can derive value into there. The second is the RNA-based test that we just described. It's a virus -- viral-based testing. And I think that the kitted solution made it with a novel approach, both from sample collection, extraction free, and then the Biomark is a very interesting compelling value proposition. A third, which is the messenger RNA approach is this host infection assay. And this case, the substrate is

likely to be blood. So that may be a segment of the market that people are more willing to submit saliva as a test sample -- test article and less likely to want to commit to the blood. But the trade-off may be that the sensitivity and the earlier detection that comes from the blood-based approach may be very, very attractive.

So I think based upon when the final claims are prepared and the filing is complete, then will be easier to kind of compare and contrast how each of these different opportunities, which maybe becomes the more dominant modality for testing. I think from a personal perspective, I don't mind getting blood collected. And so for me, the benefit of having -- committing to a multi week -- multiple times a week sort of blood collection a Monday, Thursday, Saturday or what have you in order to know that I have not been exposed in the last 24 or 36 hours would be very valuable. Other people may be happy with knowing that over the last 7 days or it's every 7 days, they've been tested and they are free after that seventh day. So I think it's kind of hard to speculate at this time, which one will be the more valuable one or the dominant approach. But I'm very comfortable that I love the fact that we'll have potentially multiple shots on goal here to service many different segments of the market.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

That's great. And kind of where are we with? I mean I know it's DARPA and Mount Sinai in a consortium, but where are we with? What kind of the latest update you could provide in terms of timing?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. Unfortunately, I'm not in a position to give any more information than what we've already disclosed in our most recent public -- joint public release with the 3 collaboration partners, but I can tell you that we're working feverishly on this project also. And we're very pleased with the continued progress.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

So -- and remind me what the most because I mean we read a lot of articles, just remind me what the most recent public disclosure was?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes, we gave no specific date on the EUA filing, which is the key event, I think, people are looking for. So I think that as soon as we have visibility to that, we're willing to -- I think the 3 partners have agreed that we're not going to give any forward-looking statements related to this. And this work is too important to set an arbitrary deadline to. But we all recognize the importance of it, but we believe that whether it's from a business perspective or a scientific perspective or from a national surveillance program commitment that this is something that's really important. So we are working like that with that pace.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Right. And in terms of the recent articles we've read suggest there continues to be a lot of optimistic language around the ability to have this accurate detection day 1 or very early on. Can you respeak to, has that already been accomplished? And now it's just kind of a lot of other issues with the filing that go into this is -- or is that still not validated, I guess?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

I think the -- maybe a different way to think about it is that the RNA-based detection, the bulk test that we've described that we spent the first part describing that underpins our own emergency use authorization strategy as well as the OU -- taking OU as an example, Oklahoma University example, that's very well characterized. And so that's one bucket.

You've got the antibody-based testings or serology-based testing, conventional-based antibody testing. That's pretty well characterized. In this case, it's a novel detection approach. So I think the FDA will give it appropriate consideration as a new testing methodology. We're not getting a cold start on this. So with this announcement, the original program started last year, and some of the underlying science goes back years before that. So there is a series of proof points that have been built around this approach. And the study designs with live samples is all part of this -- is part of the discussions with the FDA on the structuring, and then will ultimately back into or drive the claims that we make related to the performance claims of the test. So I think this is -- that's why it's -- we're not -- we don't want to share one thing yet until we finalized all pieces of the equation.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. Is it fair to say that if we're hearing July heading into Q2 reporting season, we would be surprised if we haven't seen the EUA filing?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

I think we all want it as soon as possible. So I think we've all committed that we are not going to rush our artificial deadline, but rather, we'll make sure that we have done a sufficient number of patient samples and have structured a rigorous scientific and regulatorily-sound approach to this test.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Right. And in terms of government contracts related to this, obviously DARPA, we've read articles, HHS and maybe what can you speak to regarding the government's involvement or interest with -- when this goes through, let's assume you file a EUA, it gets approved, how does it get commercialized? Does the government sign up and they say, we're going to have all these different bodies, push this out? Is it Mount Sinai? Is it you? Is it all 3? How does it work?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. I think there's a couple of ways to answer this. So once the EUA is filed, it's likely that it will -- we'll be able -- on a risk based, we can make a risk-based decision on whether or not we're going to start commercializing, meaning distributing the product. I think when we cross that bridge, we'll communicate what we're going to do with regards to that. I think the interest in this will be across the board from many different customer segments. You've highlighted one, which is the national government level. DARPA clearly is an agency within the Department of Defense, has a strong mission that's committed to everything from force protection of the military to serving the public good. So that's one potential buyer. There's other stakeholders in the government and other agencies that will have an interest in covering portions of their mission. And part of what DARPA does is they're the incubator and kind of almost like a venture capital arm for supporting thrusts of innovation that are private public partnerships. And then we work together to market to other agencies to introduce other agencies to do the capabilities of the system. And so they've certainly been sharing information with the right people within the government already on development of this program. So I think there's keen interest there. And then as part of their network, they share a network across multiple countries as part of our allied nations agreements to also share insights into this. So I do believe that government and public agencies will be one vector of market adoption. And then you could come up with a list as long as our arm is long around other stakeholders that might be interested in the value of such a test to open up their enterprises.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

In terms of your ability, like you have, outside of what the government does in Mount Sinai, Fluidigm's going to be free to -- when this is filed, you'll be free to commercialize this yourself, just like you're commercializing, is that correct?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Maybe I misunderstood the question. So yes, so Fluidigm will be the commercial deployment partner for this.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. And I know we addressed this, I think, on the Q1 call, but some of the press releases suggest that DARPA would look to make this assay available to other PCR-type platform. How exclusive will this mRNA assay and the filing be to Biomark and Fluidigm?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

There are some very unique performance characteristics of the Fluidigm platform that make this -- that may in fact be the core enabling technology to making this a viable testing approach. So I think there -- it's very likely that our intrinsic advantages and miniaturization of our wells at nanoliter scale and our ability to do this massively paralleled approach and the number of samples that we can process will be a very compelling value proposition and maybe uniquely critical to unlocking the claims -- the performance claims of the assay.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

So something to do with this mRNA approach and the 1-day detection, some of that, your technology, the miniaturization of the wells and the nanoscale approach, some of those attributes are what potentially enable that to occur? I mean immensely parallel approach, I guess, lowers the cost, but it's -- I'm just wondering, from like a capability utility basis, you think certain features might make it implausible to do on another type of PCR platform?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Thank you for the correction. Yes, I agree with you. It's not necessarily the throughput makes it viable at scale, but the first couple of parts you made I completely agree with. Actually, I agree with all of it. So I do believe that there is some intrinsic advantages.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

How about funding? Like -- so you've got now 2 really significant potentially opportunities in addition to your base cytometry business, but these are critical in terms of the need right now. So how do you go about funding these opportunities?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

So which aspect of funding are you picking out? The development portion or the scale-up in commercialization?

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Commercialization, I think -- yes, I think, commercialization, I would think. I mean you have to buy -- I guess you probably have to buy a lot of inventory and kits to kind of start this going, you probably have to expand presumably your sales force to go out and push this now, I would think, who knows on the marketing and regulatory. I assume there's a lot of different just manufacturing itself. I mean, you will have to have to produce more Biomarks. So I assume there's a lot of working capital and CapEx and things like that, that are going to be needed.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes. So the development program is a key part of our collaboration with DARPA. So they have -- we're contributing the intellectual property. Others are contributing good -- great science, world class science and access to clinical samples. Other groups are contributing informatics advantages, and DARPA is providing the key critical funding to unlock this entire combination. When we move to the commercialization phase, I think that's -- that is a question that we have been preparing for and there's multiple ways for us to address that. We've -- from a regulatory perspective, I feel very comfortable with the infrastructure we've put in place.

Our sales organization, as you may recall, we began scaling up our selling organization in the fourth quarter of last year. So I think we've got a good starting point from a commercialization approach. It may be that we should consider partnerships for full leverage and distribution, but those are all things to be determined in the future.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

I know DARPA and other agency that actually funded some of the vaccine development, is that a potential? I mean, like in addition to what they've done here, is there additional for more capital to help maybe commercialize it?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

As you said, there's various agencies within the government, whose jobs are to -- some of them are geared towards developing the initial technology. Others are geared towards scaling and providing networking capital to scale out critical elements of the supply chain. So I think that's -- those are potential doors for sure.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

All right. But I mean, suffice to say, it's a good problem to have, but presumably, there'll need to be additional capital in some way, shape or form maybe a combination of some of these grants, maybe working with partners, I'm not sure. But presumably, there's going to be additional capital needed, is that fair?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

This is -- we're focusing on the first big milestone, which is making sure we do great science that we show strong clinical results and that we have the strongest possible regulatory filing going forward. In parallel, as you know, we have put together, I think, we exited Q1 with more than $49 million of cash on the balance sheet, and we put ourselves I think in a great situation to have lots of optionality here on how we approach any of the networking capital needs that might be required going forward. So I think those are all the things that we can discuss when the time is right. But for now I think we're very comfortable with the fact that we're getting a strong amount of leverage and appropriate support for the common good, and I believe that I think that we can do and maybe the vast majority of everything we just described with all of our existing cash in place.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Interesting. Okay. Chris, would you be willing to give some sense of like back to the capacity issue, like although there's a lot of moving pieces, like you said, where you price this, what comes out, I mean you kind of spoke to cross that bridge, but is there any range of kind of capacity that you could speak to just -- I mean it's been such a gating factor for some of the other bigger commercial players in their ability to scale and obviously you're trying to avoid some of that with RNA extraction free and saliva. So it's great. But I'm just wondering like if we do the math, it means you just, you do $10 -- even on the RNA side, you do 6000 tests a day x 500 platforms x 30 days a month 12 months a year, $10 a test, that's $1 billion in revenue but could you supply that? I mean you could supply 10% of it, I don't know. Is there any way to give us any guide posts on capacity?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Well, Dan, you know that this is a -- those are real great problems to have. So I think if it's -- that would be an incredible opportunity for a company like ours to have to tackle. I'm very comfortable that we'll be talking about the economics. It's -- we're talking about for 6000 tests. That's about 33 IFCs a day per instrument.

We've got excess capacity in our factories, and our factories are very sensitive to volume. So I think that we've got a certain amount of surge capacity available. We have been looking at each component of the supply chain, and part of why we took longer to get our kitted solution prepared is that we wanted to look for ways to maximize the derisking of the scale up for it. So we had a little bit more time, and we felt like if we need to wait a little bit longer, then that we needed to come back with a very strong mousetrap, and we've thought through many elements of the supply chain. And I'm not saying that we won't run into challenges, and if we're successful, and then we could run into challenges, but I think it would be a good problem to have.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

How many IFCs could you produce today, like annually just in capacity?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Not sure we've actually publicly shared our total factory capacity or what the theoretical capacity is for IFC -- for our IFC fab facility. So I'll have to get back to you on that.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. Okay.

Vikram Jog - *Fluidigm Corporation - CFO*

Chris, can I qualitatively add, Dan, we have tremendous flexibility by shift working. So we have not even scratched the surface while I agree with Chris, we haven't given a quantitative detail, but just in terms of flexing, we can double the production with just an addition of a shift. So we have lot of flexibility here to increase the production.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

That is true, and we have excess space in our facility, we can expand our units of operation, give them enough time and enough lead time. So we have a team looking at all of these questions. That's where that's not getting over our skis right now.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Will that be the biggest gating factor towards capacity, is it just physical sheer manufacturing space to produce IFC or is it some of the components that are going into some of the chemicals and reagents that go into the kits that you need in order to produce?

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

I mean all elements of the final configuration of the kit have to be looked at just as you described. So everything from the IFCs and then the build that goes behind the IFCs, labor content. Obviously, we need to keep a very clear safety profile around our own population in the manufacturing facilities and avoid no COVID infections. We look at this, it's more like a semiconductor, so you've got a Jupiter suits and hooded -- you're in an environment that's got higher levels of PPE. You have to look then bottleneck on equipment, QC release. You're going to look at the subcomponents, the molds and all the unit operations that go around it. But what we're kind of landscaping for you is even a significant near-term surge, we can accommodate if we were to get to a massive scale, then we'll have to work through that problem.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Right. Maybe -- I know we're almost out of time, but just back to -- on capital, I guess, would -- I guess, I had a question from the -- from an investor, will funding be dilutive? I don't know, I mean, I guess if we do funding. You just said you hope for $49 million can satisfy everything you need. But nonetheless, I thought I would just ask it since it was posed. So I guess, would you...

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Yes, was that for Vikram? Vikram, I'll introduce, if you'd like to add any additional color since we touched on that earlier.

Vikram Jog - *Fluidigm Corporation - CFO*

Yes. So we have touched on funding. And so I think the question probably the subtext is broader than just funding for RNA-Seq, I imagine. So I'll answer it in a somewhat broad way. So since the start of this crisis, we have done a co-host of modeling. And the fact of the matter is none of us know which way this pandemic is going to go and how -- what the shape of the recovery is going to be. So we have multiple models based on what the shape is, it's going to be a V, a U or a W. And we have taken some pretty aggressive steps to rightsize our spend in the near term, while we carefully monitor the rate of closure of our customers and at what rate they reopen and so forth. And we've also developed a funnel of nondilutive sources of financing through collaborations. Two of them are in the public domain, one is DARPA, the other is a small collaboration that we announced with a company called NGD, Next Generation Diagnostics. There remain other opportunities that we have not talked about publicly. So through a combination of our own cost reduction steps as well as sources of non-dilutive funding that we have developed, we expect to manage our cash very carefully and have a burn in the range for the next 3 quarters. Our goal is to manage our cash burn to within $15 million to $20 million over the next 3 quarters for the remainder of this calendar year. And I think there are some models out there that we are aware of that just simply extrapolate our Q1 burn. And I just want to make sure that, that is not how we are looking at our future cash, at least as far as 2020 is concerned. I won't speculate on how 2021 turns out to be, although we do have internal models, but we want to take it one step at a time and see how each quarter goes in 2020 before going beyond that for the next year.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Got it. And I know we're just -- we're really out of time, but just like to be clear. So that burn number that you suggested, that's inclusive of the -- all the activities that could be forthcoming as these EUA approvals hopefully come through? Or is that pre those EUA approvals coming through? So that number would be adjusted?

Vikram Jog - *Fluidigm Corporation - CFO*

I think it would probably need to be adjusted. But again, as Chris said, let's take it one step at a time and as the market opportunity and the sources of funding related to any testing become clearer, we will then address that as it comes. I mean, for that matter, our revenue models are fairly conservative as regards to these opportunities. So any additional capital requirements would get -- would have to be looked at in the context of the additional revenue opportunity as well.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Right. Okay. Well, we're a minute past, 2 minutes past, but I thank Chris, Vikram and Agnes for giving us your time attending the conference, bearing with my questions. Sorry, we didn't get to touch anything else, but I think it was important to kind of go through this, and I'm sure you'll have more to answer, but good luck with everything in the coming days and weeks here, and we're looking forward to any updates that come forward certainly.

Vikram Jog - *Fluidigm Corporation - CFO*

Perfect.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Sounds good. Thank you very much for your participation. Thank you.

Agnes Lee - *Fluidigm Corporation - VP of IR*

Thank you, Dan.

Stephen Christopher Linthwaite - *Fluidigm Corporation - President, CEO & Director*

Thank you.

Daniel Gregory Brennan - *UBS Investment Bank, Research Division - Senior Equity Research Analyst of Healthcare Life Sciences*

Bye-bye.