

# Fluidigm Corporation

## Reconciliations and Financial Package

February 2020



# Forward-looking statements

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, among others, statements regarding the global market opportunity for Fluidigm, health care trends, and prospects for Fluidigm products in light of such anticipated trends; growing demand for Fluidigm products in mass cytometry and genomics markets; growth in the use of Fluidigm products for new applications, including immunology and cancer research; routine use of mass cytometry in future clinical research settings; potential applications for Fluidigm products in human health care research; recurring revenue growth, including due to recently introduced applications and workflows for Fluidigm products; revenue growth rates and strategic elements designed to achieve such growth; potential new products and product strategies; projected annualized consumables pull-through estimates for company instruments; and anticipated benefits from collaborations and other third-party relationships, as well as operational efficiency initiatives. Forward-looking statements are subject to numerous risks and uncertainties that could cause actual results to differ materially from currently anticipated results, including but not limited to challenges inherent in developing, manufacturing, launching, marketing, and selling new products; risks relating to reliance on sales of capital equipment for a significant proportion of revenues in each quarter; potential product performance and quality issues; the possible loss of key employees, customers, or suppliers; intellectual property risks; competition; uncertainties in contractual relationships; Fluidigm research and development, sales, marketing, and distribution plans and capabilities; reduction in research and development spending or changes in budget priorities by customers; interruptions or delays in the supply of components or materials for, or manufacturing of, products; seasonal variations in customer operations; unanticipated increases in costs or expenses; and risks associated with international operations. Information on these and additional risks and uncertainties and other information affecting Fluidigm's business and operating results is contained in Fluidigm's Annual Report on Form 10-K for the year ended December 31, 2018, and in its subsequent filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. Fluidigm disclaims any obligation to update these forward-looking statements except as may be required by law.

# Non-GAAP financial information

This presentation has certain financial information in accordance with U.S. GAAP and also on a Non-GAAP basis for the three-month periods ended December 31, 2019, and December 31, 2018, and for the fiscal years ended December 31, 2017, 2018, and 2019. Management believes that Non-GAAP financial measures, taken in conjunction with GAAP financial measures, provide useful information for both management and investors by excluding certain non-cash and other expenses that are not indicative of the company's core operating results. Management uses Non-GAAP measures to compare the company's performance relative to forecasts and strategic plans and to benchmark the company's performance externally against competitors. Non-GAAP information is not prepared under a comprehensive set of accounting rules and should only be used to supplement an understanding of the company's operating results as reported under U.S. GAAP. Fluidigm encourages investors to carefully consider its results under GAAP, as well as its supplemental Non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between GAAP and Non-GAAP operating results are presented in the accompanying tables of this presentation.

# Trademarks

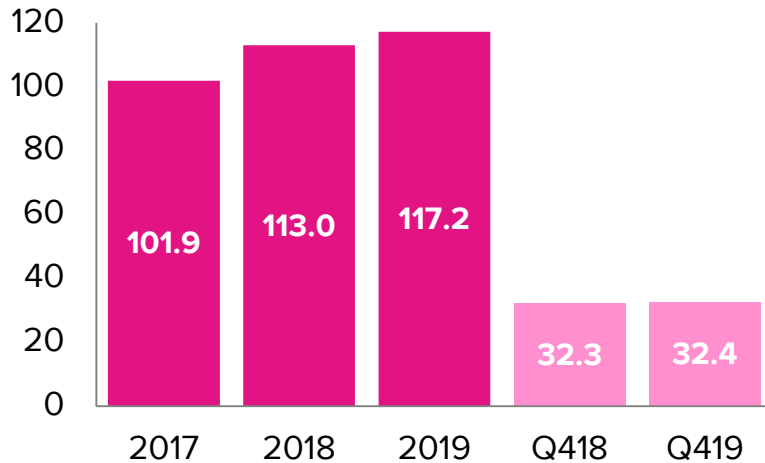
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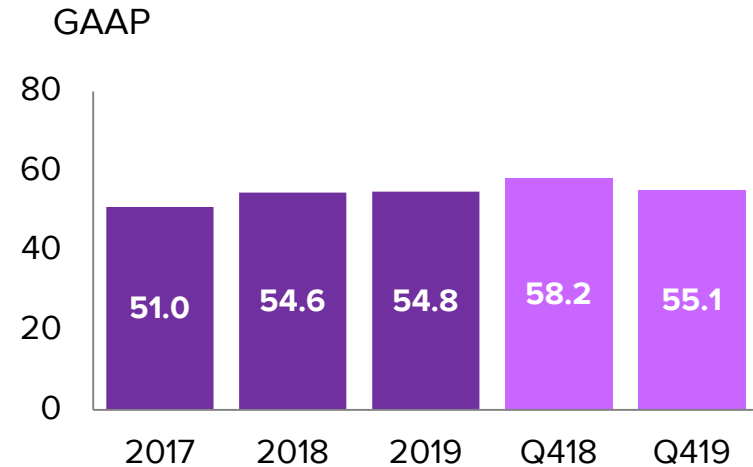
# Supplemental financials

# Revenue and gross margin

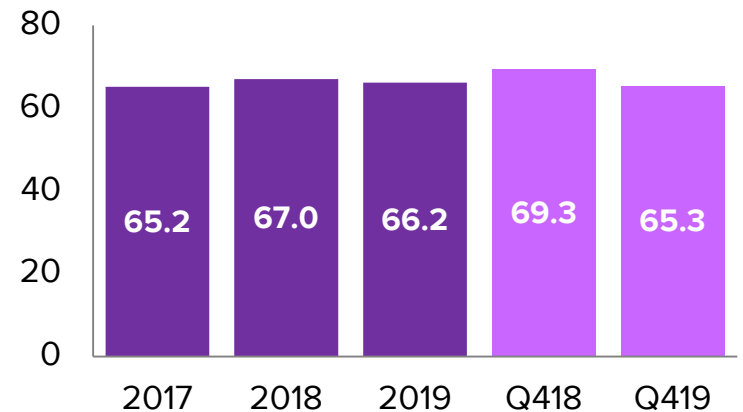
Revenue (\$M)



Gross margins (%)

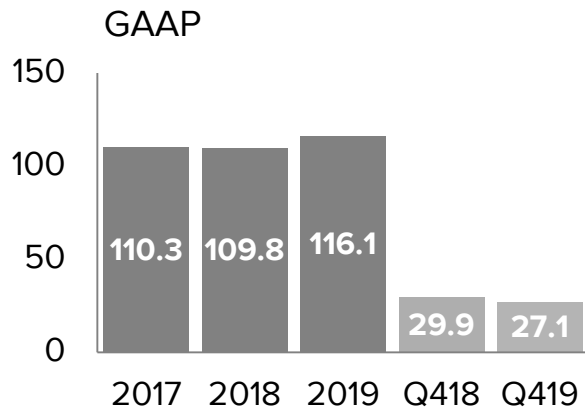


Non-GAAP

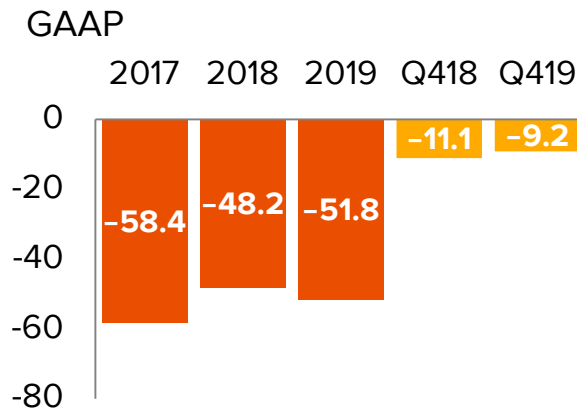


# Operating expense, loss from operations and operating cash flow

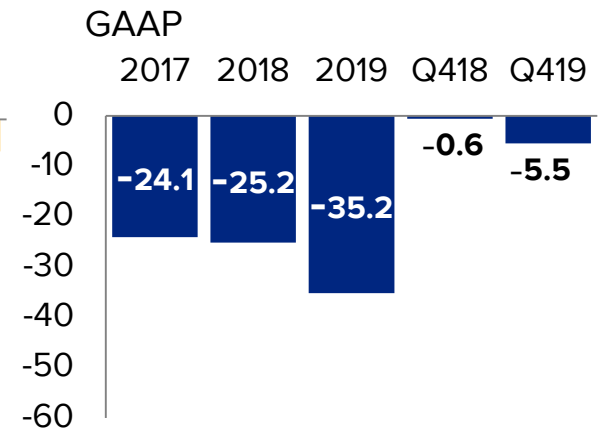
Operating expenses (\$M)



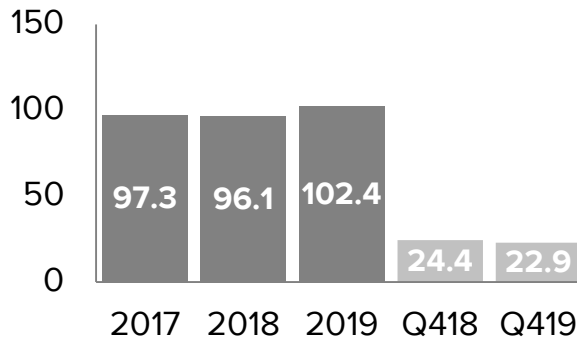
Loss from operations (\$M)



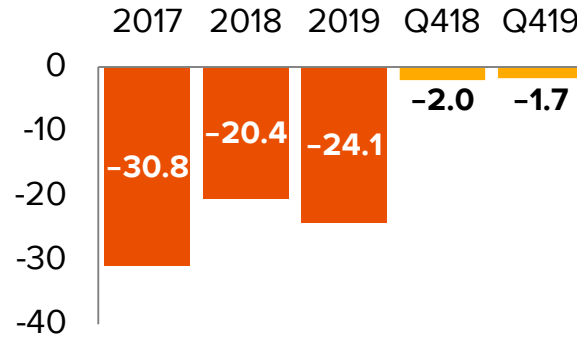
Operating cash flow (\$M)



Non-GAAP

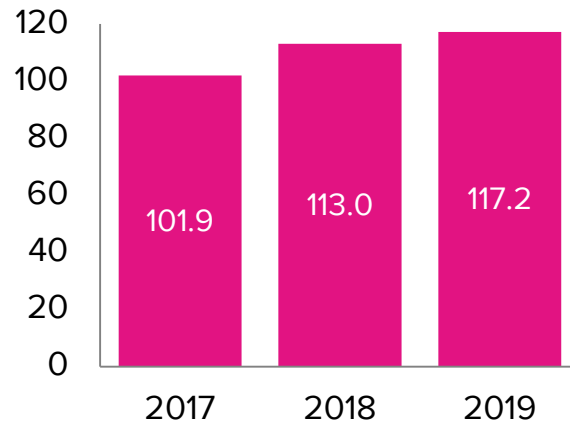


Non-GAAP

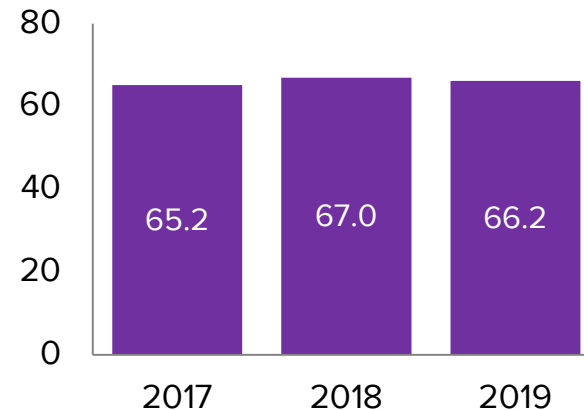


# Three-year financials

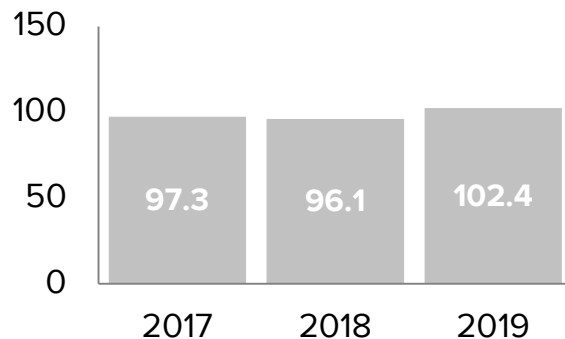
## Revenue (\$M)



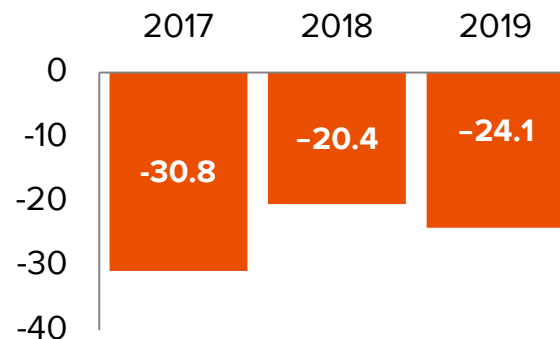
## Gross margins (%)<sup>(a)</sup>



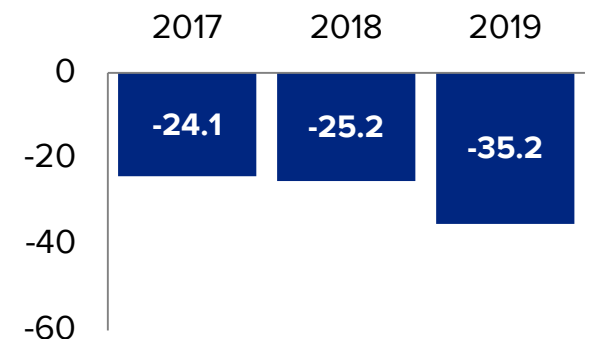
## Operating expenses (\$M)<sup>(a)</sup>



## Loss from operations (\$M)<sup>(a)</sup>



## Operating cash flow (\$M)



(a) Non-GAAP

# Reconciliation of GAAP to Non-GAAP 2017–2019 years gross margins

*(in thousands)*

	Twelve Months Ended December 31,		
	2017	2018	2019
Gross profit (GAAP)	\$ 51,983	\$ 61,649	\$ 64,279
Amortization of developed technology (a)	11,200	11,200	11,200
Depreciation and amortization (b)	2,165	1,979	1,714
Stock-based compensation expense (b)	1,077	853	423
Gross profit (Non-GAAP)	<u>\$ 66,425</u>	<u>\$ 75,681</u>	<u>\$ 77,616</u>
Gross margin percentage (GAAP)	51.0%	54.6%	54.8%
Gross margin percentage (Non-GAAP)	65.2%	67.0%	66.2%

(a) Represents amortization of developed technology in connection with the DVS acquisition

(b) Represents expense associated with cost of product revenue

# Reconciliation of GAAP to Non-GAAP 2017–2019 years operating expenses

<i>(in thousands)</i>	Twelve Months Ended December 31,		
	2017	2018	2019
Operating expenses (GAAP)	\$ 110,342	\$ 109,813	\$ 116,118
Stock-based compensation expense (a)	(8,015)	(10,170)	(10,970)
Depreciation and amortization (a)	(4,926)	(3,393)	(2,169)
Loss on disposal of property and equipment	(135)	(141)	(89)
Impairment of intangible (b)	-	-	(443)
Operating expenses (Non-GAAP)	<u>\$ 97,266</u>	<u>\$ 96,109</u>	<u>\$ 102,447</u>

(a) Represents expense associated with research and development, selling, general and administrative activities

(b) Represents impairment of intangible no longer used in our product lines



# Reconciliation of GAAP to Non-GAAP 2017–2019 years loss from operations

*(in thousands)*

	Twelve Months Ended December 31,		
	2017	2018	2019
Loss from operations (GAAP)	\$ (58,360)	\$ (48,164)	\$ (51,839)
Stock-based compensation expense	9,092	11,023	11,393
Amortization of developed technology (a)	11,200	11,200	11,200
Depreciation and amortization (b)	7,091	5,372	4,605
Impairment of intangible (c)	-	-	443
Loss on disposal of property and equipment (b)	135	141	89
Loss from operations (Non-GAAP)	<u>\$ (30,842)</u>	<u>\$ (20,428)</u>	<u>\$ (24,109)</u>

(a) Represents amortization of developed technology in connection with the DVS acquisition

(b) Represents expense associated with cost of product revenue

(c) Represents impairment of intangible no longer used in our product lines

# Reconciliation of GAAP to Non-GAAP Q4 and FY of 2019 and 2018 gross margins

(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Gross profit (GAAP)	\$ 17,888	\$ 18,811	\$ 64,279	\$ 61,649
Amortization of developed technology (a)	2,800	2,800	11,200	11,200
Depreciation and amortization (b)	399	488	1,714	1,979
Stock-based compensation expense (b)	95	303	423	853
Gross profit (Non-GAAP)	<u>\$ 21,182</u>	<u>\$ 22,402</u>	<u>\$ 77,616</u>	<u>\$ 75,681</u>
Gross margin percentage (GAAP)	55.1%	58.2%	54.8%	54.6%
Gross margin percentage (Non-GAAP)	65.3%	69.3%	66.2%	67.0%

(a) Represents amortization of developed technology in connection with the DVS acquisition

(b) Represents expense associated with cost of product revenue

# Reconciliation of GAAP to Non-GAAP Q4 and FY of 2019 and 2018 operating expenses and loss from operations

(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Operating expenses (GAAP)	\$ 27,069	\$ 29,929	\$ 116,118	\$ 109,813
Stock-based compensation expense (a)	(3,006)	(4,663)	(10,970)	(10,170)
Depreciation and amortization (a)	(722)	(760)	(2,169)	(3,393)
Impairment of intangible (b)	(443)	-	(443)	-
Loss on disposal of property and equipment	(37)	(141)	(89)	(141)
Operating expenses (Non-GAAP)	<u>\$ 22,861</u>	<u>\$ 24,365</u>	<u>\$ 102,447</u>	<u>\$ 96,110</u>

(in thousands)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Loss from operations (GAAP)	\$ (9,181)	\$ (11,118)	\$ (51,839)	\$ (48,164)
Stock-based compensation expense	3,101	4,966	11,393	11,023
Amortization of developed technology (c)	2,800	2,800	11,200	11,200
Depreciation and amortization (d)	1,121	1,248	4,605	5,372
Impairment of intangible (b)	443	-	443	-
Loss on disposal of property and equipment (d)	37	141	89	141
Loss from operations (Non-GAAP)	<u>\$ (1,679)</u>	<u>\$ (1,963)</u>	<u>\$ (24,109)</u>	<u>\$ (20,428)</u>

(a) Represents expense associated with research and development, selling, general and administrative activities

(b) Represents impairment of intangible no longer used in our product lines

(c) Represents amortization of developed technology in connection with the DVS acquisition

(d) Represents expense associated with cost of product revenue

# Reconciliation of GAAP to Non-GAAP Q4 and FY of 2019 and 2018 net loss and net loss per share

(in thousands, except per share amounts)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2019	2018	2019	2018
Net loss (GAAP)	\$ (12,685)	\$ (14,775)	\$ (64,790)	\$ (59,013)
Stock-based compensation expense	3,101	4,966	11,393	11,023
Amortization of developed technology (a)	2,800	2,800	11,200	11,200
Depreciation and amortization	1,121	1,248	4,605	5,372
Interest expense (b)	643	4,069	4,279	13,893
Impairment of intangible (c)	443	-	443	-
Loss on disposal of property and equipment	37	141	89	141
Loss on extinguishment of debt	3,020	-	12,020	-
Benefit from acquisition related income taxes (d)	(742)	(835)	(2,968)	(3,360)
Net loss (Non-GAAP)	<u>\$ (2,262)</u>	<u>\$ (2,386)</u>	<u>\$ (23,729)</u>	<u>\$ (20,744)</u>
Shares used in net loss per share calculation -				
basic and diluted (GAAP and Non-GAAP)	<u>69,706</u>	<u>41,489</u>	<u>66,779</u>	<u>39,652</u>
Net loss per share - basic and diluted (GAAP)	<u>\$ (0.18)</u>	<u>\$ (0.36)</u>	<u>\$ (0.97)</u>	<u>\$ (1.49)</u>
Net loss per share - basic and diluted (Non-GAAP)	<u>\$ (0.03)</u>	<u>\$ (0.06)</u>	<u>\$ (0.36)</u>	<u>\$ (0.52)</u>

(a) Represents amortization of developed technology in connection with the DVS acquisition

(b) Represents interest expense, primarily on convertible debt

(c) Represents impairment of intangible no longer used in our product lines

(d) Represents the tax impact on the purchase of intangible assets in connection with the DVS acquisition



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