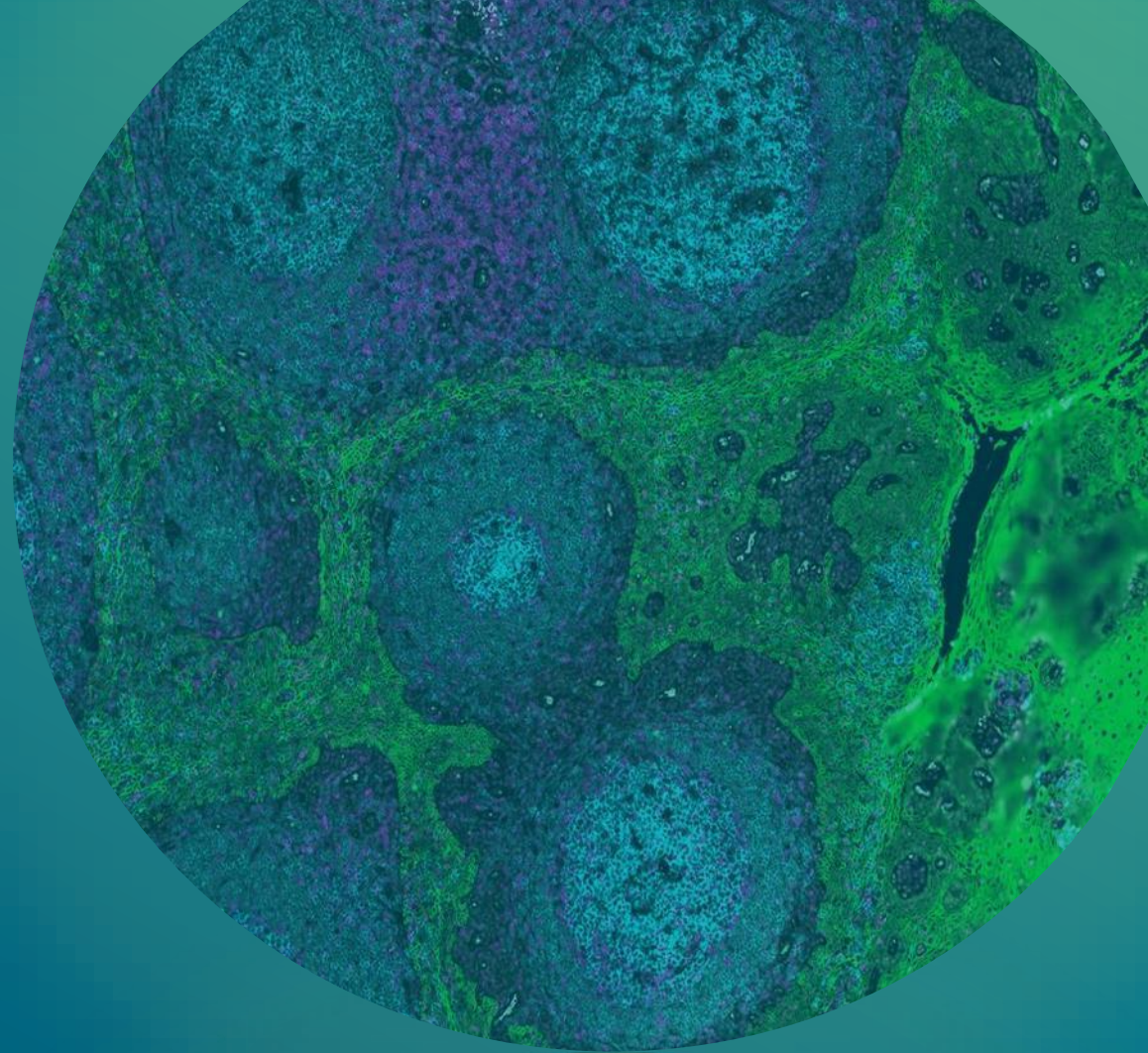


# Selected Financial Information: Q3:2022



nanoString<sup>®</sup>

# Forward-Looking Statements

- This presentation contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and the Private Securities Litigation Reform Act of 1995. These forward-looking statements include statements regarding expectations for demand for our products and growth in our business, future revenue growth, future operating results, future cash flows, the impact of adjustments to our cost and organization structure, the impact of the COVID-19 pandemic on our operations and future financial performance, the impact of new products and expansion into new markets, the growth trajectory of our nCounter, GeoMx and CosMx franchises, the anticipated launch of new products and technology and our estimated 2022 operating results and our anticipated GAAP and non-GAAP operating results. Such statements are based on current assumptions that involve risks and uncertainties that could cause actual outcomes and results to differ materially. These risks and uncertainties, many of which are beyond our control, include market acceptance of our products; delays or denials of regulatory approvals or clearances for products or applications; the extent and duration of the impact of the COVID-19 pandemic and adverse conditions in the general domestic and global economic markets; the effects of ongoing litigation; the impact of competition; the impact of expanded sales, marketing, product development and clinical activities on operating expenses; delays or other unforeseen problems with respect to manufacturing and product development; as well as the other risks set forth in our filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. NanoString Technologies disclaims any obligation to update these forward-looking statements.

# Non-GAAP, or Adjusted, Financial Information

- **Notes Regarding Non-GAAP Financial Information.** In addition to our results reported in accordance with U.S. generally accepted accounting principles (“GAAP”), we believe certain non-GAAP, or adjusted, measures are useful in evaluating our operating performance. We use adjusted financial measures to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that adjusted financial measures, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, adjusted financial information has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with U.S. GAAP. In particular, other companies, including companies in our industry, may calculate similarly titled non-GAAP or adjusted measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our adjusted financial measures as tools for comparison. A reconciliation is provided below for adjusted financial measures to the most directly comparable financial measure stated in accordance with U.S. GAAP. Investors are cautioned that there are a number of limitations associated with the use of non-GAAP, or adjusted, financial measures as analytical tools. Investors are encouraged to review the related U.S. GAAP financial measures and the reconciliation of these adjusted financial measures to their most directly comparable U.S. GAAP financial measure, and not to rely on any single financial measure to evaluate our business.
- **Expenses excluded from non-GAAP, or adjusted, cost of product and service revenue, research and development expense and selling, general and administrative expense and net loss.** We exclude stock-based compensation expense and depreciation and amortization expense, which are non-cash expenses, from certain of our adjusted financial measures because we believe that excluding such items provides meaningful supplemental information regarding operational performance. We exclude certain expenses related to collaborations, recoveries of certain previously remitted state and local taxes, cloud computing arrangement implementation expenses, litigation expenses, and other business development expenses from certain of our adjusted financial measures because such expenses have no direct correlation to the continuing operation of our business as such expenses are non-recurring or non-operating in nature, and therefore we believe excluding these items provides meaningful supplemental information regarding operational performance.
- **Adjusted EBITDA.** Adjusted EBITDA is a non-GAAP financial measure defined as GAAP net loss adjusted for collaboration revenue, stock-based compensation expense, depreciation and amortization, net interest expense, other non-operating expense or income, provision for income tax and other special items as determined by management, including certain expenses related to collaborations, recoveries of certain previously remitted state and local taxes, cloud computing arrangement implementation expenses, litigation expenses, and other business development expenses.

# Additional Information

- **Supplemental Non-GAAP, or Adjusted, Financial Information.** To aid analysts and investors in building their financial models, we have posted to the investor relations section of our website, at [www.nanostring.com](http://www.nanostring.com), supplemental financial data that includes our adjusted financial measures as compared to the nearest comparable GAAP financial measures, for the third quarter of 2022 and the nine months ended September 30, 2022, for each quarter of and the full year of 2021.
- **Regulation FD Disclosure.** The Company announces material information to the public through a variety of means, including filings with the Securities and Exchange Commission, press releases, public conference calls, the Company's website ([www.nanostring.com](http://www.nanostring.com)), its investor relations website ([investors.nanostring.com](http://investors.nanostring.com)), and its news site ([investors.nanostring.com/press-releases](http://investors.nanostring.com/press-releases)). The Company uses these channels, as well as social media, including its Twitter account (@nanostringtech), LinkedIn account ([www.linkedin.com/company/nanostring-technologies](http://www.linkedin.com/company/nanostring-technologies)), and Facebook page ([www.facebook.com/NanoStringTechnologies](http://www.facebook.com/NanoStringTechnologies)), to communicate with investors and the public about the Company, its products, and other matters. Therefore, the Company encourages investors, the media, and others interested in the Company to review the information it makes public in these locations, as such information could be deemed to be material information.

# Selected GAAP Financial Data

(\$ in thousands)

Benchmark	Product & Service Revenue		Gross Margin		Operating Expenses <sup>1</sup>		Net Loss	
Q3 2022	\$29,466		53%		\$50,759		(\$36,690)	
	-\$7,458	-20%	N/A	-1%	-\$1,389	-3%	-\$5,429	-17%
Q2 2022	\$31,998		50%		\$53,458		(\$39,239)	
	-\$1,634	-5%	N/A	-4%	-\$9,441	-21%	-\$12,219	-45%
Q1 2022	\$30,841		52%		\$53,772		(\$39,500)	
	-\$553	-2%	N/A	2%	-\$11,910	-28%	-\$11,788	-43%
Q4 2021	\$42,007		52%		\$49,758		(\$29,261)	
	+\$6,834	+18%	N/A	-1%	-\$11,145	-29%	-\$6,257	-27%
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L4Q <sup>2</sup> Q3 2022	\$134,312		52%		\$207,747		(\$144,690)	
	-\$3,352	-2%	N/A	-1%	-\$33,885	-19%	-\$35,693	-33%
L4Q <sup>2</sup> Q3 2021	\$137,664		53%		\$173,862		(\$108,997)	

<sup>1</sup> Operating expenses include research and development and selling, general and administrative expenses

<sup>2</sup> Last 4 Quarters, "L4Q", reflects noted period amounts on a rolling annual basis by including the most recently completed quarterly period referenced and the three quarterly periods immediately preceding it

# Selected Non-GAAP Financial Data

(\$ in thousands)

Benchmark	Adjusted Gross Margin		Adjusted Operating Expenses <sup>2</sup>		Adjusted EBITDA		Free Cash Flow <sup>1</sup>	
	+ Y/Y Variance - Y/Y Variance	+ Y/Y Variance - Y/Y Variance						
Q3 2022	57%		\$42,984		(\$26,090)		(\$41,664)	
	N/A	+1%	-\$2,661	-7%	-\$6,345	-32%	-\$11,881	-40%
Q2 2022	54%		\$44,698		(\$27,456)		(\$37,103)	
	N/A	-2%	-\$8,512	-24%	-\$10,167	-59%	-\$20,680	-126%
Q1 2022	55%		\$44,353		(\$27,301)		(\$33,255)	
	N/A	+3%	-\$10,822	-32%	-\$10,137	-59%	-\$1,727	-5%
Q4 2021	54%		\$42,246		(\$19,633)		(\$19,163)	
	N/A	--%	-\$10,950	-35%	-\$7,795	-66%	-\$7,634	-66%
<hr/>								
L4Q <sup>3</sup> Q3 2022	55%		\$174,281		(\$100,480)		(\$131,185)	
	N/A	--%	-\$32,945	-23%	-\$34,444	-52%	-\$41,922	-47%
L4Q <sup>3</sup> Q3 2021	55%		\$141,336		(\$66,036)		(\$89,263)	

<sup>1</sup> Free Cash Flow is defined as net cash provided by or used in operating activities, less capital expenditures

<sup>2</sup> Adjusted operating expenses include adjusted research and development and adjusted selling, general and administrative expenses

<sup>3</sup> Last 4 Quarters, "L4Q", reflects noted period amounts on a rolling annual basis by including the most recently completed quarterly period referenced and the three quarterly periods immediately preceding it

# GeoMx<sup>®</sup> DSP Metrics

(\$ in thousands)

Benchmark	GeoMx DSP Instrument Revenue		GeoMx DSP Consumables Revenue		GeoMx DSP Total Revenue		GeoMx DSP Annualized Pull-through <sup>2</sup>		GeoMx DSP Installed Base		GeoMx DSP Peer-Reviewed Publications	
	+ Y/Y Variance - Y/Y Variance	+ Y/Y Variance - Y/Y Variance										
<b>Q3 2022</b>	\$4,697		\$4,572		\$9,269		\$58		~330		~160	
	-\$3,821	-45%	+\$45	+1%	-\$3,776	-29%	-\$37	-39%	+105	+47%	+90	+129%
<b>Q2 2022</b>	\$5,263		\$5,680		\$10,943		\$77		~315		~130	
	-\$2,141	-29%	+\$1,930	+51%	-\$211	-2%	-\$17	-18%	+125	+66%	+70	+117%
<b>Q1 2022</b>	\$4,837		\$4,857		\$9,694		\$76		~295		~110	
	-\$2,127	-31%	+\$2,122	+78%	-\$5	--%	-\$8	-10%	+135	+84%	+63	+134%
<b>Q4 2021</b>	\$11,889		\$6,122		\$18,011		\$109		~255		~90	
	+\$2,553	+27%	+\$3,300	+117%	+\$5,853	+48%	-\$4	-4%	+125	+96%	+55	+157%
<b>L4Q<sup>1</sup> Q3 2022</b>	\$26,686		\$21,231		\$47,917		\$78		~330		~160	
	-\$5,536	-17%	+7,397	+53%	+1,861	+4%	-\$17	-18%	+105	+47%	+90	+129%
<b>L4Q<sup>1</sup> Q3 2021</b>	\$32,222		\$13,834		\$46,056		\$95		~225		~70	

<sup>1</sup> Last 4 Quarters, "L4Q", reflect noted period amounts on a rolling annual basis by including the most recently completed quarterly period referenced and the three quarterly periods immediately preceding it

<sup>2</sup> The GeoMx DSP Annualized Pull-through for the L4Q periods is calculated on an average basis by dividing related consumables revenue for the L4Q period presented by the average total number of installed systems as of the last day in the immediately preceding quarter for each of the preceding four quarters

# nCounter<sup>®</sup> Analysis System Metrics

(\$ in thousands)

Benchmark	nCounter Instrument Revenue		nCounter Consumables Revenue		nCounter Annualized Pull-through <sup>1</sup>		nCounter Installed Base		nCounter Peer-Reviewed Publications	
	+ Y/Y Variance - Y/Y Variance	+ Y/Y Variance - Y/Y Variance								
<b>Q3 2022</b>	\$3,326		\$12,010		\$44		~1,105		~6,100	
	-\$2,651	-44%	-\$1,491	-11%	-\$9	-17%	+75	+7%	+1,200	+24%
<b>Q2 2022</b>	\$4,275		\$12,167		\$45		~1,085		~5,800	
	-\$137	-3%	-\$2,064	-15%	-\$12	-21%	+70	+7%	+1,200	+26%
<b>Q1 2022</b>	\$4,266		\$12,611		\$48		~1,070		~5,250	
	-\$515	-11%	-\$617	-5%	-\$8	-14%	+75	+8%	+950	+22%
<b>Q4 2021</b>	\$5,671		\$13,752		\$53		~1,050		~5,200	
	-\$311	-5%	-\$4	--%	-\$7	-12%	+100	+11%	+1,200	+30%
<hr/>										
<b>L4Q<sup>2</sup> Q3 2022</b>	\$17,538		\$50,540		\$48		~1,105		~6,100	
	-\$3,614	-17%	-\$4,176	-8%	-\$8	-14%	+75	+7%	+1,200	+24%
<b>L4Q<sup>2</sup> Q3 2021</b>	\$21,152		\$54,716		\$56		~1,030		~4,900	

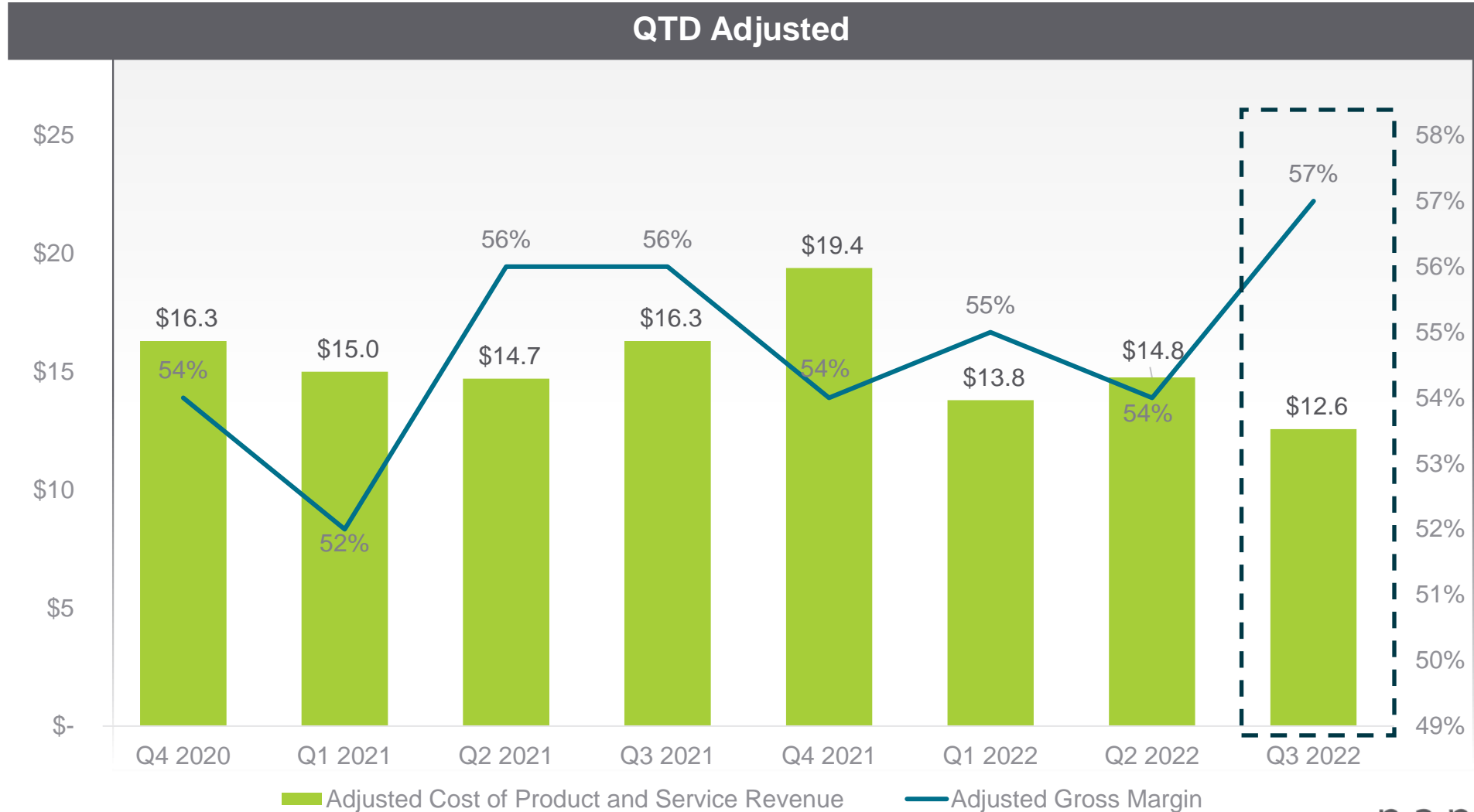
<sup>1</sup> nCounter Annualized Pull-through for the L4Q periods is calculated on an average basis by dividing related consumables revenue for the L4Q period presented by the average total number of installed systems as of the last day in the immediately preceding quarter for each of the preceding four quarters

<sup>2</sup> Last 4 Quarters, "L4Q", reflect noted period amounts on a rolling annual basis by including the most recently completed quarterly period referenced and the three quarterly periods immediately preceding it



# Non-GAAP Cost of Product and Service Revenue & Gross Margin

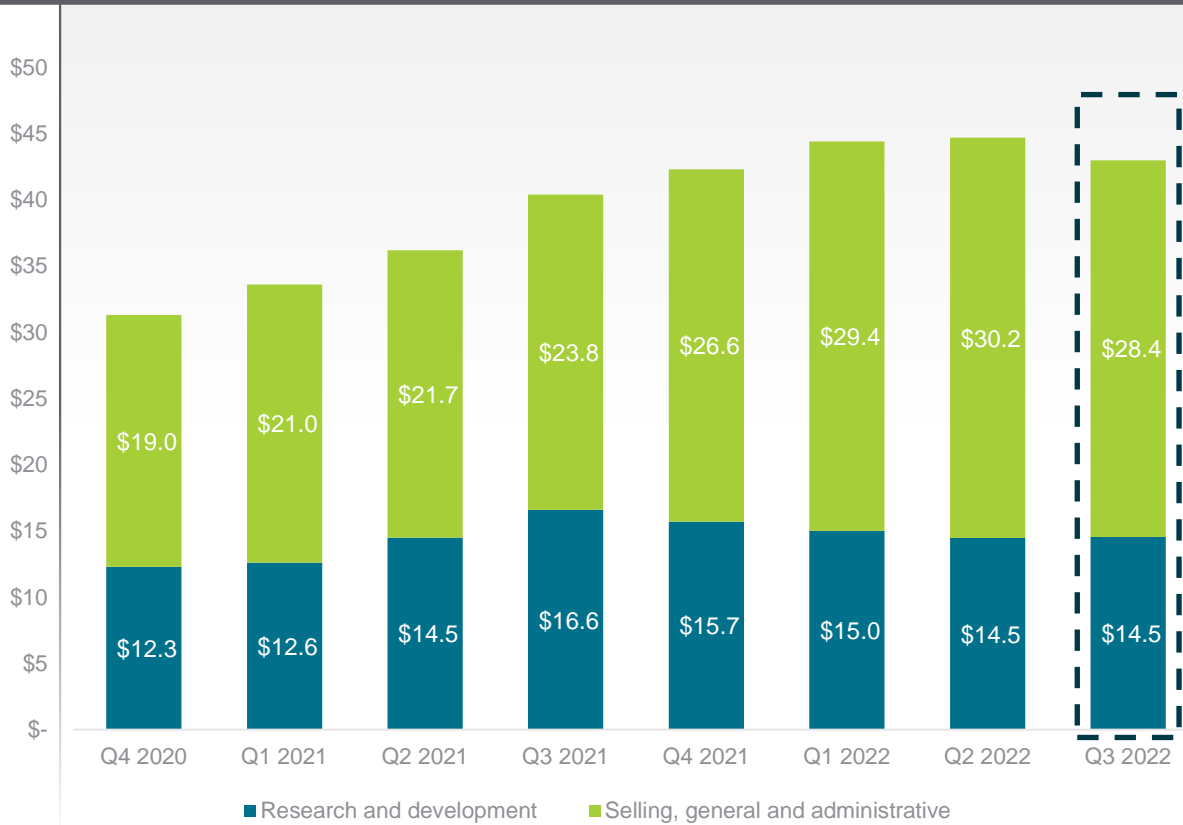
(\$ in millions)



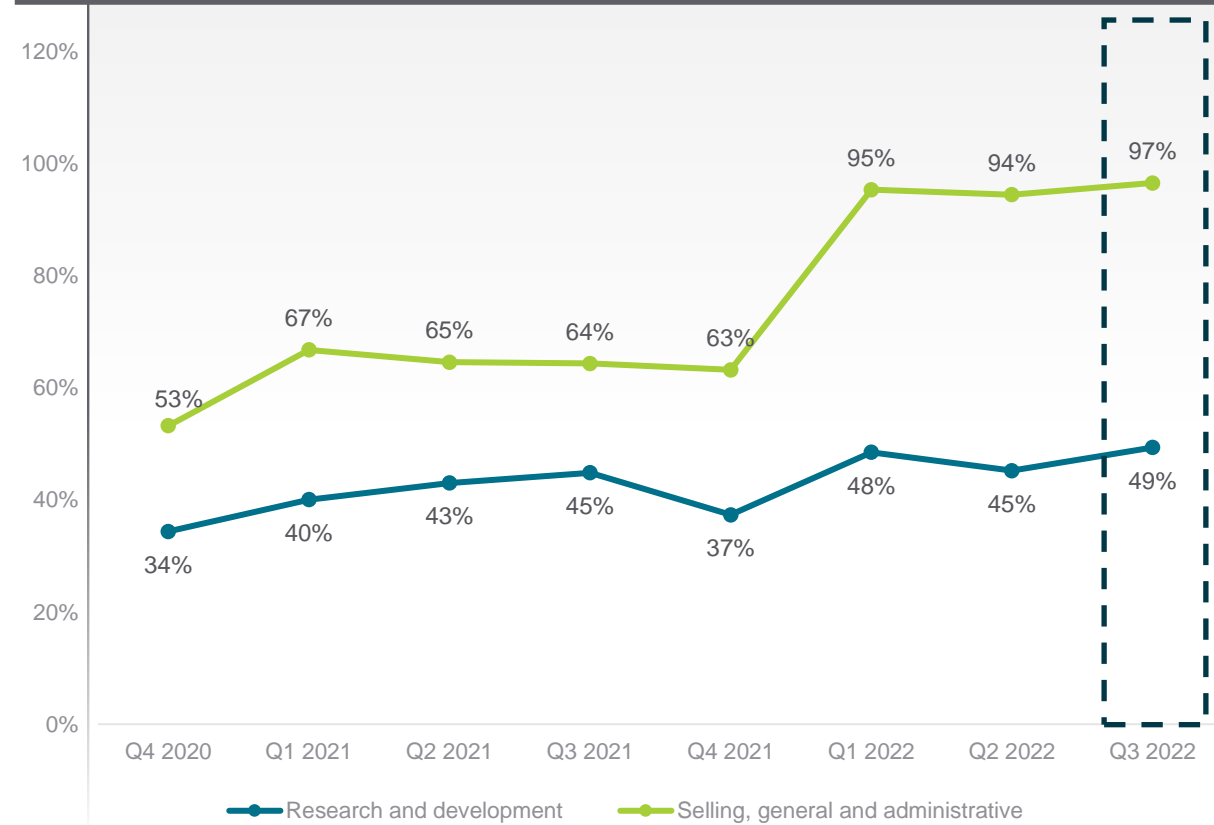
# Non-GAAP Operating Expenses<sup>1</sup>

(\$ in millions)

## QTD Adjusted Operating Expenses



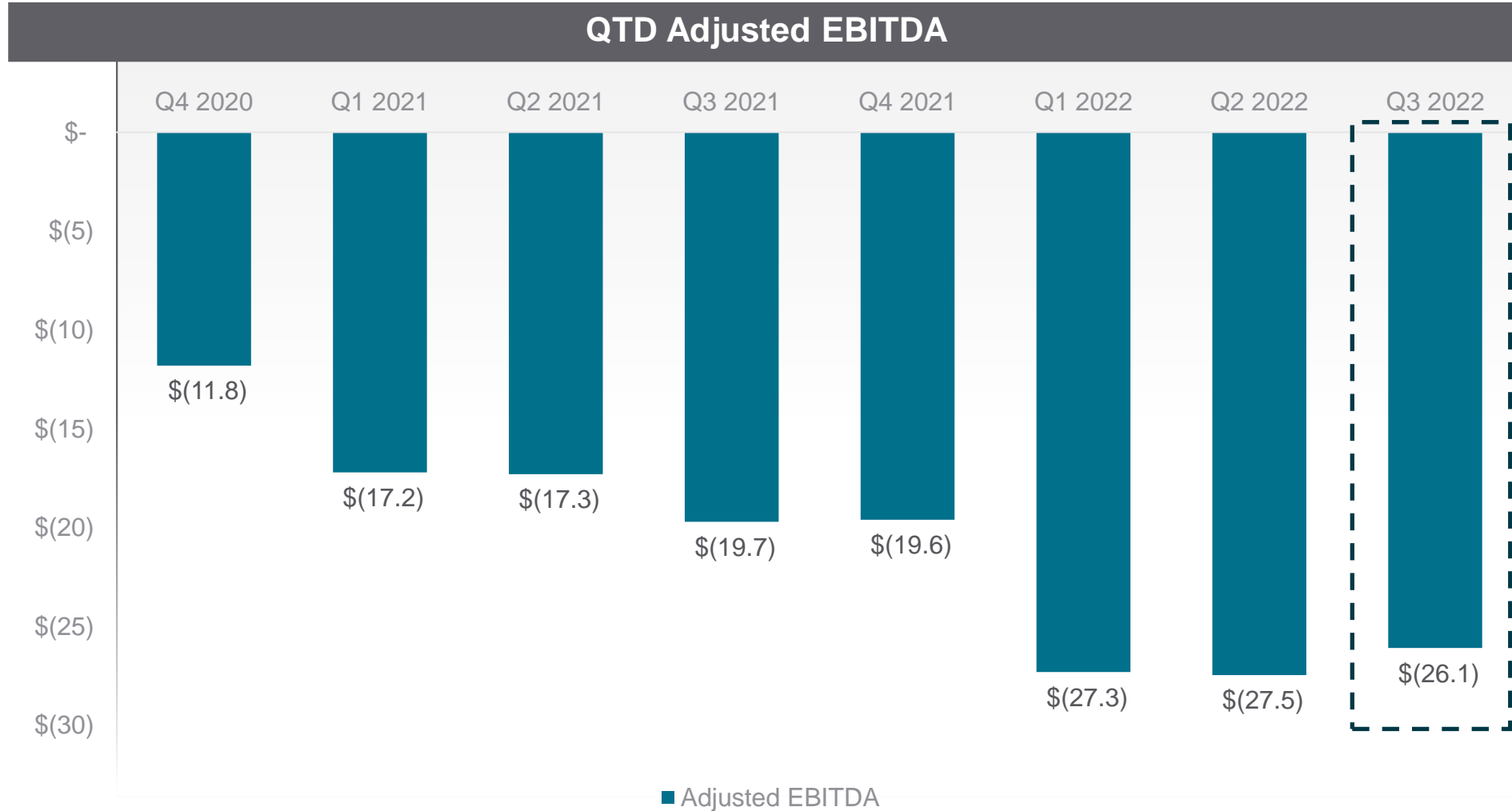
## % of Product and Service Revenue



<sup>1</sup> Adjusted operating expenses include adjusted research and development and adjusted selling, general and administrative expenses

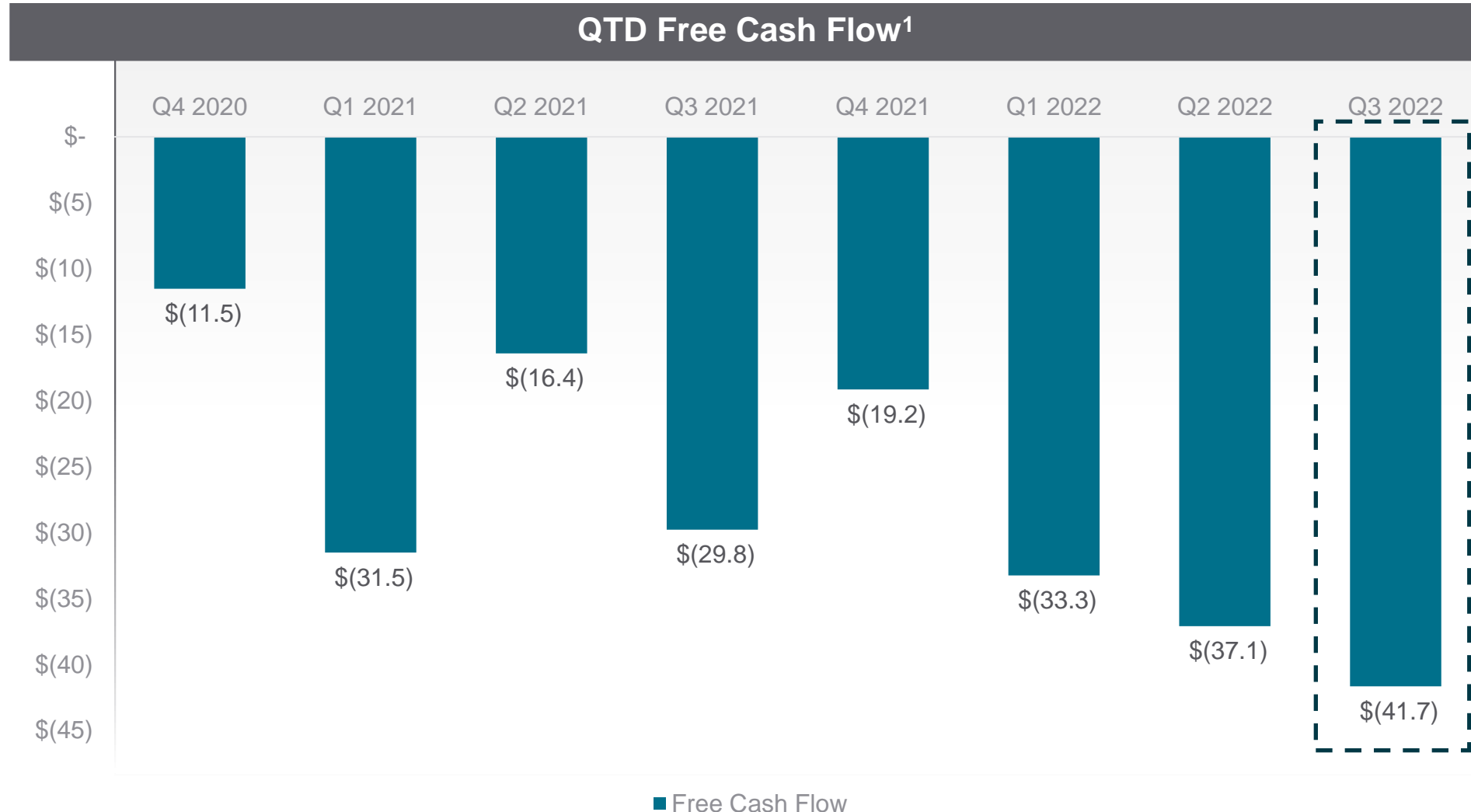
# Non-GAAP, Adjusted EBITDA

(\$ in millions)



# Free Cash Flow<sup>1</sup>

(\$ in millions)



<sup>1</sup> Free Cash Flow is defined as net cash provided by or used in operating activities, less capital expenditures

# Cash, Cash Equivalents and Short-term Investments

(\$ in millions)

