NanoString and Lam Research Announce Strategic Development Collaboration to Advance Hyb & Seq Next Generation Sequencing Platform

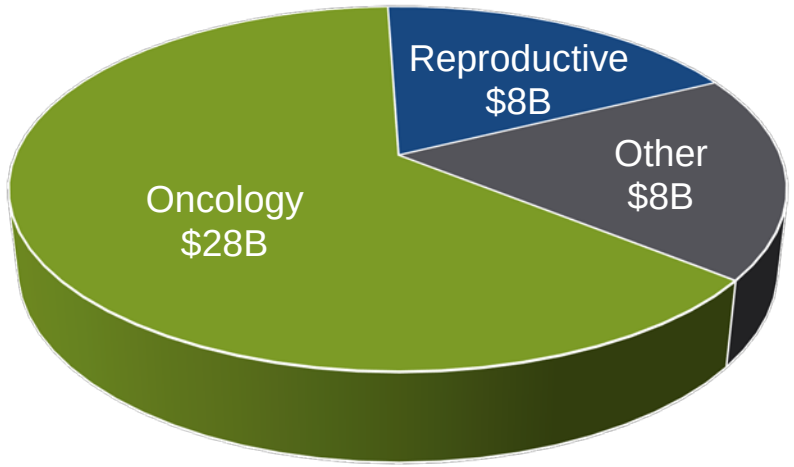
August 8, 2017

Forward-looking Statements

- This presentation and the accompanying oral commentary contain 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 the development of Hyb & Seq chemistry and related products, the funding and expected timing for such development, regulatory approvals and expected product capabilities and commercial opportunity for such products. 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; the impact of competition; the impact of expanded sales, marketing, product development on operating expenses; delays or other unforeseen problems with respect to manufacturing and product development; adverse conditions in the general domestic and global economic markets; as well as the other risks set forth in the company's 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.

Clinical Sequencing – A Large Opportunity with Unmet Needs

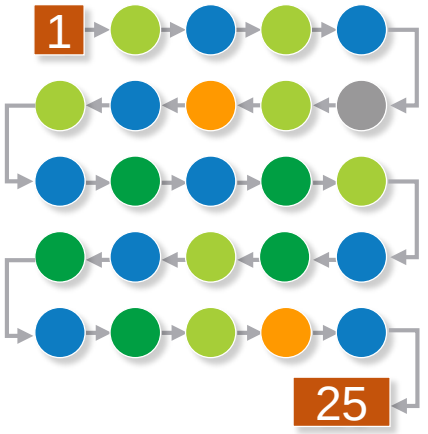
Large Clinical Sequencing Market



- Sequencing market is estimated to reach $44 billion market by 2022*
- >5,000 hospitals in the United States
- Initial focus, oncology and infectious disease

Source: UBS Research, “The World is Changing, Are you ready?” - June 2016

Need for Simple Solution



- Traditional NGS workflow has ~25 steps
- Bioinformatics is a major bottleneck
- Poor compatibility with clinical samples

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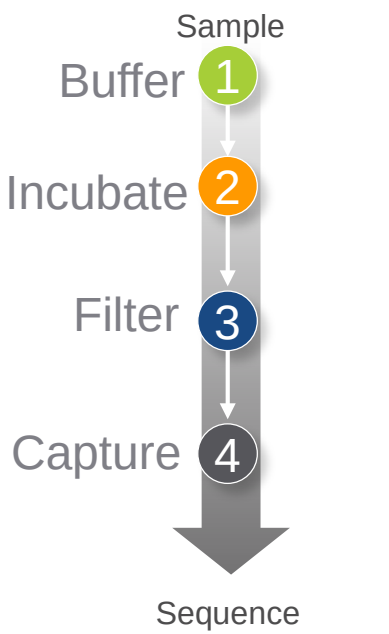
Hyb & Seq: Transformative Single Molecule Sequencing Technology



- Simple and Fast Sequencing Method
- No Library Prep, Enzymes, or Amplification
- Start Sequencing from FFPE Tumor Biopsy in <60 minutes
- High Consensus Accuracy at Low Coverage
- Simultaneous Capture and Sequencing of DNA and RNA
- Long Reads – No Theoretical Upper Limit

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Synergy of NanoString and Lam Collaboration

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- Molecular profiling platforms
- Novel Hyb & Seq system and chemistry
- Nanoscale molecular barcodes

Industry's simplest clinical sequencer

Lam® RESEARCH

- Nanoscale technology
- Advanced systems engineering
- Technical & financial resources

Key Collaboration Terms

Financial and Product Development

- NanoString to provide innovative chemistry and lead product development program
- Lam will provide up to $50 million of funding intended to cover the costs of development and regulatory approval of instrument and panels
- Lam to provide advanced engineering and technical support

Commercial and Financial

- NanoString retains all rights to commercialize the resulting Hyb & Seq products
- Lam and NanoString will share ownership rights in jointly developed intellectual property
- Lam to receive royalty on all products developed under the collaboration
- Lam will receive a warrant to purchase up to one million shares of NanoString common stock at $16.75 per share

Simple Deal Structure

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Hyb & Seq Development Timeline

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Expected Accounting Treatment & Financial Impact

Expected Accounting Treatment

- Lam funding reflected as collaboration revenue as related costs are incurred
- Incremental project costs additive to R&D expense over the next three years
- Portion of funding allocated to the warrant based on the Black Scholes valuation model reduces revenue proportionally

Impact on 2017 Financial Outlook

- Collaboration revenue now expected to be ~$33M for the year (previously $25M - $26M)
- Operating expense now expected to be $123M - $126M for the year (previously $117M - $120M)
- Limited impact on bottom line

Questions?

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