PARTICIPANTS

Corporate Participants

Lynn C. Pieper – Managing Director, Westwicke Partners LLC
R. Bradley Gray – President & Chief Executive Officer, NanoString Technologies, Inc.
James A. Johnson – Chief Financial Officer, NanoString Technologies, Inc.

Other Participants

Tycho W. Peterson – Analyst, JPMorgan Securities LLC
Daniel Brennan – Analyst, Morgan Stanley
Dan L. Leonard – Analyst, Leerink Swann LLC
Jeff T. Elliott – Analyst, Robert W. Baird & Co. Equity Capital Markets

MANAGEMENT DISCUSSION SECTION

Operator: Good day, ladies and gentlemen, and welcome to NanoString 2013 Second Quarter Financial Results Conference Call. At this time, all participants are in a listen-only mode. Later, we will conduct a question-and-answer session and instructions will be given at that time. [Operator Instructions] As a reminder, this conference call may be recorded.

I would now like to hand the conference over to Ms. Lynn Pieper. Ma'am, you may begin.

Lynn C. Pieper, Managing Director, Westwicke Partners LLC

Thank you. Earlier today, NanoString released financial results for the quarter ended June 30, 2013. If you have not received this news release or you'd like to be added to the company's distribution list, please call Westwicke Partners at 415-202-5678.

Before we begin, let me remind you that the company's remarks include various forward-looking statements including projections and future Life Sciences business growth, estimates and revenue-generating potential of new product offerings, anticipated outcomes of ongoing clinical studies, anticipated outcomes of ongoing regulatory interaction, expectations for the timing of launch of the company's product pending FDA's review and projected financial results for the year 2013. Forward-looking statements are subject to numerous risks and uncertainties, many of which are beyond NanoString's control including risk and uncertainties described from time to time in NanoString's SEC filings.

NanoString's results may differ materially from those projected on today's call. NanoString undertakes no obligation to publicly update any forward-looking statement. Additionally, non-GAAP financial measures may be referred to during today's call. A reconciliation of these non-GAAP measures is included in today's press release, which is available on the NanoString website.

With that, I'd like to turn the call over to Brad Gray, the President and CEO of NanoString. Brad?

R. Bradley Gray, President & Chief Executive Officer

Thank you, Lynn. Good afternoon and thank you for joining us on our Q2 call. Before commenting on our financial results and business accomplishments, I want to personally thank our team at

NanoString for their focus, dedication and efforts over the past several months. Not only did we together continue to deliver on our operational objectives, but we also completed a successful initial public offering, bringing $47 million net proceeds to the company. This capital will enable us to continue to realize the promise of translational medicine by executing on our strategy and achieving many milestones that lay ahead. I'm extremely proud to work with such an outstanding team.

Our second quarter results were strong with overall revenue of $7.2 million, reflecting 21% growth versus a year ago. We achieved important milestones in both our Life Sciences and diagnostics businesses. On today's call, I'll provide an update for both of our businesses and then turn the call over to our CFO, Jim Johnson, who'll provide more detail on the financial results and who'll provide our outlook for 2013. We will then open up the call for your questions.

On the Life Science side of our business, we achieved $7 million in revenue in Q2, reflecting 18% growth over 2012 and 24% sequential growth. Consumable revenue was particularly strong at 41% year-on-year growth, and pull-through was on the high end of our historical experience on a revenue per instrument basis. North America drove the majority of Life Sciences revenue growth, increasing 35% year-on-year driven by strength in the industrial segment.

Two important drivers for our growth during Q2 were cancer researchers and biopharmaceutical companies. Cancer biomarker discovery and validation is a major focus for NanoString and we estimate that approximately 75% of our new instrument placements in the second quarter were customers focused on cancer research. We expect cancer research to continue to be a driver of growth due to the importance of pathway-based biology and our technology's unique capability to unlock genomic information from formalin-fixed paraffin-embedded samples.

Also, the use of nCounter technology is expanding, from specialized academic research labs to mainstream centers, and is becoming widely accepted. For example, during the second quarter, approximately 25% of our new instrument placements and 35% of consumable sales were to biopharma companies. One of these customers purchased both their fifth and sixth nCounter systems, making them our largest customer in terms of total instrument placements. Meanwhile, another biopharma customer ordered over $0.5 million in consumables during the quarter. This illustrates deep commitment to nCounter for mainstream customers and one of the most important end markets in genomics research.

Meanwhile, our Life Science customers continue to publish high-impact peer-reviewed research at an impressive rate. During the first half of 2013, our customers published 64 new peer-reviewed articles, a pace that is more than 50% greater than during the same period in 2012, bringing the total number of papers published using our system to more than 240. Looking ahead, there are two catalysts we expect to propel our Life Science growth further in the coming quarters. One, the ongoing strengthening of our sales and distribution channels; and two, the recent launch of our new chemistry, nCounter Elements.

We've recently broadened our global reach through expansion of both direct and distributor sales channels. So far in 2013, we've increased our Life Science commercial team by about 30%. Most of these additions have been direct sales professionals in North America and Europe. In addition, we've added seven distributors in markets such as India, Brazil and Russia, bringing our distributor network to 13 in total. We expect to see increasing impact of these additions over the second half of the year with even more meaningful contribution in 2014.

A second thrust of our growth strategy is to continuously broaden the appeal of our technology, by introducing more flexible and lower-cost consumables and instruments. Last week, at the American Association of Clinical Chemistry meeting in Houston, we announced availability of our new chemistry-branded nCounter Elements. nCounter Elements is a line of General Purpose Reagents developed specifically to meet the needs of translational researchers and clinical laboratories. It allows customers to assemble their own customized assays by combining standard sets of bar

codes provided by NanoString with probes purchased independently from a third-party oligonucleotide manufacturer. This is by far the single most important launch of our Life Science business over the past two years and it expands our market reach enormously.

With nCounter Elements, for the first time, we're opening up our technology to clinical laboratories developing innovative diagnostics. To give you a sense of the size of this opportunity, according to the CDC, there are currently over 9,000 CLIA-certified high complexity labs in the United States. And analysts estimate that approximately two-thirds of these perform some sort of molecular diagnostic testing. While not all these clinical labs are candidates for running elements-based diagnostics, the launch of nCounter Elements clearly opens a substantial opportunity that would not previously have been accessible using our standard chemistry.

We've recently beta-tested nCounter Elements with several exiting customers who are developing potential cancer diagnostics and have received overwhelmingly positively feedback. Our initial launch will be through an Early Access Program where customers will receive their first shipment of nCounter Elements during August.

Now, moving to our Diagnostics business. Over the past several months, we have delivered on key milestones related to the commercialization of our Prosigna Breast Cancer Assay. Our efforts are focused on three objectives: first, to build the critical mass of data that's used in educating physicians and payers about the advantages of Prosigna; second, to drive early adoption of Prosigna in those territories outside of the United States in which Prosigna is registered; and third, to prepare for U.S. launch in early 2014. I'll review our recent progress on each of these objectives.

Building a critical mass of data on Prosigna's performance is important for our commercial success, and we have made significant progress on this front. So far in 2013, our collaborators have presented or published five key results that further differentiate Prosigna from competing breast cancer tests.

In March, investigators presented results from a multisite analytical validation study, demonstrating that Prosigna generates highly consistent and reproducible results when run independently at different testing sites by different operators using different instruments and lots of reagent. These data strongly support our strategy of providing complex genomic testing on a decentralized basis. In May, in two back-to-back oral presentations at the IMPAKT Breast Cancer meeting in Brussels, investigators presented results demonstrating Prosigna's ability to indicate which breast cancer patients are at the lowest risk for late recurrence following five years of endocrine therapy.

This is important as it may help physicians identify patients who can be safely spared of side effects of extended endocrine therapy. Prosigna's ability to reliably identify which patients are at lowest risk of late recurrence differentiates it from most other currently available breast cancer tests. In June, in an oral presentation at the ASCO Annual Meeting, investigators presented breakthrough data in node-positive breast cancer. By taking into account a patient's exact number of disease lymph nodes when interpreting Prosigna results, investigators were able to identify a substantial number of node-positive patients, who have sufficiently low risk of recurrence, they may be safely spared adjuvant chemotherapy.

To the best of our knowledge, Prosigna is the only breast cancer assay that had been applied to node-positive breast cancer in this manner. Finally, in July, the results of our TransATAC clinical validation study were published online in the Journal of Clinical Oncology, followed by a publication of the print edition on August 1. We expect this paper to become a centerpiece of discussions with payers and guidelines committees, particularly because this study establishes Prosigna's advantages relative to Oncotype DX, a test that is already included in numerous breast cancer treatment guidelines and widely reimbursed within North America.

Turning now to our Prosigna launch in Europe. I'm pleased to report that we have made significant progress over the past quarter. As a reminder, genomic testing for breast cancer has not yet been widely adopted outside North America. Our strategy in these markets is to use the combination of compelling data and our decentralized testing model to make genomic testing for breast cancer broadly accessible to patients worldwide over the long term.

Our first priority has been to place Prosigna-capable nCounter systems in major medical centers and commercial service laboratories, which can serve as local or regional centers for Prosigna testing. During the second quarter, we installed three Prosigna-capable nCounter systems in labs in Europe. Two of these systems were loaned to leading medical centers in Spain for use in decision impact studies, while the third was sold to a commercial laboratory.

Decision impact studies are designed to demonstrate that locally provided Prosigna testing can materially change the way that oncologists treat their breast cancer patients. These studies are a critical component of driving long-term demand and reimbursement in Europe. First, they give regional key opinion leaders hands-on experience with Prosigna and can aid them in becoming local advocates for our technology. Second, these studies are expected to demonstrate to local payers that the introduction of Prosigna can reduce the cost and the side effects of chemotherapy by minimizing the over-treatment of low-risk patients.

The Spanish decision impact study is the first of several that we have planned and it will be led by regional key opinion leaders in oncology and pathology at the Hospital of the University of Gregorio Marañon in Madrid, which is the largest hospital in all Spain, and the Vall d'Hebron Institute of Oncology, which is located at the largest hospital in Barcelona. We expect to complete enrollment in this study over the balance of 2013 while working with these centers to introduce commercial testing in their regions.

Capturing the global opportunity for Prosigna requires that we establish testing in regions throughout the world. While we expect to directly market Prosigna in many European countries, we plan to work with partners to commercialize Prosigna in regions that we cannot easily reach on our own.

During Q2, we signed on our first distribution partner, a commercial organization focused on bringing Prosigna to breast cancer patients in the Middle East. We will initially provide testing services in the region from their service lab based in Europe. Over time, they will intend to distribute NanoString diagnostic products to Middle East medical centers to run tests in their own facilities. This partnership resulted in a sale of one Prosigna-capable nCounter system, yielding approximately $200,000 in Q2 Diagnostic revenue. It is an exciting first example of the global impact of our decentralized approach to genomic testing.

Meanwhile, our ongoing dialogue with the FDA supporting their review of our 510(k) application for Prosigna continues to be interactive and constructive. We are actively preparing for U.S. commercial launch of Prosigna in Q1 2014. The recent publication of the TransATAC study has spawned further interest in Prosigna. And as a result, laboratory directors and physicians at commercial labs and cancer centers alike have engaged us in dialogue. In the months ahead, we plan to thoughtfully pace our preparation for U.S. launch and to focus on generating key early wins.

Current activities focus on the recruitment of the U.S. commercial leadership team and the preparation of dossiers for submission to payers and guidelines committees. We believe that our body of strong clinical data together with the compelling economic model of decentralized testing will enable highly efficient and effective commercialization of Prosigna in the U.S. market.

I'd now like to hand it over to Jim Johnson who will review our Q2 financials and outlook for 2013.

James A. Johnson, Chief Financial Officer

Thanks, Brad. First, I'm going to review our results for the second quarter and then I'll provide our financial guidance for the year. Total revenue for the second quarter was $7.2 million, up 21% over an exceptionally strong second quarter in 2012. Sequentially, total revenue grew by 27% over the first quarter of 2013.

Revenue for the quarter was primarily from our Life Sciences business with approximately $200,000 of diagnostic instrument revenue. Total instrument revenue was $2.5 million, and this was approximately the same level as the second quarter of 2012, which was our highest-ever quarter for instrument revenue.

As a result, we continue to see steady growth in our installed base which exceeded 140 placements as of June 30. As expected, we continue to see fluctuations in instrument sales from quarter-to-quarter particularly in individual geographic regions. As you review our results, bear in mind that at a list price of $235,000, the shift of one or two instruments between quarters can have a significant impact on trends.

Consumable demand was robust across all geographic regions. At $4.3 million for the quarter, consumable revenue was up 41% over the second quarter of 2012. This growth rate was roughly in line with the increase in our installed base over the past year. Average pull-through per system in Q2 continued to exceed $100,000 on an annualized basis and it was on the high end of what we would normally expect based on recent historical patterns.

Gross margin continued to improve to 51% compared to 44% a year ago. Product mix was a large factor in this increase, with consumable revenue increasing from 51% to 60% of total revenues. In addition, increasing scale and higher utilization of our consumable manufacturing capacity were important contributing factors.

R&D expense was $3.6 million, up 22% over Q2 of 2012. The increase reflects our ongoing buildup of staffing levels to support the advancement of our nCounter technology, both chemistry and instrumentation. We're also continuing to build our internal team to manage expanding clinical activity for Prosigna and other potential diagnostic products.

SG&A expense was $6.7 million for the quarter, up significantly from $3.3 million a year ago. This reflects Prosigna launch costs for Europe and Israel, investments to expand our Life Sciences sales channel and costs of preparing for Life as a public company.

Operating expense for the quarter included $257,000 of stock compensation expense compared to $137,000 in the second quarter of 2012. We closed the quarter with $10.8 million in cash and equivalents on our balance sheet. Note that the IPO proceeds of $50.2 million net of underwriters' fees were not received until July 1.

Including the IPO proceeds, we had approximately $61 million of cash and equivalents. Also, our pre-IPO preferred stock didn't convert to common stock until July 1. This impacted our second quarter financials in several other ways including an adjustment to the preferred stock warrant liability and preferred stock accretion.

In light of these factors, we included a schedule of non-GAAP financial information in our press release. And I refer you to that schedule for a summary of these items. On a non-GAAP basis, as described further in that schedule, our net loss for the quarter was $6 million or $0.65 per share.

Now, let's shift to financial guidance for the full year 2013. With respect to our Life Sciences business, we're projecting $28.5 million to $30 million of revenue for the year, which is approximately 25% to 30% growth over 2012. This implies an uptick in growth in the second half of

2013, which we believe will be driven by the investments we've made in our sales channel, our expanded global distribution network and, to a lesser extent, new product introductions.

Our diagnostics revenue expectations for 2013 are modest and are primarily driven by our first wave of diagnostic instrument placements in Europe. Actual results would be largely dependent on the mix of instrument purchase, which will drive near-term instrument revenue versus reagent rental which will not. In light of our strategy to focus on long-term commercial objectives in Europe, we're expecting total diagnostic revenues of $1 million to $1.5 million for the year.

We're assuming that Prosigna would be launched in the U.S. in early 2014, so our 2013 guidance reflects no related U.S. sales revenue. We anticipate that gross margin will fluctuate from quarter-to-quarter depending on the mix between consumables and instruments. We expect our product mix to shift more toward instruments in the second half of the year, suggesting lower gross margins. However, at the same time, we expect consumables margins to continue to improve based on increased utilization of our manufacturing capacity. For the year in total, we expect gross margin to be in the range of 48% to 51%.

For operating expenses, we're expecting total expenses of $45 million to $49 million for the year, split approximately one-third to R&D and two-thirds to SG&A. There should be about $1.2 million to $1.4 million of stock-based compensation expense included in operating expenses. Interest expense is expected to be approximately $2 million for the full year, and finally, capital expenditures are expected to be $1.5 million to $2 million in total for the year.

With that, I'll turn it back over to Brad to wrap up.

R. Bradley Gray, President & Chief Executive Officer

Thanks, Jim. In summary, our businesses made significant progress in 2013 to date and we're optimistic about the second half of the year. Over the next several quarters, we'll focus on building value by leveraging our expanded Life Sciences sales channel, continuing to expand the reach of nCounter technology by advancing both our chemistry and instrumentation, laying the groundwork for long-term success with Prosigna outside the United States, while preparing for U.S. launch in early 2014. We look forward to updating you on these initiatives in future calls.

I'd now like to open up the line for questions.

QUESTION AND ANSWER SECTION

Operator: Thank you. [Operator Instructions] Our first question comes from Tycho Peterson from JPMorgan.

<Q – Tycho Peterson – JPMorgan Securities LLC>: Hey, guys, thanks for taking the question. I guess, just first, just the new development on nCounter Elements. Can you maybe just talk a little bit about your go-to-market strategy there, and are there particular types of tests you think your partners may develop that you could highlight to us at this point?

<A – Brad Gray – NanoString Technologies, Inc.>: Sure. Thanks for the question, Tycho. Since I first joined NanoString Technologies three years ago, one of the questions that we've gotten most frequently from researchers and clinical laboratorians alike is can we use nCounter to develop lab-developed tests. But historically, we have not opened up our standard chemistry for development of lab-developed tests. And as a result, we'd given up many instrument placement opportunities.

With the launch of nCounter Elements as a general purpose reagent, we're now poised to go back to those clinical laboratories who've expressed interest in nCounter in the past and let them know that now there's a way the to use our technology in a compliant way to develop innovative diagnostics. In addition, we can work with many of the researchers, the translational researchers, who are already nCounter customers to help them translate their discoveries that have diagnostic potential into diagnostic services and lab-developed tests.

So our go-to-market strategy really is to continue to focus on a similar set of customers in a similar set of cancer centers that we've addressed in the past. The type of diagnostics that we expect those researchers to use nCounter Elements to introduce are primarily gene expression-based tests, where, looking at whole pathways of biology particularly in the area of cancer, can inform major treatment decisions.

In addition, we'll expect them to offer some tests that look at copy number variation, again, most likely in the area of cancer; and finally, some tests that will look at particularly gene fusions that are important in lung cancer and leukemias and lymphomas. These are some of the early dialogues that we've had with some customers who are interested in nCounter Elements

<Q – Tycho Peterson – JPMorgan Securities LLC>: And should we think about the consumable stream then getting a little bit lumpier then as we think about customers stocking inventory around development of particular tests or I guess how do you think about that dynamic?

<A – Brad Gray – NanoString Technologies, Inc.>: It's too early to say, Tycho. I don't think that necessarily we'll see a lot of stocking in inventory of Elements in the early days, but that's something we'll keep an eye on and update you on in future quarters.

<Q – Tycho Peterson – JPMorgan Securities LLC>: And then, last one, just any latest thoughts on the Gen 3 system in terms of discussions with potential customers and how you think about ultimately rolling that out next year?

<A – Brad Gray – NanoString Technologies, Inc.>: So, our effort to develop our so-called Gen 3 system or our benchtop system remain on track for a 2014 launch. Most major technical risks have been removed from the program at this point and it's moved in really into an engineering phase. For competitive reasons as well as commercial reasons, we're not sharing with either our customers or with the public in general the detailed specs or features of this particular technology platform yet. It's still too early for that. But we'll look forward to giving you updates in future quarters.

<Q – Tycho Peterson – JPMorgan Securities LLC>: Okay. Thank you.

Operator: Thank you. Our next question comes from Daniel Brennan from Morgan Stanley.

<Q – Dan Brennan – Morgan Stanley>: Hey, guys. This is Scott asking in – sitting in for Dan. Can you give – Brad or Jim, can you give us an idea of the overall breakdown of your customer segment in terms of academic versus pharma for your current installed base? And also, in terms of the overall geography, can you give us an idea of what percentage is U.S. and what percentage is ex-U.S.?

<A – Brad Gray – NanoString Technologies, Inc.>: Sure, Scott, it's Brad. I'll take it. We estimate that today about 75% of our installed base is what you'd call academic or government research and about 25% of our installed base is in biopharmaceutical companies or industrial research. Similarly, about 75% of our installed base is located in North America while about 25% is divided across Europe and Asia.

<Q – Dan Brennan – Morgan Stanley>: Got it. Okay. And do you – can you talk a little bit about how you view your new distributor relationships, driving further adoption of the nCounter as we move forward into Q3 and Q4? Obviously, there needs to be a meaningful acceleration, I think, from the Life Science tools front and you said that you will – you see potential for increased shipments of nCounters in Q3 and Q4. And is it fair to say that some of that growth will come from overseas markets and can you just give us some color around that? Thank you.

<A – Brad Gray – NanoString Technologies, Inc.>: Yes, it is. So, I think the two drivers, the two primary drivers of acceleration in the second half of this year for our Life Sciences business will be; one, the pay-off of the investments we've made in the direct channel, the 30% increase in staff so far in 2013 that I described; and second, the additional distributor relationships that we've established. So a 30% increase in head count over the first half of 2013 is significant. About three-quarters of that increase was in North America and about one-quarter of those new staff went into Europe. So there'll be contributions both to additional North American instrument placements and European instrument placements, we would expect, from those additional staff as they become effective and build their sales funnels in the second half of this year.

The distributor relationships will also contribute. Most of those distributor relationships are in more far-flung geographies, as we said, emerging markets. They'll be a secondary contributor to growth. I don't think they'll contribute quite as much as our direct sales staff will, but we'll look forward to having them come on line as well.

Operator: Thank you. Our next question comes from Dan Leonard from Leerink Swann.

<Q – Dan Leonard – Leerink Swann LLC>: Great. Thank you. Brad or Jim, I was hoping you could maybe offer some more color on your discussions with the FDA. Specifically, can you say if they've asked for additional studies or not?

<A – Brad Gray – NanoString Technologies, Inc.>: Well, our discussions with the FDA have been highly interactive and we believe constructive. They have been both formal meetings as well as informal dialogues. The FDA at this point has not requested substantial additional studies from us, it's more a question and answer on the previously submitted data.

<Q – Dan Leonard – Leerink Swann LLC>: Okay. Thank you. And then I'm curious about the mechanics of that commercial placement in Europe. I think you said it was a European lab but they're planning to sell the test to the Middle East and not Europe. Why would that be? Why wouldn't they sell it within – in the western continent?

<A – Brad Gray – NanoString Technologies, Inc.>: They could. I think it's a commercial operation, though, that has focused on being a specialized provider of esoteric genomic testing to the Middle East, a region that doesn't have, traditionally, a sophisticated commercial laboratory

industry. So, this particular operation could choose to service part of Europe, but they're quite focused on building a business in the Middle East.

<Q – Dan Leonard – Leerink Swann LLC>: Okay. And then my final question. Can you offer up any more detail on additional decision impact studies that you have planned in Europe, how many we might see by the end of the year, what additional countries might be candidates, that sort of thing?

<A – Brad Gray – NanoString Technologies, Inc.>: Yes. We've disclosed that there is one additional decision impact study that we have in the works; it's in Germany. And we'll expect that decision impact study to begin enrollment later in Q3 or early Q4.

<Q – Dan Leonard – Leerink Swann LLC>: Great. Thank you.

Operator: Thank you. Our next question comes from Jeff Elliott from Robert W. Baird.

<Q – Jeff Elliott – Robert W. Baird & Co. Equity Capital Markets>: Thanks for the question. Brad, can you provide additional color on the big consumable order that you saw in the quarter? Was this is a one-time thing or is this kind of the new run rate for that customer?

<A – Brad Gray – NanoString Technologies, Inc.>: I think it's a little early to call it the new run rate for that customer. But these extraordinarily large consumable orders are a pattern that we see from biopharmaceutical companies. When I first joined it was very rare. Three years ago, it was very rare for NanoString to get a consumable order that exceeded $100,000 in a single order. But now, regularly, multiple times a quarter, usually from biopharmaceutical companies, we have consumable orders that are six figures in sum. So, I think that one was extraordinary in its scale, but it really does demonstrate a substantial commitment of that particular company to doing big science on our platform.

<Q – Jeff Elliott – Robert W. Baird & Co. Equity Capital Markets>: That's great. In light of the expansion at the commercial organization, can you talk about what you're seeing from a sales funnel or kind of a selling cycle? Where do you stand in those, in building those?

<A – Brad Gray – NanoString Technologies, Inc.>: Well, we feel good about the funnel that we're looking at for the balance of 2013. Our sales cycle, as we've discussed in the past for instruments, can be long, it can be up to six months in length. That's why the investment that we've made in the first half of this year in additional sales staff we would expect to begin to pay off in the second half of this year and be even more important as we enter 2014.

<Q – Jeff Elliott – Robert W. Baird & Co. Equity Capital Markets>: Got it. And then just more of a technical model question here. What mix of reagent rentals versus outright purchases are you assuming in the balance of the year?

<A – Brad Gray – NanoString Technologies, Inc.>: It's a little early to tell. When we first began engaging customers in Europe about the Prosigna-capable nCounter instruments, we'd expected to do almost exclusively reagent rental. We've been surprised by the number of centers both academic and commercial who are interested in purchasing their instruments. And currently, we're engaged in dialogues with both, and in fact with any individual customer and many times they are requesting and we are presenting both options at this point in time. So, it's a little early for us to declare what we expect our mix to be in the long term.

<Q – Jeff Elliott – Robert W. Baird & Co. Equity Capital Markets>: Got it. Okay. Thank you.

Operator: Thank you. And I'm showing no further questions at this time. I'd like to hand the conference back over to Mr. Brad Gray for any closing remarks.

R. Bradley Gray, President & Chief Executive Officer

Well, thank you, everyone, for your time and your interest. We look forward to updating you on our progress in the quarters ahead.

Operator: Ladies and gentlemen, thank you for participating in today's conference. This concludes our program for today. You may all disconnect and have a wonderful day.

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