

JPM Investor Presentation

January 13, 2021

Forward-Looking Statements

This presentation contains forward-looking statements within the meaning of the federal securities laws that involve material risks, assumptions and uncertainties. Many possible events or factors could affect our future results and performance, such that our actual results and performance may differ materially from those that may be described or implied in the forward-looking statements. As such, no forward-looking statement can be guaranteed. Differences in actual results and performance may arise as a result of a number of factors including, without limitation: the impact and duration of the novel virus (COVID-19) global pandemic; funding and compliance risks relating to government contracts, including our ability to meet key deliverables and milestones under our NIH RADx-ATP contract; our ability to accurately forecast demand for our products and products in development, including in new market segments; adverse changes in competitive conditions, the reimbursement system currently in place and future changes to that system, changes in economic conditions in our domestic and international markets, lower than anticipated market penetration of our products, our reliance on sales of our influenza and COVID-19 diagnostic tests, fluctuations in our operating results resulting from the timing of the onset, length and severity of cold and flu seasons, seasonality, government and media attention focused on influenza and other respiratory or novel viruses and the related potential impact on humans from such viruses; our ability to meet demand for our products; interruptions, delays or shortages in the supply of raw materials, equipment and other components; the quantity of our product in our distributors' inventory or distribution channels; changes in the buying patterns of our distributors; changes in the healthcare market and consolidation of our customer base; our development, acquisition and protection of proprietary technology rights; our ability to develop new technologies, products and markets and to commercialize new products; our reliance on a limited number of key distributors; our exposure to claims and litigation that could result in significant expenses and could ultimately result in an unfavorable outcome for us, including the ongoing litigation between us and Beckman Coulter, Inc.; intellectual property risks, including but not limited to, infringement litigation; our ability to finance our capital or operating needs; the financial soundness of our customers and suppliers; acceptance of our products among physicians and other healthcare providers; competition from other providers of diagnostic products; failures or delays in receipt of reviews or regulatory approvals, clearances or authorizations for new products or related to currently-marketed products by the U.S. Food and Drug Administration (the "FDA") or other regulatory authorities or loss of any previously received regulatory approvals, clearances or authorizations or other adverse actions by regulatory authorities; changes in government policies; costs of and adverse operational impact from failure to comply with government regulations in addition to FDA regulations; compliance with government regulations relating to the handling, storage and disposal of hazardous substances; third-party reimbursement policies and potential cost constraints; our failure to comply with laws and regulations relating to billing and payment for healthcare services; product defects; business risks not covered by insurance; costs and disruptions from failures in our information technology and storage systems; our exposure to data corruption, cyber-based attacks, security breaches and privacy violations; competition for and loss of management and key personnel; international risks, including but not limited to, compliance with product registration requirements, compliance with legal requirements, tariffs, exposure to currency exchange fluctuations and foreign currency exchange risk, longer payment cycles, lower selling prices and greater difficulty in collecting accounts receivable, reduced protection of intellectual property rights, social, political and economic instability, increased financial accounting and reporting burdens and complexities, taxes, and diversion of lower priced international products into U.S. markets; changes in tax rates and exposure to additional tax liabilities or assessments; our ability to manage our growth strategy and successfully identify, acquire and integrate potential acquisition targets or technologies and our ability to obtain financing; the level of our deferred payment obligations; that our Revolving Credit Facility is secured by substantially all of our assets; operating and financial restrictions on us under the agreements for our indebtedness and their effect on our ability to operate our business; that an event of default could trigger acceleration of outstanding indebtedness; that we may incur additional indebtedness; dilution resulting from future sales of our equity; volatility in our stock price; provisions in our charter documents and Delaware law that might delay or impede stockholder actions with respect to business combinations or similar transactions; and our intention of not paying dividends. Forward-looking statements typically are identified by the use of terms such as "may," "will," "should," "might," "expect," "anticipate," "estimate," "plan," "intend," "goal," "project," "strategy," "future," and similar words, although some forward-looking statements are expressed differently.

Forward-looking statements in this presentation include, among others, statements concerning our outlook for the business, including, among others, projections about our revenue, indebtedness, product demand, new and expansion product developments and market opportunities, including pricing, growth of our non-COVID portfolio, OTC opportunities, manufacturing, regulatory and commercial activities; our strategic initiatives, goals, focus and objectives, including company transformation; our merger and acquisition ("M&A") strategy. The risks described in reports and registration statements that we file with the Securities and Exchange Commission from time to time, should be carefully considered, including those discussed in Item 1A, "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2019 and in our subsequent Quarterly Reports on Form 10-Q. You are cautioned not to place undue reliance on these forward-looking statements, which reflect management's analysis only as of the date of this presentation. Except as required by law, we undertake no obligation to publicly release any revision or update of these forward-looking statements, whether as a result of new information, future events or otherwise.

- **Projections:** The projections and estimates in this presentation are based on numerous variables and assumptions, which are inherently uncertain, including factors related to the impact of the COVID-19 pandemic, continuity of supply of raw materials and other components, and general economic and competitive conditions. Accordingly, actual results could differ materially from those set forth in the projected or estimated numbers. Inclusion of such projected and estimated numbers in this presentation should not be regarded as a representation that such results will be achieved. See "Forward-Looking Statements" above.
- **Non-GAAP Financial Measures**: This presentation contains adjusted EBITDA, which is a non-GAAP financial measure. Such non-GAAP financial measures are presented as supplemental financial measurements in the evaluation of our business. We believe the presentation of these financial measures helps investors to assess our operating performance from period to period and enhances understanding of our financial performance and highlights operational trends. Such measurements may not be comparable to those of other companies in our industry, which limits their usefulness as comparative metrics. Such metrics are not required by or calculated in accordance with generally accepted accounting principles ("GAAP") and should not be considered as substitutes for net income or any other measure of financial performance reported in accordance with GAAP or as a measure of operating cash flow or liquidity. You can find a reconciliation of EBITDA to the most directly comparable GAAP financial measure in the Appendix to this presentation.

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2020 in Review

- **Responded quickly to the pandemic: received 6 EUAs for COVID-19 diagnostics across multiple technologies:**
  - PCR, rapid antigen, and isothermal SARS assays for professional use
  - QuickVue and Sofia Q SARS tests for OTC and “at-home” use expected soon
- **Total Revenues grew by approximately $1.1B to $1.6B; +210% growth versus last year:**
  - Sofia SARS revenues were $1.0B
  - Lyra SARS-2-CoV-2 revenues were $0.2B
  - Minimal QuickVue and Solana SARS revs in 2020; will be growth drivers for 2021
  - Core Revenues down ~7%
- **Operating Margins expected to exceed 60%, compared to 2019 at 17%**
- **Sofia installed base accelerated in Q4, growing to 65,000 total instrument placements; Solana at 1,350 placements**
- **Focused Production Capacity Ramp: Gross Capital investment in excess of $60M**

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Outlook for 2021

Anticipate everything we can make will get shipped. Currently spotting, laminating and cutting 3 million tests per week for QuickVue and Sofia. Looking at mix and supply chain as we anticipate QV SARS OTC approval.

OTC, although important, will have a limited impact in H1 as we install equipment and hire additional staff.

We expect to double 2020 revenue in 2021 with a similar drop-through to the bottom line.

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Quidel is a diagnostics company with multiple revenue opportunities. Favorable healthcare trends are expected to drive sustained growth at attractive margins.

Quidel develops, manufactures, and sells diagnostic solutions across a broad continuum.

Our primary markets have been the physician office labs (POLs), hospitals, labs and urgent care centers.*

We grow by introducing products to the market that address the following attributes:



Improved Accuracy



Lower Cost



Faster Turn Around Time



Easier to Use

- More Efficient Workflow
- Better Data Handling

*** This is likely to evolve quite dramatically over time as testing is democratized through far greater access to tests for common or routine conditions**

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In recent years, leading up to 2020, Quidel has delivered strong performance.

2009 - Present

Launched Lyra® RT-PCR assays for SARS-2 CoV-2	Launched the first POC rapid antigen for COVID-19	Launched the first POC combo (rapid antigen + flu) test for COVID-19
Acquired Triage and BNP Businesses from Alere	Submitted over 30 510(k) packages to the FDA	Over 25 FDA clearances and expanded product claims, 4 CLIA waiver designations
Launched Sofia 2 platform, 3 FDA-cleared assays	Launched Solana instrumented MDx platform	Launched Sofia platform and 4 FDA-cleared assays
Launched 2 first generation molecular systems (AmpliVue & Lyra)	Launched Virena wireless system	Acquired DHI ($45 million annual direct business)

Acquired BioHelix (proprietary HDA technology)	Acquired Immutopics direct bone health business	Acquired RPS POC direct Eye Care businesses	Acquired ViroMed, CellPro direct Virology businesses

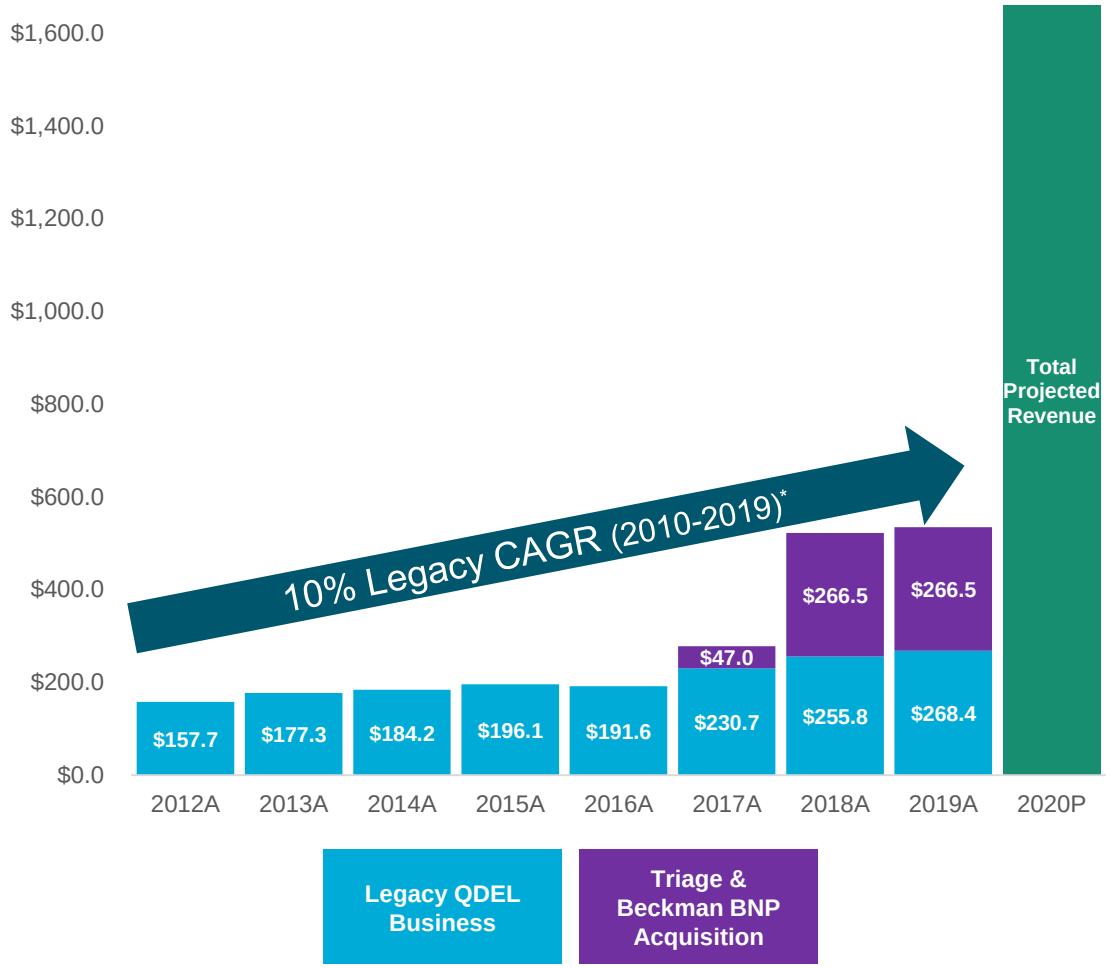
1989 - 2009

Launched QuickVue Influenza A/B rapid diagnostic assay	First company to receive CLIA waiver for Flu, Strep and H. pylori tests

1979 - 1989

Company founded	Primarily a provider of Strep A and Pregnancy rapid diagnostics

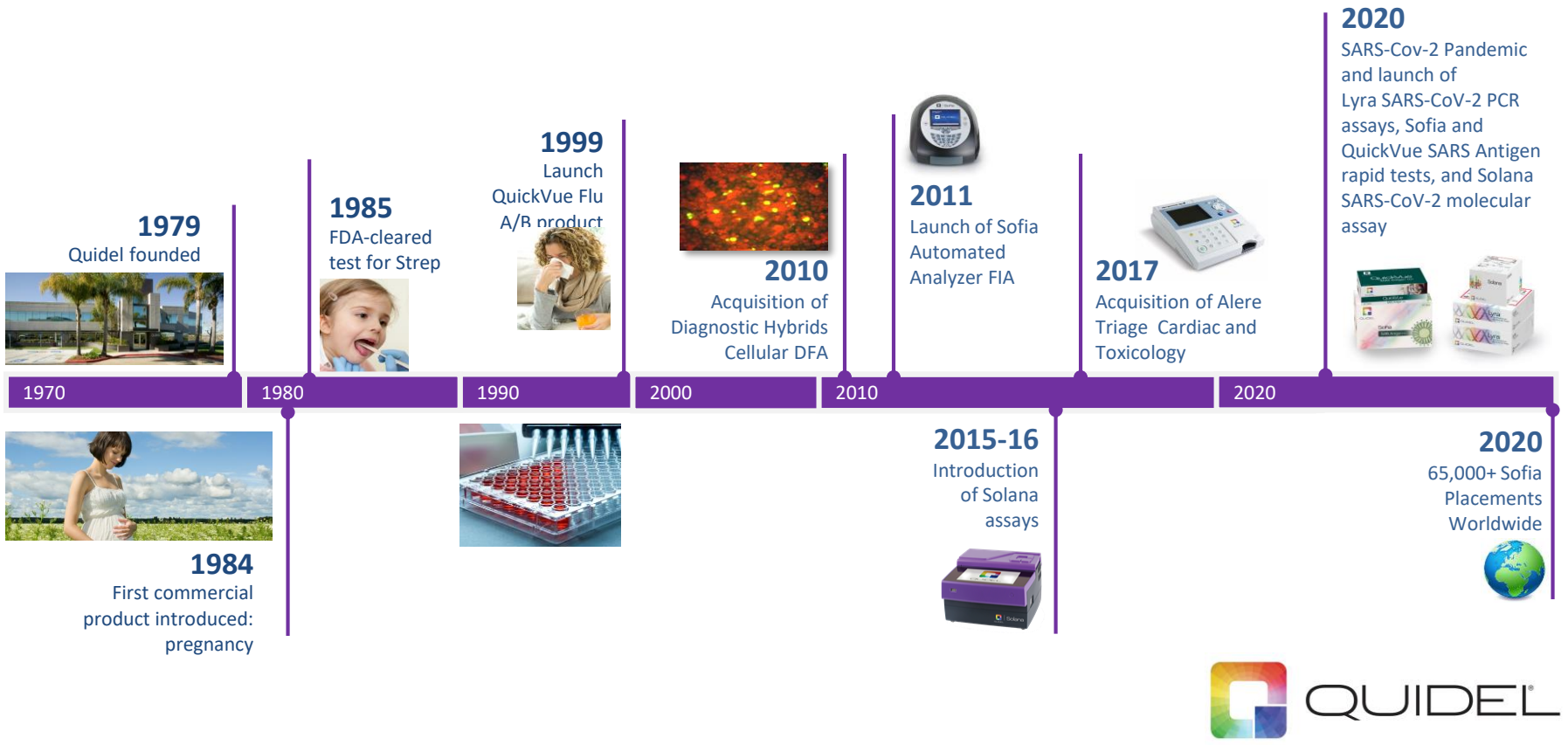
Revenues



*Quidel full year revenues (2010-2019), legacy revenue excludes acquired Cardiac (Triage & Beckman BNP). 2020 revenues estimated.

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Quidel has been an industry leader in the point-of-care segment since 1979 with many first-to-market products.



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In 2020, Quidel fully leveraged competencies across the organization to quickly develop and scale several COVID-19 testing solutions.

Feb 26, 2020

CDC confirms 1st U.S. case from community spread in CA. White House Task Force created and led by VP Pence.

Mar 4, 2020

Quidel CEO and CFO invited to meet with White House Task Force to discuss testing. In less than 2 weeks, Quidel begins shipping their 1st EUA test for COVID-19. This was one of the first EUA's for an assay to detect the virus in individuals suspected of having COVID-19.

Mar 17, 2020

Quidel receives its 1st EUA on Lyra, a molecular RT-PCR test to detect SARS-CoV-2 RNA in individuals suspected of having COVID-19. Quickly ramps up manufacturing capacity to 1 Million tests per month. A 3rd EUA was issued on May 18 for a Lyra direct PCR assay without extraction.

May 8, 2020

Quidel receives its 2nd EUA on the first rapid, 15-minute immunoassay test to detect SARS viral antigen (nucleocapsid protein) in individuals suspected of having COVID-19 on its flagship platform, Sofia 2. Quickly ramps up manufacturing capacity to 1.125 Million tests per week or 4.5 Million tests per month. Quidel receives approval on an EUA amendment on June 9, for the SARS Antigen test on the original Sofia analyzer. On July 17, Sofia SARS Antigen FIA updates performance data.

Oct 2, 2020

Quidel receives EUA for another first rapid, 15-minute immunoassay Multi-Antigen Respiratory Panel to differentiate Influenza A+B from COVID-19.



Dec 18, 2020

Quidel receives EUA for another rapid immunoassay, QuickVue, to detect SARS viral antigen nucleocapsid proteins using a simple test strip with no instrument. Direct anterior nares swab samples can be used.

Dec 23, 2020

Quidel receives EUA for a 25-minute molecular test to detect SARS-CoV-2 viral RNA in individuals suspected of having COVID-19 on its Solana platform. Quickly ramps up Solana manufacturing capacity to 750,000 tests per month.

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Quidel continues to transform itself, now at an increasing rate.

2017 Purchased Cardiometabolic Business from Abbott

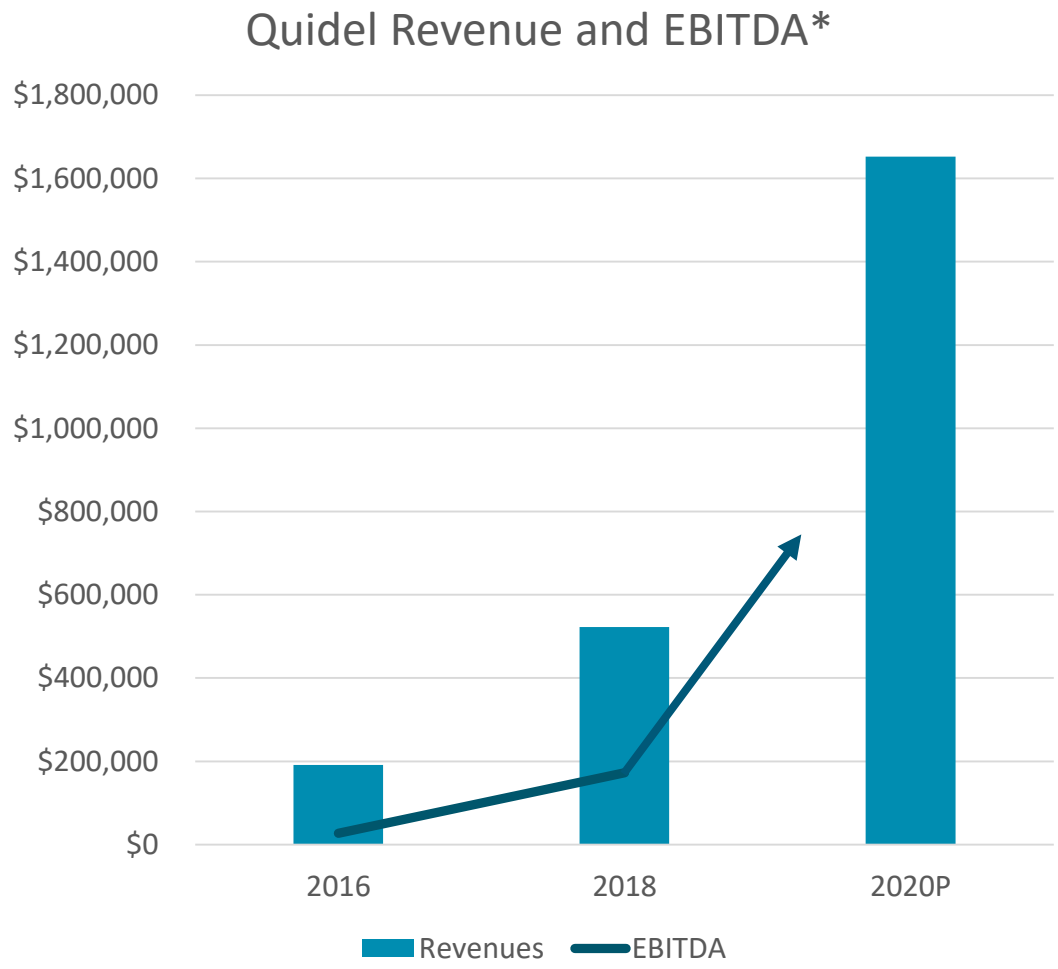
- Global commercial enterprise – sell in >100 countries
- Global management and infrastructure capabilities
- Expanded revenues, earnings and cash flows

2020 SARS product launches

- Numerous firsts: Antigen and Flu/SARS combo, Lyra Direct PCR
- Fully leveraged infrastructure and 1,300 employees
- Rapid action on global supply chain

2021 Continued Democratization

- OTC
- Disruptive technology: Savanna



* See EBITDA reconciliation in Appendix.

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Quidel has Risen to the COVID-19 Challenge

Ensuring Safety of Quidel Employees

Only essential employees in key departments reporting to work

Adhering to social distancing and work from home orders at the national, state and local levels

Enhanced disinfecting, health and safety measures implemented, on-site testing twice a week

Developing Tests for Customers and Patients in Need

Received EUA for Lyra® SARS-CoV-2 and Lyra® Direct SARS-CoV-2 assays

Received EUA for Sofia® SARS Antigen, Sofia® Flu + SARS Antigen Combo, and QuickVue® SARS Antigen assays

Received EUA for Solana® SARS-2-CoV-2 assay

Serology-based assay in development for Sofia®

Vastly Increasing Access to Diagnostic Testing

Lyra® Direct and Solana® SARS reduce testing bottleneck in hospitals and labs by removing extraction step

Ramping up manufacturing

Partnering with HHS and NIH-RADx

EUA = Emergency Use Authorization from the U.S. Food and Drug Administration

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Quidel's 3 Main Objectives over the next 3-5 years

Leverage Assets Fully:

Large Sofia installed base

Established Global Infrastructure

Proven R&D Expertise

Expanded Manufacturing Capacity

Launch and Scale Flagship Products:

Savanna

hsTroponin

OTC products

Deploy Capital Wisely:

Strengthen Supply Chain

Meaningfully increase production

Opportunistic M&A

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QuickVue At Home and Sofia Q will allow Quidel to further democratize POC testing beyond the traditional segment

- Visually read lateral flow does not require a device to interpret results
- Results are provided in 10 minutes or less
- Affordable price point will enable increased frequency of testing



- A small diagnostic device able to read a standard Sofia Fluorescent Immunoassay Cartridge
- Images of the cassette are captured on the Sniffles device and transmitted via Bluetooth to a mobile device
- The result is then interpreted using a proprietary AI software model that is downloaded to a mobile device.



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After the pandemic, Quidel's non-COVID-19 diagnostic portfolio will drive further growth.

Short-term

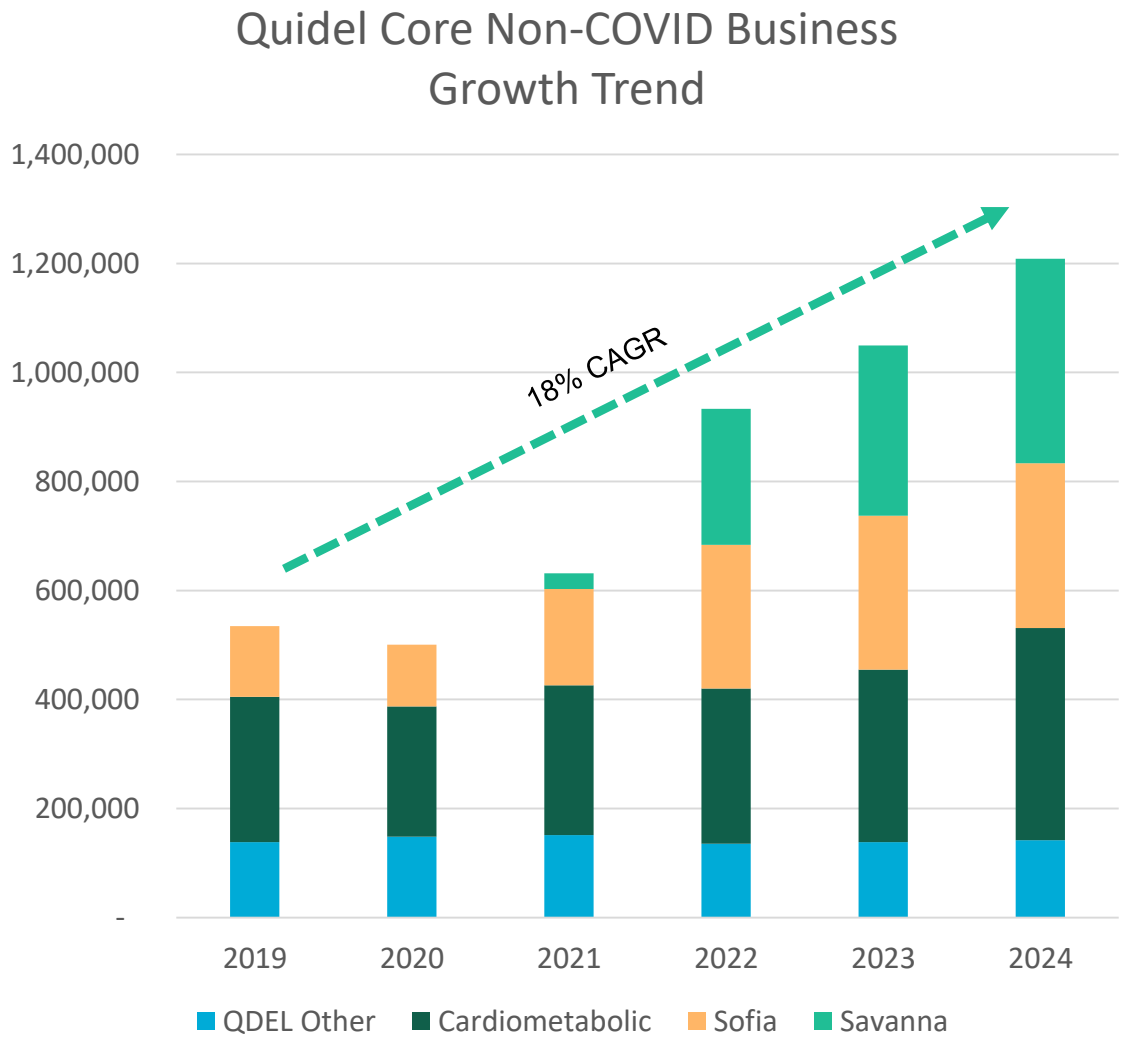
- Exit 2020 with Sofia install base @ 65,000 creating a larger customer base for respiratory menu
- Expand Sofia menu, Gastrointestinal, Strep98, others

Medium-term

- Savanna launch 2H21 with respiratory panel
- hsTnl clinical trials in 2021

Long-term

- Savanna menu expansion
- US Launch for hsTnl



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Capital Structure

Debt Type	Initial Date	Amount	Balance at 12/31/2020
Convertible Bond Debt	December 2014	$172.5 million	$0
Term Loan Debt	October 2017	$245 million	$0
Revolver Debt	October 2017	$10 million	$0
Deferred & Contingent Consideration (Abbott)	October 2017	$280 million	$136 million

- De-levered from >$700M debt to $136M in just over 3 years
- Consummated sale-leaseback transaction for $146 million in January 2018
- Repurchased >96% of convertible bonds prior to maturing (weighted avg price of $61.43 per share)
- Utilized cash flow from operations to reduce loan debt and contingent consideration
- Strong balance sheet – positioned for future investment opportunities

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M&A Can Further Enable Our Strategy

We have three criteria against which we are constantly evaluating opportunities



Strategic Fit

- **Leverages existing assets**
  - R&D capabilities
  - Existing sales call points and distribution partners
  - Sofia installed base
- **Platform for future growth**
  - New/adj market segments
  - Product portfolio extends
  - Production capacity
- **Secures global supply chain**



Financial Fit

- **Accelerate top-line growth**
- **Margins**
  - ~65% product GM
  - ~35% EBITDA
- **ROIC**



Ability to Execute

- **Integration assessment**
- **Confidence in achieving synergies**

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Goals for 2021



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Appendix: EBITDA Reconciliation

QUIDEL CORPORATION		
	2016	2018
Net (loss) income	$(13,808)	$ 74,183
Income Tax	(2,391)	(10,799)
Interest Income	(447)	(3)
Interest Expense	12,358	23,448
Loss on extinguishment of debt	-	8,262
Stock Based Compensation	7,986	11,709
Depreciation	13,426	17,709
Amortization	9,532	28,896
Acquisition and integration costs	711	14,197
Inventory write-up	-	3,650
Change in fair value adjust of acquisition contingencies	-	1,114
Inventory write-up	-	
EBITDA	$ 27,367	$172,366