UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 11, 2020

T2 BIOSYSTEMS, INC.
(Exact name of registrant as specified in its charter)

Delaware	**001-36571**	**20-4827488**
(State or Other Jurisdiction of Incorporation)	**(Commission File Number)**	**(IRS Employer Identification Number)**

101 Hartwell Avenue, Lexington, Massachusetts 02421
(Address of principal executive offices, including Zip Code)

(781) 761-4646
(Registrant's telephone number, including area code)

N/A
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common stock, par value $0.001 per share	**TTOO**	**The Nasdaq Stock Market LLC (Nasdaq Global Market)**

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Item 2.02 Results of Operations and Financial Condition

On August 11, 2020, T2 Biosystems, Inc. (the "Company") issued a press release announcing its financial results for its fiscal quarter ended June 30, 2020 and held a conference call to discuss those results. A copy of the Company's press release and a copy of the transcript of the conference call are furnished with this report as Exhibits 99.1 and 99.2, respectively.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item 2.02 and Exhibits 99.1 and 99.2 of this Current Report on Form 8-K are being furnished and shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section. Furthermore, such information, including Exhibits 99.1 and 99.2 attached hereto, shall not be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, except as expressly stated by specific reference in such a filing.

Item 9.01 Financial Statements and Exhibits

(d) Exhibits

Exhibit No.	Description
99.1	Press Release issued August 11, 2020
99.2	Transcript of conference call held on August 11, 2020

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: August 17, 2020

T2 BIOSYSTEMS, INC.

By: /s/ John Sprague
John Sprague
Chief Financial Officer

EXHIBIT 99.1

T2 Biosystems Announces Second Quarter 2020 Financial Results

LEXINGTON, Mass., August 11, 2020 (GLOBE NEWSWIRE) – T2 Biosystems, Inc. (NASDAQ:TTOO), a leader in the rapid detection of sepsis-causing pathogens, today announced financial results for the second quarter ended June 30, 2020.

Recent Highlights

- Achieved second quarter total revenue of $2.6 million and product revenue of $1.0 million, an increase of 41% and a decrease of 18%, respectively, compared to the prior year period
- Launched T2SARS-CoV-2™ Panel in the U.S. for use with the T2Dx® Instrument, for the detection of SARS-CoV-2, the virus that is responsible for COVID-19 infections, on June 30, 2020
- Submitted an Emergency Use Authorization (EUA) application for the T2SARS-CoV-2 Panel to the U.S. Food and Drug Administration on July 1, 2020
- Appointed three new members to the Company's Board of Directors, adding commercialization and clinical experience, and expanding board diversity
- Strengthened the balance sheet from the first quarter of 2020 by raising $45.5 million through the sale of 28.4 million shares of common stock; completing the At the Market, or ATM, offering

"We made significant progress toward our corporate priorities during the second quarter – including the development, validation and U.S. launch of our new COVID-19 molecular diagnostic test, branded as the T2SARS-CoV-2 Panel. The T2SARS-CoV-2 Panel provides results in less than two hours utilizing a nasopharyngeal swab sample. The panel has demonstrated sensitivity of 95% and specificity of 100%, and runs on the FDA-cleared T2Dx Instrument, which can perform seven tests simultaneously," stated John Sperzel, President and CEO of T2 Biosystems. "The strong initial demand from U.S. hospitals for our T2SARS-CoV-2 Panel and T2Dx Instrument, coupled with the susceptibility of critically-ill COVID-19 patients to develop bacterial or fungal co-infections and secondary infections that can lead to sepsis, validates our decision to develop the T2SARS-CoV-2 Panel and we believe will provide an opportunity to drive utilization of our sepsis-related portfolio."

Second Quarter 2020 Financial Results

Total revenue for the second quarter of 2020 was $2.6 million, an increase of 41% compared to the prior year period. Product revenue for the second quarter of 2020 was $1.0 million, a decrease of 18% compared to the prior year period driven by lower instrument sales to international markets. Research and contribution revenue for the second quarter of 2020 was $1.5 million, an increase of 185% compared to the prior year period driven by increased funding under our U.S. government contract.

Costs and operating expenses for the second quarter of 2020 were $11.4 million, a decrease of $4.2 million compared to the prior year period driven by lower cost of product revenue and lower selling, general and administrative expenses on lower instrument sales to international markets.

Net loss for the second quarter of 2020 was $10.7 million or a loss of $0.09 per share, compared to a net loss of $15.6 million or a loss of $0.35 per share in the prior year period.

Total cash, cash equivalents and marketable securities as of June 30, 2020 were $35.8 million. This includes proceeds from the sale of 6.4 million shares of common stock through the ATM offering for $8.4 million in the second quarter. In July of 2020 the ATM offering was completed and there is no remaining availability under the ATM. The remaining $37.1 million was raised through the sale of 22.0 million shares. Cash, cash equivalents and marketable securities as of July 31, 2020 were $69.1 million.

2020 Financial Outlook

Financial and operational guidance for the full year 2020 has been reissued as a result of greater clarity around the impacts of COVID-19 on demand for products and the initial experience with the launch of the T2SARS-CoV-2 Panel in the U.S. Guidance was previously suspended on March 24, 2020, due to disruption and uncertainties related to the ongoing COVID-19 pandemic.

The Company expects full year 2020 total revenues of between $18.0 million to $20.0 million, including product revenues between $13.0 million to $14.0 million and research and contribution revenues between $5.0 million to $6.0 million. In the U.S. 60 T2Dx Instrument sales contracts are expected to be received in 2020.

Webcast and Conference Call Information

T2's management team will host a conference call today, August 11, 2020, beginning at 4:30pm ET. Investors interested in listening to the call may do so by dialing 877-407-9208 for domestic callers or 1-201-493-6784 for International callers. A live and recorded webcast of the call will be available on the "Investors" section of the Company's website at www.t2biosystems.com.

About T2 Biosystems

T2 Biosystems, a leader in the rapid detection of sepsis-causing pathogens, is dedicated to improving patient care and reducing the cost of care by helping clinicians effectively treat patients faster than ever before. T2 Biosystems' products include the T2Dx® Instrument, T2Candida® Panel, the T2Bacteria® Panel, the T2Resistance™ Panel, and the T2SARS-CoV-2™ Panel and are powered by the proprietary T2 Magnetic Resonance (T2MR®) technology. T2 Biosystems has an active pipeline of future products, including the T2Cauris™ Panel, and T2Lyme™ Panel, as well as additional products for the detection of bacterial and fungal pathogens and associated antimicrobial resistance markers, as well as biothreat pathogens.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including, without limitation, statements regarding our revenue results and cash balance, anticipated product benefits, strategic priorities, product expansion or opportunities, growth expectations or targets, timing of FDA filings or clearances and anticipated operating expenses, as well as statements that include the words "expect," "intend," "plan", "believe", "project", "forecast", "estimate," "may," "should," "anticipate," and similar statements of a future or forward looking nature. Furthermore, statements contained in this document relating to the recent global outbreak of the novel coronavirus disease (COVID-19), the impact of which remains inherently uncertain on our financial results, are forward-looking statements. These forward-looking statements are based on management's current expectations. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements, including, but not limited to, (i) any inability to (a) realize anticipated benefits from commitments, contracts or products; (b) successfully execute strategic priorities; (c) bring products to

market; (d) expand product usage or adoption; (e) obtain customer testimonials; (f) accurately predict growth assumptions; (g) realize anticipated revenues; (h) incur expected levels of operating expenses; or (i) increase the number of high-risk patients at customer facilities; (ii) failure of early data to predict eventual outcomes; (iii) failure to make or obtain anticipated FDA filings or clearances within expected time frames or at all; or (iv) the factors discussed under Item 1A. “Risk Factors” in the company’s Annual Report on Form 10-K for the year ended December 31, 2019, filed with the U.S. Securities and Exchange Commission, or SEC, on March 16, 2020, and other filings the company makes with the SEC from time to time. These and other important factors could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. Any such forward-looking statements represent management’s estimates as of the date of this press release. While the company may elect to update such forward-looking statements at some point in the future, unless required by law, it disclaims any obligation to do so, even if subsequent events cause its views to change. Thus, no one should assume that the Company’s silence over time means that actual events are bearing out as expressed or implied in such forward-looking statements. These forward-looking statements should not be relied upon as representing the company’s views as of any date subsequent to the date of this press release.

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T2 BIOSYSTEMS, INC.

CONDENSED CONSOLIDATED BALANCE SHEETS
(In thousands, except share and per share data)
(Unaudited)

	June 30, 2020	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	$ 26,549	$ 11,033
Marketable securities	9,247	—
Accounts receivable	1,300	2,825
Inventories	4,111	3,599
Prepaid expenses and other current assets	6,165	1,438
Total current assets	47,372	18,895
Property and equipment, net	3,900	5,845
Operating lease right-of-use assets	2,076	3,360
Restricted cash	160	180
Other assets	206	206
Total assets	$ 53,714	$ 28,486
Liabilities and stockholders' deficit		
Current liabilities:		
Notes payable	$ —	$ 42,902
Accounts payable	1,779	3,753
Accrued expenses and other current liabilities	5,971	11,207
Derivative liability	—	2,425
Deferred revenue	199	285
Total current liabilities	7,949	60,572
Notes payable, net of current portion	44,000	—
Operating lease liabilities, net of current portion	924	1,873
Deferred revenue, net of current portion	17	46
Derivative liability	2,391	—
Other liabilities	2,821	—
Commitments and contingencies		
Stockholders' deficit:		
Preferred stock, $0.001 par value; 10,000,000 shares authorized; no shares issued and outstanding at June 30, 2020 and December 31, 2019	—	—
Common stock, $0.001 par value; 200,000,000 shares authorized; 128,461,279 and 50,651,535 shares issued and outstanding at June 30, 2020 and December 31, 2019, respectively	128	51
Additional paid-in capital	397,295	342,121
Accumulated deficit	(401,811)	(376,177)
Total stockholders' deficit	(4,388)	(34,005)
Total liabilities and stockholders' deficit	$ 53,714	$ 28,486

T2 BIOSYSTEMS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(In thousands, except share and per share data)
(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2020	2019	2020	2019
Revenue:				
Product revenue	$ 1,041	$ 1,274	$ 2,086	$ 2,588
Research revenue	11	71	11	213
Contribution revenue	1,500	459	3,000	788
Total revenue	2,552	1,804	5,097	3,589
Costs and expenses:				
Cost of product revenue	2,300	4,820	6,971	9,208
Research and development	3,980	4,048	8,918	7,949
Selling, general and administrative	5,111	6,722	11,608	13,776
Total costs and expenses	11,391	15,590	27,497	30,933
Loss from operations	(8,839)	(13,786)	(22,400)	(27,344)
Interest expense, net	(1,843)	(2,000)	(3,260)	(3,782)
Other income, net	(3)	139	26	332
Net loss and comprehensive loss	$ (10,685)	$ (15,647)	$ (25,634)	$ (30,794)
Net loss per share – basic and diluted	$ (0.09)	$ (0.35)	$ (0.27)	$ (0.69)
Weighted-average number of common shares used in computing net loss per share – basic and diluted	120,292,543	44,426,402	94,464,933	44,354,771

Philip Taylor

Thank you, operator. Thanks for joining us for the T2 Biosystems Second Quarter 2020 Financial Results Conference Call. I would like to remind everyone that comments made by management today and answers to questions will include forward-looking statements. Those include statements related to T2 Biosystems' future financial and operating results and plans for developing and marketing new products.

Forward-looking statements are based on estimates and assumptions as of today and are subject to risks and uncertainties that may cause actual results to differ materially from those expressed or implied by these statements, including the risks and uncertainties described in T2 Biosystems' annual report on Form 10-K filed with the SEC March 16, 2020, and other filings the company makes with the SEC from time to time. The company undertakes no obligation to publicly update or revise any forward-looking statements, except as required by law. With that, I would like to turn the call over to President and CEO, John Sperzel. John?

John Sperzel

Thank you for joining our second quarter 2020 earnings call. I will start by acknowledging the ongoing COVID-19 pandemic and its widespread impact on our communities. Our team at T2 Biosystems would like to thank all healthcare workers for their tireless service. I also want to thank my colleagues at T2 Biosystems for their commitment to our mission while dealing with unprecedented challenges.

On today's call, I will start with a review of our performance during the second quarter, and then discuss the progress made toward each of our corporate priorities, including the recent U.S. commercial launch of our COVID-19 molecular diagnostic test, the T2SARS-CoV-2™ Panel, and how it is well-aligned with our mission and our corporate priorities. John Sprague will provide the detailed second quarter financial results, I will make some closing remarks, and then we will open the call for questions and answers.

As we announced at the end of June, the T2 Biosystems team generated total revenue of $2.6 million in the second quarter of 2020, an increase of 41% compared to the prior year period. Growth was driven by increased revenue from the product development contract awarded by the U.S. government in late 2019. On June 30th, we commenced sales of our T2SARS-CoV-2 Panel in the U.S. market, and we significantly strengthened our balance sheet during and subsequent to the end of the second quarter.

I want to take a moment to emphasize T2 Biosystems' mission – *to fundamentally change the way medicine is practiced through transformative diagnostics that improve the lives of patients around the world*. I also want to reiterate the three corporate priorities we set at the beginning of this year: 1) accelerating our sales, 2) improving our operations, and 3) advancing our pipeline. We remain laser focused on our mission, and fully committed to our corporate priorities. This pandemic provides us with an opportunity to dramatically increase our U.S. installed base of T2Dx® Instruments and supply U.S. hospital systems with high-quality COVID-19 molecular diagnostic tests that deliver results in less than two hours. Our plan is to subsequently leverage a much larger installed base of instruments to advance our sepsis business going forward.

Sepsis represents nearly $41 billion in annual U.S. healthcare costs and causes the death of nearly 270,000 people in the U.S. each year – and 11 million globally. We deliver life-saving innovations to achieve faster targeted therapy, reduce unnecessary use of broad-spectrum antibiotics, and help to prevent and combat growth in antimicrobial resistance. We continue to supply our T2Dx Instruments and our T2Bacteria®, T2Candida® and T2Resistance™ Panels to hospitals around the globe, to aid clinicians in the rapid detection of sepsis-causing pathogens. T2 Biosystems offers the only FDA-cleared products to identify sepsis-causing pathogens directly from whole blood, in 3-5 hours, without the need to wait days for a positive blood culture. Time matters when it comes to sepsis, as each hour of delayed targeted treatment can increase mortality by up to 8 percent.

Data has shown that COVID-19 patients are susceptible to co-infections and secondary infections that can cause sepsis. Our hospital customers understand this connection, and have been using our sepsis diagnostic panels to help manage patients more effectively. As such, expanding our test menu to include a molecular diagnostic test to allow the detection of SARS-CoV-2, the virus responsible for causing primary COVID-19 infections, is a great strategic fit.

With greater clarity around the impacts of COVID-19 on demand for our products and our initial experience in the launch of the T2SARS-CoV-2 Panel in the U.S., we are reissuing guidance for the full year 2020 as follows:

We expect full year 2020 total revenues of $18.0 million to $20.0 million, including product revenues of $13.0 million to $14.0 million and research and contribution revenues of $5.0 million to $6.0 million. We expect 60 U.S. T2Dx Instrument sales contracts in 2020.

We will now shift gears to discuss the three corporate priorities we established at the beginning of this year to drive long-term success for the company: accelerating our sales, improving our operations, and advancing our pipeline.

Let’s start by addressing our first priority: accelerating our sales – by prioritizing adoption and increased test utilization. Product sales during the second quarter decreased compared to the prior year period, primarily due to fewer international sales of T2Dx Instruments. Consistent with the first quarter, hospital customers continued to focus on COVID-19 patient management and delayed the evaluations of technologies to address non-COVID illnesses.

As such, our second quarter product revenue was driven primarily by sales of T2Candida and T2Bacteria Panels. We were very pleased that U.S. test utilization per instrument increased by 51% during the second quarter, compared to the previous quarter, due in large part to increased testing of COVID-19 patients that were at risk for developing co-infections and secondary infections that can lead to sepsis.

I would now like to provide an update on our COVID-19 molecular diagnostic test, the T2SARS-CoV-2 Panel, which we launched commercially in the United States on June 30, 2020, the last day of the second quarter. We believe this new test will have a significant positive impact on our business by providing a new growth vehicle and driving increased sales of T2Dx Instruments in the U.S., which are being pre-positioned for future adoption of our existing sepsis products.

The T2SARS-CoV-2 Panel uses a nasopharyngeal swab sample and runs on our FDA-cleared T2Dx Instrument – which can perform seven tests simultaneously and provides results in less than two hours. Based upon testing in a clinical setting using known positive and negative patient samples, the T2SARS-CoV-2 Panel demonstrated sensitivity of 95% and specificity of 100%.

To understand how we plan to succeed in a growing COVID-19 diagnostic testing market, it’s important to understand the types of tests currently available, as well as the locations where COVID-19 testing is being performed.

The FDA issued a document in July 2020 titled “Coronavirus Testing Basics” describing two types of tests: diagnostic tests and antibody tests. According to the FDA, diagnostic tests can show if you have an active infection – and include molecular tests that detect the virus’s genetic material, such as the T2SARS-CoV-2 Panel, and antigen tests, that detect specific proteins on the surface of the virus. Antibody, or serology tests, look for antibodies that are made by your immune system in response to a threat such as a specific virus, not the actual virus. Antibodies can take several days or weeks to develop after an infection and may stay in your blood for several weeks or more after recovery.

According to the FDA, molecular tests can be used to diagnose an active COVID-19 infection. While antigen tests may also be used to diagnose active COVID-19 infections, the FDA cautions that antigen tests are more likely to miss an active infection, compared to molecular tests, and therefore should not be used to definitively rule out an active COVID-19 infection. Finally, according to the FDA, antibody tests cannot be used to diagnose active COVID-19 infections.

Today, COVID-19 tests are performed in numerous locations, including large high-volume reference laboratories, hospital laboratories, long-term care facilities, urgent care centers, doctor offices, clinics, and drive-through testing sites. We are also seeing new testing scenarios to serve professional sports teams, universities, schools, and employers. In almost all locations, the need for tests and the need for rapid results is outpacing industry capabilities.

While it is true that our T2SARS-CoV-2 Panel could be used to detect and help diagnose active COVID-19 infections in many of the aforementioned testing locations, especially given its 2-hour time to result, we plan to stay true to our mission and our target customer: U.S. hospital systems. It's important to remember that these are the same target customers for our sepsis panels; T2Candida and T2Bacteria. Our objective is to significantly increase the installed base of T2Dx Instruments in the U.S. market during the COVID-19 pandemic, by delivering a high-quality COVID-19 molecular test, and leverage a much larger installed base to revolutionize the sepsis market going forward.

We are experiencing high demand from U.S. hospital systems for our T2SARS-CoV-2 Panel and T2Dx Instrument following the recent commercial launch. Hospital systems are also experiencing high demand for molecular diagnostic tests and, because diagnostic test manufacturers are unable to supply sufficient quantities of tests, many hospitals have acquired multiple testing platforms in an effort to meet COVID-19 testing demand. We believe our ability to guarantee customers the supply and delivery of specific quantities of our T2SARS-CoV-2 Panel is a significant competitive advantage.

This new demand has allowed us to shift our U.S. commercial model from the previous practice of leasing or placing T2Dx Instruments – to selling instruments, selling service contracts, obtaining large upfront purchase orders, and placing customers on standing orders for T2SARS-CoV-2 Panels. We are also actively working to convert existing

reagent rental customers over to capital purchases. At the same time, we are rebuilding our U.S. sales team with experienced diagnostics sales professionals, who have already made a positive impact on our business.

Moving to our second priority: improving our operations – by prioritizing cost of goods and expense reductions. Over the past six months we have made significant progress in changing the cost structure of the organization. We have taken several steps to eliminate costs that do not support our corporate priorities, including headcount reduction, facility consolidation, and driving efficiencies in manufacturing and logistics. We reduced our real estate footprint by approximately 22% during the second quarter, following the exit of one of our leased facilities.

At the beginning of the second quarter, we implemented a number of initiatives to reduce the manufacturing cost of our products. We are beginning to see the benefit of these improvements in our second quarter financials – in the form of reduced cost of product revenue and reduced SG&A expenses, which is also driving a reduction in cash burn. We believe the increased volume associated with T2SARS-CoV-2 will improve overhead absorption, and allow us to leverage our supply chain and implement additional improvements. Combined with other initiatives and volume benefits over time, we believe the cost of product sales as a percentage of revenue should continue to improve.

Related to our COVID-19 operational initiatives, we are significantly scaling both our T2Dx Instrument and T2SARS-CoV-2 Panel manufacturing to meet the current and anticipated demand. We are taking measures to secure our supply chain, in the form of increased inventory, and we are hiring personnel in instrument manufacturing, test manufacturing, and quality assurance. Our goal is to be in a position to deliver up to sixty T2Dx Instruments in the U.S. during the second half of 2020, which represents a seven-fold increase over last year. As a reminder, each T2Dx Instrument has the capacity to consume up to sixty T2SARS-CoV-2 Panels per day, depending on workflow. That, coupled with our standing order process, enables us to accurately calculate and forecast the test demand based on our installed base.

Moving to our third priority: advancing our pipeline – by prioritizing our programs under the $69 million milestone-based product development contract awarded by the U.S. government in September 2019. I am pleased to report that we are on schedule to create a next generation instrument, expanded panel, and biothreat panel. We believe the next generation instrument and expanded panel under development have the potential to revolutionize the blood diagnostic space, and could potentially replace most blood cultures performed for species identification and susceptibility results. As a reminder, our expanded panel is being designed to potentially cover up to, or greater than 99% of all bloodborne infections and detect more than 250 species, in addition to all bloodborne antibiotic-resistant threats identified by the Centers for Disease Control and Prevention. The government contract also includes a biothreat panel that we believe will be the first high-sensitivity, whole blood test for the detection of multiple biothreat pathogens and toxin genes. Based on our progress to date, we are optimistic that the U.S. government will decide to fund the next phase of the contract.

In May 2020, we set an ambitious goal to develop, validate, and commercialize a COVID-19 molecular diagnostic test – as early as the end of June. We are very pleased with the efforts of our team to develop a new class of test on our platform during the pandemic. On June 30th, we completed development and validation of our T2SARS-CoV-2 Panel to meet requirements for an Emergency Use Authorization (EUA) request to Food and Drug Administration.

We submitted our EUA request to the FDA on July 1, 2020. Given the significant number of EUA submissions, we are pleased to have been recently assigned an FDA reviewer. We are actively engaged with the FDA in interactive review of the submission and look forward to completing the process. As a reminder, consistent with FDA guidelines, we are actively selling, marketing and shipping the T2SARS-CoV-2 Panel for clinical use by our customers.

I want to inform you of an organizational change that will occur later this month. On August 21, 2020, Dr. Thomas Lowery will step down as Chief Scientific Officer to build a new cell therapy company. Tom's leadership has been instrumental in developing our technology and building a strong scientific team. The timing of his departure follows the completion of a number of important milestones, including obtaining a multi-year government contract to advance our technology, developing and commercially launching a SARS-CoV-2 test, and strengthening our balance sheet to continue our commercial advancements. I want to publicly thank Tom for his leadership and commitment to our mission, and wish him the best in his next venture. Moving forward, Dr. Roger Smith, who most recently led the development of our T2SARS-CoV-2 Panel, has been promoted to Vice President and will lead our scientific team. Roger has been with T2 Biosystems for six years and has worked in a leadership capacity on our scientific team on T2Bacteria, T2Lyme, T2Resistance, our government-funded biothreat and comprehensive panels.

Now I will turn the call over to John Sprague to provide the details on our second quarter financial results.

John Sprague

Thank you, John.

Total revenue for the second quarter of 2020 was $2.6 million, an increase of 41% compared to the prior year period. Product revenue for the second quarter of 2020 was $1.0 million, a decrease of 18% compared to the prior year period driven by lower international instrument sales. Research and contribution revenue for the second quarter of 2020 was $1.5 million, an increase of 185% compared to the prior year period driven by increased funding under our U.S. government contract.

Costs and operating expenses for the second quarter of 2020 were $11.4 million, a decrease of $4.2 million compared to the prior year period driven by lower cost of product revenue and lower selling, general and administrative expenses on lower international instrument sales.

Net loss for the second quarter of 2020 was $10.7 million ($0.09) per share, compared to a net loss of $15.6 million ($0.35) per share in the prior year period.

We completed the ATM offering in July 2020 and there is no remaining availability. Cash, cash equivalents and marketable securities as of July 31, 2020 were $69.1 million. We remain compliant with the terms of our CRG debt facility.

Thank you and back to John Sperzel for closing remarks.

John Sperzel

While the COVID-19 pandemic remains a significant global challenge, diagnostic testing continues to be center stage. We have an incredible opportunity created by the flexibility of our patented technology platform. Our ability to provide clinicians with critical diagnostic information in hours rather than days is unique, and can help to save lives and improve outcomes for COVID-19 patients, and those under intensive care who are susceptible to bacterial or fungal infections that may lead to sepsis.

We are excited to continue to drive the adoption of our technology while providing a powerful solution to clinicians in their efforts to combat this pandemic. With significant progress across all three of our corporate priorities, we have improved the position of the Company both financially and in the market. We believe customer demand created through the recent U.S. commercial launch of the T2SARS-CoV-2 Panel will have a significant positive impact on our business moving forward. We have a strong balance sheet, an improved cost structure, a potentially disruptive product pipeline, and an experienced Management Team and Board of Directors.

We look forward to providing updates on our progress toward these priorities throughout the year. We will now open it up to questions. Operator?