



April 11, 2018

Veracyte Announces Precision Medicine Collaboration With Loxo Oncology

Agreement Leverages Veracyte's New Afirma Xpression Atlas Platform

SOUTH SAN FRANCISCO, Calif.--(BUSINESS WIRE)--Apr. 11, 2018-- [Veracyte, Inc.](#) (Nasdaq: VCYT) today announced a research collaboration through which Loxo Oncology will access Veracyte's new Afirma[®] Xpression Atlas platform to advance its development of highly selective medicines for patients with genetically defined cancers, including thyroid cancer.

Through the new agreement, Veracyte will use its Afirma Xpression Atlas platform to provide Loxo Oncology with information regarding thyroid cancers with TRK fusions and RET alterations, for use in developing its targeted cancer therapies. The RNA sequencing-based Afirma Xpression Atlas is an extension of Veracyte's Afirma Genomic Sequencing Classifier (GSC), which is widely used in thyroid cancer diagnosis. Financial and other terms of the agreement were not disclosed.

"We are pleased to be collaborating with Loxo Oncology, a leader in the development of therapies that target specific gene abnormalities to treat cancer," said Bonnie Anderson, Veracyte's chairman and chief executive officer. "We believe this agreement underscores the value that our Afirma Xpression Atlas platform – with its ability to extract rich genomic data from thyroid samples – and our leadership in thyroid cancer diagnosis may provide in helping to realize the potential of precision medicine."

The Afirma Xpression Atlas utilizes RNA transcriptome sequencing to measure previously undetectable genomic information that may be predictive of thyroid cancer, including gene expression, 761 DNA variants and 130 RNA fusions, in over 500 genes. With its Afirma genomic classifier, Veracyte has performed more than 100,000 genomic tests to evaluate potentially cancerous thyroid nodules and the company estimates it has helped more than 40,000 patients avoid unnecessary diagnostic surgery to date.

"We are committed to developing therapies for patients whose cancers are driven by specific genetic alterations," said Jacob Van Naarden, chief business officer of Loxo Oncology. "Veracyte's extensive database of genomic information related to thyroid cancer will provide useful insights as we continue to advance our pipeline."

About Afirma

The Afirma Genomic Sequencing Classifier combines RNA sequencing data with machine learning to identify patients with benign thyroid nodules among those with indeterminate cytopathology results in order to preserve the thyroid. Since the commercial introduction of Afirma in 2011, Veracyte has performed over 100,000 genomic tests, and estimates it has saved more than 40,000 patients from unnecessary thyroid surgery and removed an estimated \$800 million in surgery costs from the healthcare system. The Afirma classifier is included in most leading clinical guidelines and is covered as medically necessary by Medicare and all of the major U.S. health plans. The Afirma Xpression Atlas is the company's platform for using RNA sequencing to extract extensive genomic data – including gene expression, variants and fusions – from thyroid cytology samples.

About Veracyte

Veracyte (Nasdaq: VCYT) is a leading genomic diagnostics company that is providing trustworthy and actionable answers that fundamentally improve patient care when current diagnostic tests are uncertain. The company's products uniquely combine genomic technology, clinical science and machine learning to provide answers that give physicians and patients a clear path forward without risky, costly surgery that is often unnecessary. Since its founding in 2008, Veracyte has commercialized three genomic tests, which are transforming the diagnosis of thyroid cancer, lung cancer and idiopathic pulmonary fibrosis and collectively target a \$2 billion market opportunity. Veracyte is based in South San Francisco, California. For more information, please visit www.veracyte.com and follow the company on Twitter (@veracyte).

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "expect," "believe," "should," "may," "will" and similar references to future periods. Examples of forward-looking statements include, among others, our belief that our collaboration with Loxo Oncology will facilitate Loxo Oncology's development of therapies for patients whose cancers are driven by specific genetic alterations; our expectations about the performance of the Afirma Xpression Atlas platform; and Afirma's ability to significantly improve patient care and reduce healthcare costs. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially, and reported results should not be considered as an indication of future performance. These risks and uncertainties include, but are not limited to: the benefits of our tests, the applicability of clinical results to actual outcomes; the laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; our ability to sell our Afirma tests and successfully transition to our next-generation Afirma GSC; our ability to successfully achieve and maintain adoption of and reimbursement for our products; the amount by which use of our products are able to reduce invasive procedures and misdiagnosis, and reduce healthcare costs; the occurrence and outcomes of clinical studies; and other risks set forth in our filings with the Securities and Exchange Commission, including the risks set forth in our annual report on Form 10-K for the year ended December 31, 2017, and our other filings with the SEC, including our quarterly reports on Form 10-Q and current reports on Form 8-K. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements or reasons why actual results might differ, whether as a result of new information, future events or otherwise, except as required by law.

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