veracyte®

Corporate Presentation

April 5, 2021

Forward-Looking Statements

This presentation contains statements that are not historical and that are based on our beliefs and assumptions and on information currently available to us. These statements constitute forward-looking statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements are subject to known and unknown risks, uncertainties, assumptions, and other factors that could cause actual results to differ materially from our expectations.

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, statements regarding Veracyte's anticipated timing of launches of new products in 2021, Veracyte's plans, objectives, expectations (financial and otherwise) or intentions with respect to the anticipated acquisition of Decipher, the expected timing for Veracyte's completion of the Decipher acquisition and its expected benefits, availability of Veracyte's testing internationally, Veracyte's total addressable market, the current and future impacts of COVID-19 on Veracyte's business, actions Veracyte has taken, or will take, in response to COVID-19, potential timing for a recovery of Veracyte's business, the catalysts to drive momentum through 2021 and Veracyte's long-term outlook. Forward-looking statements are neither historical facts nor assurances of future performance, but are based only on our current beliefs, expectations and assumptions. These statements involve risks and uncertainties, which could cause actual results to differ materially from our predictions, and include, but are not limited to: the impact of COVID-19 on Veracyte's business and operating results, specifically, and the healthcare system and economy more generally, Veracyte's ability to achieve and maintain Medicare coverage for its tests; the benefits of Veracyte's tests and the applicability of clinical results to actual outcomes; the laws and regulations applicable to Veracyte's business, including potential regulation by the Food and Drug Administration or other regulatory bodies; Veracyte's ability to successfully achieve and maintain adoption of and reimbursement for its products; the amount by which use of Veracyte's 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 Veracyte's filings with the Securities and Exchange Commission. Factors that may impact these forward-looking statements can be found in Item 1A – "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2020. 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.

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veracyte

Our vision is to improve outcomes for patients all over the world at every step of their journey.

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Q4 2020 – Key Takeaways

Strong Q4 …

- Total revenue of $34.5 million +16% v.PYQ and +11% v.SeqQ
- Testing and product revenue +16% v.PYQ and +13% v.SeqQ
- Testing and product volume +14% v.PYQ and +12% v.SeqQ
- Testing and product revenue per test ~$2,600 in-line with PYQ + SeqQ

Commercial momentum…

- Announced preliminary performance data for two pipeline lung cancer tests: noninvasive nasal swab and Percepta Genomic Atlas
- Implemented new GM Structure to advance global expansion
- Expanded strategic collaboration with LCI at JNJ for NOBLE trial
- Prosigna now approved for reimbursement in Germany

Pipeline launches + Decipher acquisition to accelerate growth…

- Nasal swab and Percepta Genomic Atlas on track for 2H 2021
- Envisia Classifier on nCounter for international launch end of 2021
- Decipher acquisition expected to close on or before April 1, 2021
- Guidance: $190-200 million in 2021 revenue (+65% v.PY at midpoint), pending close of acquisition of Decipher Biosciences by April 1st

Financial discipline…

- Gross margins of 68% for Q4 2020 and 65% for FY2020
- Positive CFFO of $2.3 million in Q4 ($4.0 million for 2H 2020)
- Total cash used in operations for FY2020 <$10 million
- Solid cash position of $349M at Dec 31, 2020

Note: Numbers presented in this presentation may vary from SEC filings due to rounding.

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Our foundational strategy drives our business

Relevant Questions

Integrated into current care pathway to change practice and reduce surgeries

Scientific Rigor

Build robust scientific and clinical evidence; inform guidelines

Value Creation

Clinical utility and economic value that change the standard of care

Successful Reimbursement

Extensive coverage policies and contracted relationships pave way for additional tests

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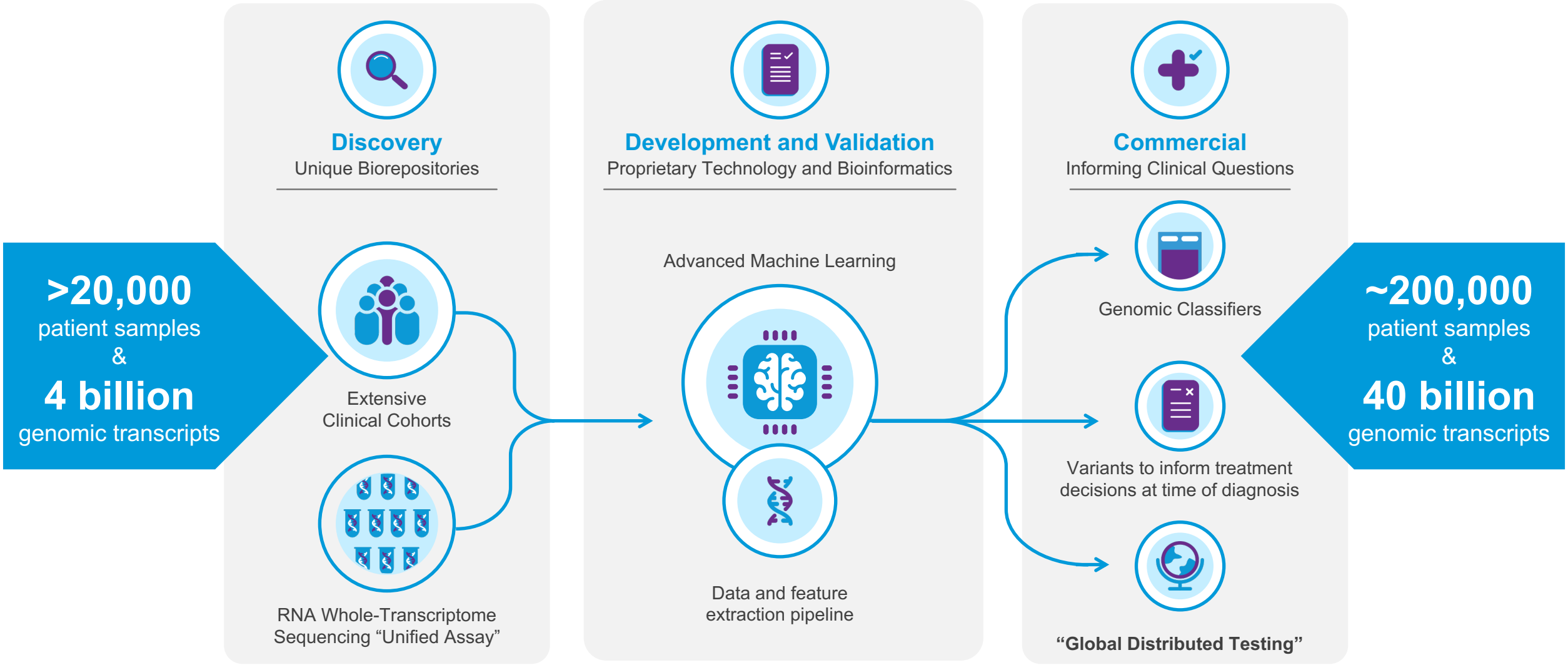
Our powerful science and technology

Enables innovation from large-scale clinical biorepositories



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Veracyte today

Genomic tests targeting multiple diseases across care continuum

Pre-Cancer Detection	Early Detection	Diagnosis & Prognosis	Treatment	Indication	Currently Addressed Market
		Afirma	RET, NTRK, BRAF	Thyroid Cancer	$820M US/EU
Nasal Swab Test	Nasal Swab Test	Percepta	EGFR, ALK, NTRK, ROS1, RET	Lung Cancer	$7.6B Global[2]
		Envisia	MUC5B, TOLLIP	ILD/IPF	$735M US/EU
~$39B TAM		prosigna	PIK3CA, Basal, Lum A/B	Breast Cancer	$900M Global
		LymphMark™[1]	BTK	Lymphoma	$350M Global
		Decipher Urologic		Prostate Bladder Renal	~$2B US
					~$12B

1 Investigational product
2 Percepta Genomic Atlas is US only

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Combination creates comprehensive portfolio of novel genomic diagnostic tests addressing 7 of the top 10 cancers

Drives market, menu and global expansion

Accelerates growth

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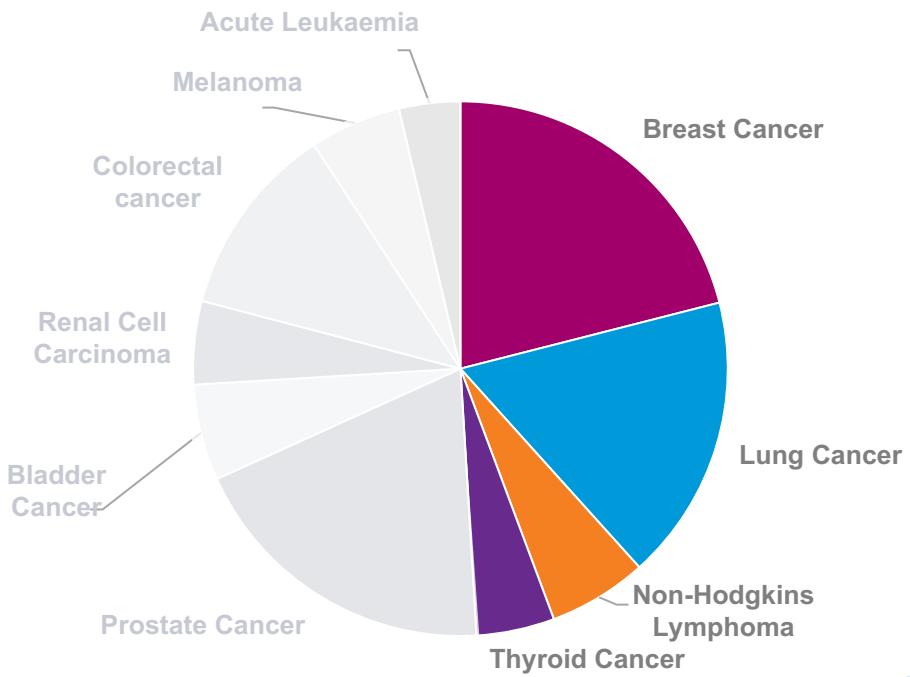
Top cancers in US by incidence

Market and menu expansion accelerates growth

VERACYTE
Addressing **4 of top 10** cancers

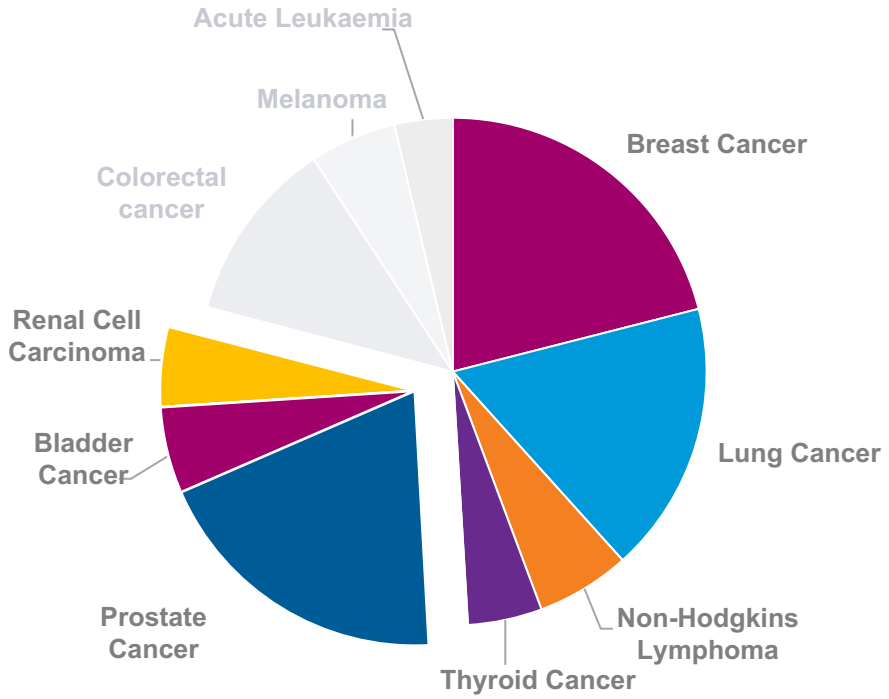


~680,000 patients/year

~60% increase

$2B+ TAM in US alone

VERACYTE + Decipher Biosciences
Addressing **7 of top 10** cancers



~1,100,000 patients/year

Source: Evaluate Pharma Forecasts
Note: Incidence based on US population in 2022.

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Veracyte + Decipher Biosciences

Accelerates our strategic growth pathway

DECIPHER BIOSCIENCES

Expansion into urologic cancers

Global diagnostic testing and platform leader

Menu expansion

Acquired global platform and new indications

Strategic partnerships

Care continuum expansion

Whole transcriptome sequencing and machine learning

Nasal Swab

Xpression Atlas

Atlas

IPF Prognostic

janssen

Dendreon

astellas

Lilly

LOXO

Johnson & Johnson

AcertaPharma AstraZeneca

CareDx

Yale University

BAYER

nCounter

Percepta

Decipher: Kidney

Decipher: Bladder

Decipher: Prostate

Envisia

Afirma

Transplant

2013 - 2018

2019 - 2020

2021+

1 **Scientific Excellence**

2 **Channel Expansion**

3 **Menu Expansion**

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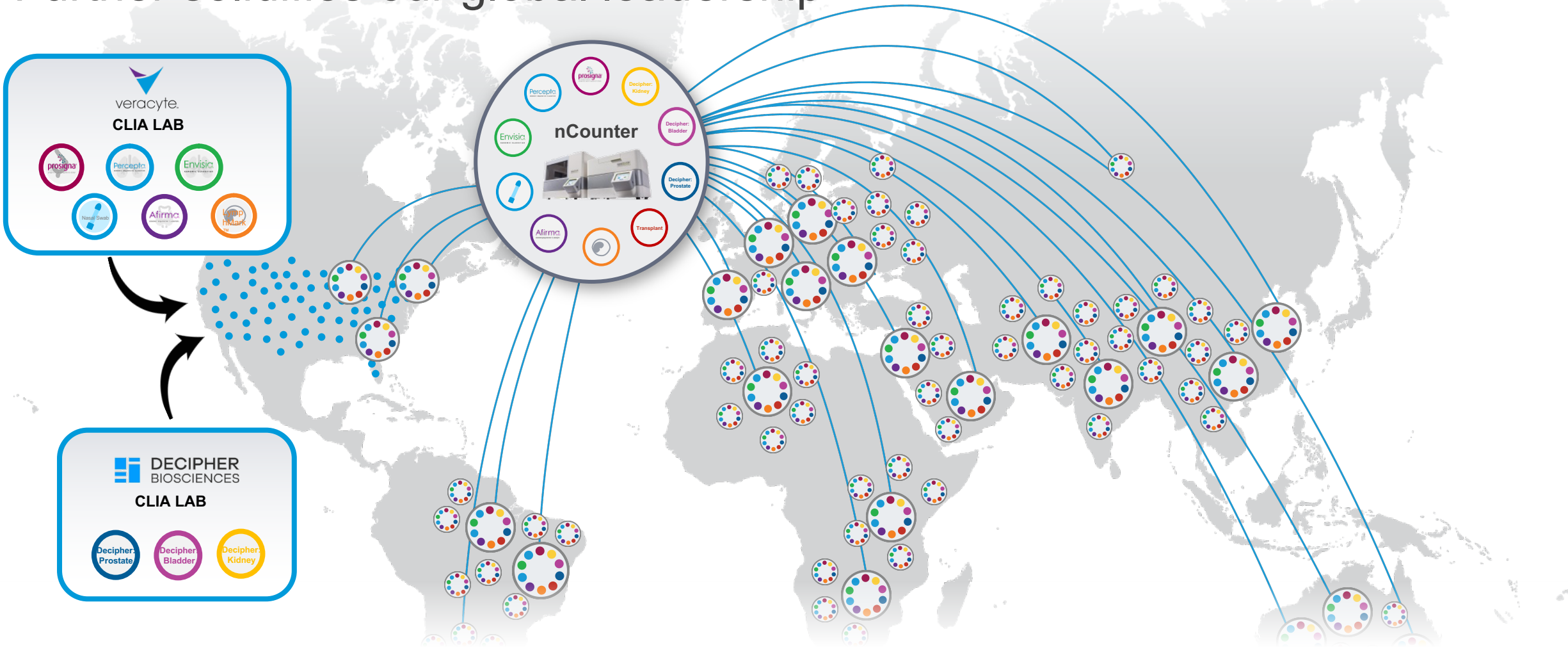
Veracyte + Decipher Biosciences

Further solidifies our global leadership



Company estimates

~$50+ BILLION LONG-TERM GLOBAL TAM

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Our Novel Products

Veracyte's lung cancer franchise

Genomic insights to drive care at each step of the patient's journey

FUTURE Pre-cancer Detection

Nasal Swab Classifier

~$39B

Johnson & Johnson

Early Detection

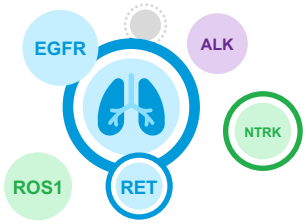
Nasal Swab Classifier

~$5.5B

Diagnosis

~$700M

Treatment



Percepta Genomic Atlas

~$1.4B

FUTURE Support Early-Stage Therapeutics

Biopharma Collaborations

A New Era in Lung Cancer Early Detection, Diagnosis and Treatment

- Minimally invasive
- Comprehensive genomic profiling data
- Faster, more timely answers and care decisions

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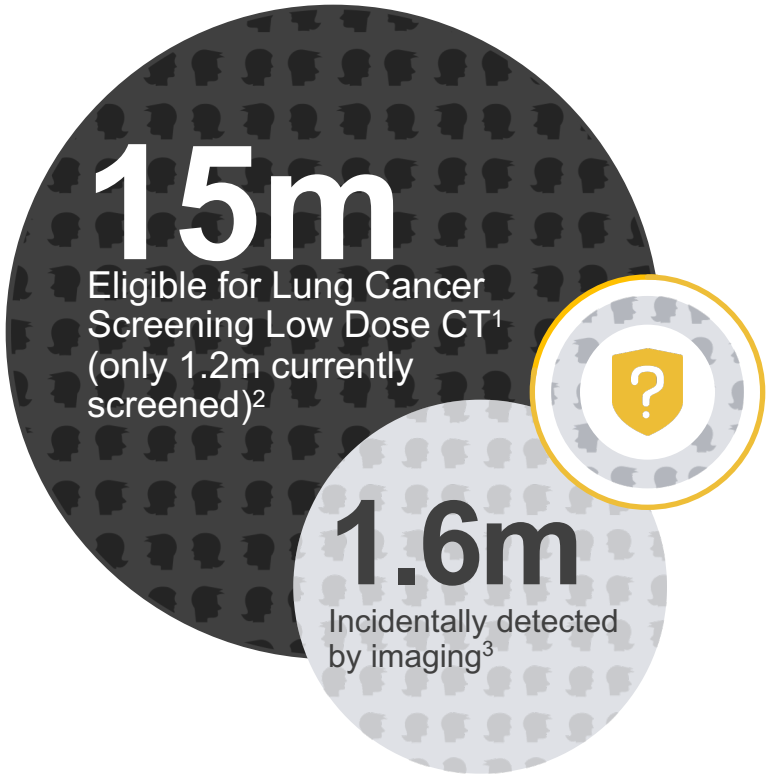
The market opportunity

Increased market opportunity with revised screening guidelines



988,000 patients with **suspicious** nodules* are sent to Pulmonologist for workup

Expected to grow significantly over time:

- Increase in lung cancer screening
- Recent broadening of criteria for lung cancer screening
- Increase in incidental findings (post COVID CTs)

* Suspicious nodules include LungRADS3, 4 nodules and Intermediate/High risk nodules

[1] Cancer Epidemiol Biomarkers Prev. 2012 July ; 21(7): 1049–1059. doi:10.1158/1055-9965.EPI-12-0343

[2] Richards TB, et al. Morbidity & Mortality Weekly Report. 2020: 69(8); 201-206.

[3] Gould et al., ATS Journal, 2015

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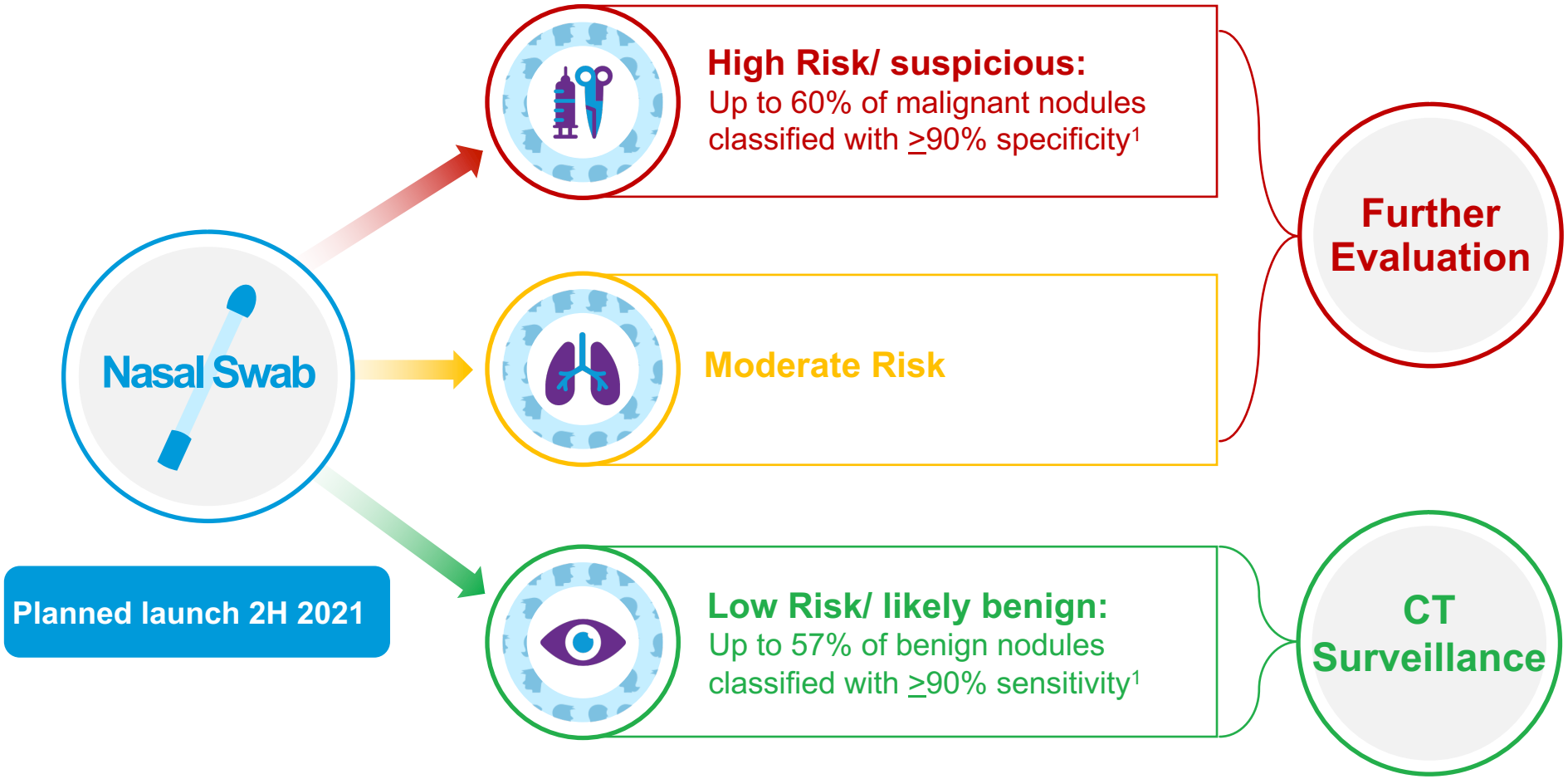
Nasal Swab

Objective genomic tool to appropriately guide patient's next step

Patients with **screen detected or incidental lung nodules** referred to pulmonologist for evaluation



Planned launch 2H 2021

[1] Internal Data

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Comprehensive profiling to inform treatment decision at the time of diagnosis

~350,000
Patients eligible for comprehensive genomic profiling[1]

Biopsy

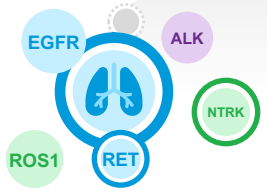
Bronchoscopy
TTNB
SLB

Percepta Genomic Atlas

Comprehensive Genomic Profiling

Treatment Decision

Uses small sample from original biopsy



Core Variants
Recommended by NCCN for which there are targeted therapies

Broader Sequencing
Targeted Veracyte panel for SNVs, indels and CNVs.

Expanded Fusions
VCYT "unified" whole transcriptome for fusion detection, expressed SNVs, TMB and MSI signature development

[1] SEER data, cancer.gov
TTNB: transthoracic needle biopsy
SLB: surgical lung biopsy
NCCN: National Comprehensive Cancer Network

Planned launch 2H 2021

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Percepta Genomic Atlas

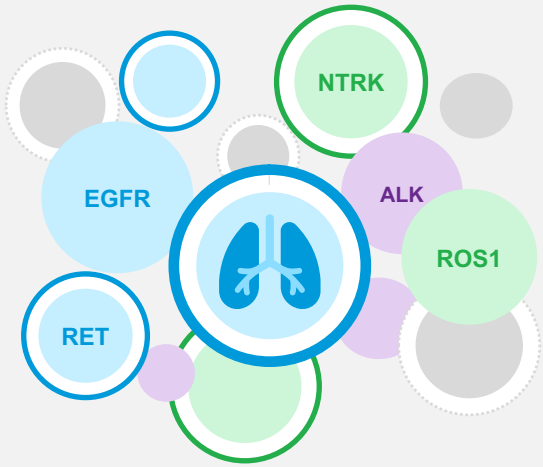
Potential impact in lung cancer

Faster, More Comprehensive Molecular Testing

Earlier, More Appropriate Treatment

More Efficient Healthcare Deliver

Improved Treatment Outcomes



Comprehensive Biorepository of ALL Stages of Lung Cancer

Biopharma Partnerships

Bringing Targeted Therapies to Earlier Stage Cancer Patients

Precision Medicine Advances

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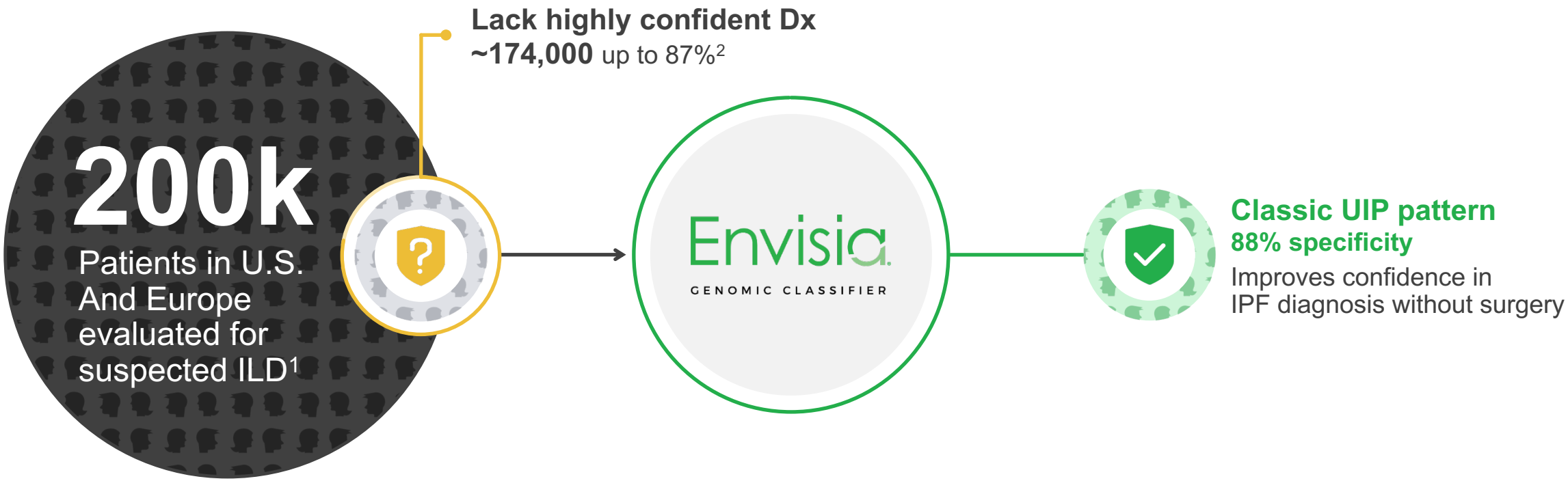
Idiopathic Pulmonary Fibrosis (IPF)

Accelerating diagnosis to get patients life-extending treatment faster



[1] Company estimates

[2] Raghu et al, The Lancet Resp Med., 2019

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Breast Cancer

Inform next steps for patients with early-stage breast cancer

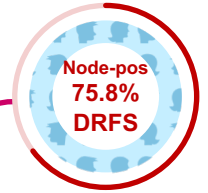
>500k

Patients globally diagnosed with early-stage breast cancer[1]

prosigna® Breast cancer prognostic gene signature assay

Reports 4 underlying biological intrinsic subtypes (ex-U.S.)

Risk of Recurrence Score

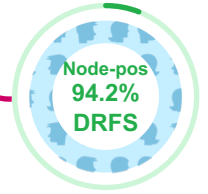


High Risk[2]

In node-negative patients, the 10-year DRFS* rates <85%

Intermediate Risk[2]

In node-negative patients, the 10-year DRFS* rates 90.4%



Low Risk[2]

In node-negative patients, the 10-year DRFS* rates >95%

* DRFS = Distant recurrence-free survival

[1] Company estimates

[2] Gnant et al, Ann Oncol. 2014

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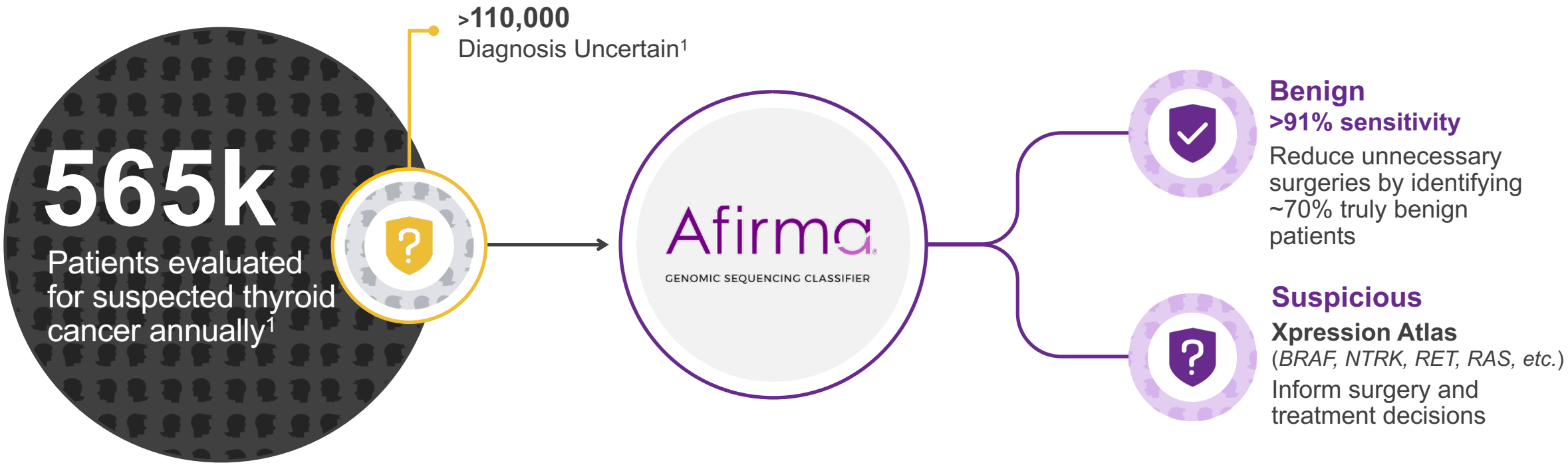
Thyroid Cancer

Helps patients avoid unnecessary surgeries and enables faster treatment



[1] Company estimates

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Decipher in prostate cancer

Enables physicians to personalize treatment across localized disease

DECIPHER PROSTATE BIOPSY

DECIPHER PROSTATE RP

Initial Management	Definitive Therapy	After Surgery	At BCR
Active Surveillance or Treat?	Treatment Intensity?	Early or Salvage Radiation?	Treatment Intensity?
HIGH RISK → Definitive Therapy	HIGH RISK → Early Intervention Multi-modal Therapy Treatment Intensification	HIGH RISK → Early Intervention Radiation +/- Hormones	HIGH RISK → Early Intervention Multi-modal Therapy Treatment Intensification
INT. RISK	INT. RISK	INT. RISK	INT. RISK
LOW RISK → Active Surveillance	LOW RISK → Delayed Intervention Monotherapy Treatment Deintensification	LOW RISK → Watchful waiting	LOW RISK → Delayed Intervention Monotherapy Treatment Deintensification

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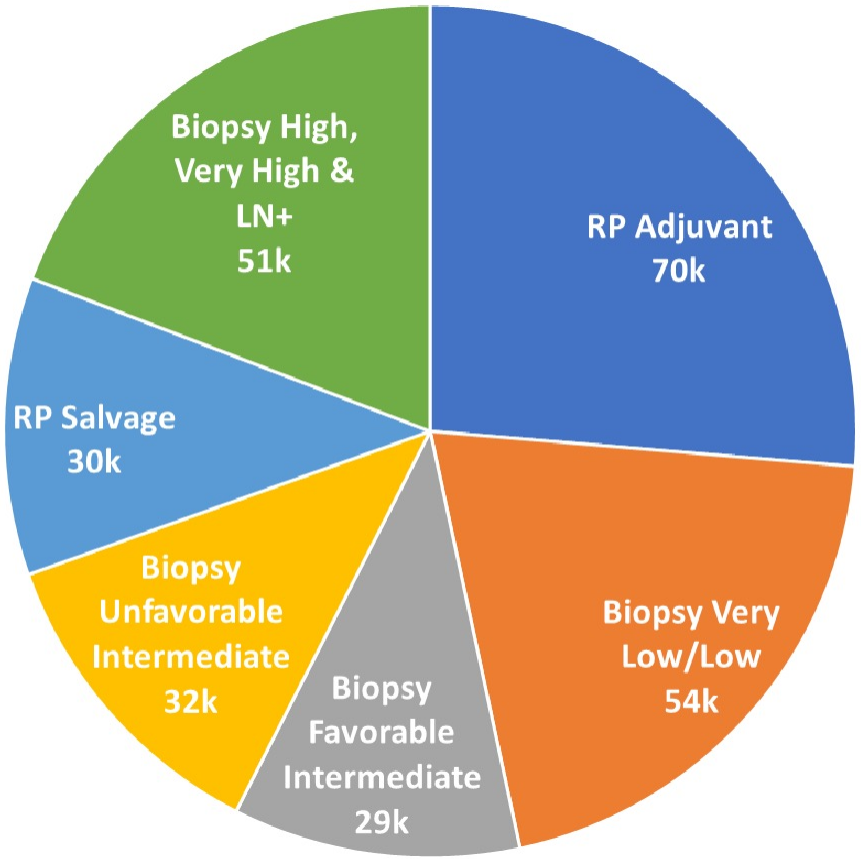
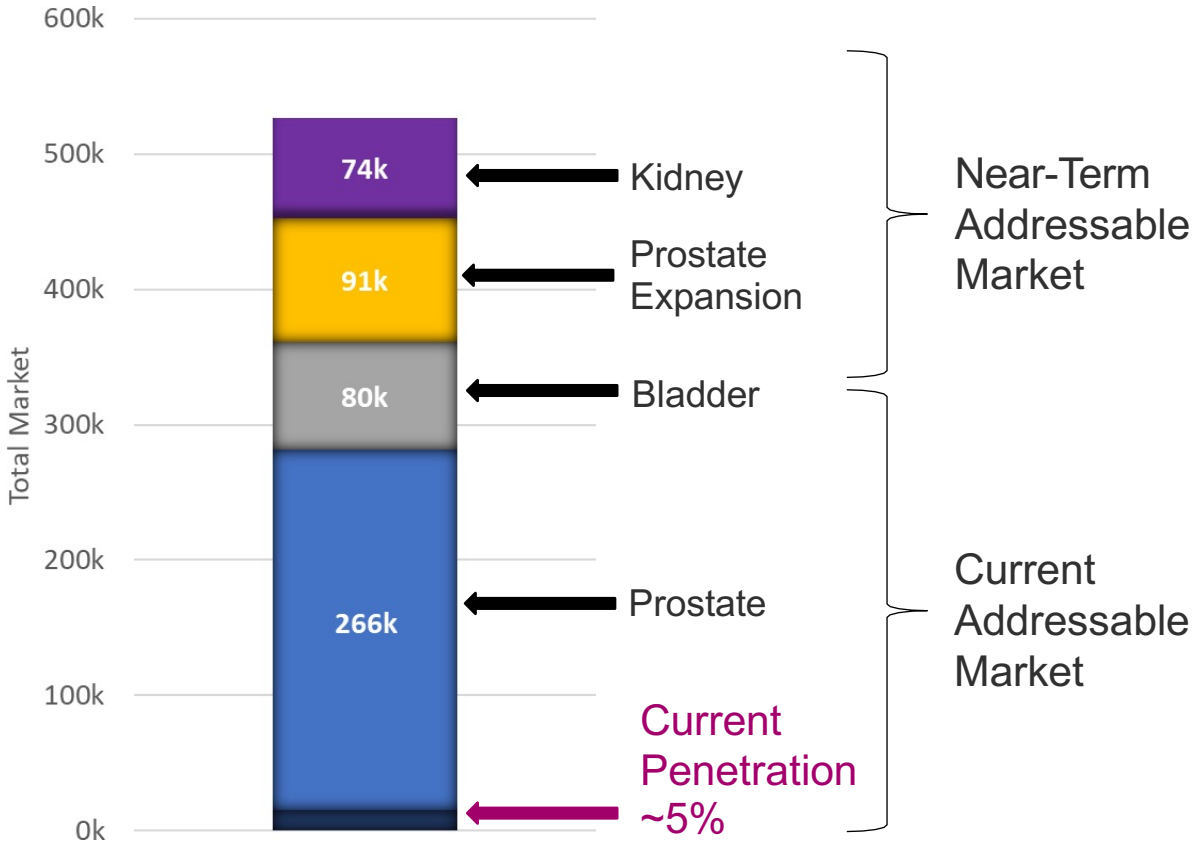
Current & Potential Market Opportunities

Current Addressable Market/Incidence



266k x $4k = $1.1B Current TAM

Penetrated, Current, Near-Term Markets



511k (Current + Near-Term) x $4k = $2.0B TAM

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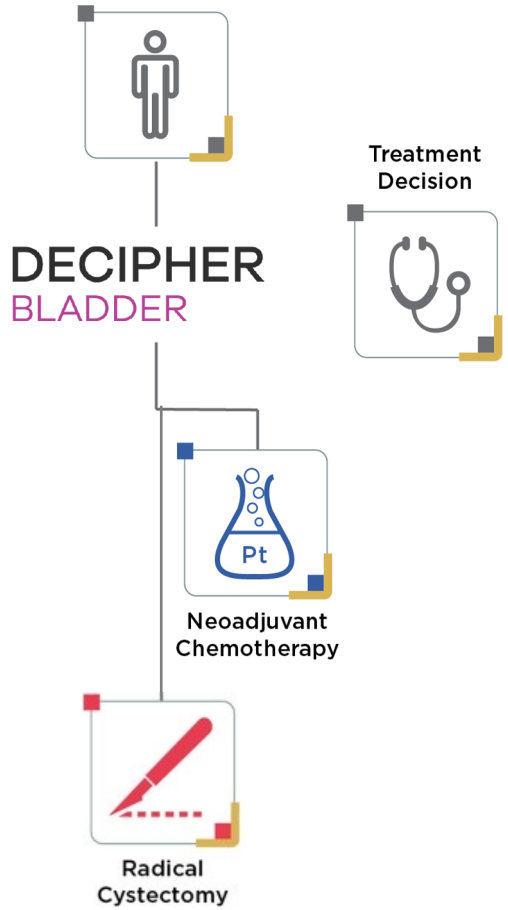
Decipher Bladder Cancer Opportunity

Anticipated to be one of the first genomic tests for localized Bladder Cancer

Attractive Market	Clinical Decision Points	Decipher Subtyping Value
$320M* Revenue Opportunity 80,000 cases diagnosed annually No current competition for treatment prediction & upstaging	**Chemotherapy Decision Point** Guidelines recommend neoadjuvant chemotherapy but poor patient response & severe toxicity	Decipher has shown predictive utility for patient response to neoadjuvant chemotherapy
	Surgery Decision Point Which patients are at greatest risk for upstaging at radical cystectomy, bladder removal?	Decipher has shown predictive risk of upstaging tumor at surgery
	Immunotherapy Decision Point Which patients will benefit? Standard biomarkers (PD-L1 & Tumor Burden) don't predict response	Decipher has shown predictive utility for Keytruda® response



PD-L1 – predictive biomarker for immunotherapy treatment
Keytruda®= Immunotherapy drug

* = Annual Incidence, assumes $4K/test, current CMS rate for prostate

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Decipher GRID

Comprehensive urologic cancer biorepository to drive further value

Genomics & Proprietary Signatures

>300 Clinically Validated Prognostic/Predictive Signatures supported by >200 publications

Clinical Trials

>15,000 Patients from Clinical Trials

Physicians

Community Patients from >3,200 U.S. Physicians

Decipher GRID Database

- >90,000 patient samples
- >46,000 genomic transcripts
- Clinical outcomes, demographics, pathology and claims

Fuels Pipeline Development

Enables Biopharma partnerships

janssen Dendreon astellas

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Numerous catalysts to drive 2021 momentum

	Product Launches	Reimbursement Expansion	Key Evidence Development
LUNG CANCER	✓ Nasal Swab ✓ Percepta Genomic Atlas	✓ Percepta GSC commercial coverage	✓ Nasal swab • Clinical validation • Analytical verification ✓ Percepta Genomic Atlas • Analytical verification
ILD/IPF	✓ Envisia Classifier nCounter	✓ Envisia commercial coverage	✓ Envisia nCounter • Analytical verification
BREAST CANCER		✓ International coverage expansion	
THYROID CANCER	✓ Afirma XA mets		
PROSTATE CANCER*		✓ Decipher Prostate expanded Medicare indications	
BLADDER CANCER*	✓ Decipher Bladder	✓ Final Medicare LCD	

* Pending completion of Decipher acquisition

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FOCUS & OPPORTUNITIES

Attractive financial profile

Accelerating Revenue Growth

Momentum illustrated by post-COVID recovery
Guidance: $190M-$200M in 2021 revenue (~65% total revenue growth, at midpoint of the range)

Attractive "Gross Margin"

Decipher expected to be gross margin accretive
Veracyte generated 65% gross margin for FY 2020

Selling and Marketing Leverage

Accountability through General Manager structure: urology cancers; pulmonology; and endocrinology & breast cancer

Pathway to Profitability

Decipher and Veracyte each expected to generate 2H 2020 positive cash flow from operations

Strong Balance Sheet

No debt

~$350M cash as of December 2020

* Pending completion of Decipher acquisition

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Experienced team with track record of success

Bonnie Anderson
Chairman and
Chief Executive Officer

Keith Kennedy
Chief Financial Officer and
Chief Operating Officer

Giulia C. Kennedy, Ph.D.
Chief Scientific Officer and
Chief Medical Officer

Tina Nova, Ph.D.
General Manager, Thyroid and Urologic Cancers

Morten Frost
General Manager, Pulmonology and Breast Cancer

Tracy Morris
Vice President, Corporate Communications and Investor Relations

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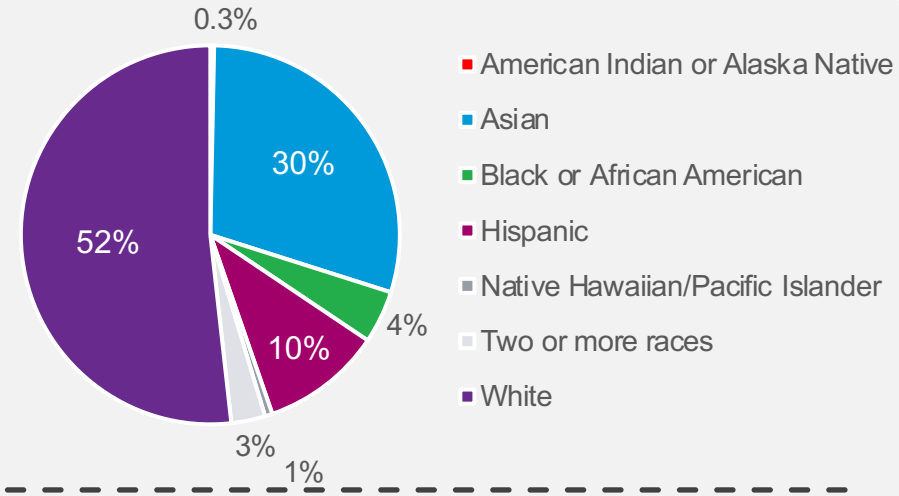
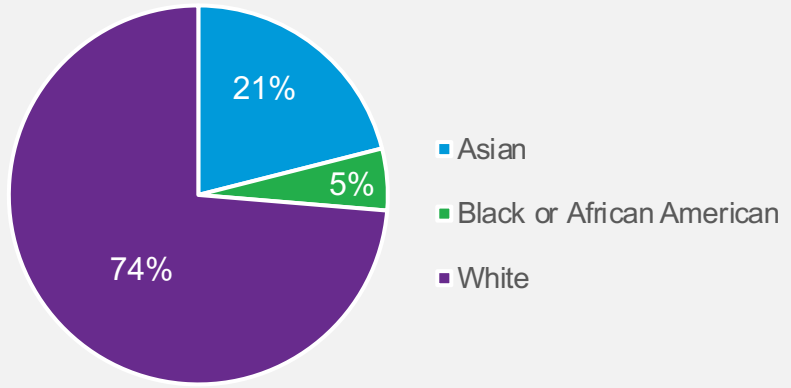
Our diversity contributes to our success

Race

All Employees

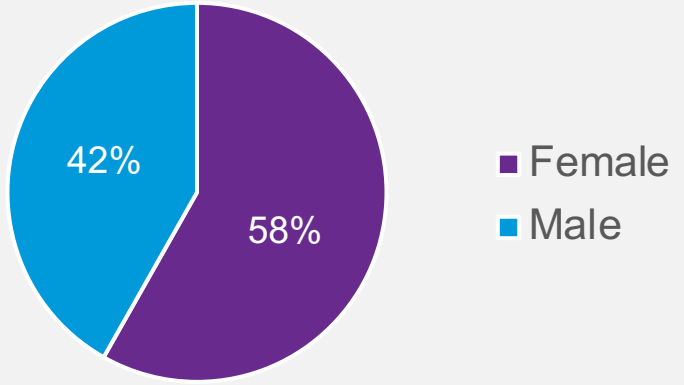


VP Level and Above

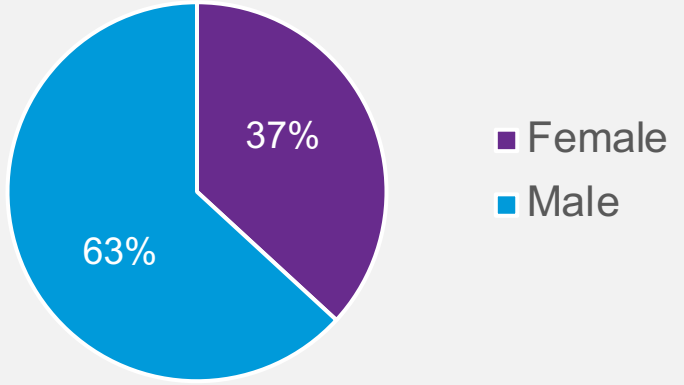


Gender

All Employees



VP Level and Above



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