November 3, 2017

CORRECTING and REPLACING Veracyte Announces Presentation of New Clinical Utility Data at CHEST 2017 Showing Percepta Classifier Reduces Invasive Procedures in Lung Cancer Diagnosis

Greater than 50 Percent Reduction in Patients Classified as Low Risk for Lung Cancer

SAN FRANCISCO--(BUSINESS WIRE)-- Correcting quote attribution in the third paragraph of release issued Nov. 1, 2017.

The corrected release reads:

VERACYTE ANNOUNCES PRESENTATION OF NEW CLINICAL UTILITY DATA AT CHEST 2017 SHOWING PERCEPTA CLASSIFIER REDUCES INVASIVE PROCEDURES IN LUNG CANCER DIAGNOSIS

Greater than 50 Percent Reduction in Patients Classified as Low Risk for Lung Cancer

Veracyte, Inc. (NASDAQ: VCYT) today announced that data from a prospective clinical utility study show that use of the company's Percepta Bronchial Genomic Classifier reduces invasive procedures by greater than 50 percent in lung cancer screening and diagnosis. The findings were presented in an oral session at CHEST 2017, the annual meeting of the American College of Chest Physicians, being held October 28 to November 1 in Toronto, Canada.

Data from the multicenter study that enrolled 390 patients demonstrated that when the Percepta test classified patients as low risk for lung cancer, there was greater than 50 percent relative reduction in recommendations for risky, costly, invasive diagnostic procedures compared to the recommendations made by the same physicians in the absence of the Percepta test result. The data also show that physicians elected to use the Percepta classifier 75 percent of the time in patients with the greatest probability of benefit from the test - those with low to intermediate pre-test risk of cancer.

"Patients with lung nodules that are not clearly benign or malignant present a challenge to physicians and often are recommended to undergo invasive procedures so that a lung cancer isn't missed," said Neil Barth, M.D., Veracyte's chief medical officer. "Our findings suggest that patients classified as low risk by the Percepta classifier were monitored with CT imaging rather than being directed to surgery. In broader clinical practice, this can help to reduce surgeries and costs in lung cancer diagnosis and becomes increasingly important as more lung nodules are found through expanded lung cancer screening."

The Percepta classifier uses proprietary "field of injury" technology to detect molecular changes in the lining of the respiratory tract of current or former smokers, which are indicative of cancer or cancer-related changes in the lung. The clinical utility data presented today add to the library of clinical evidence supporting the Percepta classifier, which includes positive clinical validation data published in *The New England Journal of Medicine.* It also follows the recent positive Medicare coverage policy for the test by the Centers for Medicare & Medicaid Services' MolDx program.

"This prospective multicenter study provided the first, significant real-world use of the Percepta classifier for the evaluation of lung cancer," stated Neil Barth, M.D., Veracyte's chief medical officer. "It not only substantiates the results from our clinical validation study, it further shows that, in practice, physicians use the test as intended and that their treatment decision is impacted by the Percepta test results. This translates to better patient care and far fewer costly invasive diagnostic procedures."

The Percepta multicenter study measured the impact of the Percepta classifier on pulmonary lesion management in a prospective real-world clinical setting. The study enrolled over 390 patients who were former or current smokers without prior active cancer and who were deemed eligible for bronchoscopy following a pulmonary lesion on CT scan. A bronchial brushing was captured at the time of the bronchoscopy for genomic diagnostic evaluation of lung cancer by the Percepta classifier.

Lung cancer is the leading cause of cancer-related deaths in the United States - more than the next three leading cancers combined. Early detection through CT screening can dramatically reduce deaths by detecting lung cancer early, when it is most treatable. Annual CT screening is now covered by Medicare and most private insurance companies for the 8.6 million Americans who are at increased risk of lung cancer. Bronchoscopy is often used to evaluate potentially cancerous lung

nodules found on CT scans. Among the estimated 350,000 patients who undergo such a bronchoscopy each year, however, up to 70 percent receive results that are inconclusive. This frequently leads to patients undergoing potentially risky, expensive and unnecessary invasive procedures, including transthoracic needle biopsy (TTNB) and surgical lung biopsy (SLB), to obtain a more definitive diagnosis.

About Percepta

The Percepta Bronchial Genomic Classifier is used to reduce unnecessary surgeries and costs in lung cancer screening and diagnosis. The 23-gene classifier combines gene expression data and machine learning to effectively identify patients who are at low risk of lung cancer following an inconclusive result from bronchoscopy - a nonsurgical procedure that is commonly used to evaluate lung nodules. This can enable these patients to be monitored with computed tomography (CT) scans in lieu of invasive, risky and costly diagnostic procedures that frequently prove to be unnecessary. The classifier's performance has been verified in multiple, rigorous clinical studies, including clinical validation data published in *The New England Journal of Medicine*. The Percepta classifier is broadly available to patients within the Medicare system. The Percepta classifier uses proprietary "field of injury" technology to detect molecular changes in the lining of the respiratory tract of current or former smokers, which are indicative of cancer or cancer-related changes in the lung.

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 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 beliefs with respect to the benefits of Percepta, including its ability to reduce unnecessary diagnostic surgeries in certain circumstances, improving patient care and reducing healthcare costs, and the applicability of clinical results to actual outcomes. 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: demand for our tests, the applicability of clinical results to actual outcomes; laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; the size of the market opportunity for our products; 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 unnecessary surgeries, improve patient care, and reduce healthcare costs; the occurrence and outcomes of clinical studies; the timing and publication of clinical study results; and other risks set forth in the company's filings with the Securities and Exchange Commission, including the risks set forth in the company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2017. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements.

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