



# ANSWERS



## Corporate Presentation

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

# 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 1<sup>st</sup>



## 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.



# 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

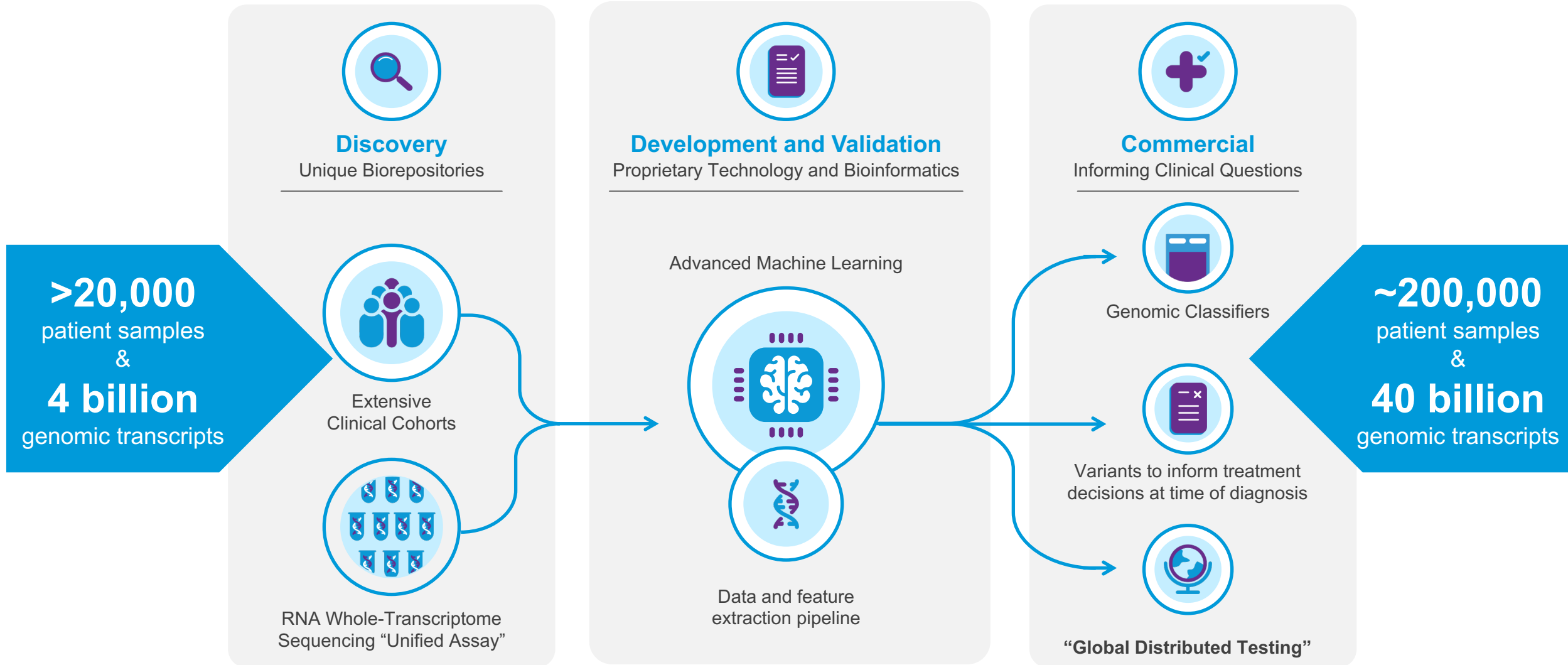


## Successful Reimbursement

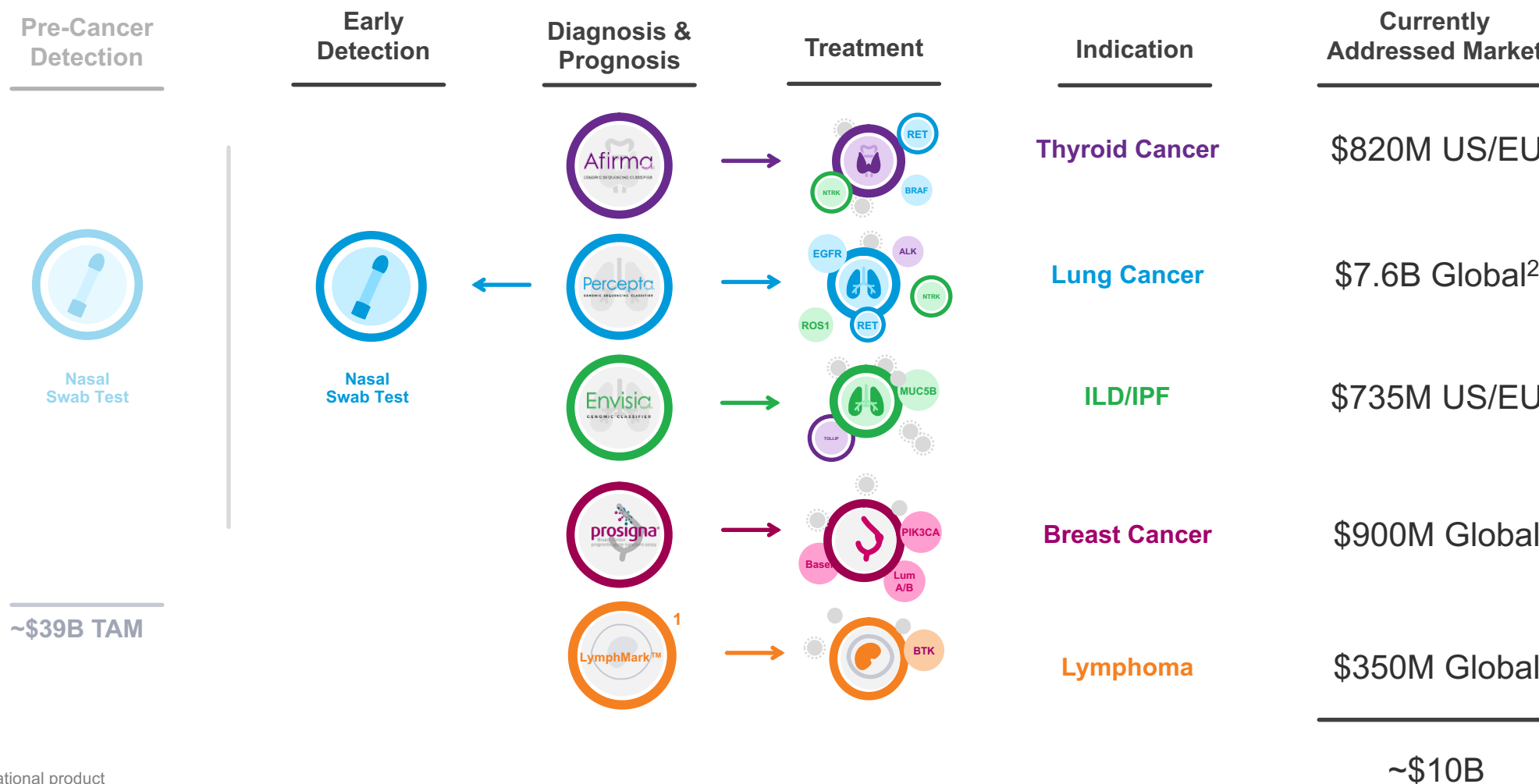
Extensive coverage policies and contracted relationships pave way for additional tests

## Our powerful science and technology

# Enables innovation from large-scale clinical biorepositories



# Genomic tests targeting multiple diseases across care continuum



<sup>1</sup> Investigational product

<sup>2</sup> Percepta Genomic Atlas is US only





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

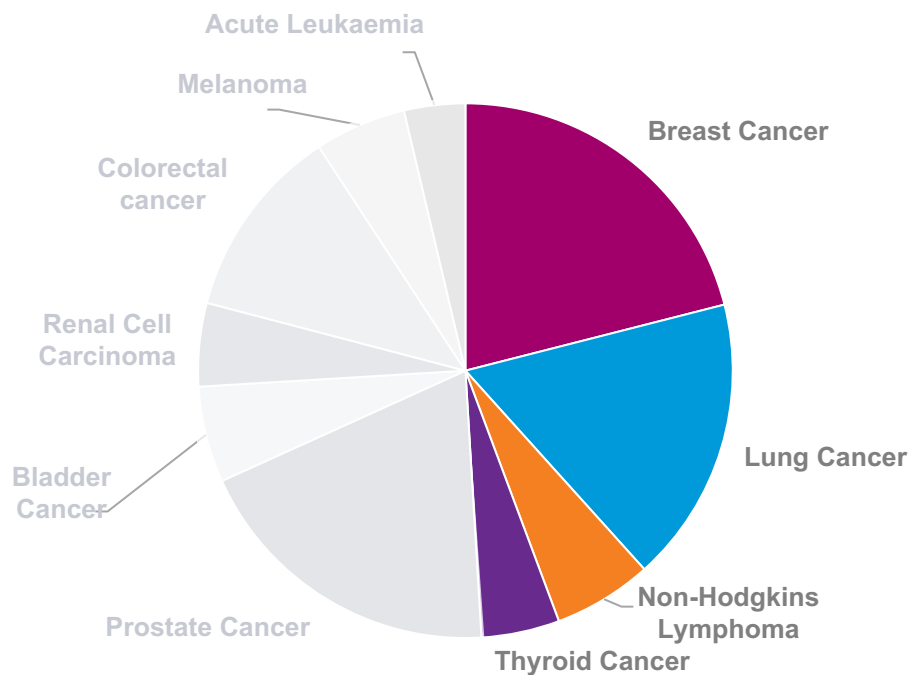
Drives market, menu and global expansion  
**Accelerates growth**

## Top cancers in US by incidence

# Market and menu expansion accelerates growth

### VERACYTE

Addressing **4 of top 10** cancers



~680,000  
patients/year

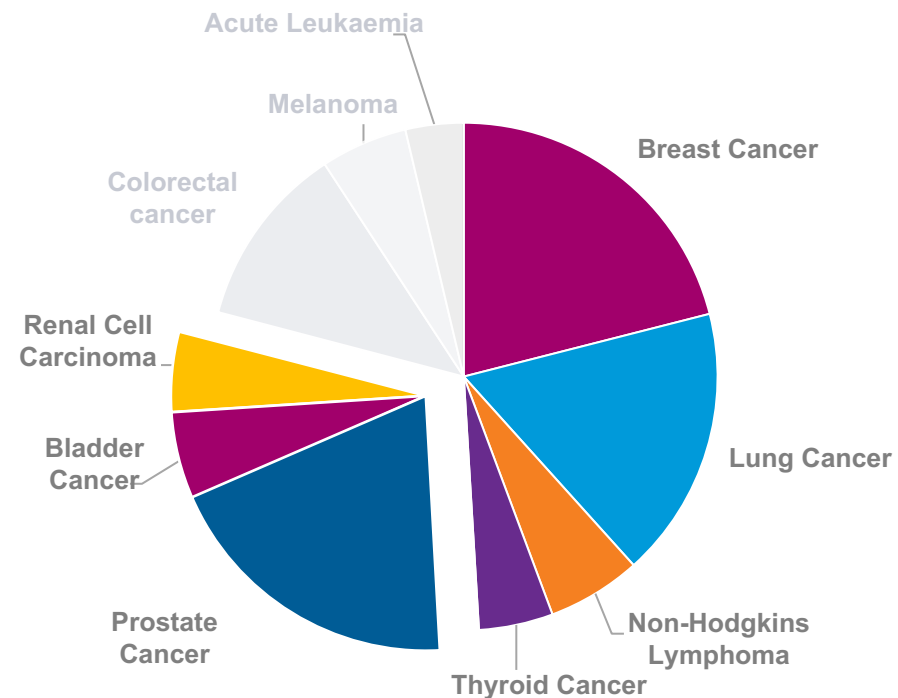
~60% increase



**\$2B+ TAM  
in US alone**

### VERACYTE + Decipher Biosciences

Addressing **7 of top 10** cancers



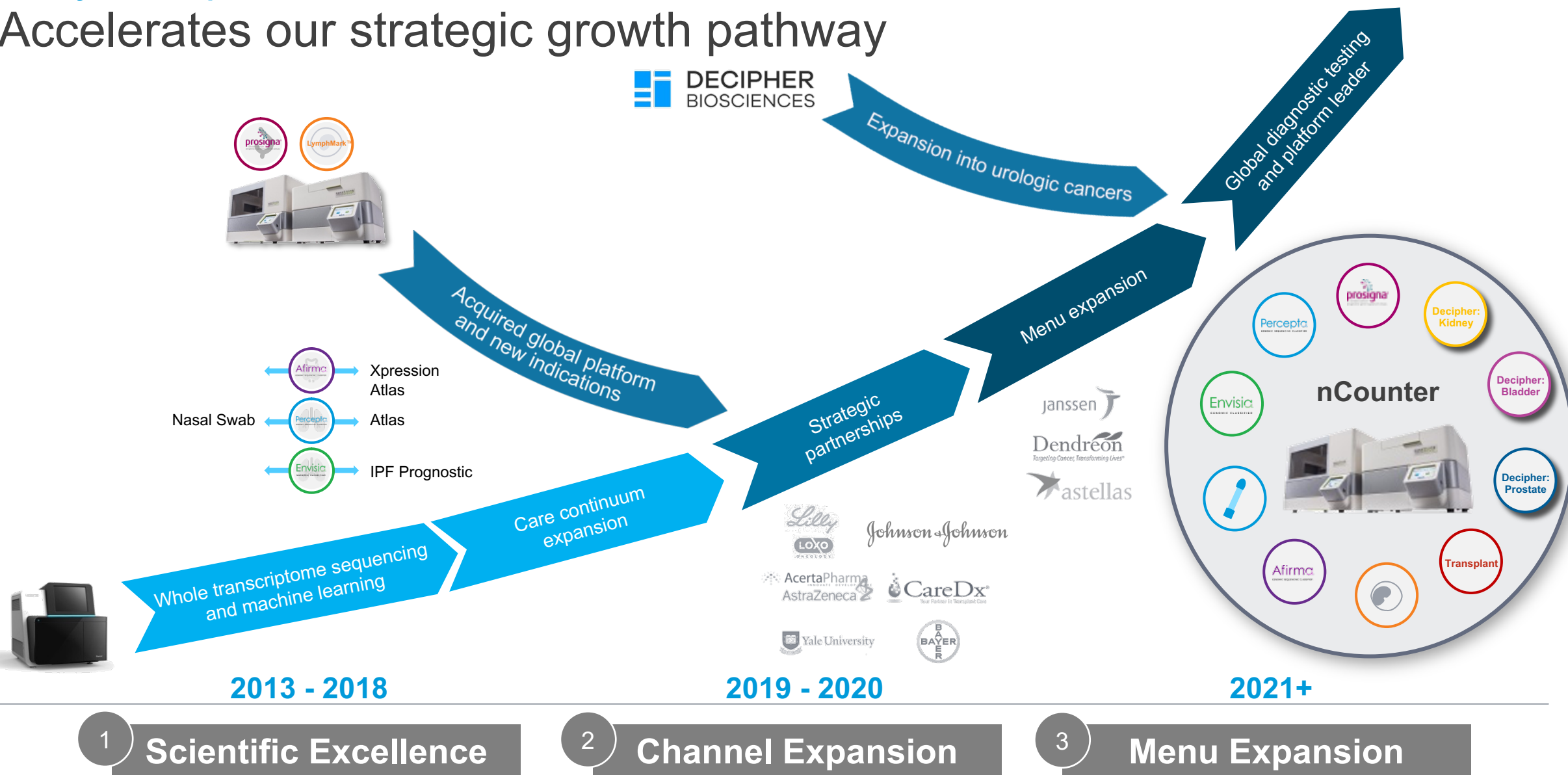
~1,100,000  
patients/year

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

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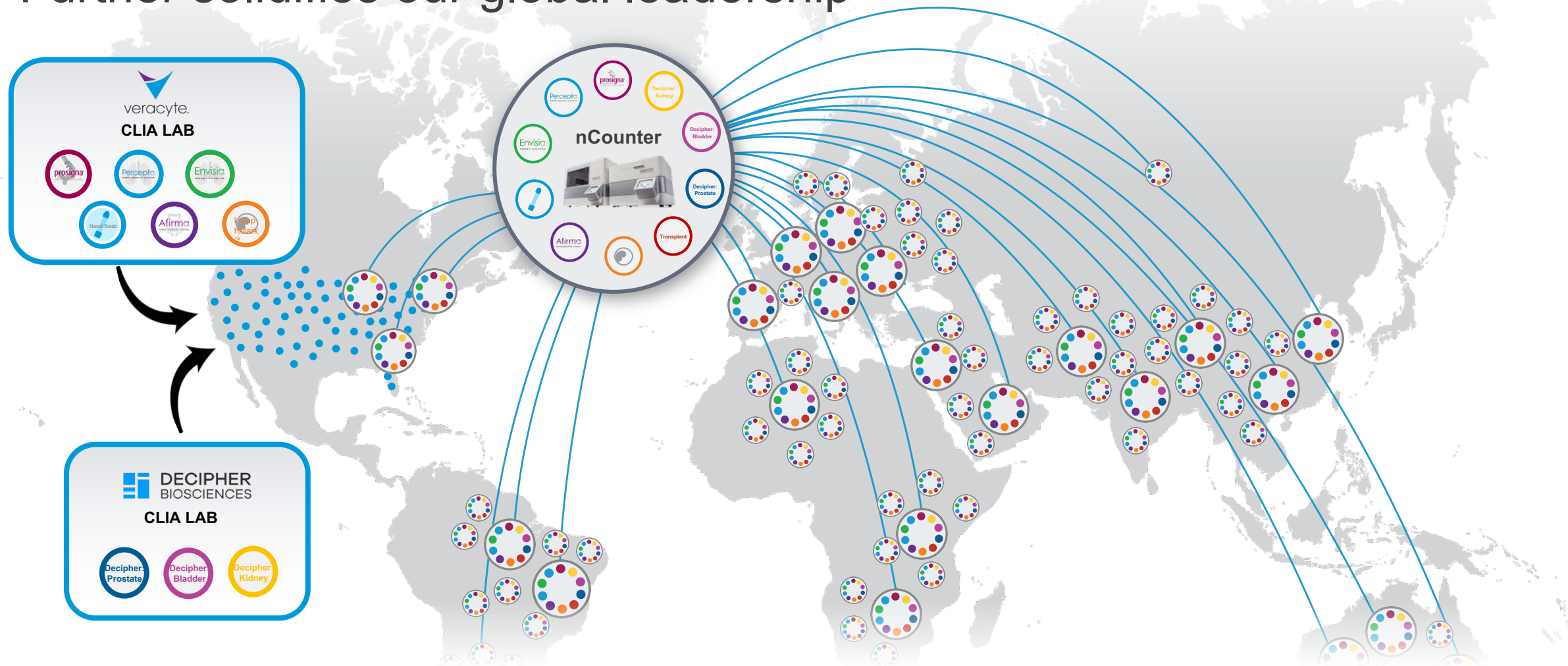
Accelerates our strategic growth pathway





## Veracyte + Decipher Biosciences

# Further solidifies our global leadership



**~\$50+ BILLION** LONG-TERM GLOBAL TAM

Company estimates



# 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

### Early Detection



Nasal Swab  
Classifier

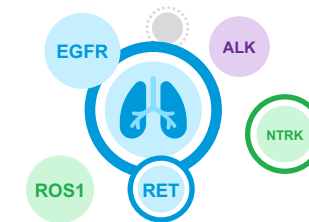
~\$5.5B

### Diagnosis



~\$700M

### Treatment



Percepta Genomic Atlas

~\$1.4B

### FUTURE Support Early- Stage Therapeutics



Biopharma  
Collaborations

Johnson & Johnson

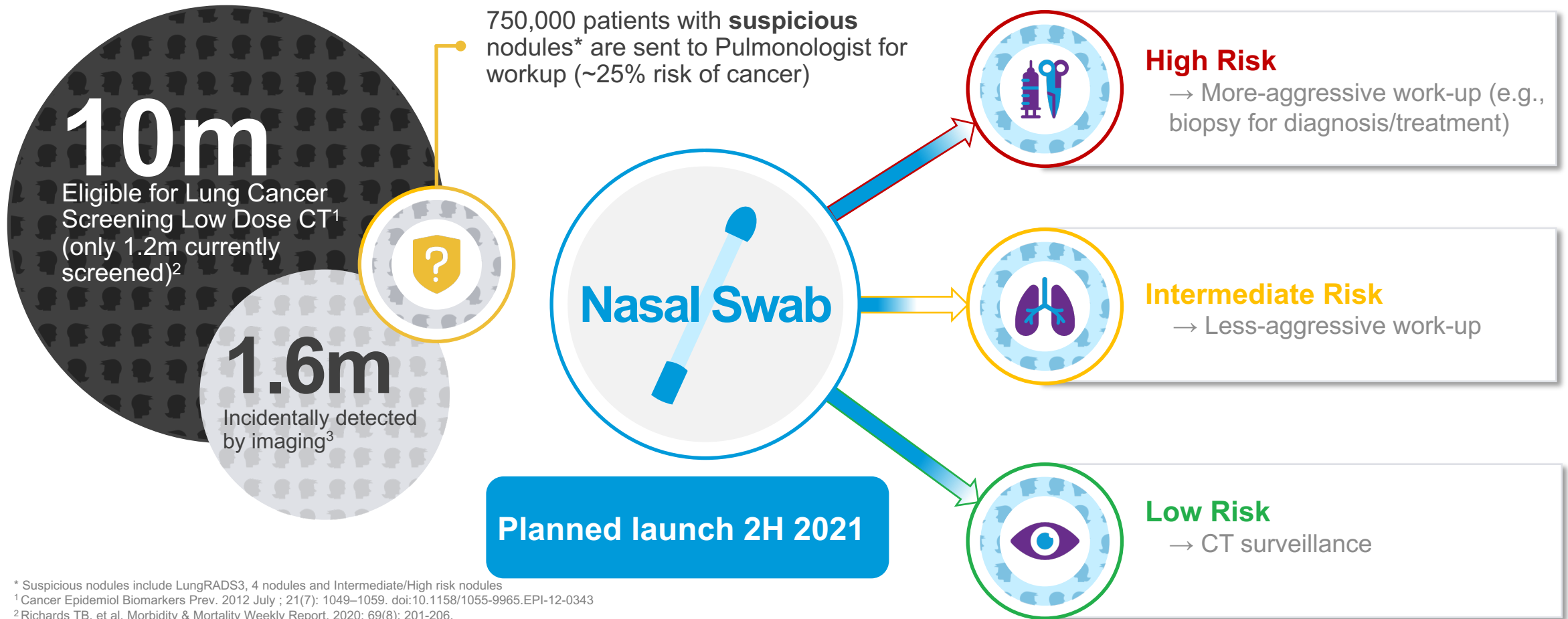
### A New Era in Lung Cancer Early Detection, Diagnosis and Treatment

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



## Nasal Swab Test

Help patients avoid unnecessary work-up and obtain treatment faster



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

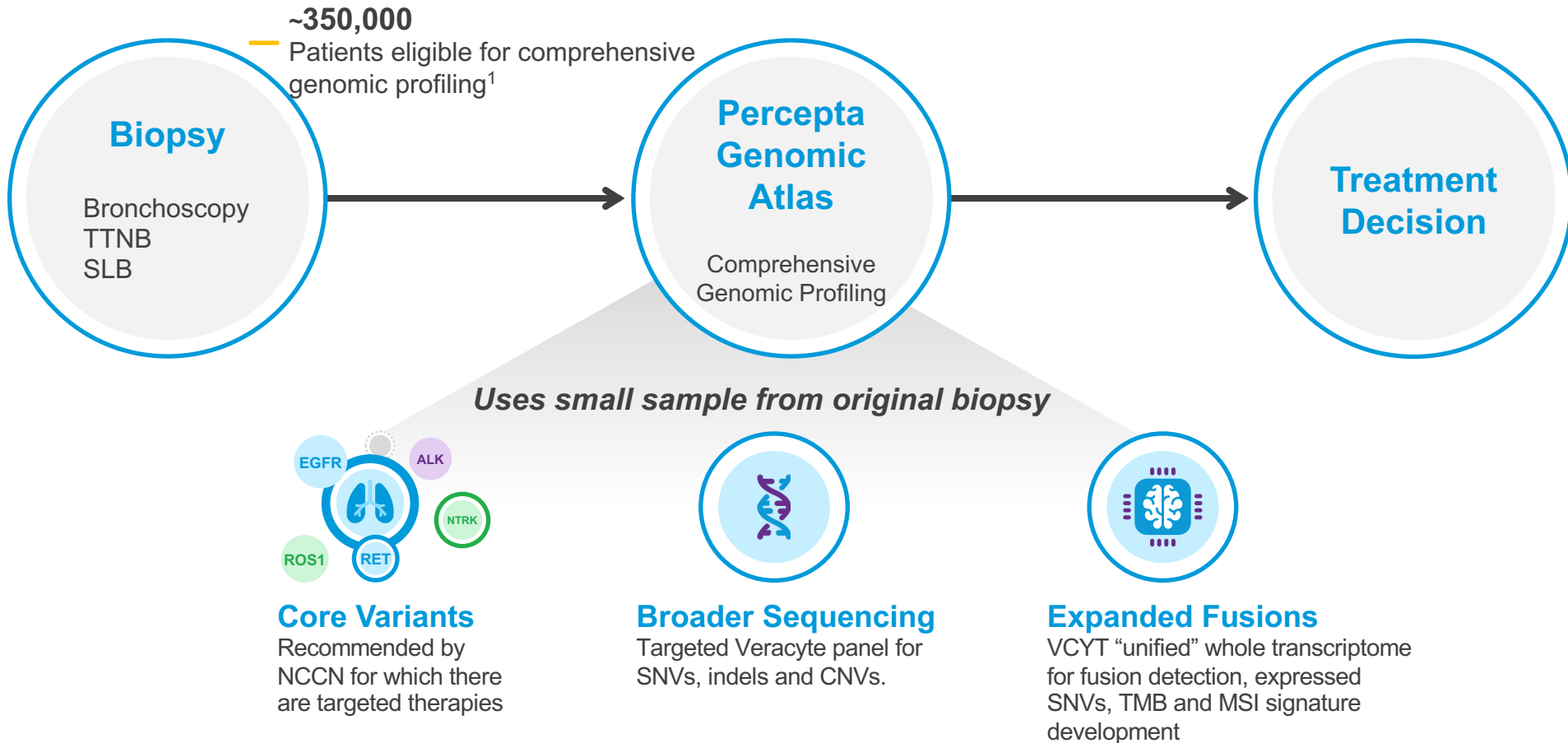
<sup>1</sup> Cancer Epidemiol Biomarkers Prev. 2012 July ; 21(7): 1049–1059. doi:10.1158/1055-9965.EPI-12-0343

<sup>2</sup> Richards TB, et al. Morbidity & Mortality Weekly Report. 2020: 69(8); 201-206.

<sup>3</sup> Gould et al., ATS Journal, 2015

## Percepta Genomic Atlas

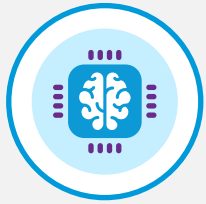
# Comprehensive profiling to inform treatment decision at the time of diagnosis



<sup>1</sup> SEER data, cancer.gov  
TTNB: transthoracic needle biopsy  
SLB: surgical lung biopsy  
NCCN: National Comprehensive Cancer Network

**Planned launch 2H 2021**

# Potential impact in lung cancer



Faster, More Comprehensive Molecular Testing

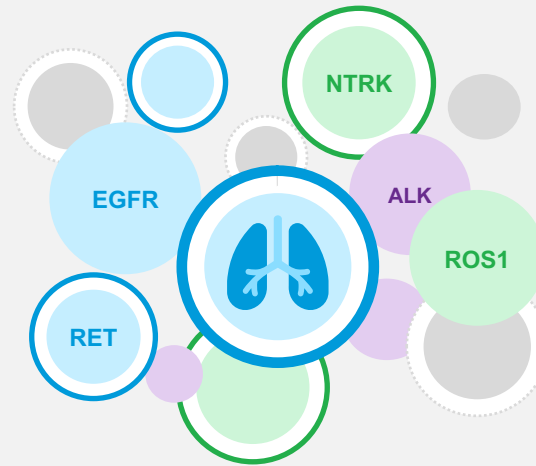


Earlier, More Appropriate Treatment



More Efficient Healthcare Deliver

**Improved Treatment Outcomes**



Comprehensive Biorepository of ALL Stages of Lung Cancer

**Biopharma Partnerships**



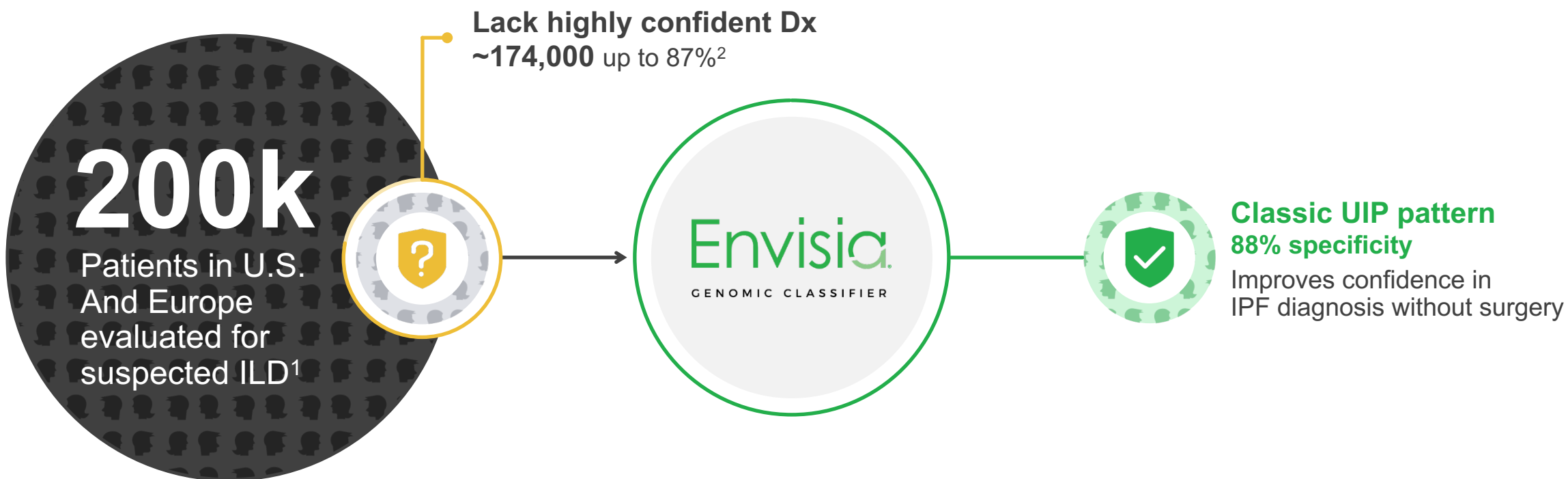
Bringing Targeted Therapies to Earlier Stage Cancer Patients

**Precision Medicine Advances**



## Idiopathic Pulmonary Fibrosis (IPF)

Accelerating diagnosis to get patients life-extending treatment faster

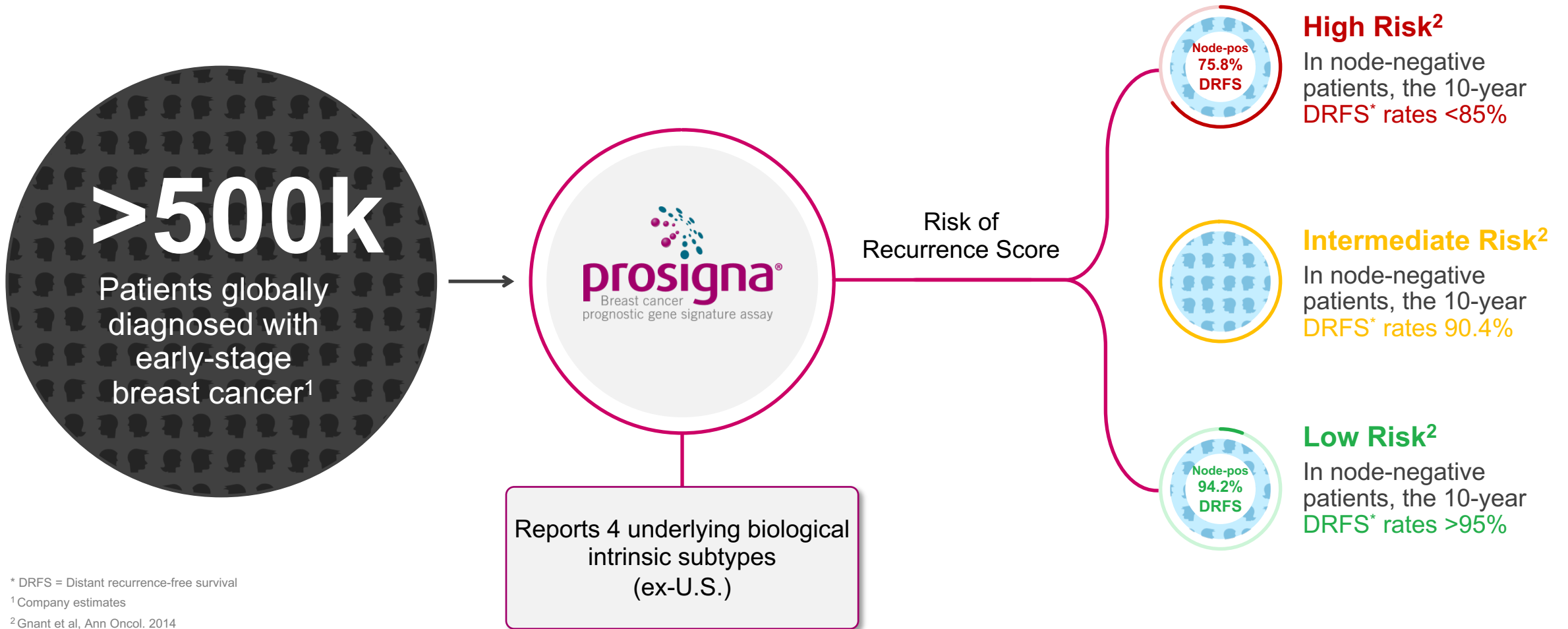


<sup>1</sup> Company estimates

<sup>2</sup> Raghu et al, The Lancet Resp Med., 2019

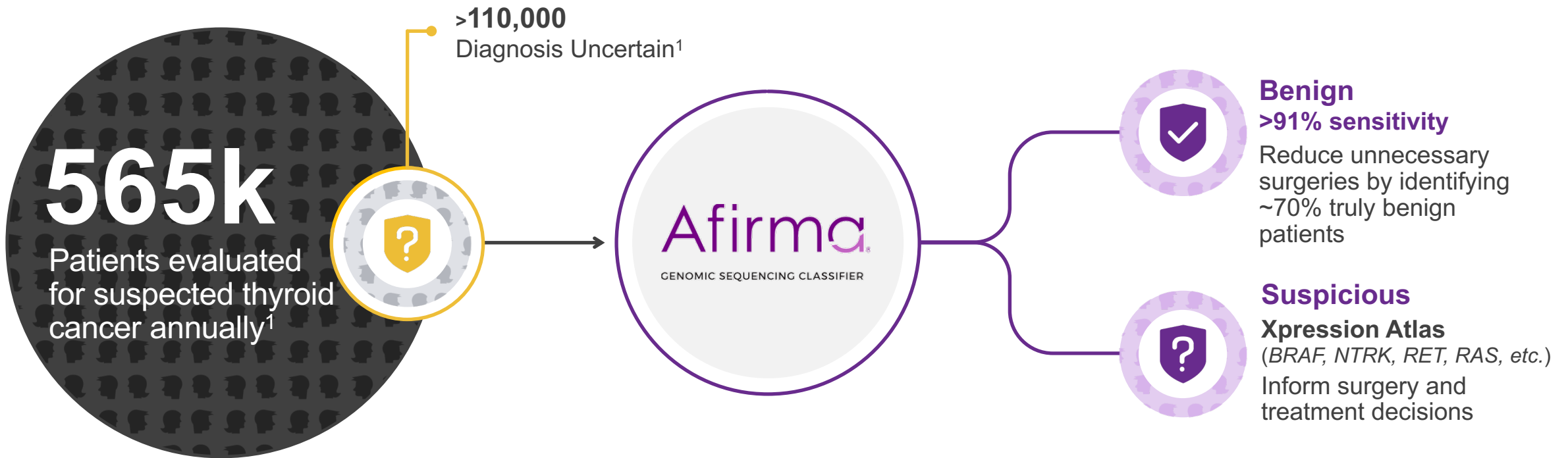
## Breast Cancer

# Inform next steps for patients with early-stage breast cancer



## Thyroid Cancer

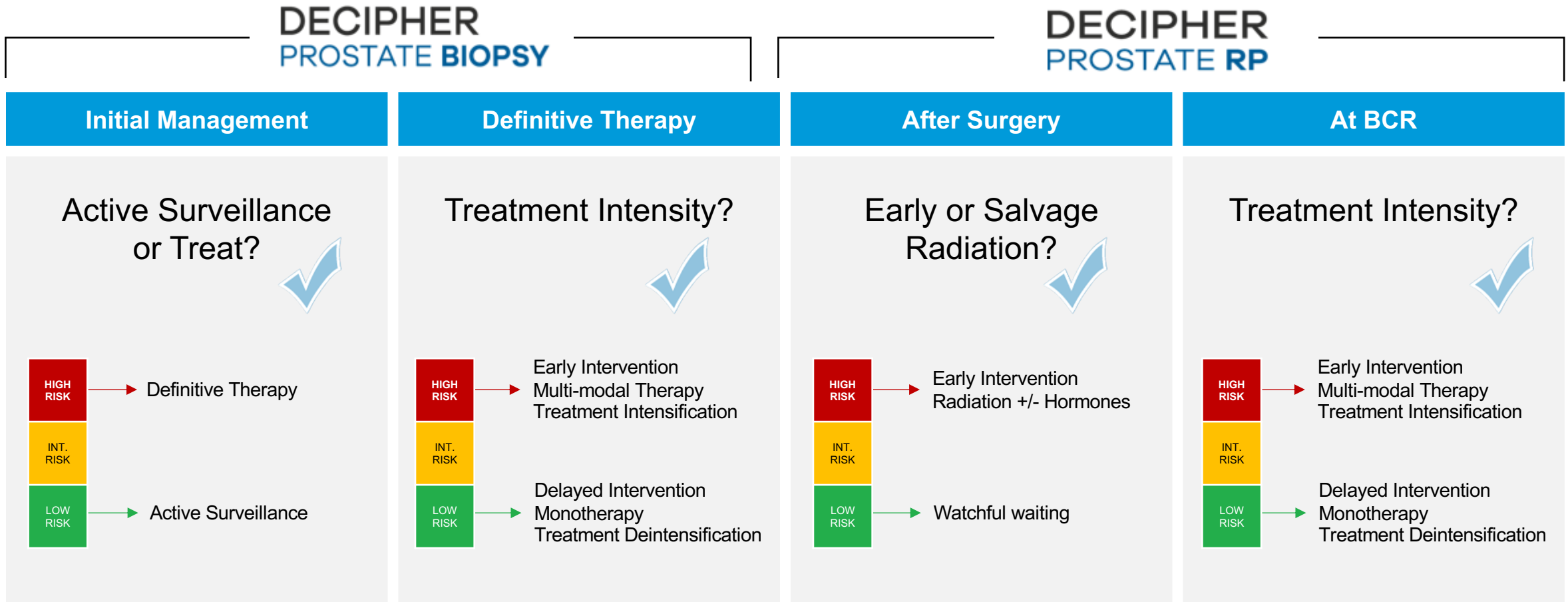
Helps patients avoid unnecessary surgeries and enables faster treatment



<sup>1</sup> Company estimates

## Decipher in prostate cancer

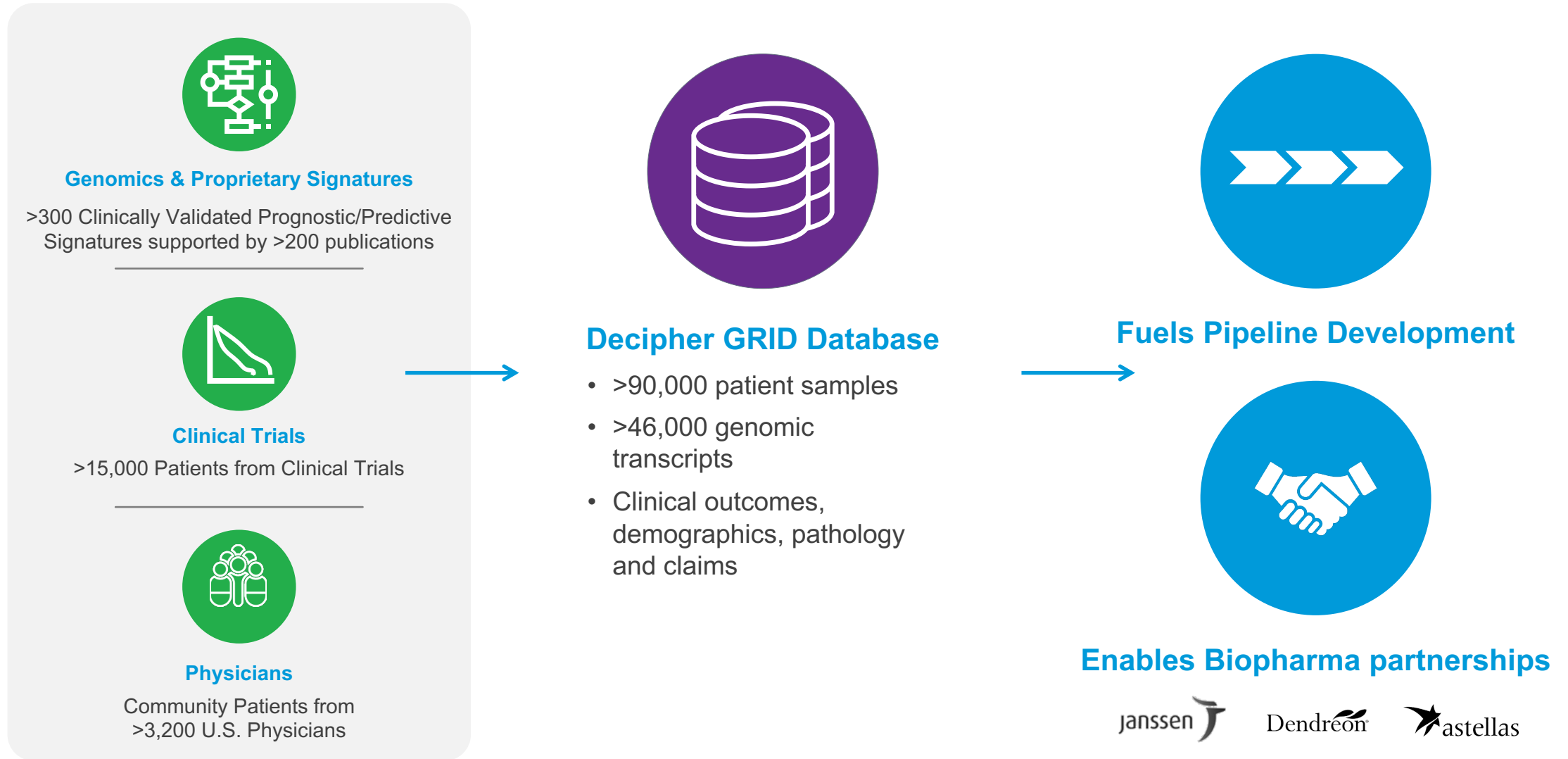
Enables physicians to personalize treatment across localized disease





## Decipher GRID

Comprehensive urologic cancer biorepository to drive further value



# 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

# Numerous catalysts to drive 2021 momentum

	Product Launches	Reimbursement Expansion	Key Evidence Development
LUNG CANCER	<ul style="list-style-type: none"> <li>✓ Nasal Swab</li> <li>✓ Percepta Genomic Atlas</li> </ul>	<ul style="list-style-type: none"> <li>✓ Percepta GSC commercial coverage</li> </ul>	<ul style="list-style-type: none"> <li>✓ Nasal swab <ul style="list-style-type: none"> <li>• Clinical validation</li> <li>• Analytical verification</li> </ul> </li> <li>✓ Percepta Genomic Atlas <ul style="list-style-type: none"> <li>• Analytical verification</li> </ul> </li> </ul>
ILD/IPF	<ul style="list-style-type: none"> <li>✓ Envisia Classifier nCounter</li> </ul>	<ul style="list-style-type: none"> <li>✓ Envisia commercial coverage</li> </ul>	<ul style="list-style-type: none"> <li>✓ Envisia nCounter <ul style="list-style-type: none"> <li>• Analytical verification</li> </ul> </li> </ul>
BREAST CANCER		<ul style="list-style-type: none"> <li>✓ International coverage expansion</li> </ul>	
THYROID CANCER	<ul style="list-style-type: none"> <li>✓ Afirma XA mets</li> </ul>		
PROSTATE CANCER*		<ul style="list-style-type: none"> <li>✓ Decipher Prostate expanded Medicare indications</li> </ul>	
BLADDER CANCER*	<ul style="list-style-type: none"> <li>✓ Decipher Bladder</li> </ul>	<ul style="list-style-type: none"> <li>✓ Final Medicare LCD</li> </ul>	

\* Pending completion of Decipher acquisition



# 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, Urologic Cancers

(Subject to transaction closing)



**John Hanna**

General Manager, Endocrinology, Breast  
Cancer and Lymphoma



**Morten Frost**

General Manager, Pulmonology



**Tracy Morris**

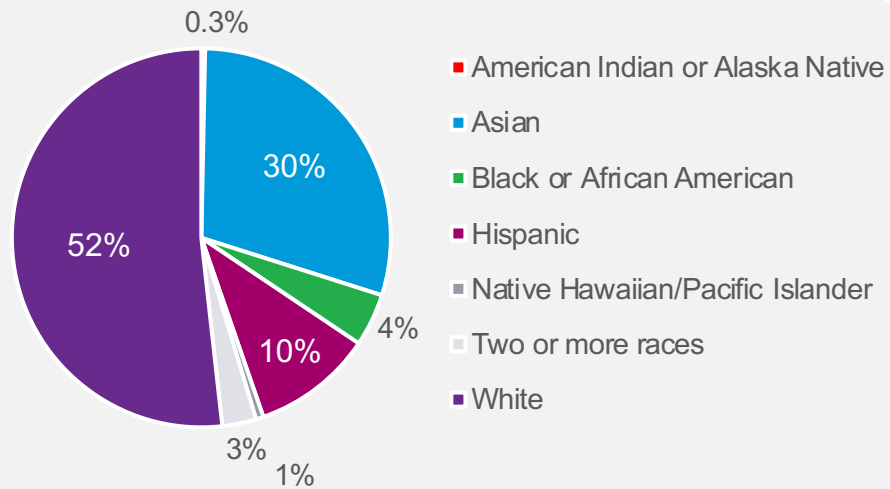
Vice President, Corporate Communications  
and Investor Relations



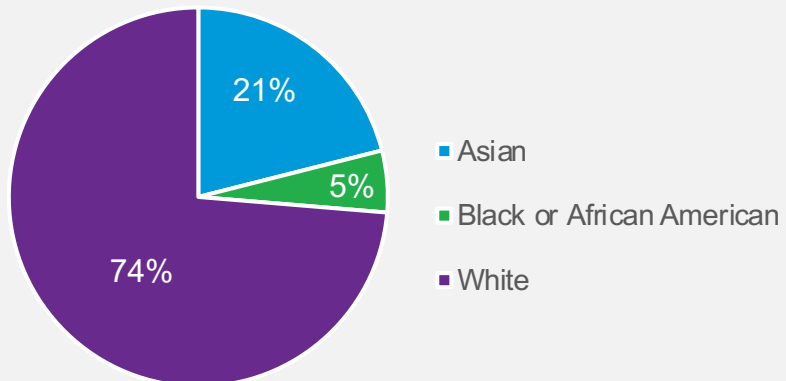
# Our diversity contributes to our success

## Race

All Employees



VP Level and Above



## Gender

