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Veracyte, Inc. Launches Afirma® Malignancy Classifiers to Further Help Thyroid Nodule Patients Avoid Unnecessary Surgeries and Lower Healthcare Costs

SOUTH SAN FRANCISCO, Calif., May 13, 2014 /PRNewswire/ -- Veracyte, Inc. (Nasdaq: VCYT) today announced the launch of its Afirma Malignancy Classifiers to further establish the Afirma Thyroid FNA Analysis as a comprehensive tool for reducing unnecessary surgeries and healthcare costs among the more than 525,000 U.S. patients each year who undergo fine needle aspiration (FNA) biopsies to rule out cancer in thyroid nodules. The Afirma Malignancy Classifiers comprise genomic tests for medullary thyroid cancer (MTC) and the BRAF gene mutation and are intended to provide preoperative information to help guide surgical strategy for those patients who need surgery.

"Cytopathology alone misses more than half of the cases of medullary thyroid cancer, an aggressive cancer, which typically requires a more extensive surgery," said Dr. Thomas Blevins, endocrinologist and founder of Texas Diabetes and Endocrinology, based in Austin, Texas. "As a result, many patients with MTC subsequently undergo a 'follow-up' surgery, once the presence of MTC becomes known. Knowing a patient's MTC status before surgery could enable physicians to perform a more appropriate procedure the first time, potentially reducing the need for additional surgeries - and the risks and costs that accompany them." Dr. Blevins also noted that the presence of the BRAF gene mutation may prompt thyroid surgeons to perform more extensive thyroid surgeries.

Four studies supporting the use of Veracyte's Afirma Malignancy Classifiers and enhancing its overall Afirma solution will be presented at the American Association of Clinical Endocrinologists (AACE) 23rd Annual Scientific & Clinical Congress taking place May 14-18 in Las Vegas. These include a clinical validation study demonstrating the ability of Veracyte's Afirma MTC test to identify cases of MTC, which were missed by cytopathology alone, as well as a study establishing the clinical performance of the company's BRAF gene mutation test.

"With the launch of our Afirma Malignancy Classifiers, we believe our Afirma solution will give physicians the most comprehensive approach for managing patients with thyroid nodules," said Bonnie H. Anderson, Veracyte's president and chief executive officer. "Specifically, with one FNA sample collected in a single office visit, physicians can obtain a confident cytopathology diagnosis through our cytopathology partner, TCP. They can also identify benign cases among those deemed indeterminate by cytopathology, by using our Afirma Gene Expression Classifier. And now - with the Afirma Malignancy Classifiers - they can obtain further preoperative information about those patients headed to surgery, to help ensure the right patients get the right surgery the first time."

About Veracyte, Inc.

Veracyte (Nasdaq: VCYT) is pioneering the field of molecular cytology, focusing on genomic solutions that resolve diagnostic ambiguity and enable physicians to make more informed treatment decisions at an early stage in patient care. By improving preoperative diagnostic accuracy, the company aims to help patients avoid unnecessary invasive procedures while reducing healthcare costs. Veracyte's first commercial solution, the Afirma® Thyroid FNA Analysis, utilizes the proprietary Gene Expression Classifier (GEC) to resolve ambiguity in thyroid nodule diagnosis. Each year, of the more than 525,000 thyroid nodule FNAs performed in the U.S., approximately 115,000 patients undergo diagnostic thyroid surgery, with 70% to 80% of nodules proving benign and thus the surgery unnecessary. Since the commercial launch of Afirma in January 2011, Veracyte has received nearly 100,000 FNA samples for evaluation using Afirma and has performed nearly 20,000 GECs to resolve indeterminate cytopathology results, as of March 31, 2014. Backed by multiple, peer-reviewed, published studies and included in leading medical guidelines, Afirma is covered by Medicare and major commercial payers, which collectively represent more than 125 million covered lives. Afirma is marketed and sold through a global co-promotion agreement with Genzyme Corporation, a subsidiary of Sanofi. Veracyte intends to expand its molecular cytology franchise to other clinical areas and is in late biomarker discovery for its first product in pulmonology. For more information, please visit www.veracyte.com.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the company's belief that its Afirma solution will give physicians the most comprehensive approach for managing patients with thyroid nodules, the company's beliefs regarding the benefits of its tests to physicians, patients and payers, and the company's intent to expand its molecular cytology business into other clinical areas. 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: our limited operating history and history of losses; our ability to increase usage of and reimbursement for Afirma and any future products we may develop; our dependence on a few payers for a significant portion of our revenue; the complexity, time and expense associated with billing and collecting from payers for our test; laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; our dependence on strategic relationships; our ability to develop and commercialize new products and the timing of commercialization; the occurrence and outcome of clinical studies; the timing and publication of study results; the applicability of clinical results to actual outcomes; our inclusion in clinical practice guidelines; our ability to compete; our ability to expand into international markets; our ability to obtain capital when needed; 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 March 31, 2014. 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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