



# ANSWERS



## Corporate Presentation

January 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, the timing or success of anticipated catalysts in 2020 and 2021, 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 filed with the SEC on February 25, 2020 and in our Quarterly Report on Form 10-Q filed with the SEC on November 2, 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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We are a global genomic  
diagnostics company  
transforming care  
throughout the patient  
journey.

# Q3 2020 – Key Takeaways



## Strong Q3 rebound...

- Revenue and volume exceeded Q3 2019 results
- Testing and product revenue +79% v.SeqQ and +13% v.PYQ
- Q3 2020 YTD Product revenue achieved pre-pandemic annual goal



## Commercial momentum...

- ADLT status and new Medicare pricing for Envisia classifier
- New CPT codes and preliminary Medicare pricing for Afirma MTC and XA, paving way for reimbursement expansion
- Prosigna assay coverage in Germany opens up key market



## Pipeline launches on track for 2021...

- Nasal swab and Percepta Atlas on track for 2H 2021
- Envisia Classifier on nCounter for international launch end of 2021
- LymphMark test for diffuse large B-cell lymphoma subtyping, pending FDA de novo process



## Financial Discipline...

- Margins remain in line with expectations
- \$1.8M of cash flow from operations
- Solid cash position of \$345M

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



# Catalysts to drive continued momentum through 2021

	Product & Testing Revenue	Collaboration Revenue	Evidence Development	Pipeline Advancement / Menu Expansion
2020	<ul style="list-style-type: none"> <li>✓ Rebound to pre-pandemic levels</li> </ul>	<ul style="list-style-type: none"> <li>✓ Loxo/Lilly Thyroid Cancer</li> <li>✓ Acerta Pharma / Astra Zeneca Lymphoma</li> </ul>	<ul style="list-style-type: none"> <li>✓ Envisia publications/abstracts/presentations</li> <li>✓ Percepta publications/abstracts/presentations</li> <li>✓ Prosigna publications/abstracts/presentations</li> </ul>	<ul style="list-style-type: none"> <li>✓ Afirma XA enhancements</li> <li>✓ Nasal swab data</li> <li>✓ NOBLE trial initiation</li> <li>✓ LymphMark advances</li> </ul>
2021	<ul style="list-style-type: none"> <li>● Guideline inclusion (pulmonology)</li> <li>● Reimbursement Expansion (pulmonology)</li> </ul>	<ul style="list-style-type: none"> <li>● Johnson &amp; Johnson nasal swab lung cancer</li> <li>● Loxo/Lilly Thyroid Cancer</li> <li>● Acerta Pharma / Astra Zeneca Lymphoma</li> </ul>	<ul style="list-style-type: none"> <li>● Nasal swab pivotal clinical validation</li> <li>● Envisia nCounter data</li> </ul>	<ul style="list-style-type: none"> <li>● Nasal Swab US Launch</li> <li>● Envisia nCounter Launch</li> <li>● Percepta Atlas Launch</li> <li>● LymphMark Launch</li> </ul>

# 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

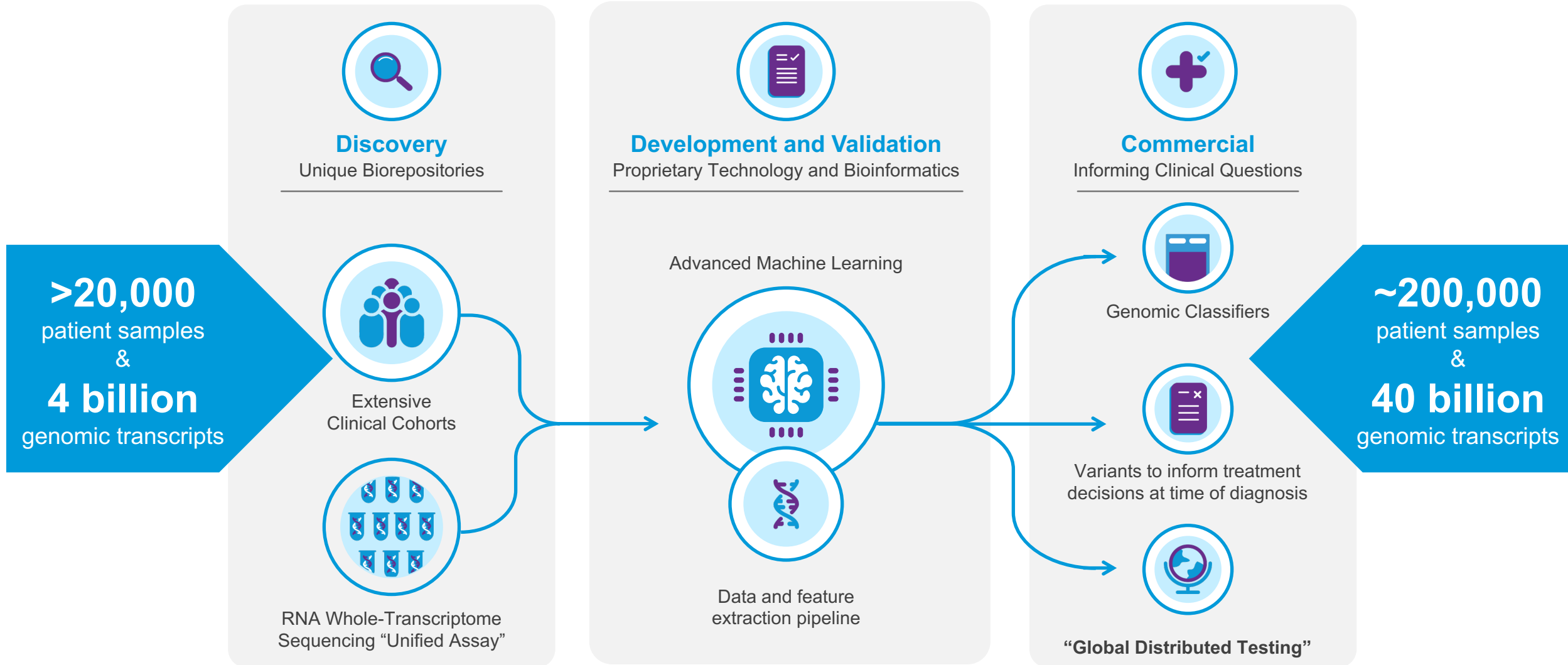


## Successful Reimbursement

Extensive coverage policies and contracted relationships pave way for additional tests

## Our powerful science and technology

# Enables innovation from large-scale clinical biorepositories

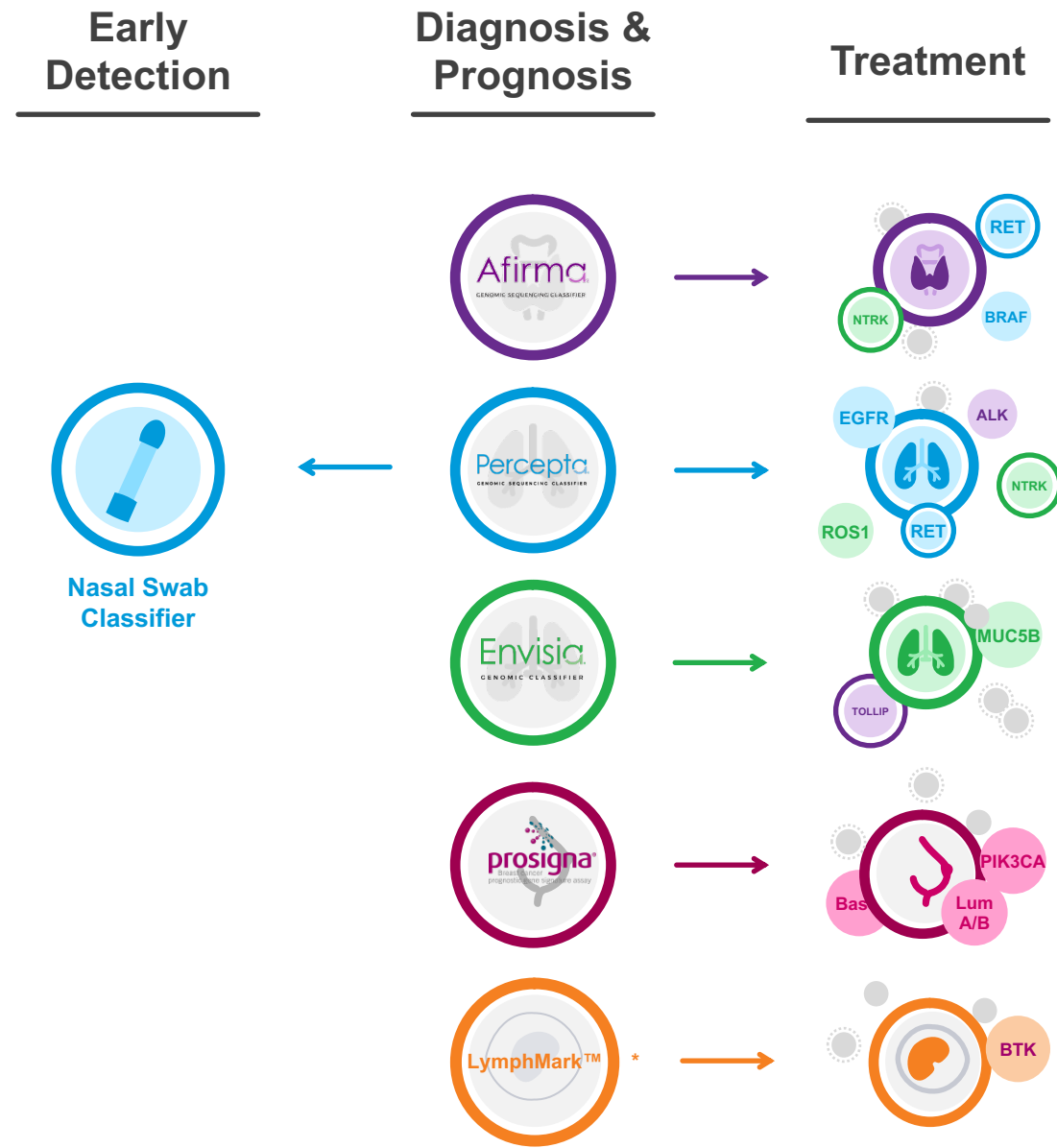




TODAY: INFLECTION POINT

Five clinical indications

Addressing unmet needs throughout the care continuum



>\$40 billion TAM

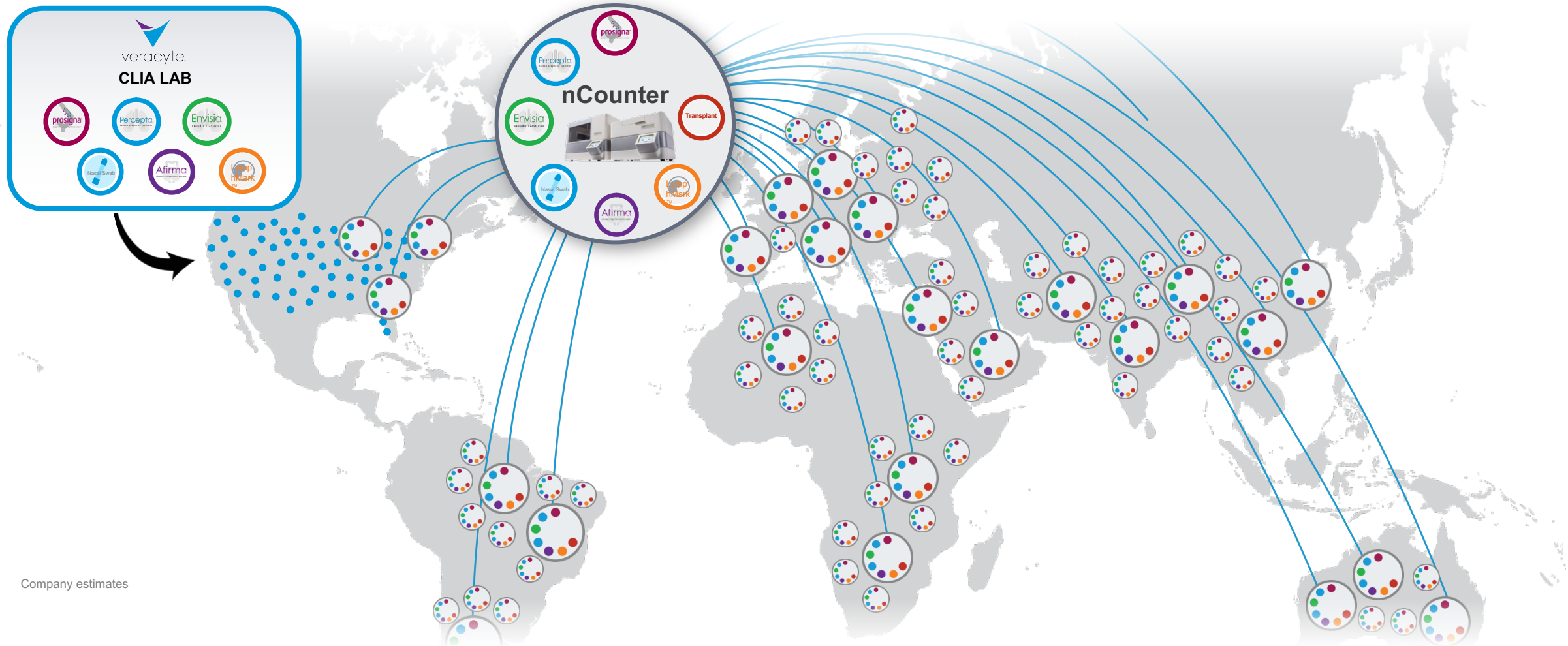
\* Investigational product  
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# Our strategic growth pathway



## Where we are going

# Global market, menu and margin expansion



Company estimates

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January 2021

**\$40 BILLION** GLOBAL MARKET OPPORTUNITY





# 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

~\$36B

### Early Detection



Nasal Swab  
Classifier

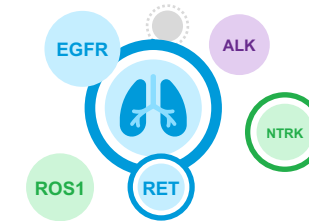
~\$4B

### Diagnosis



~\$700M

### Treatment



Percepta Genomic Atlas

~\$1.4B

### FUTURE Support Early- Stage Therapeutics



Biopharma  
Collaborations

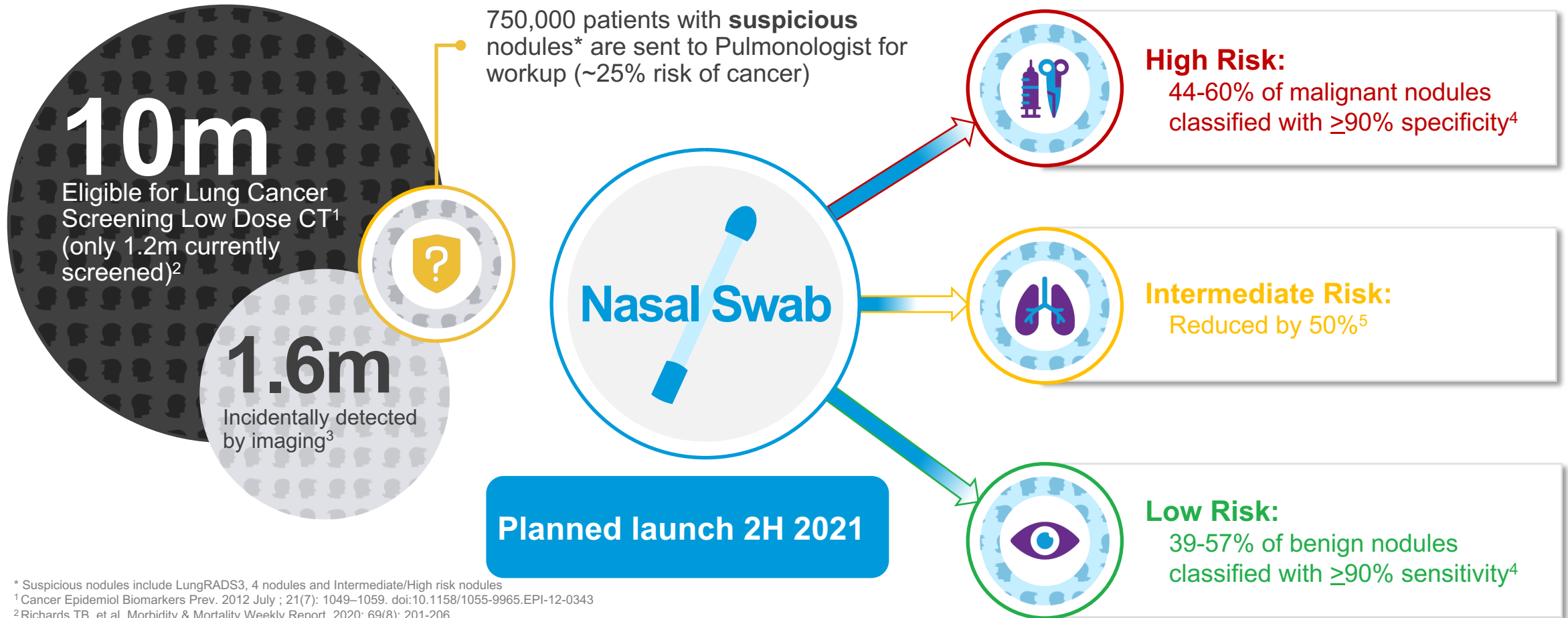
Johnson & Johnson

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

- Minimally invasive
- Comprehensive genomic profiling data
- Faster, more timely answers and care decisions
- First large biorepository of early-stage lung cancers

## 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

<sup>4</sup> Veracyte R&D Day, Dec. 16, 2020.

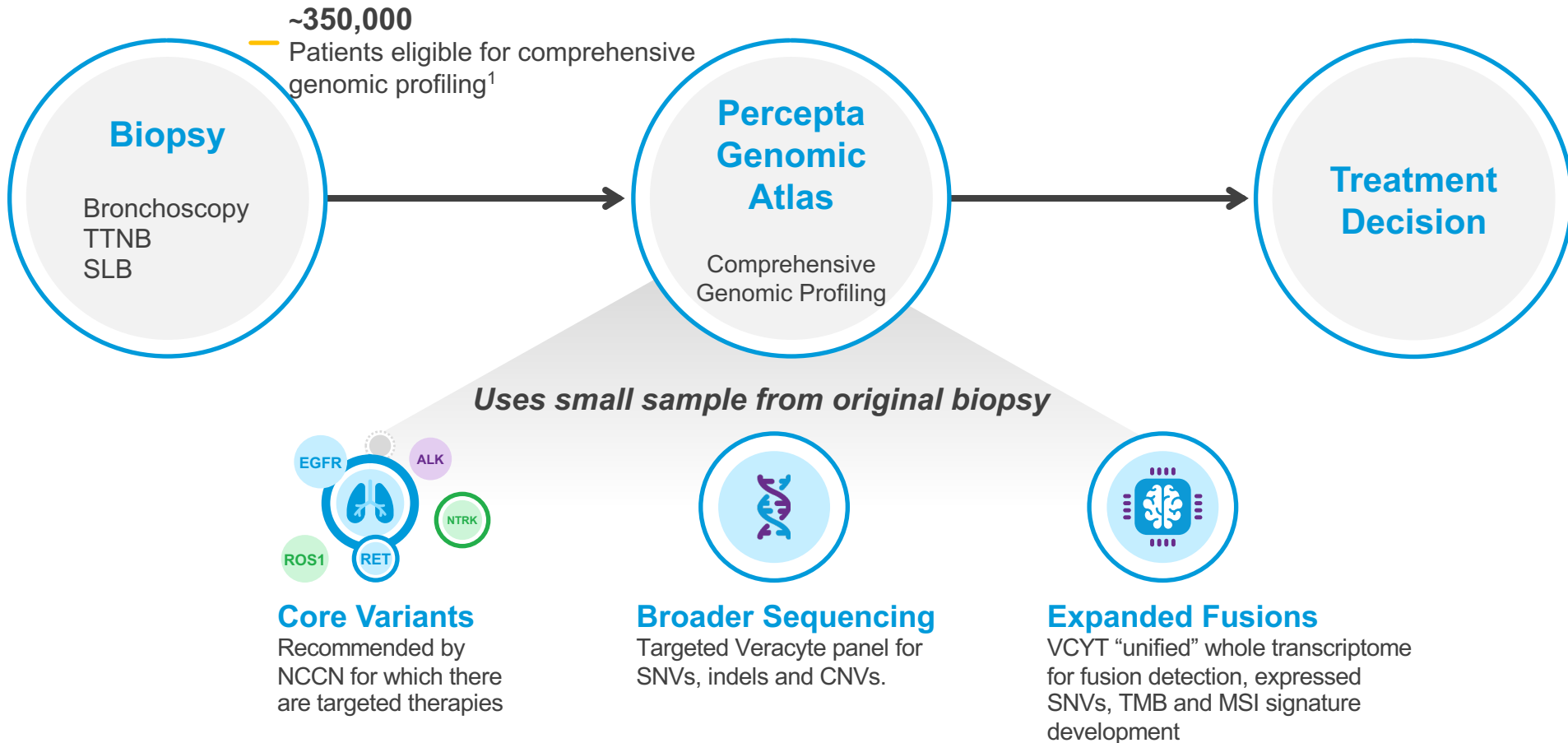
<sup>5</sup> Lamb C, et al. American College of Chest Physicians (CHEST) Annual Meeting, Oct. 2019.

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## Percepta Genomic Atlas

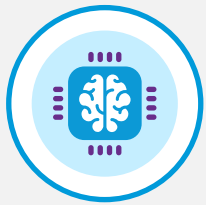
# Comprehensive profiling to inform treatment decision at the time of diagnosis



<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

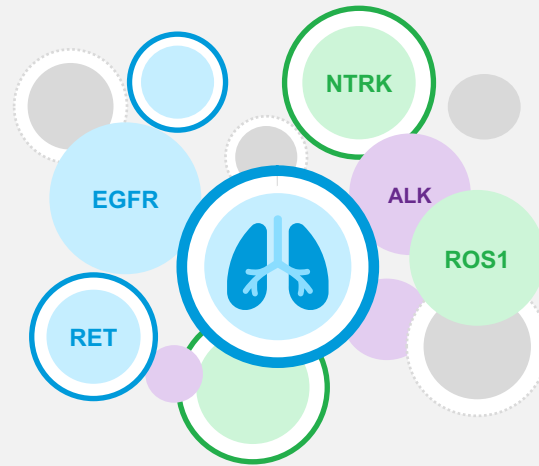


Earlier, More  
Appropriate Treatment



More Efficient  
Healthcare Deliver

**Improved Treatment Outcomes**



Comprehensive Biorepository  
of ALL Stages of Lung Cancer

**Biopharma Partnerships**

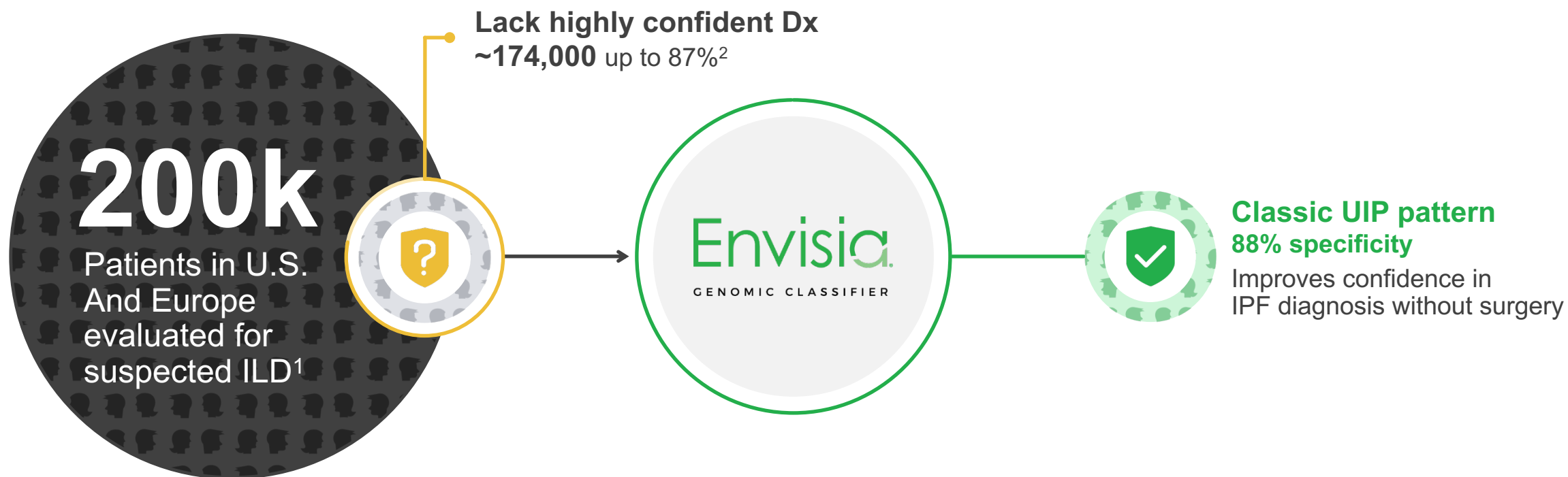


Bringing Targeted  
Therapies to Earlier  
Stage Cancer Patients

**Precision Medicine Advances**

## Idiopathic Pulmonary Fibrosis (IPF)

Accelerating diagnosis to get patients life-extending treatment faster



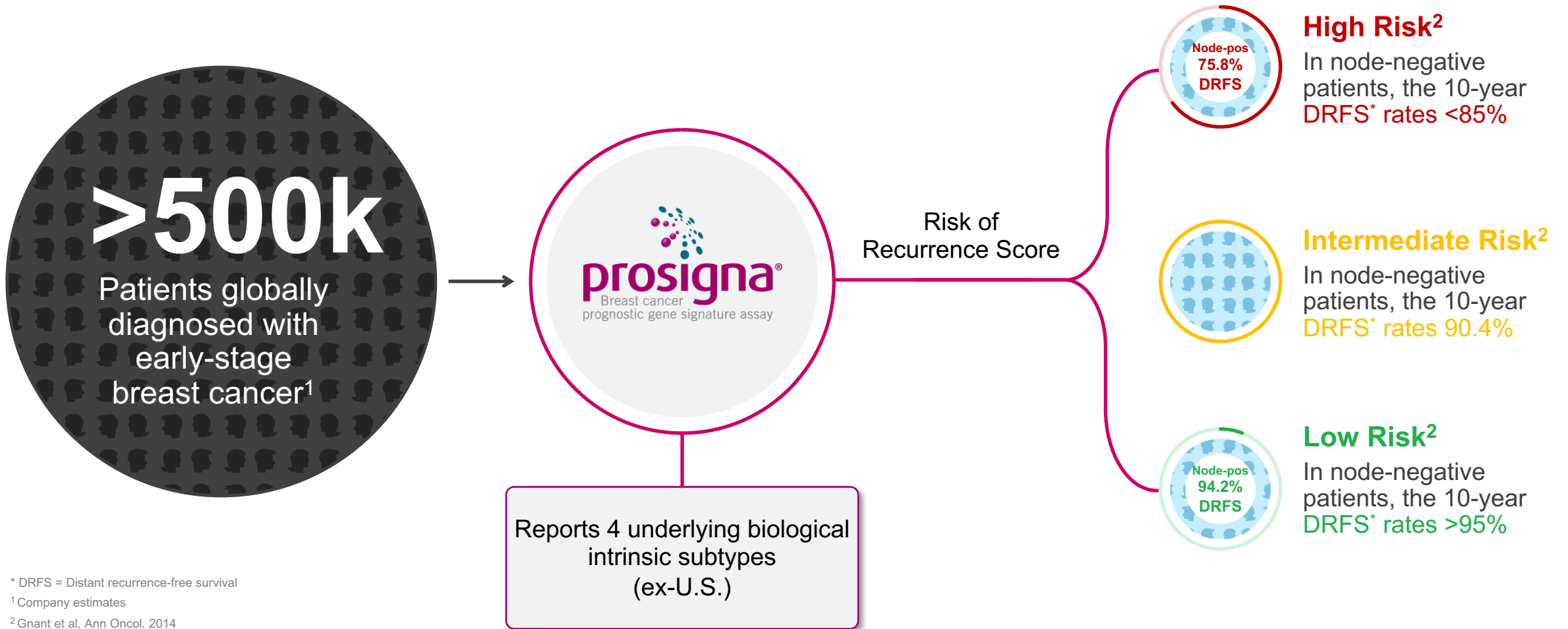
<sup>1</sup> Company estimates

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



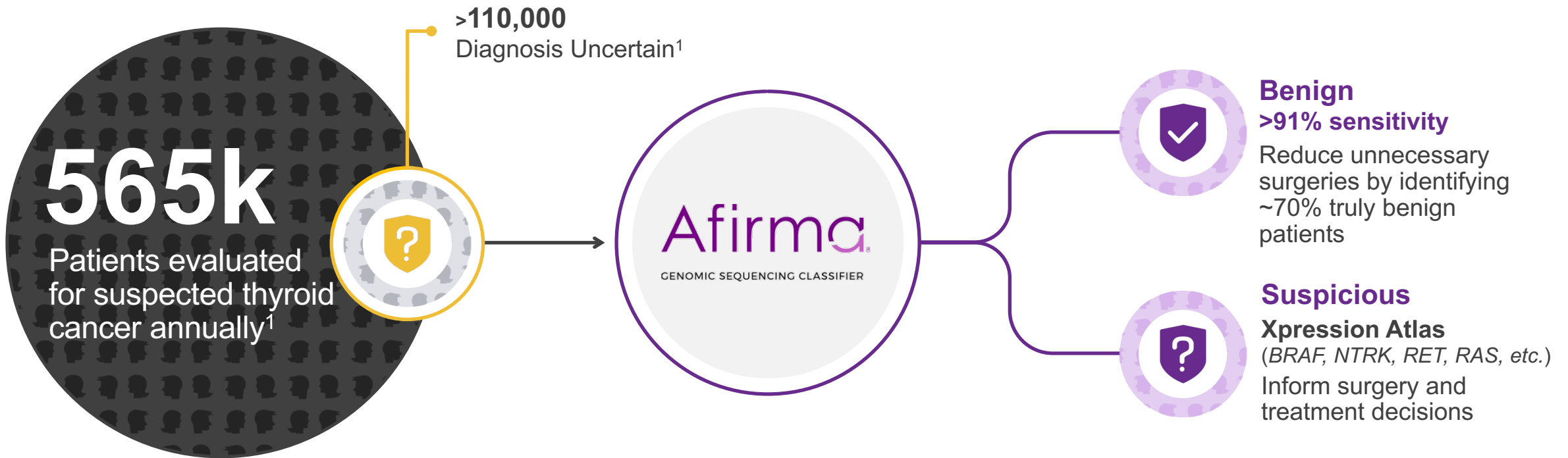
## Breast Cancer

# 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

# History of acquisitions and strategic partnerships accelerate pipeline and drive growth

## Acquisitions



“Field of Injury” science to improve diagnosis of lung cancer



Exclusive global license for nCounter platform; Breast cancer Lymphoma



Afirma XA to identify gene alterations in thyroid cancers



Advance future lung cancer tests for broader patient populations

2012 - 2018

2019

2020

## Partnerships / Collaborations



Afirma Launch partner into Endocrinology



Afirma XA to develop thyroid cancer therapies



Advance early lung cancer detection



Blood monitoring test for IPF on nCounter



Genomic information to support oncology therapeutics



Solid organ transplant rejection tests on nCounter



Covid-19 and other infectious disease tests on nCounter



# Financial Overview



# Attractive financial profile



## Post-COVID Revenue Rebound

3Q 2020 revenue (\$31M) equal to 1Q 2020



## Attractive “Gross Margin”

64% for the nine-month period ended September 30, 2020  
Increases with collaboration revenue



## Selling and Marketing Leverage

Scale single-structure in U.S.  
Dedicated resources in EU  
Shifting to more efficient digital engagement model



## R&D, Medical and Clinical Operations

Extensive whole RNA-transcriptome & biorepository  
Advancing pulmonology pipeline  
Menu expansion on nCounter supports international expansion

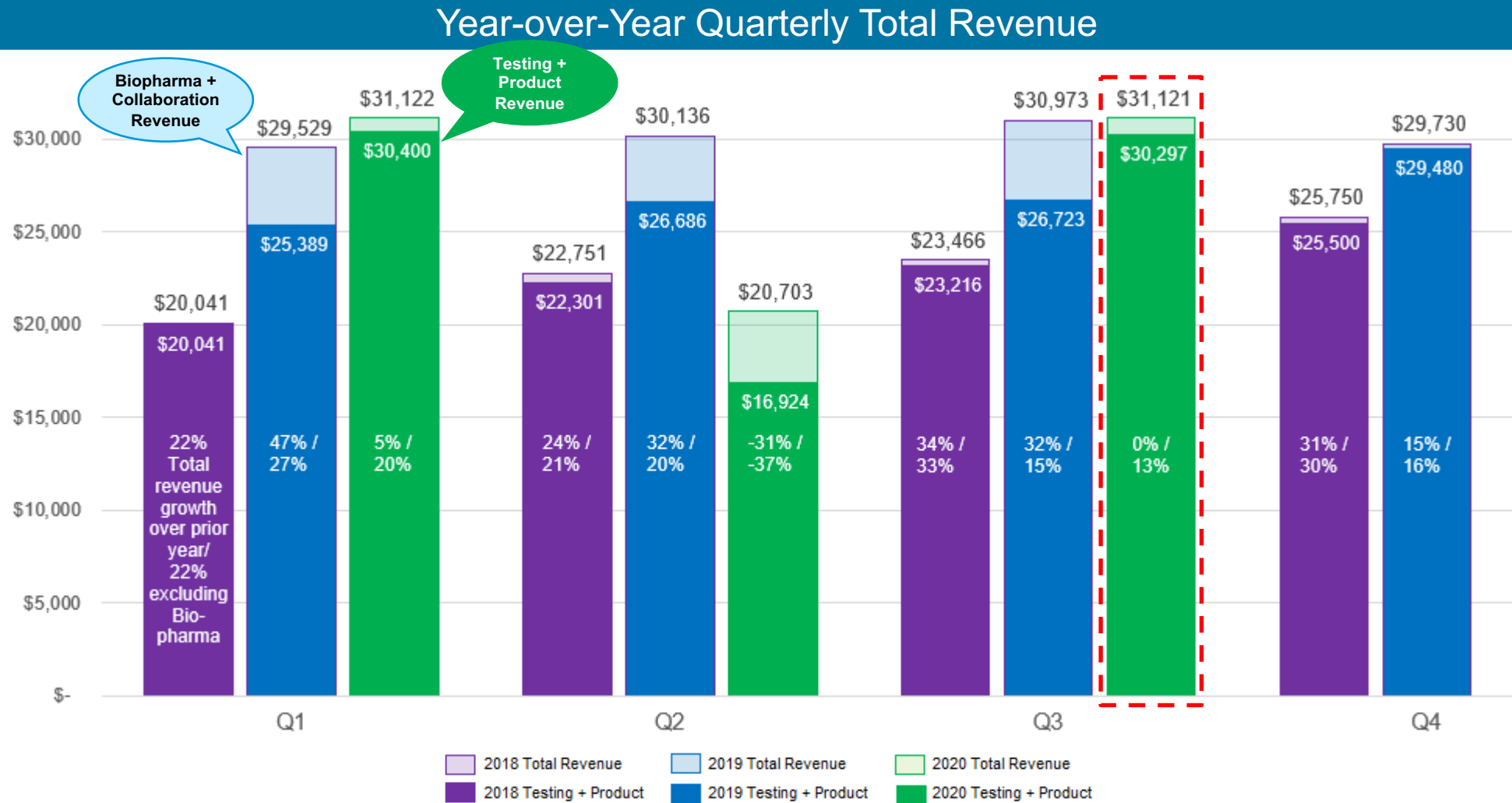


## Strong Balance Sheet

~\$345M cash as of September 30, 2020  
No debt



# Revenue



# 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



**John Hanna**  
General Manager, Endocrinology, Breast  
Cancer and Lymphoma



**Morten Frost**  
General Manager, Pulmonology



**Tracy Morris**  
Vice President, Corporate Communications  
and Investor Relations

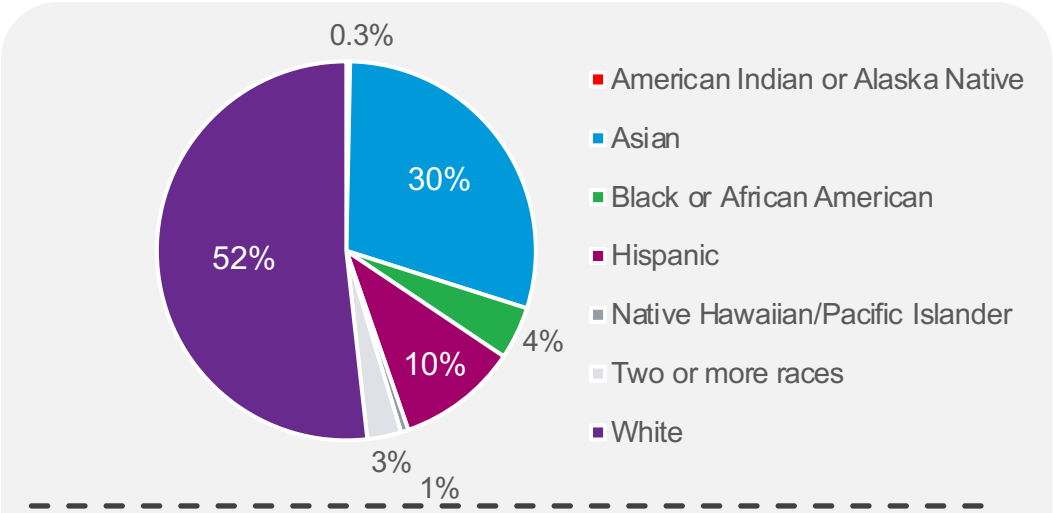


# Our diversity contributes to our success

Race

Gender

All Employees



VP Level and Above

