



Q3 2022 Business and Financial Presentation

November 2, 2022

Forward-looking statements

This presentation contains forward-looking statements, including, but not limited to, our statements related to our expected total revenue and other financial and operating results for 2022 and our plans, objectives, expectations (financial and otherwise) or intentions with respect to our Prosigna, Afirma, Percepta, Envisia, LymphMark, Decipher Prostate, Percepta Nasal Swab, Percepta Genomic Atlas and Decipher Bladder tests and products, including our biopharma atlas, for use in diagnosing and treating diseases, Medicare coverage, and our commercial organization. Forward-looking statements can be identified by words such as: “appears,” “anticipate,” “intend,” “plan,” “expect,” “believe,” “should,” “may,” “will,” “positioned,” “designed” and similar references to future periods. Actual results may differ materially from those projected or suggested in any forward-looking statements. These statements involve risks and uncertainties, which could cause actual results to differ materially from our predictions, and include, but are not limited to our ability to launch, commercialize and receive reimbursement for our products, to successfully integrate the HalioDx and Decipher businesses and execute on our business plans; continue to scale our global operations and enhance our internal control environment; the impact of the COVID-19 pandemic and its variants, inflation, fluctuations in interest rates and foreign exchange rates, and general economic conditions on our business and general economic conditions; and the performance and utility of our tests in the clinical environment. Additional factors that may impact these forward-looking statements can be found under the caption “Risk Factors” in our Annual Report on Form 10-K filed on February 28, 2022, and our Quarterly Report on Form 10-Q to be filed for the three months ended September 30, 2022. Copies of these documents, when available, may be found in the Investors section of our website at www.investor.veracyte.com. These forward-looking statements speak only as of the date hereof and, except as required by law, we specifically disclaim 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.

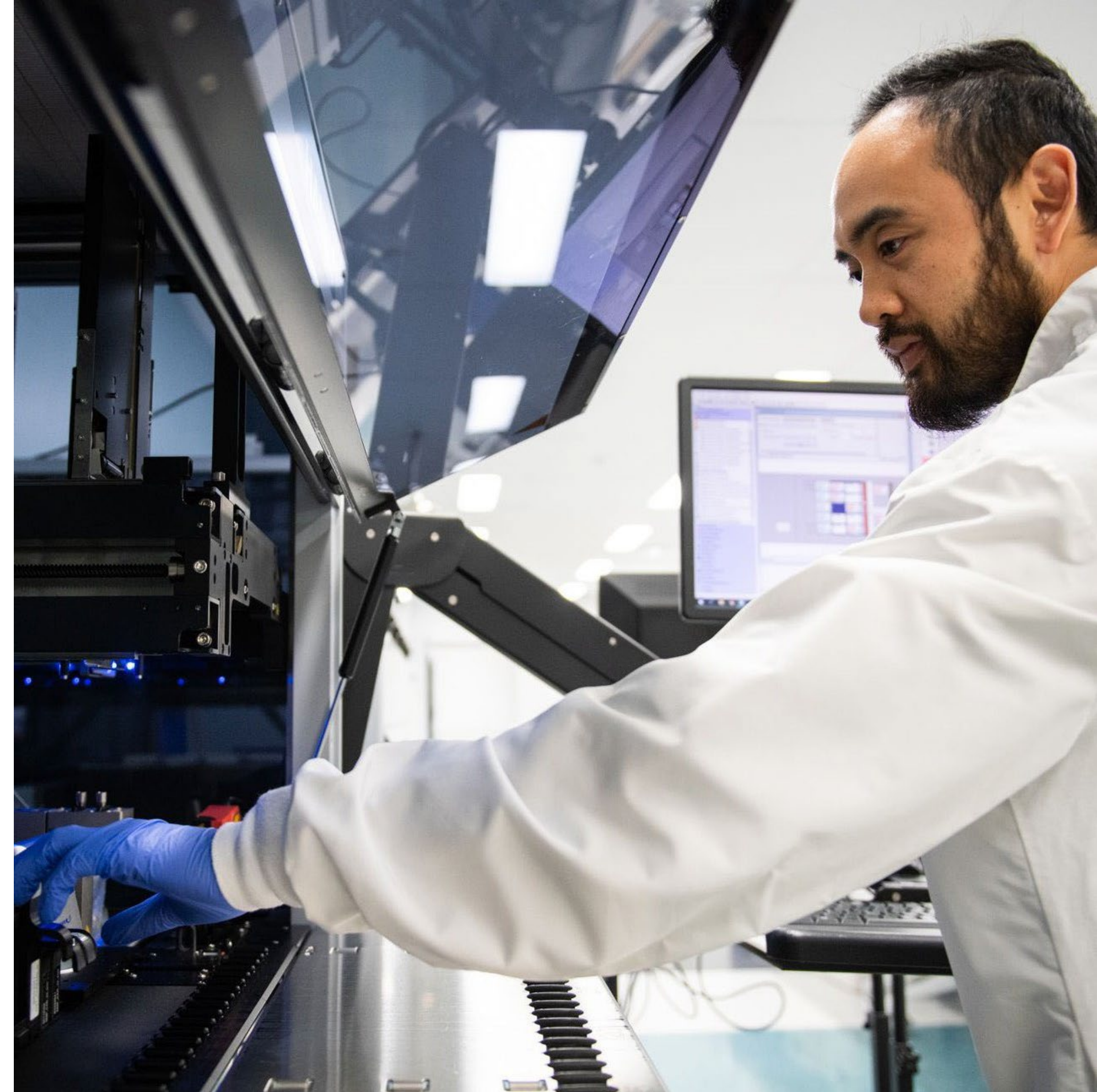
In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation contains certain non-GAAP results including non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP loss from operations. These measures are not meant to be considered superior to or a substitute for financial measures calculated in accordance with GAAP, and investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. We use non-GAAP measures to internally evaluate and analyze financial results. We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and enable comparison of our financial results with other public companies, many of which present similar non-GAAP financial measures. However, the non-GAAP measures we present may be different from those used by other companies.

We exclude amortization of acquired intangible assets, acquisition-related expenses relating to our acquisitions of Decipher Biosciences and HalioDx and certain other non-recurring expenses from certain of our non-GAAP measures. Management has excluded the effects of these items in non-GAAP measures to help investors gain a better understanding of the core operating results and future prospects of the company, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts. The company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between our GAAP results and non-GAAP financial measures are presented in the Appendix.

Veracyte, the Veracyte logo, HalioDx, Decipher, Decipher GRID, Afirma, Percepta, Envisia, Prosigna, Lymphmark, Immunoscore, TMExplore, Brightplex, Immunosign, “Know by Design” and “More about You” are registered trademarks of Veracyte, Inc. and its subsidiaries in the U.S. and selected countries. nCounter is the registered trademark of NanoString Technologies, Inc. in the U.S. and selected countries and used by Veracyte under license.

Key Q3 2022 Results

- 1 Strong Q3 2022 revenue of \$75.6M** driven by Decipher Prostate and Afirma
- 2 Raised 2022 revenue guidance to \$288M to \$293M^{1,2}**
- 3 Secured additional reimbursement for Decipher Prostate and Afirma**
- 4 Generated \$7M in cash from operating activities** leading to a strong cash, cash equivalents and short-term investments position of **\$170M at September 30, 2022**



1. Guidance as of November 2, 2022 only; assumes currency exchange rates as of November 2, 2022

2. Compares to prior 2022 total revenue guidance of \$272M to \$280M as of August 2, 2022



**Improving outcomes
for patients
all over the world
at every step
of their journey**



Our strategy

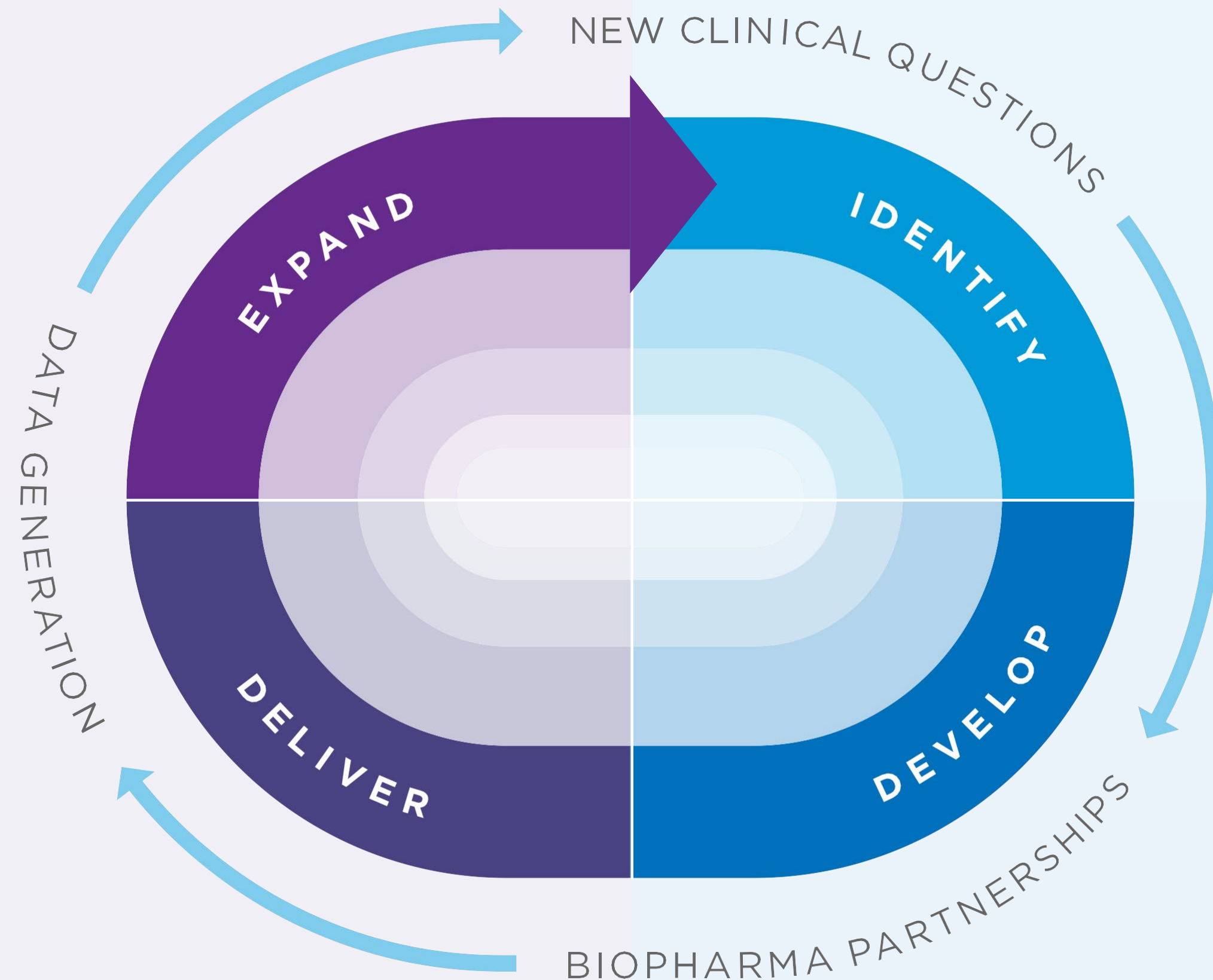
Multiple levers drive near- and long-term growth

Reach global patients with our menu of IVDs

Driving global expansion with proven menu of distributed tests performed near the patient

Deliver tests to US patients through our CLIA labs

Building clinical evidence to drive reimbursement, physician adoption and guideline inclusion



Identify unmet clinical needs

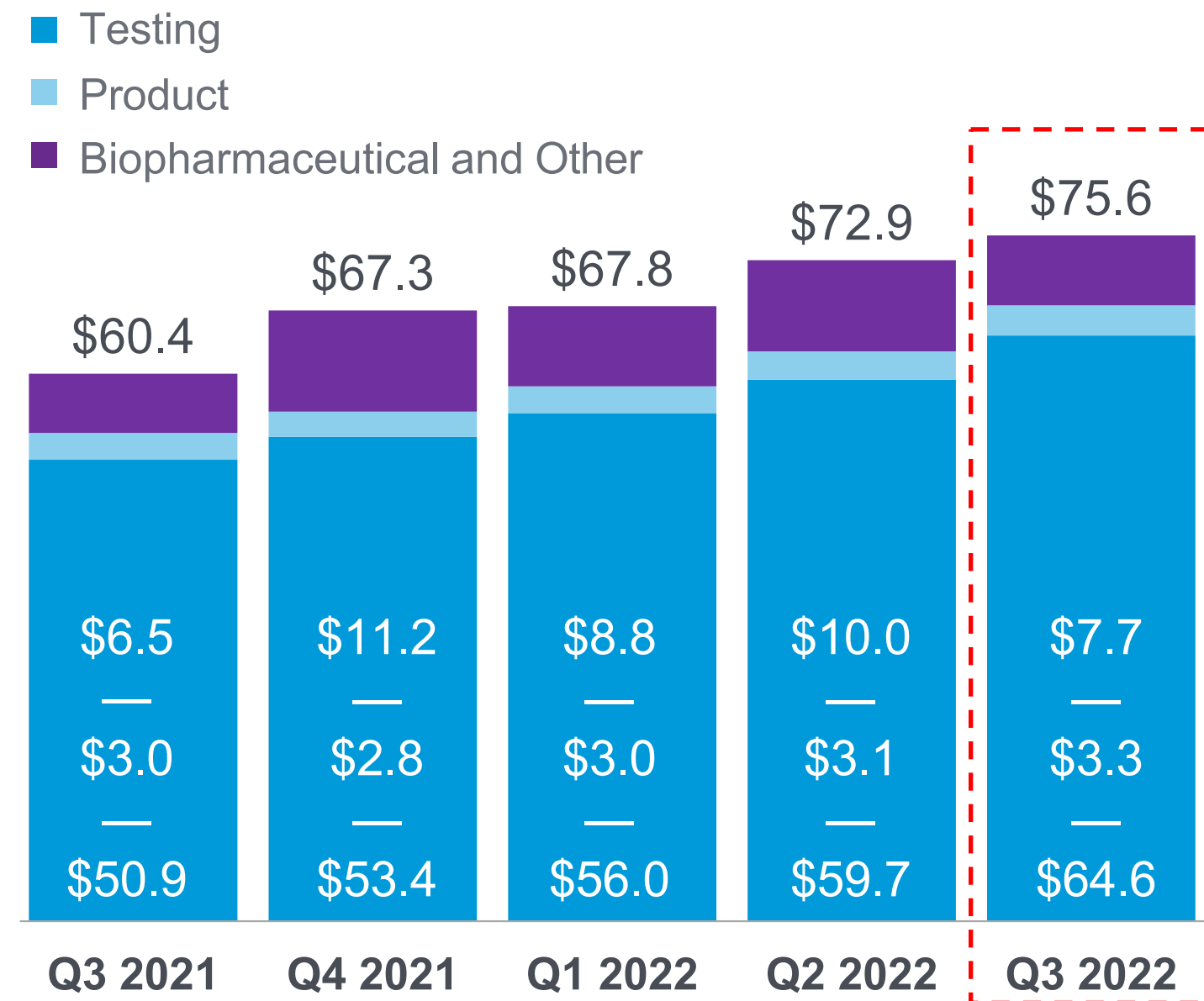
Asking the right clinical questions to improve physician decision-making and patient outcomes

Develop high-performance diagnostics

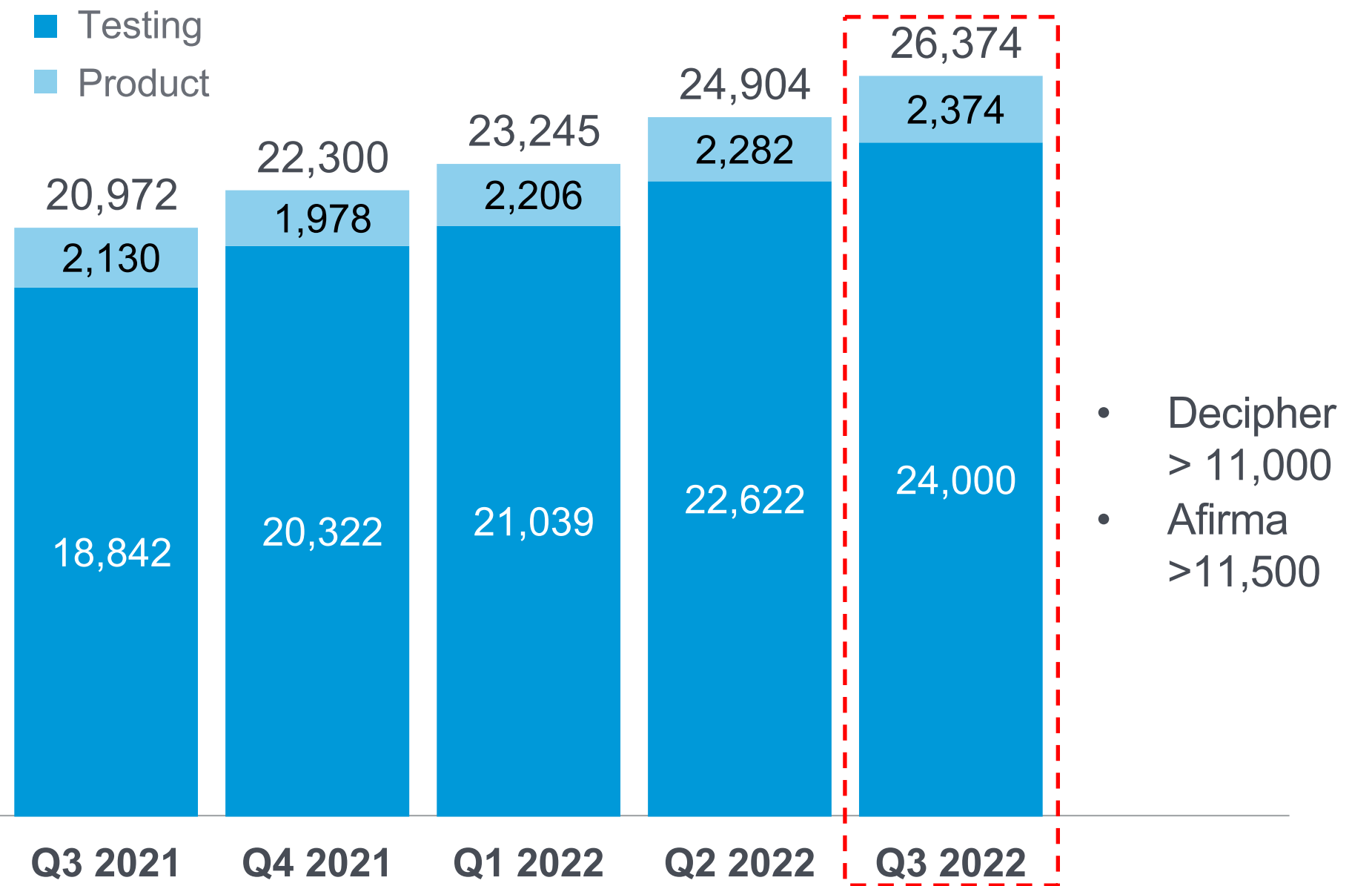
Leveraging our best-in-class science, enhanced by our machine learning expertise and clinical rigor

Delivered Q3 total revenue growth of 25% and volume growth of 26%

Total Revenue By Quarter^{1,2}



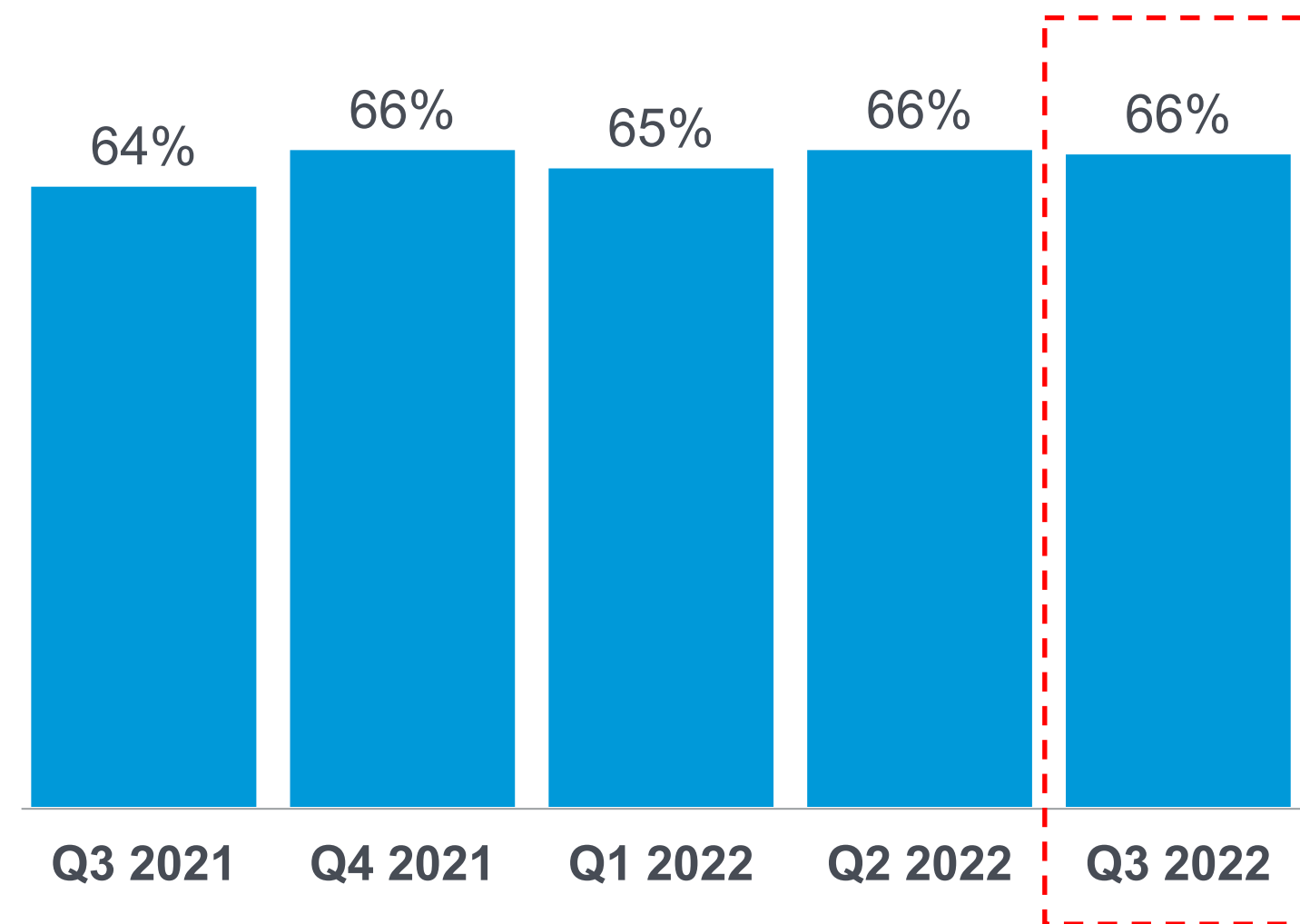
Volume by Quarter



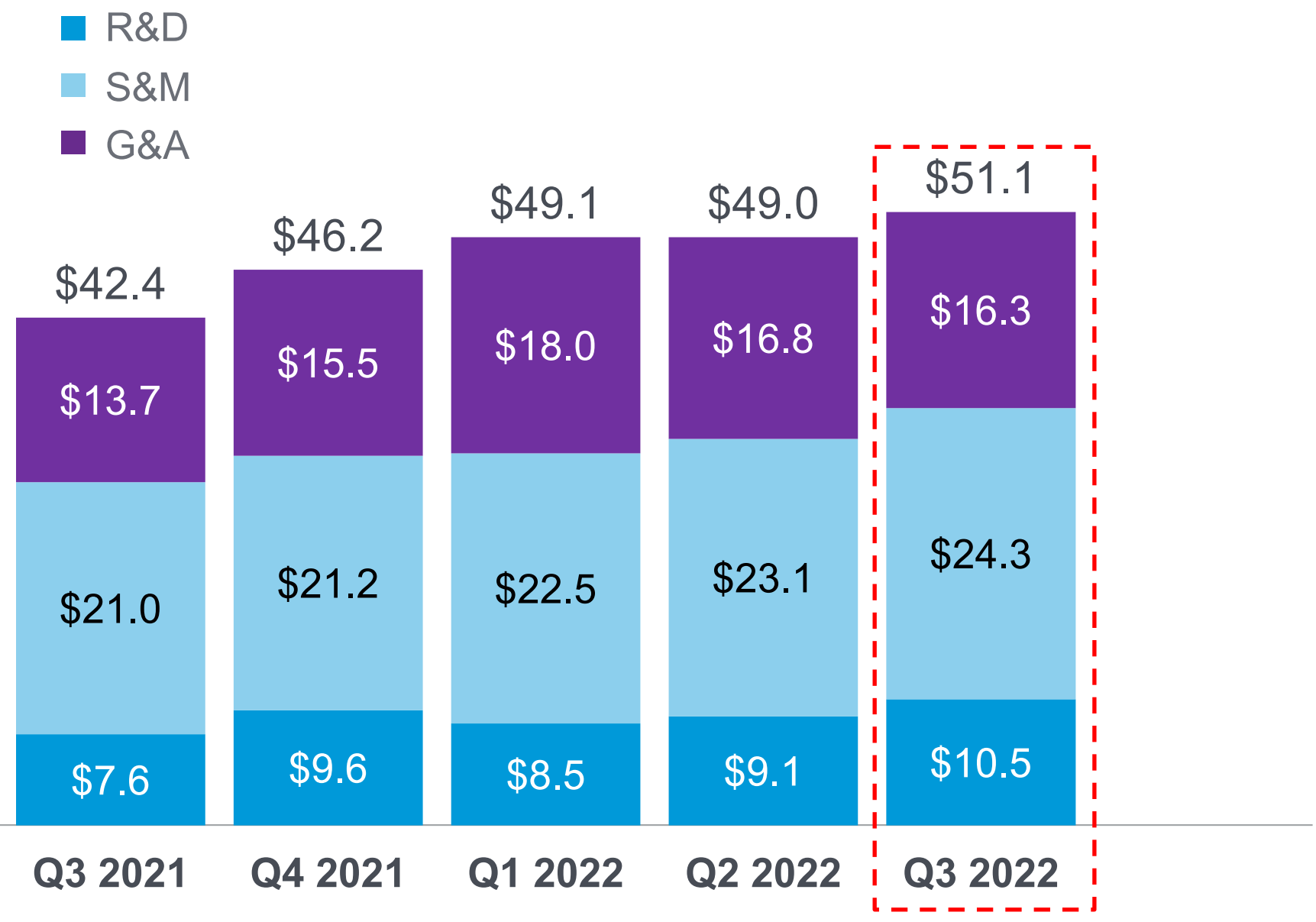
1. Amounts in millions. Testing, Product and BioPharma revenue rounded and summarized as presented
 2. Q4 2021 includes \$4M JNJ milestone payment

Stabilizing Non-GAAP gross margin post-acquisitions; operating expense growth driven by 2021 acquisitions

Non-GAAP Gross Margin By Quarter¹



Non-GAAP Operating Expense By Quarter^{1,2}

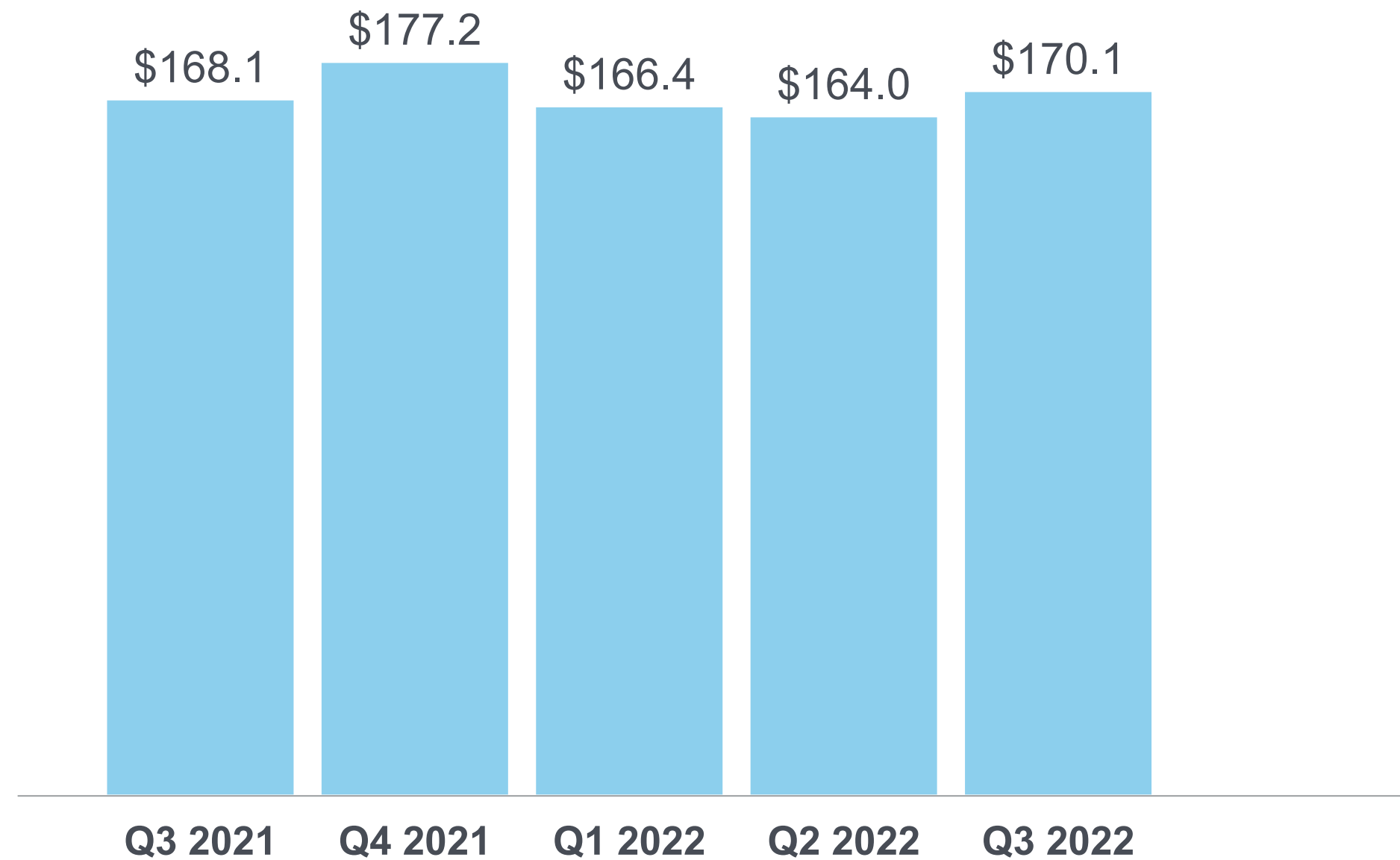


1. Non-GAAP reconciliations available in the appendix of this presentation

2. Amounts in millions. Operating expenses rounded and summarized as presented

Ending Q3 2022 cash, cash equivalents and short-term investments balance of \$170M

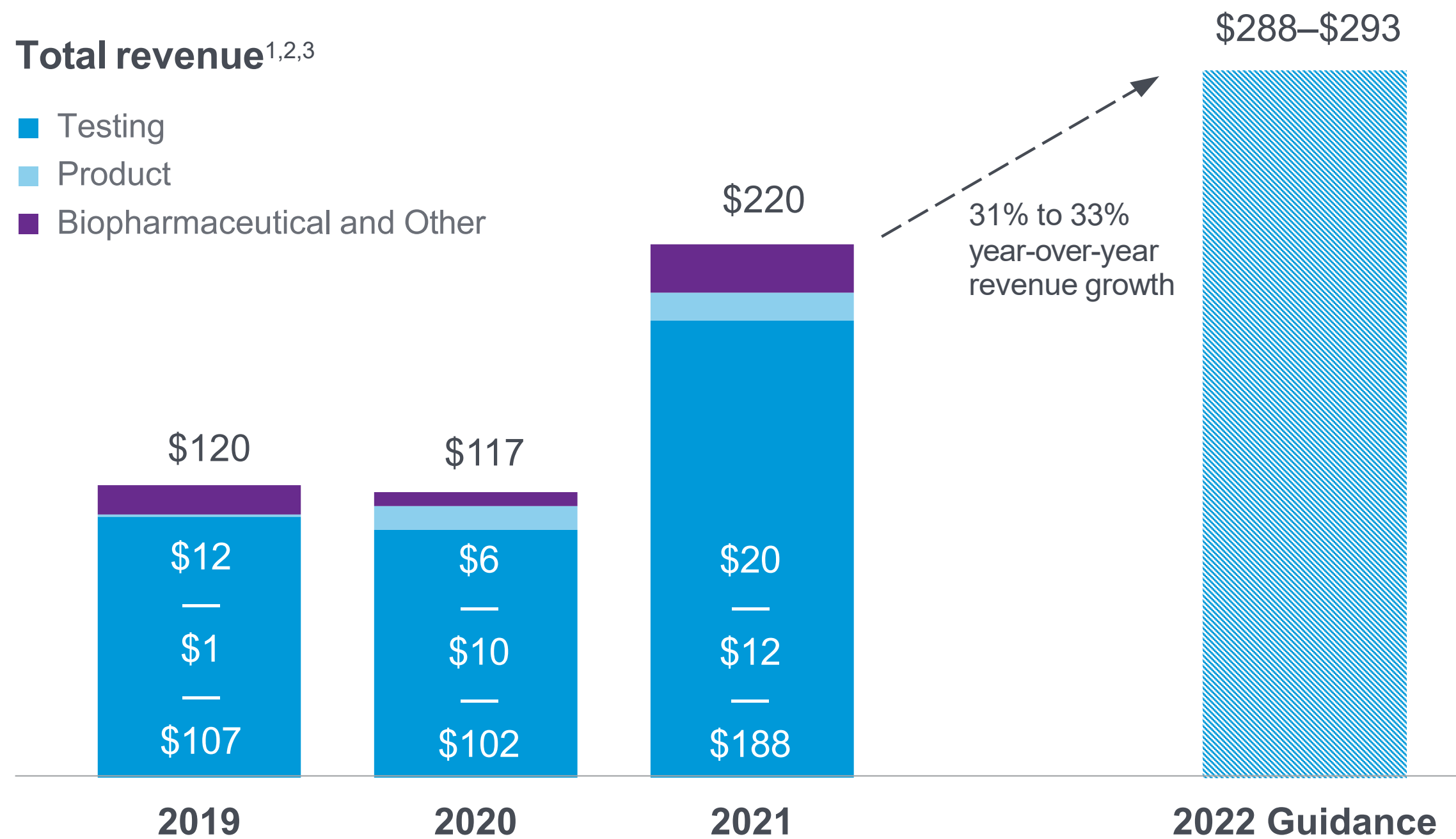
Cash balance¹



- \$7.0M of cash provided by operating activities in Q3 of 2022

1. Cash, cash equivalents and short-term investments, excluding restricted cash, in millions

Raising total revenue guidance to \$288M - \$293M reflecting 31% to 33% growth



- Raising total revenue guidance range to reflect strong third quarter
- 31% to 33% year-over-year growth at reported currency rates reflects expectations for strong growth in the urology business along with low-to mid-single digit growth of Afirma

1. Testing, Product and Biopharma revenue rounded and summarized as presented in millions

2. Guidance and currency rates are as of November 2, 2022; guidance inclusion here should not be considered a reiteration of guidance

3. 2021 included \$4M JNJ milestone



Reconciliation of Non-GAAP Financial Measures

Q3 2022

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other (4)	
Three Months Ended September 30, 2022					
Total revenue	\$ 75,592	\$ —	\$ —	\$ —	\$ 75,592
Cost of testing revenue	19,816	49	—	18	19,749
Cost of product revenue	1,981	—	—	3	1,978
Cost of biopharmaceutical and other revenue	4,211	62	—	—	4,149
Intangible asset amortization (2)	4,703	—	4,703	—	—
Gross margin \$	44,881	111	4,703	21	49,716
Gross margin %	59 %				66 %
Research and development	10,773	251	—	—	10,522
Selling and marketing	25,678	923	—	493	24,262
General and administrative	17,600	1,272	—	—	16,328
Intangible asset amortization	510	—	510	—	—
Total operating expenses excluding cost of revenue (3)	54,561	2,446	510	493	51,112
Loss from operations	\$ (9,680)	\$ 2,557	\$ 5,213	\$ 514	\$ (1,396)

1 Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.

2 Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3 Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$23.7 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$5.0 million).

4 Includes \$0.5 million expense related to restructuring costs.

Reconciliation of Non-GAAP Financial Measures

Q2 2022

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other (4)	
Three Months Ended June 30, 2022					
Total revenue	\$ 72,864	\$ —	\$ —	\$ —	\$ 72,864
Cost of testing revenue	18,584	51	—	—	18,533
Cost of product revenue	1,646	—	—	—	1,646
Cost of biopharmaceutical and other revenue	4,800	65	—	—	4,735
Intangible asset amortization (2)	4,869	—	4,869	—	—
Gross margin \$	42,965	116	4,869	—	47,950
Gross margin %	59 %				66 %
Research and development	9,377	293	—	—	9,084
Selling and marketing	24,001	858	—	—	23,143
General and administrative	19,798	(285)	—	3,318	16,765
Intangible asset amortization	522	—	522	—	—
Total operating expenses excluding cost of revenue (3)	53,698	866	522	3,318	48,992
Loss from operations	\$ (10,733)	\$ 982	\$ 5,391	\$ 3,318	\$ (1,042)

1 Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.

2 Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3 Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$23.7 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$5.0 million).

4 Includes \$3.3 million expense related to the impairment charge associated with certain developed technology intangible assets.

Reconciliation of Non-GAAP Financial Measures

Q1 2022

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other	
Three Months Ended March 31, 2022					
Total revenue	\$ 67,783	\$ —	\$ —	\$ —	\$ 67,783
Cost of testing revenue	17,523	53	—	—	17,470
Cost of product revenue	1,575	—	—	—	1,575
Cost of biopharmaceutical and other revenue	4,615	133	—	—	4,482
Intangible asset amortization (2)	4,953	—	4,953	—	—
Gross margin \$	39,117	186	4,953	—	44,256
Gross margin %	58 %				65 %
Research and development	9,166	642	—	—	8,524
Selling and marketing	23,754	1,216	—	—	22,538
General and administrative	20,912	2,890	—	—	18,022
Intangible asset amortization	533	—	533	—	—
Total operating expenses excluding cost of revenue (3)	54,365	4,748	533	—	49,084
Loss from operations	\$ (15,248)	\$ 4,934	\$ 5,486	\$ —	\$ (4,828)

1 Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.

2 Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3 Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$23.7 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$5.0 million).

Reconciliation of Non-GAAP Financial Measures

Q4 2021

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other	
Three Months Ended December 31, 2021					
Total revenue	\$ 67,336	\$ —	\$ —	\$ —	\$ 67,336
Cost of testing revenue	16,366	55	—	—	16,311
Cost of product revenue	1,583	—	—	—	1,583
Cost of biopharmaceutical and other revenue	4,933	165	—	—	4,768
Intangible asset amortization (2)	4,936	—	4,936	—	—
Gross margin \$	39,518	220	4,936	—	44,674
Gross margin %	59 %				66 %
Research and development	10,252	667	—	—	9,585
Selling and marketing	22,212	1,046	—	—	21,166
General and administrative	18,849	3,399	—	—	15,450
Intangible asset amortization	538	—	538	—	—
Total operating expenses excluding cost of revenue (3)	51,851	5,112	538	—	46,201
Loss from operations	\$ (12,333)	\$ 5,332	\$ 5,474	\$ —	\$ (1,527)

1 Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.

2 Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3 Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$22.9 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.9 million).

Reconciliation of Non-GAAP Financial Measures

Q3 2021

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other	
Three Months Ended September 30, 2021					
Total revenue	\$ 60,370	\$ —	\$ —	\$ —	\$ 60,370
Cost of testing revenue	16,073	26	—	—	16,047
Cost of product revenue	1,491	—	—	—	1,491
Cost of biopharmaceutical and other revenue	4,079	52	—	—	4,027
Intangible asset amortization (2)	4,517	—	4,517	—	—
Gross margin \$	39,117	78	4,517	—	38,805
Gross margin %	57 %				64 %
Research and development	8,006	359	—	—	7,647
Selling and marketing	21,670	641	—	—	21,029
General and administrative	20,749	7,047	—	—	13,702
Intangible asset amortization	466	—	466	—	—
Total operating expenses excluding cost of revenue (3)	50,891	8,047	466	—	42,378
Loss from operations	\$ (16,681)	\$ 8,125	\$ 4,983	\$ —	\$ (3,573)

1 Includes transaction related expenses as well as post-combination compensation expenses including transaction-related expenses associated with the acquisition of Decipher Biosciences and HaliuDx as well as post-combination compensation expenses associated with the acquisition of HaliuDx.

2 Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3 Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$21.6 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.5 million).

Reconciliation of Non-GAAP Financial Measures

Q2 2021

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other	
Three Months Ended June 30, 2021					
Total revenue	\$ 55,105	\$ —	\$ —	\$ —	\$ 55,105
Cost of testing revenue	15,589	—	—	—	15,589
Cost of product revenue	1,323	—	—	—	1,323
Cost of biopharmaceutical and other revenue	560	—	—	—	560
Intangible asset amortization (2)	3,402	—	3,402	—	—
Gross margin \$	34,231	—	3,402	—	37,633
Gross margin %	62 %				68 %
Research and development	6,249	—	—	—	6,249
Selling and marketing	19,662	12	—	—	19,650
General and administrative	15,473	3,380	—	—	12,093
Intangible asset amortization	321	—	321	—	—
Total operating expenses excluding cost of revenue (3)	41,705	3,392	321	—	37,992
Loss from operations	\$ (7,474)	\$ 3,392	\$ 3,723	\$ —	\$ (360)

1 Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of post-combination compensation expenses associated with the acquisition of HalioDx.

2 Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3 Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$23.7 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$5.0 million).