



ANSWERS



Investor Presentation November 2017

November 9, 2017

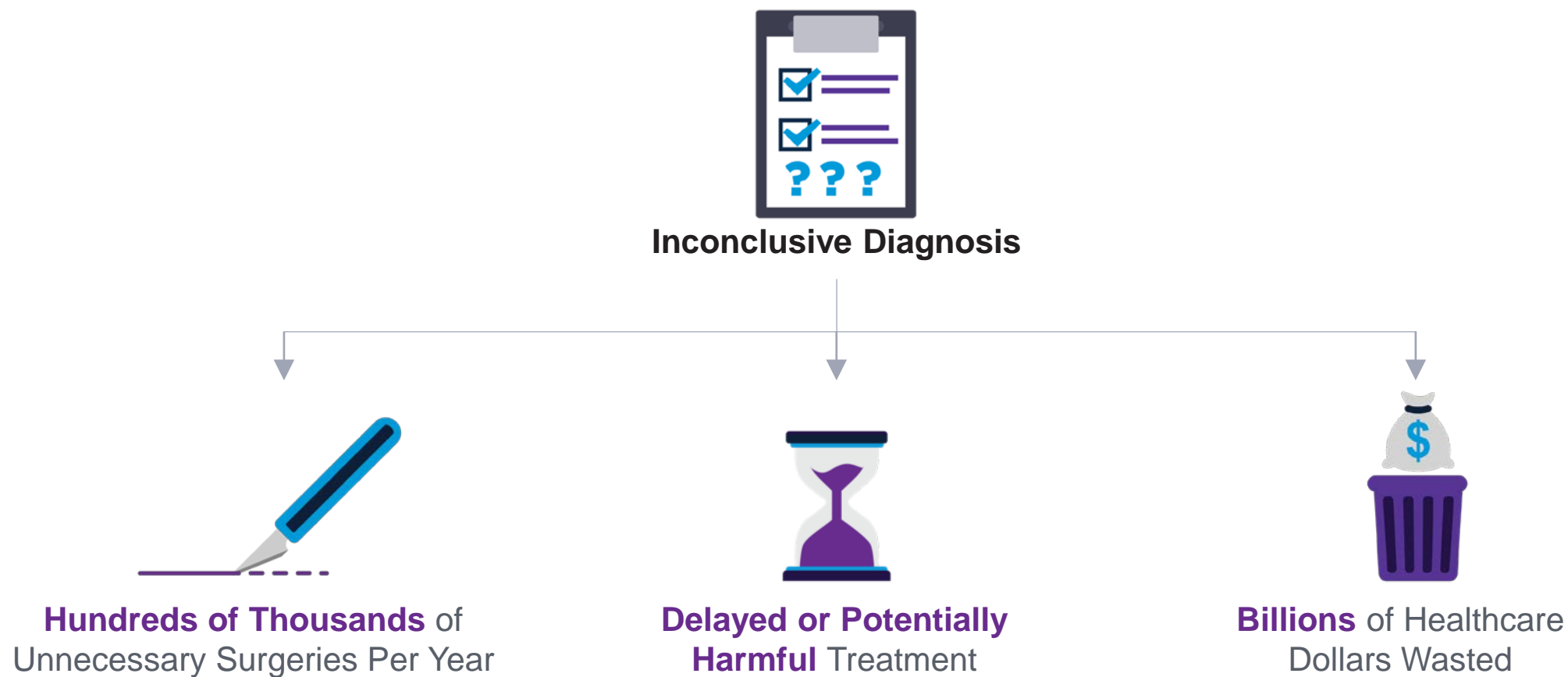
Forward-Looking Statements

Various remarks that we make in this presentation that are not historical, including those about our business strategy and goals, estimated financial results, future plans and prospects, growth opportunities, drivers of our business, the size and growth of potential addressable markets, and future products and product pipeline, 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 risks and uncertainties that could cause actual results to differ materially from our expectations. These risks and uncertainties include, but are not limited to: the size of our market opportunity; our limited operating history; the continued success of our strategy; our ability to increase usage of and reimbursement for our products at adequate prices and to successfully develop and commercialize new products in a timely manner; our dependence on a few payers for a significant portion of our revenue; our ability to sustain revenue and margin growth and achieve cash flow positive results when planned; our estimated revenue projections for FY2017, risks associated with new laws and regulations, including regulation of our tests by the FDA; our success in continuing to enroll sufficient numbers of patients in clinical trials and the timing, results and applicability of clinical study results to actual outcomes; our ability to raise capital as needed; and the other risks set forth under the heading “Risk Factors” in our filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. We disclaim any obligation to update these forward-looking statements, whether as a result of new information, future events or otherwise.

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Resolving Diagnostic Uncertainty: A Critical Healthcare Issue



Strong Momentum: Evidence That Our Strategy is Working

- Founded 2008
- ~240 employees
- **3 commercial products**, addressing a \$2 billion market opportunity
- Extensive network of payer **coverage policies and contracts**
- 2016 **revenue \$65 million, 31% growth** year over year
- Strong balance sheet with **\$41.2 million* cash**
- Targeting **cash flow positive**** by the end of 2018
- Expanding **pipeline** for sustainable growth



***First to Market
Market Leader***



***First to Market
First To Coverage***



First To Market

* Cash and cash equivalents as of September 30, 2017

** Defined as net cash used in operations and net capital expenditures

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Addressing an Expanding \$2 Billion Market Opportunity

MARKETS

Envisia
GENOMIC CLASSIFIER

Idiopathic Pulmonary
Fibrosis

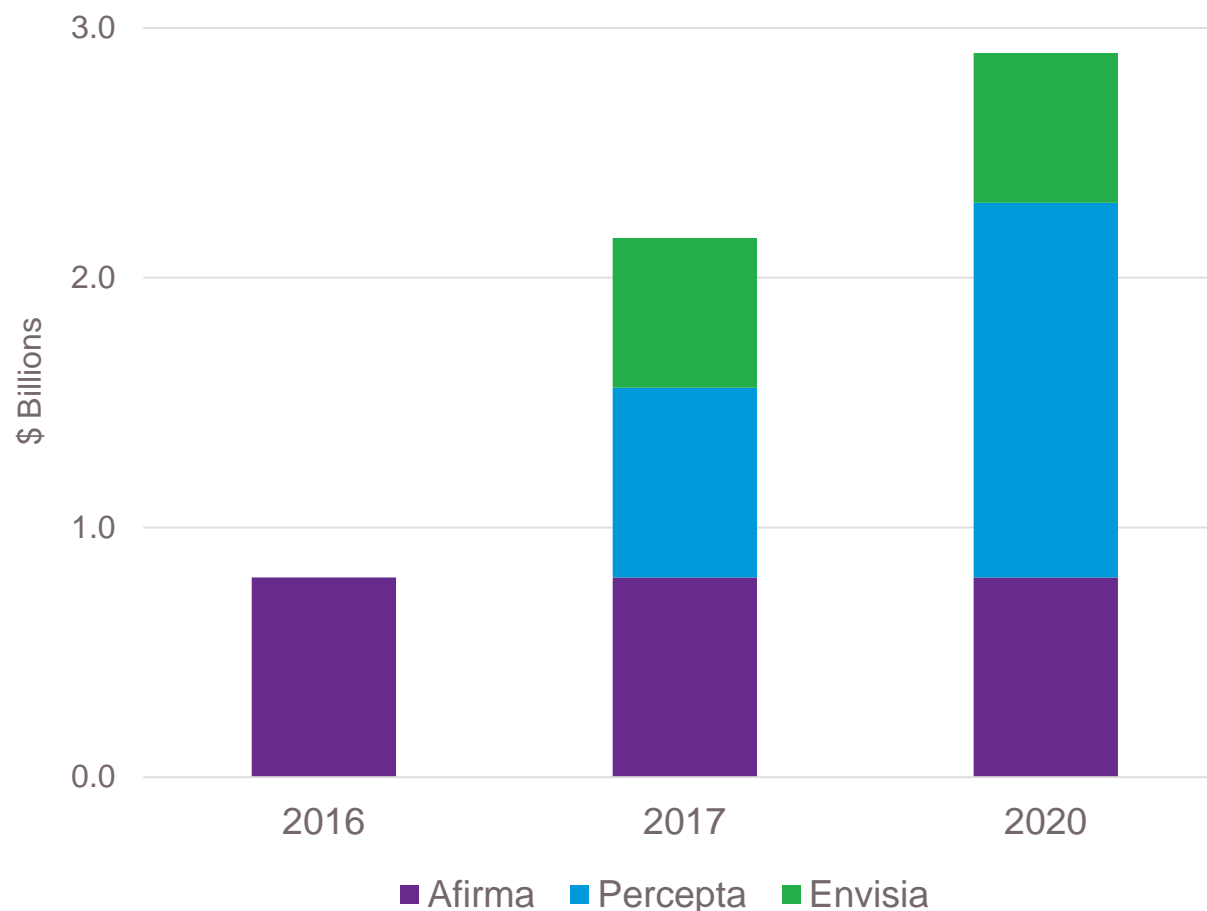
Percepta
BRONCHIAL GENOMIC CLASSIFIER

Lung Cancer

Afirma
THYROID FNA ANALYSIS

Thyroid Cancer

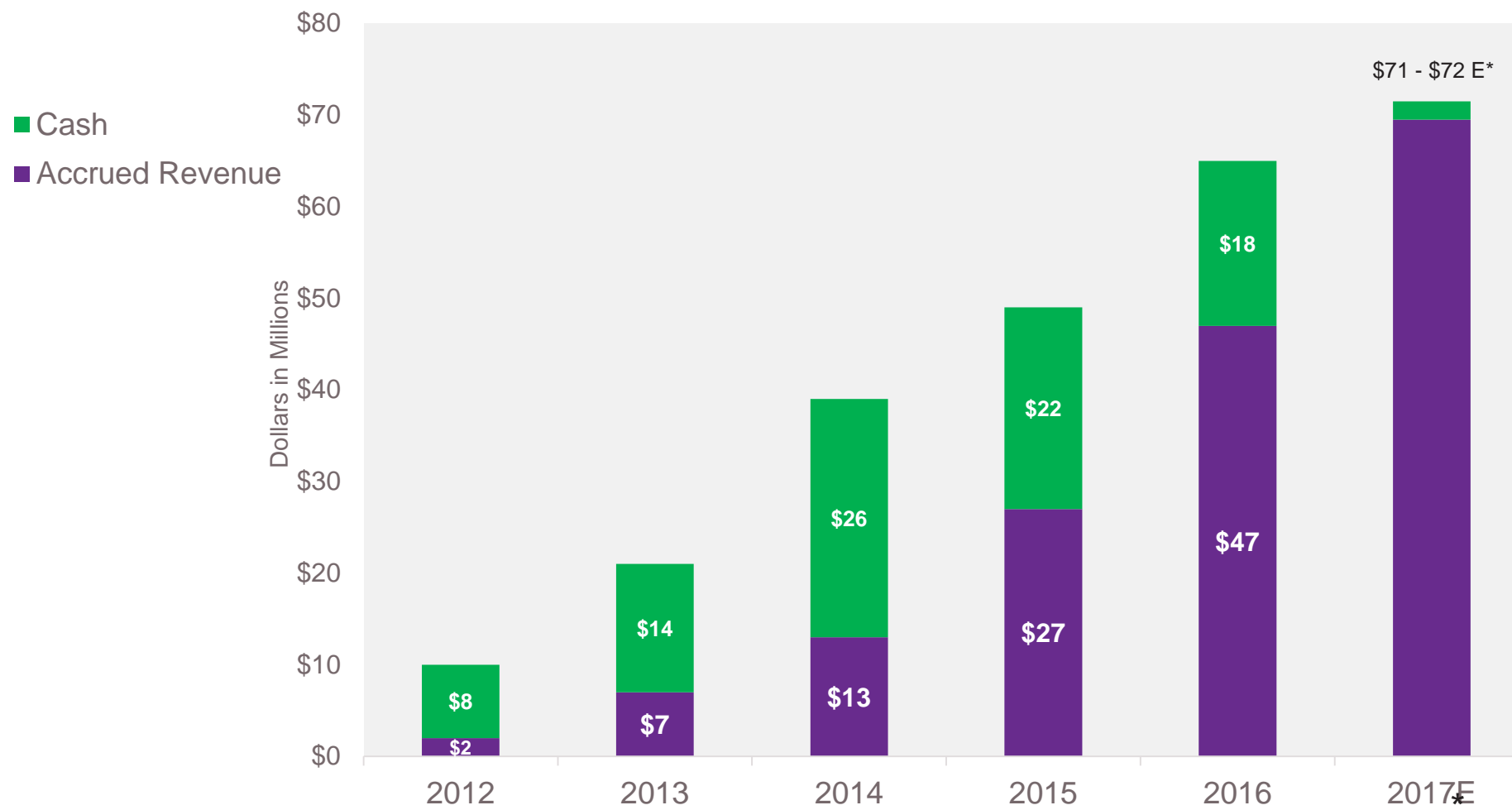
Estimated to Reach \$3B by 2020



Source: Company estimates

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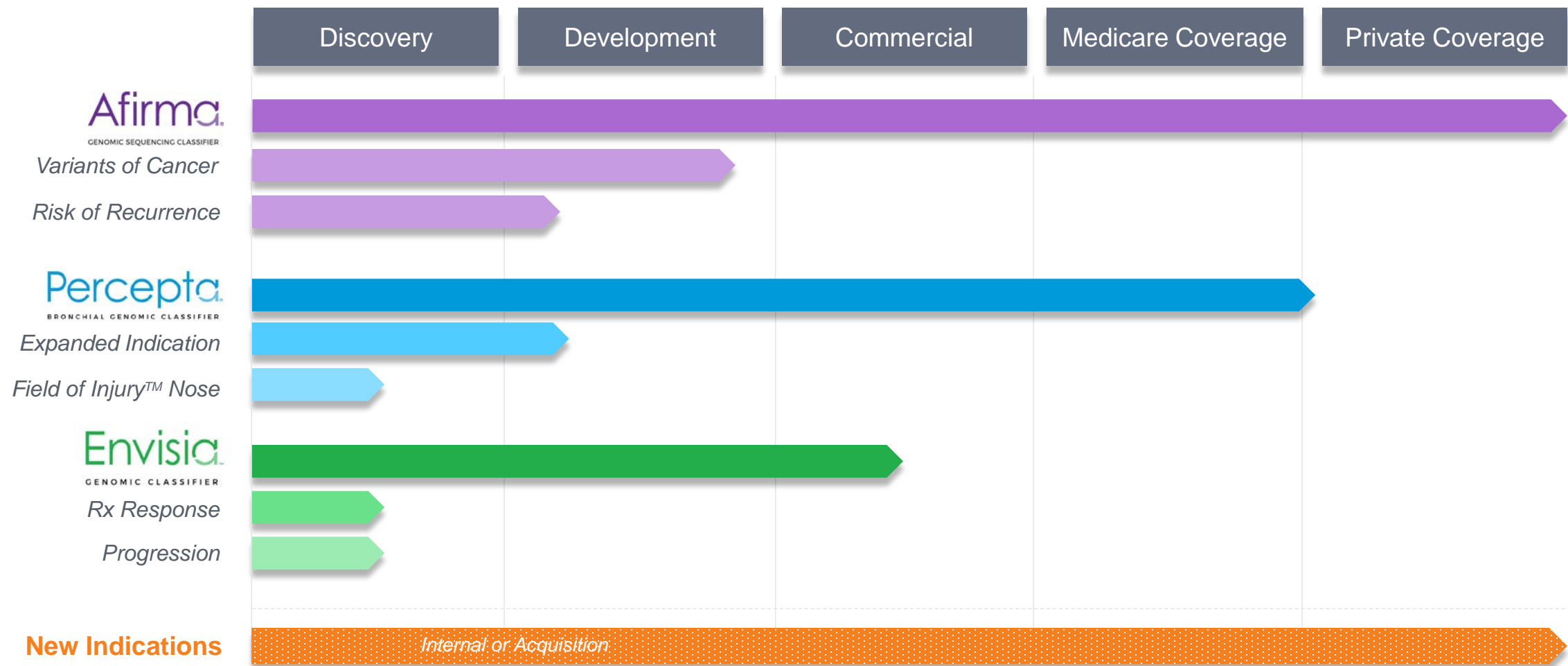
Strong Revenue Growth



*2017 estimate based on revenue through September 30, 2017
and full year 2017 guidance provided on November 6, 2017.

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Expanding Pipeline to Sustain Long-term Growth



Pillars of Success



Relevance

Answer questions that matter!
Integrated into current care pathway to
change practice and reduce surgeries



Rigor

Build robust scientific and clinical
evidence; inform guidelines



Resolution

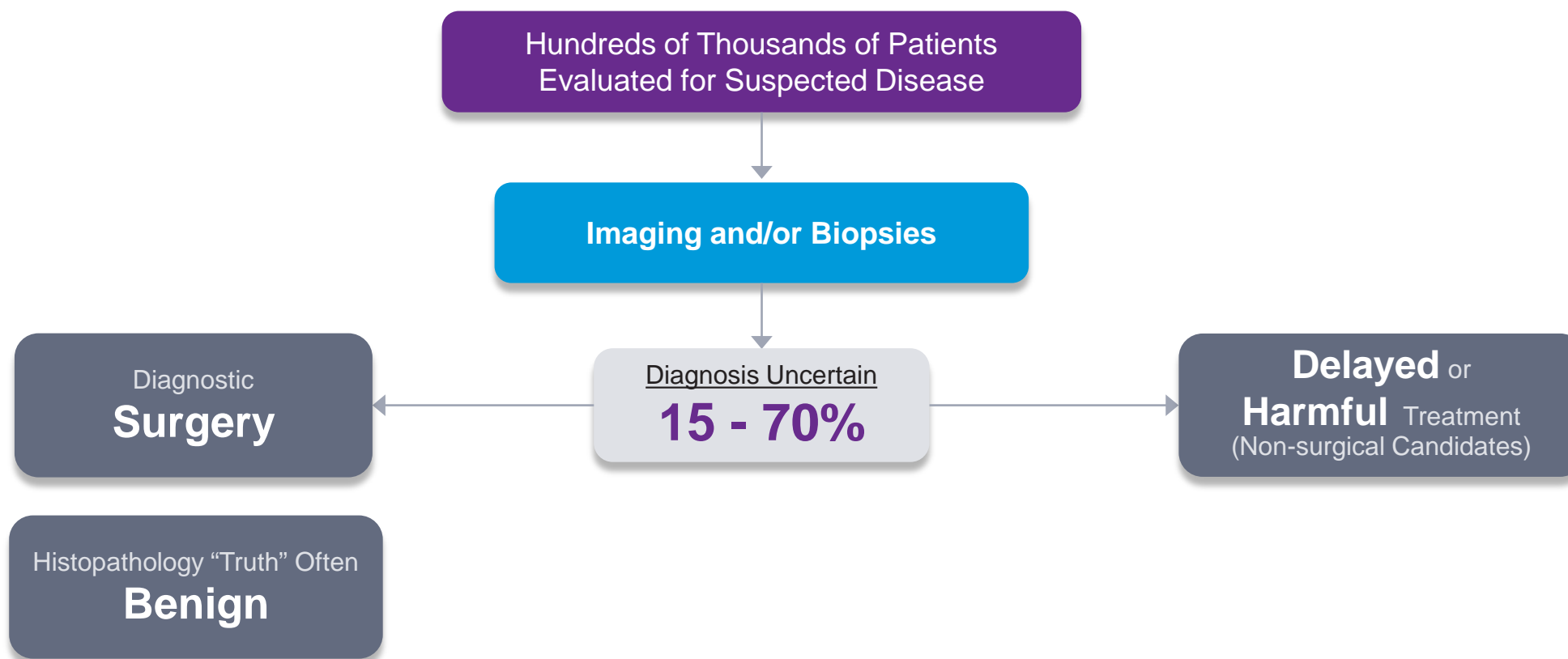
Provide answers that
change care with real clinical
utility and economic value



Reimbursement

Extensive coverage policies and contracted
relationships pave way for additional tests

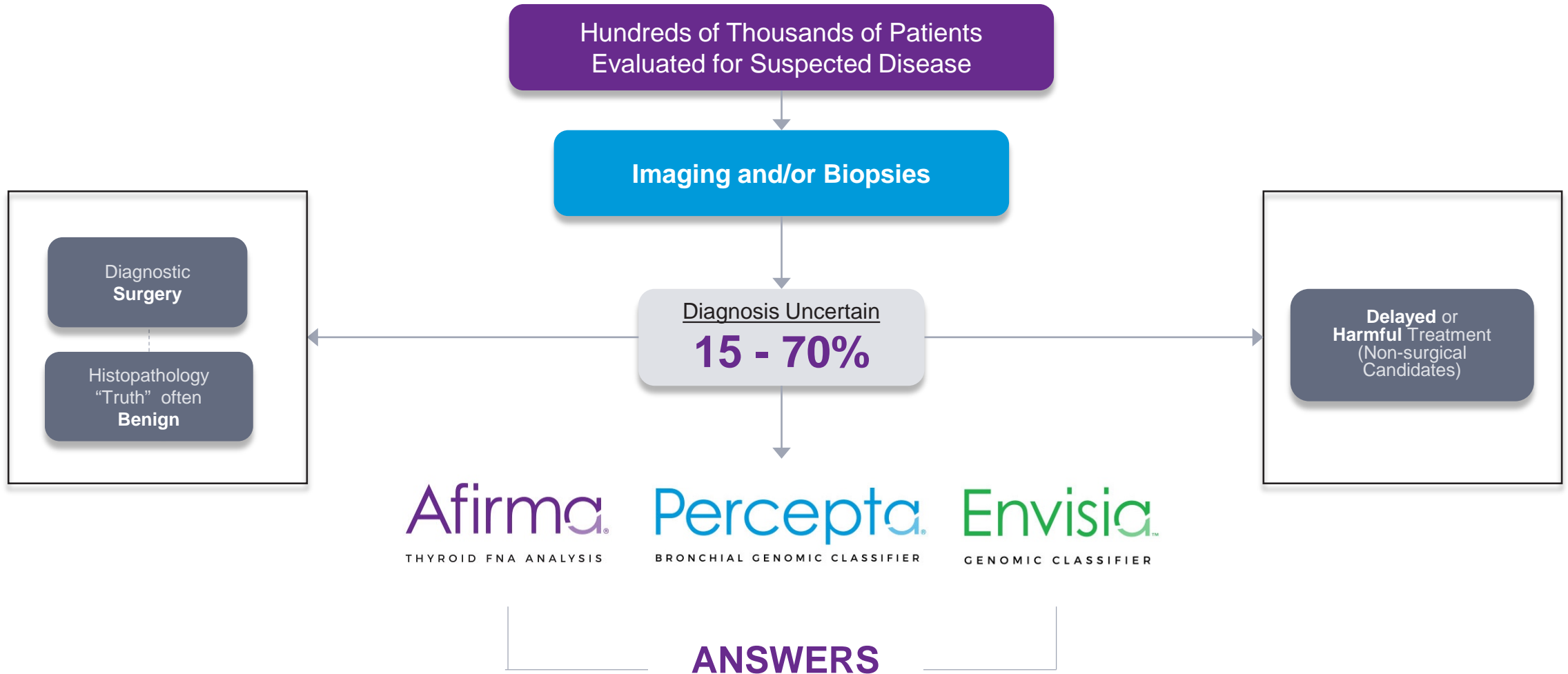
Relevance: Hundreds of Thousands of Unnecessary Surgeries



Resolving Diagnostic Uncertainty: Integrating into the Clinical Pathway of Care



Relevance



Leading in the Age of Evidence

Afirma

THYROID FNA ANALYSIS

- **2** clinical validation studies
- **1** analytical verification study
- **18** clinical utility studies, including **3** long-term clinical outcome studies
- **2** cost effectiveness and quality of life studies



The NEW ENGLAND
JOURNAL of MEDICINE

Percepta

BRONCHIAL GENOMIC CLASSIFIER

- **2** clinical validation studies
- **1** analytical verification study
- **2** clinical utility studies
- **1** cost effectiveness study
- PERCEPTA Registry with **390 enrolled patients**



The NEW ENGLAND
JOURNAL of MEDICINE

Envisia

GENOMIC CLASSIFIER

- **2** clinical validation studies
- **1** analytical verification study (accepted for publication)
- **1** clinical utility patient survey (accepted for publication)
- BRAVE registry and ongoing trial, **360+ patients**

THE LANCET
Respiratory Medicine

All Major Medical Plans Now Cover Afirma



Reimbursement



* Estimated through July 31, 2017
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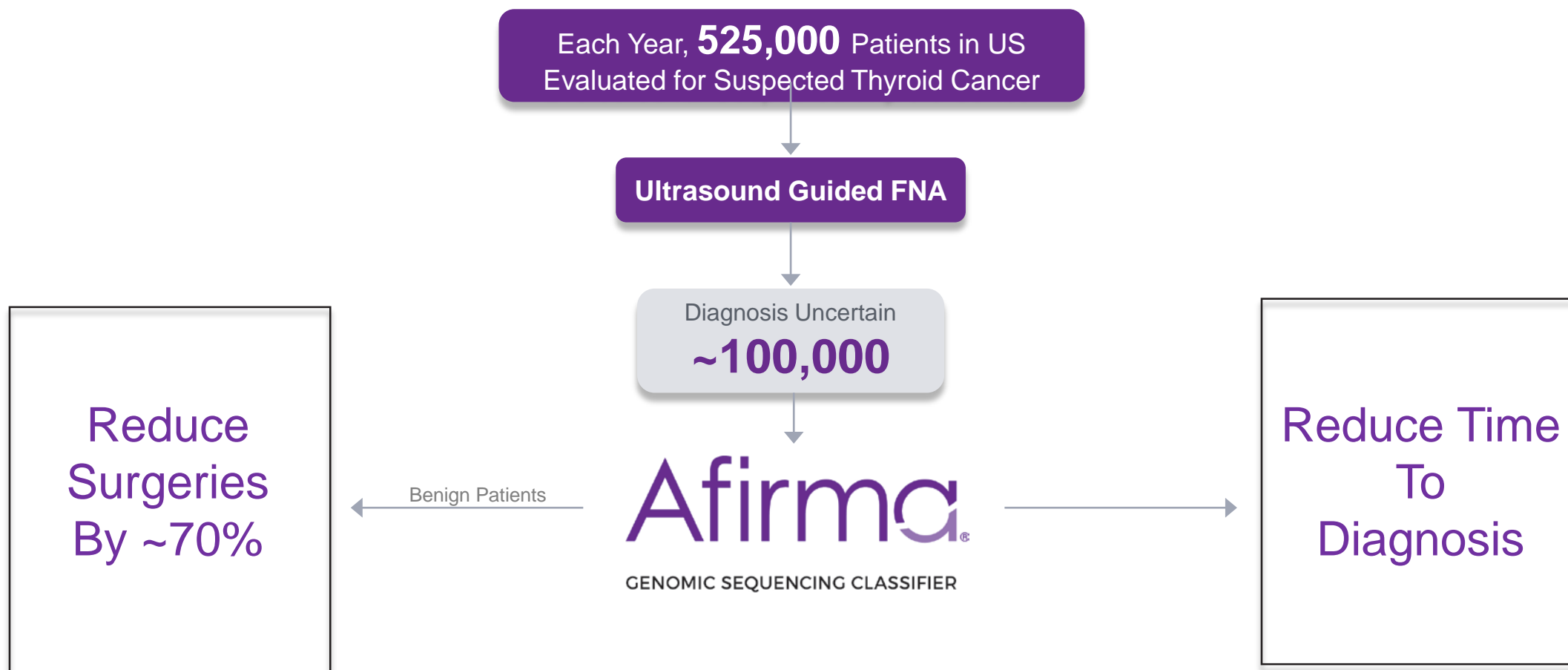


Afirma[®]

THYROID FNA ANALYSIS

Reducing Unnecessary Surgeries in Thyroid Cancer Diagnosis

Afirma: Thyroid Cancer



Market Opportunity for Afirma



525k Fine Needle
Aspirations per year to
evaluate thyroid nodules by
cytopathology



~15-30%
yield inconclusive results



~100k
thyroidectomies performed
with benign diagnoses



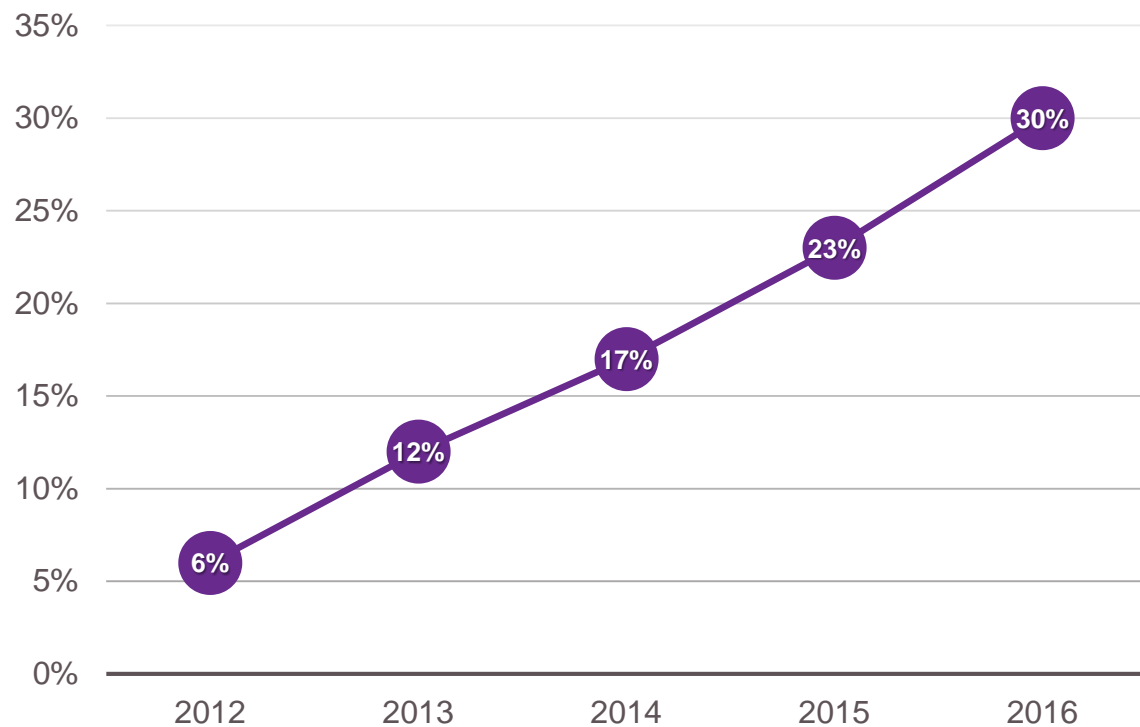
~\$500M
Market opportunity for
cytopathology and Afirma
genomic testing*

* Company estimates

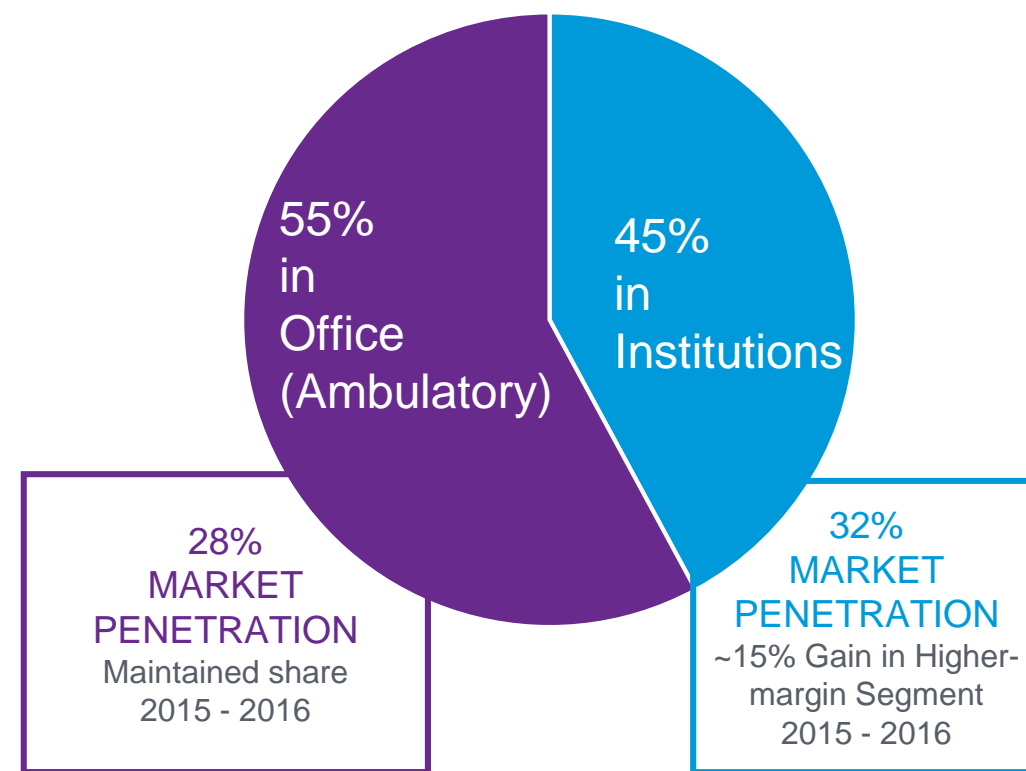
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Afirma: 30% Penetration, Leveraging Higher-Margin Segment

Afirma Market Penetration
30% of FNAs Performed



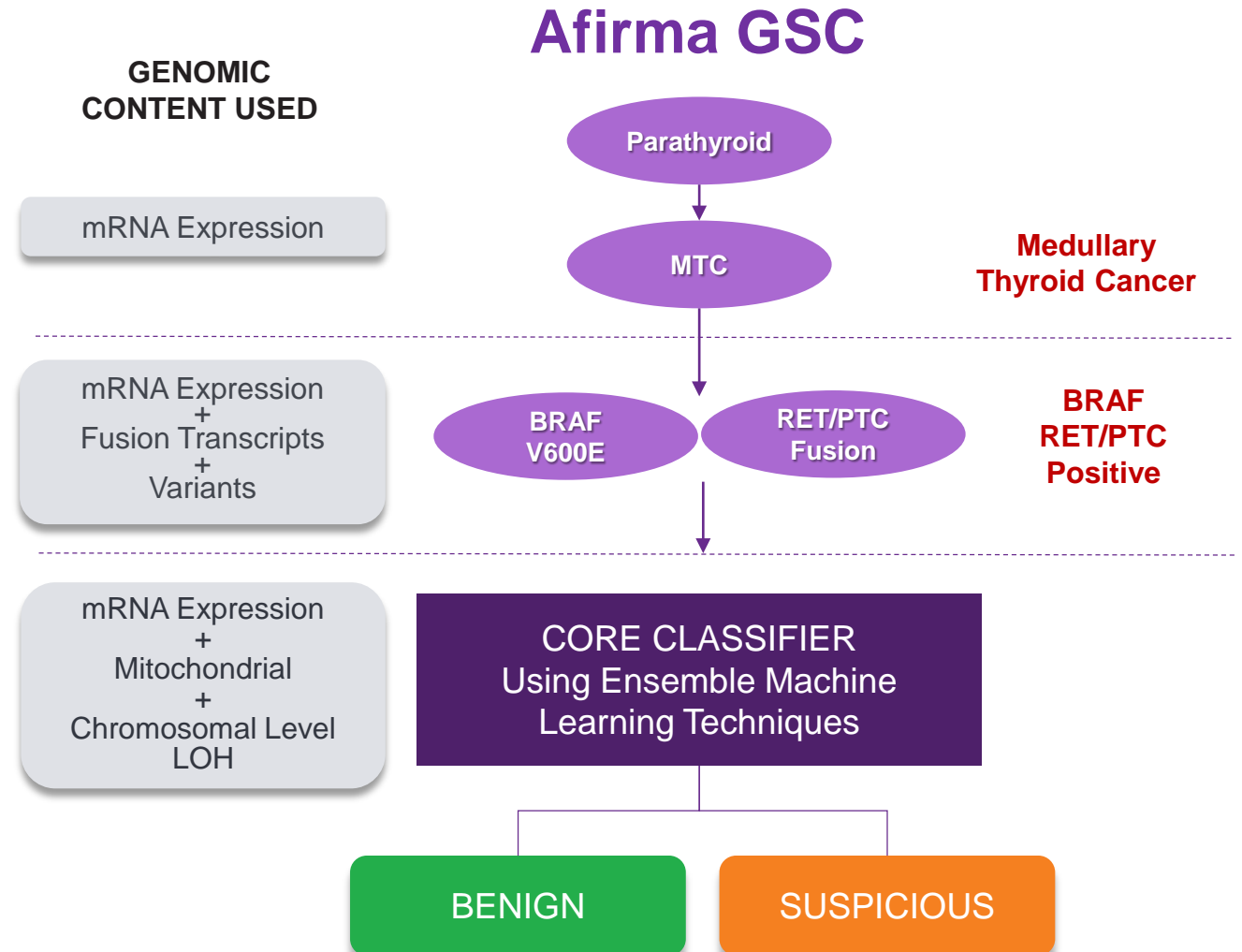
525,000 Annual FNA Volume in U.S. 2016



Next Generation: Afirma Genomic Sequencing Classifier

Combining **machine learning with deep RNA sequencing** to advance a more powerful Afirma solution

- Maintain **high sensitivity and NPV = 94%**
- **Reduces unnecessary surgeries by ~70%**
- **Expandable platform** to address new clinical questions





Percepta[®]

BRONCHIAL GENOMIC CLASSIFIER

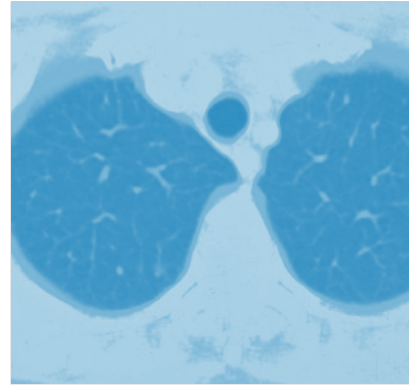
Improving Lung Cancer Screening and Diagnosis

The Challenge



~225k

New Cases per Year
(90% are Smokers)



~160k

Deaths per Year



EARLY DETECTION

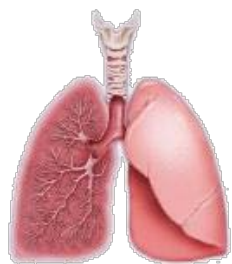
is Key to Reducing Mortality
But Lung Cancer is Hard to
Diagnose without Invasive,
Risky and Costly Surgeries



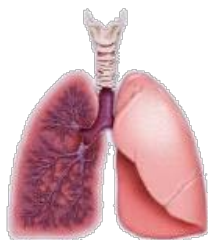
40%

of Patients Undergoing
Invasive Biopsy Do Not
Have Cancer

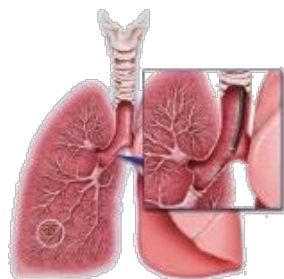
Innovative Field of Injury™ Technology



Peripheral lung nodules are difficult to biopsy, yielding high rates of inconclusive bronchoscopies



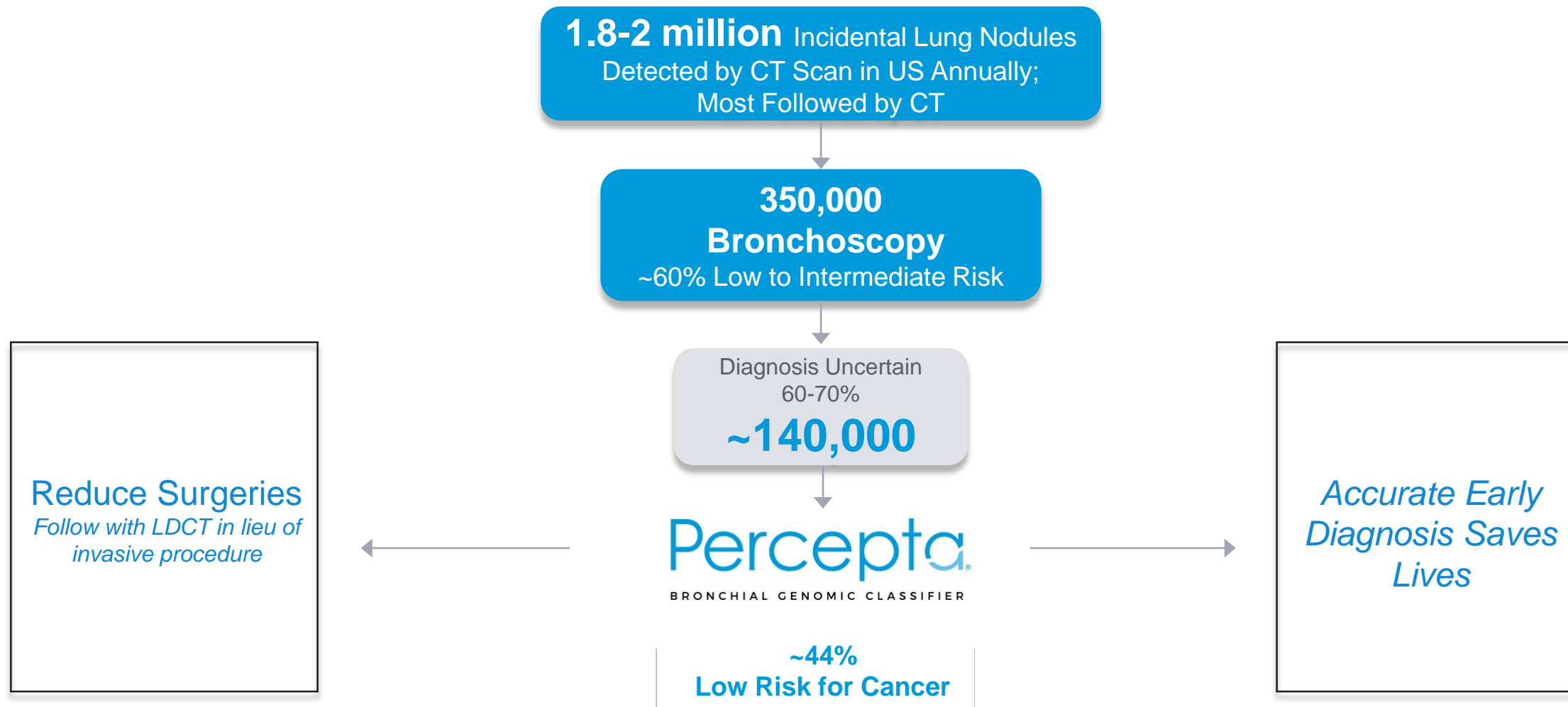
Smoking alters the gene expression of the epithelial cells throughout the airway



A gene signature of epithelial cells collected from the airway can determine cancer risk in a peripheral lung nodule

Determining cancer risk from a **BRONCHIAL** or **NASAL** brushing

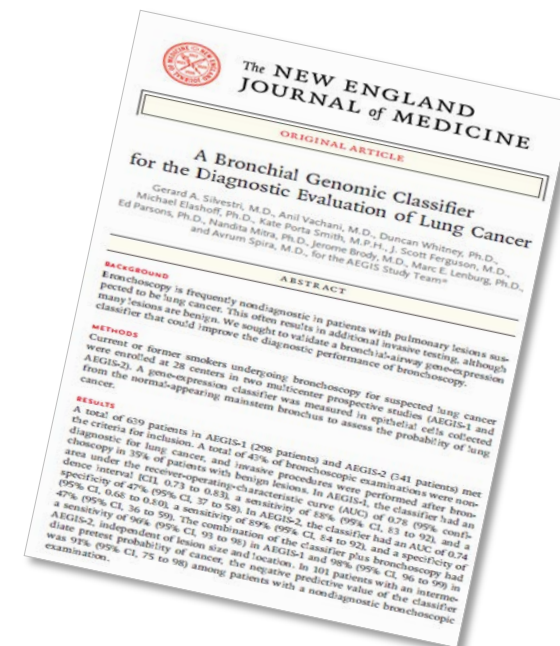
Percepta: Lung Cancer



Leading with Evidence: Proven Clinical Validity

Percepta Bronchial Genomic Classifier

- Percepta + bronchoscopy demonstrate **97% sensitivity for detecting cancer** compared to 75% for bronchoscopy alone
- **91% NPV in patients** with greatest uncertainty of cancer status
- Large prospective, multi-center, double-blinded studies
- **639 patients** across 28 sites

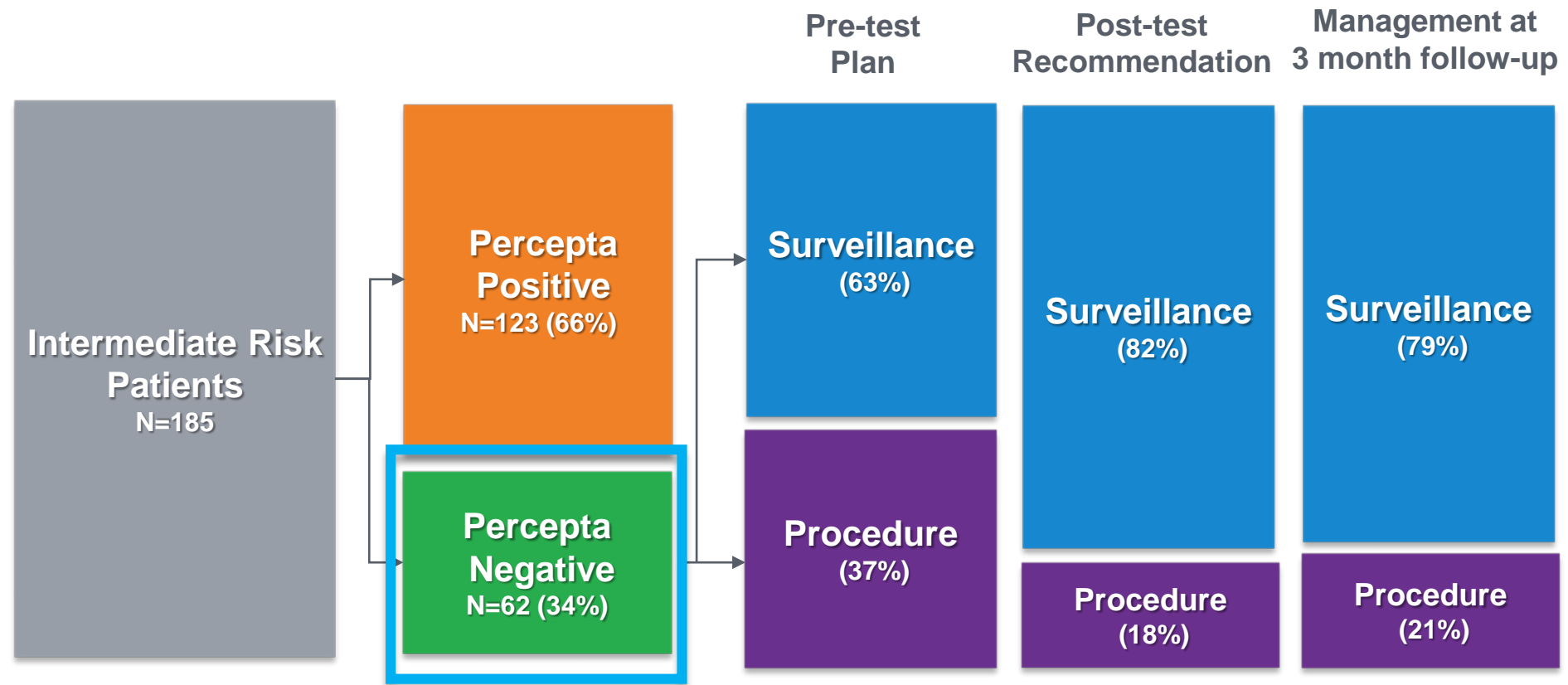


CONCLUSION

Identifies patients at low risk for lung cancer following inconclusive bronchoscopy and who may avoid unnecessary invasive procedures

Percepta Demonstrates Strong Clinical Utility

51% Relative Reduction in Invasive Procedures from Pre- to Post-test Plans



Market Opportunity for Percepta



350k

Bronchoscopies
per Year for Lung Cancer
Evaluation; ~60% Low to
Intermediate Risk



~60-70%

are Inconclusive



140k

Patients Tested at an
Estimated \$3,500 per Test



~\$500M

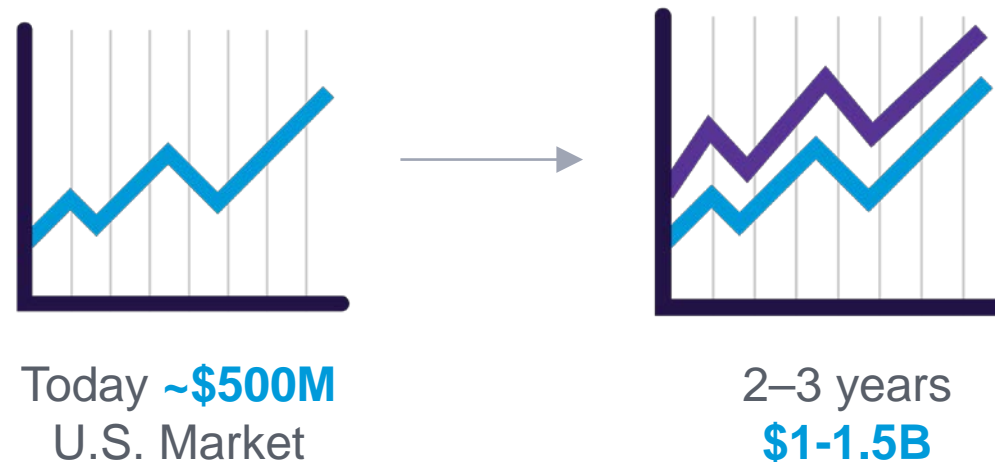
Market Opportunity;
will Increase Significantly
w/ Expanded Screening*

*Company estimates

Lung Cancer Screening Expected to Significantly Expand Market

Screening Will Save More Lives, Increases Need for Better Diagnosis

- **>8M High-Risk Americans** are eligible for annual CT screening
- NLST – Annual CT screening can **reduce deaths by 20%**
- **U.S. Market poised to double or triple*** as screening programs progress

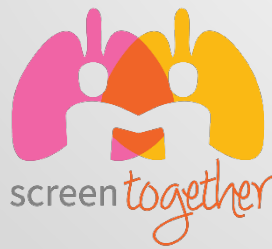


*Company estimates



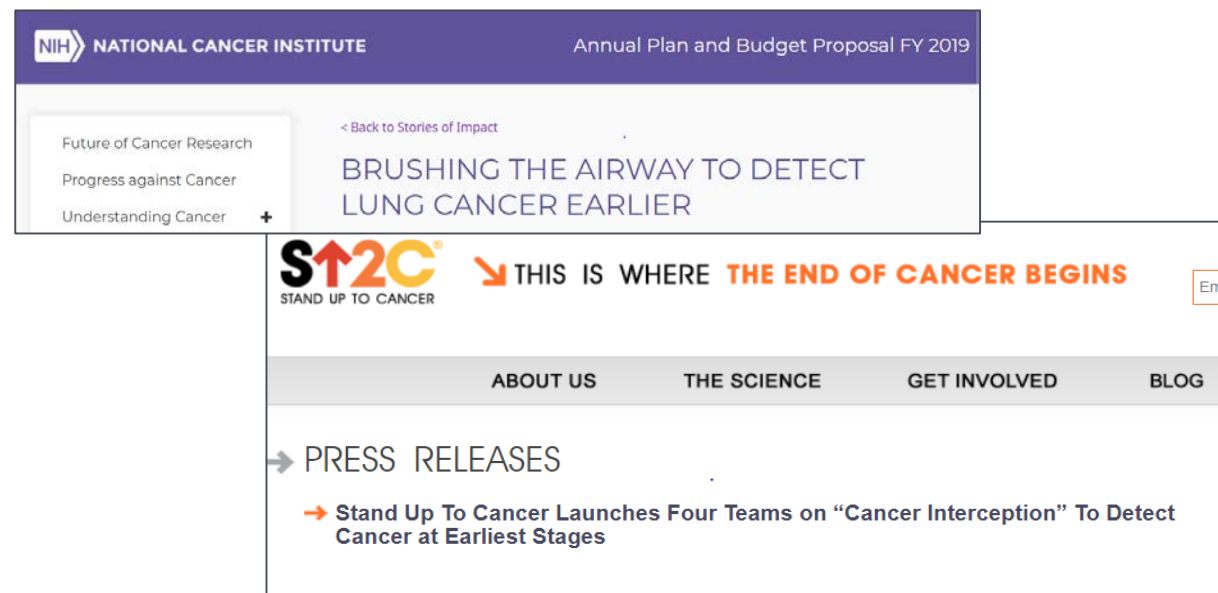
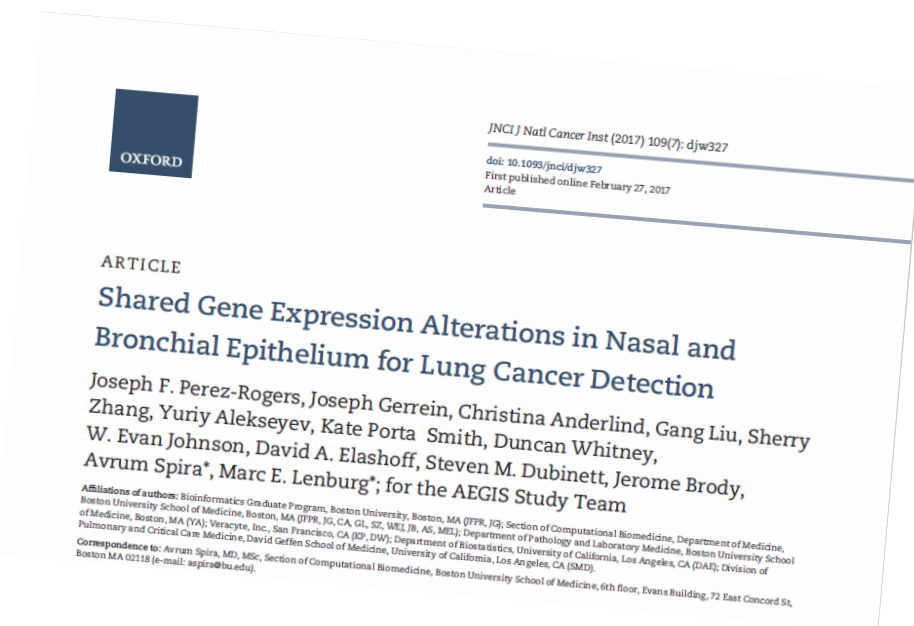
Screen Together Campaign

- Joint effort by Veracyte and Lung Cancer Initiative of North Carolina
- Launched September 2017
- Commit with a friend or relative to get screened for the lung cancer
- Emphasis on benefits of early detection



Innovative Field of Injury™ Technology

Biomarkers correlated to the risk of cancer in the bronchial “field of injury” shown to translate to the nasal epithelium



Imagine...Detecting a Patient's Risk of Cancer from a Nasal Swab?



Envisia™

GENOMIC CLASSIFIER

Clarifying the Diagnosis of Idiopathic Pulmonary Fibrosis

Idiopathic Pulmonary Fibrosis: A Diagnostic Odyssey



Interstitial Lung Diseases (ILD) Are Difficult to Differentiate

IPF is one of the most prevalent ILDs and among the most deadly and difficult to diagnose



Misdiagnosis Is Common

55% of patients were misdiagnosed at least once



ILD Patients Endure Long Diagnostic Delays

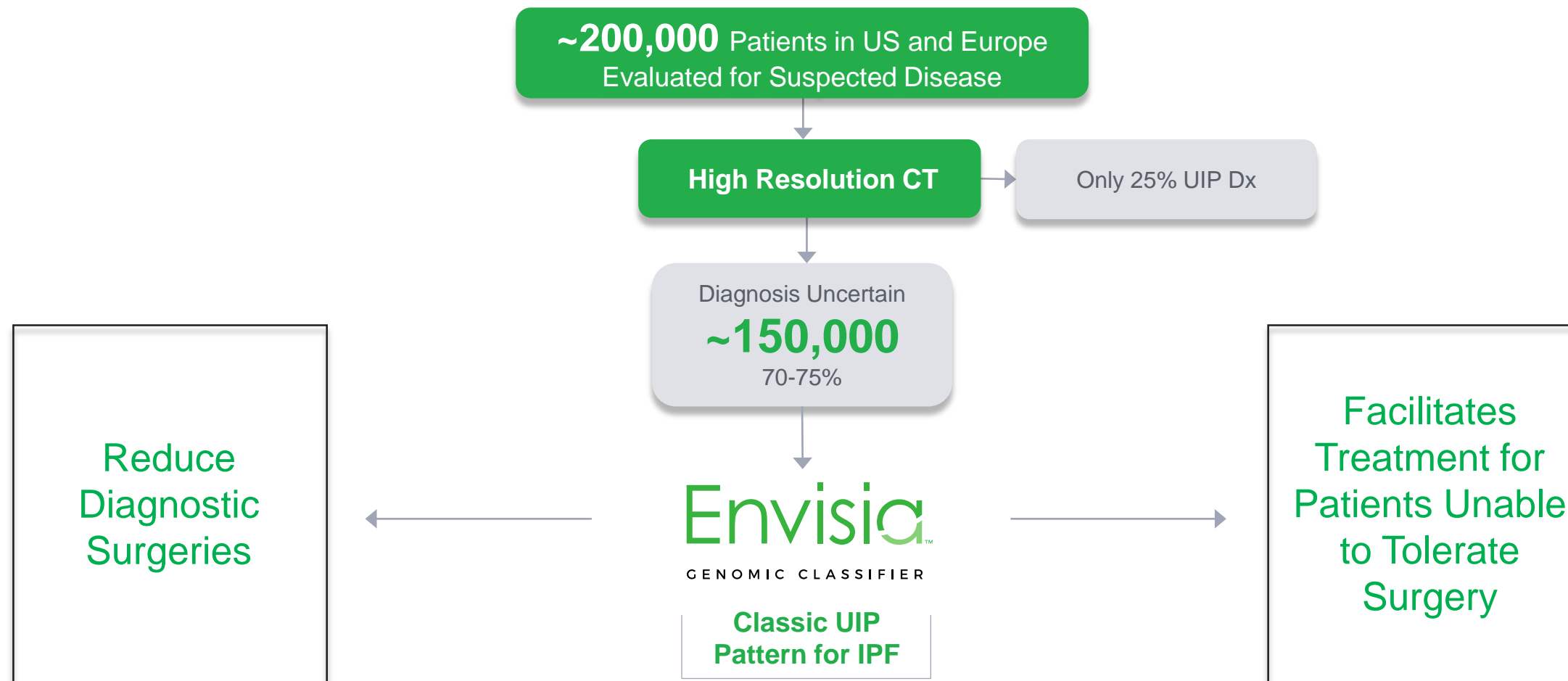
42% report at least one year delay from symptom onset to diagnosis



Availability of Drugs Make Timely Diagnosis Critical

New drugs slow progression of IPF

Envisia: Idiopathic Pulmonary Fibrosis

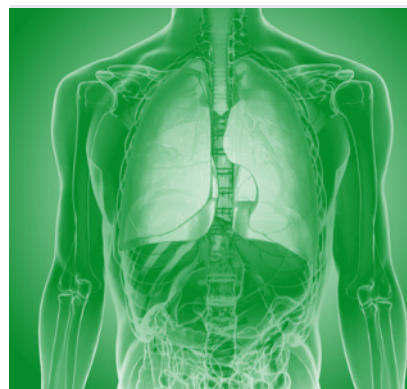


Market Opportunity for Envisia



200k

Patients Suspected of ILD
Each Year in US and
Europe



~75%

Yield Uncertain Diagnosis
by HRCT and
Bronchoscopy



150k

Patients Tested at an
Estimated \$3,500 per Test



\$525M

Potential to Increase with
New Drug Approvals*

* Company estimates

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Envisia: The First-of-its-Kind Test to Aid in the Diagnosis of IPF

Rigorous Science and Clinical Validation

- Machine learning coupled with deep RNA sequencing to detect the presence or absence of classic Usual Interstitial Pneumonia (UIP) pattern for IPF diagnosis
- Independent validation confirmed achievement of study endpoint for **high specificity of UIP to minimize false positive results and potential over diagnosis of IPF**

SPECIFICITY = 88%

Only 12% of patients who did not have a UIP pattern on histopathology had a positive result (false positives)

SENSITIVITY = 70%

An estimated two-thirds of patients with a UIP pattern on histopathology had a positive classifier result (true positives)

Data presented at the ATS Meeting, 2017



Management and 2017 Catalysts

Experienced Team with Track Record of Success

Bonnie H. Anderson

Chairman and Chief Executive Officer



Keith S. Kennedy

Chief Financial Officer



GE Capital

Christopher M. Hall

President and Chief Operating Officer



Neil M. Barth, MD, FACP

Chief Medical Officer



Giulia C. Kennedy, PhD

Chief Scientific Officer

CHIRON



John Hanna

Chief Commercial Officer



Humana®

2017 Goals and Milestones



Growth

- ✓ GEC volume growth and reimbursement expansion
- ✓ Anthem coverage
 - Convert coverage to contracts
- ✓ Launch next-generation Afirma GEC



Expansion and Reimbursement

- ✓ Final Medicare coverage
- ✓ Expand adoption beyond ~40 registry sites
 - Expand coverage and contracts
 - Guideline inclusion



Evidence Development

- ✓ Initiate Registry enrollment at ~30 sites
- ✓ Publish clinical evidence
 - Build library of evidence to support Medicare coverage in 2018

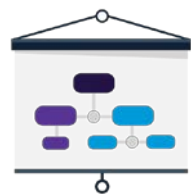
Positioned for Sustained Growth

Why VCYT



Large Markets

Addressing \$2B+ market opportunity*



Proven Model

Answer right clinical question; change care and reduce costs; develop rigorous evidence; obtain reimbursement



Growing Franchises

Leverage thyroid successes in pulmonology



Attractive Financials

Growing revenue and margins; \$41.2M in cash**; targeting cash flow positive in 2018



Strong Team

Deep expertise to lead age of evidence and create value through innovation

* Company estimate

** Cash and cash equivalents as of September 30, 2017



ANSWERS



Thank You

November 9, 2017