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Veracyte Announces Publication of Study Showcasing Development of Percepta™ Bronchial Genomic Classifier

-- Article Published Online in BMC Medical Genomics --

SOUTH SAN FRANCISCO, Calif., May 12, 2015 /PRNewswire/ -- Veracyte, Inc. (NASDAQ: VCYT), a molecular diagnostics company pioneering the field of molecular cytology, today announced the online publication of a study on the derivation of the company's Percepta Bronchial Genomic Classifier, which is used to help patients avoid unnecessary invasive procedures as part of lung cancer diagnosis. The article, published in *BMC Medical Genomics,* details the rigorous scientific and clinical approach used to develop the genomic test.

The 23-gene classifier was developed in a dedicated training set of 299 patients enrolled in a large, prospective, multicenter study of current and former cigarette smokers who were undergoing bronchoscopy for lung nodules and lesions that were suspicious for cancer. Subjects were enrolled at 25 medical centers around the country. The classifier's performance in identifying and ruling out cancer was found to be consistent with data from a previously published study.

"Our goal was to develop a genomic test that could help identify current or former smokers who are at low risk of cancer following an inconclusive bronchoscopy, so that these patients can potentially avoid unnecessary invasive biopsies," said Duncan H. Whitney, Ph.D., vice president of discovery research at Veracyte. "Based on this preliminary work, we believe we have accomplished that. We look forward to publication of two subsequent clinical validation studies."

Data from two large prospective, multicenter trials - AEGIS I and AEGIS II - have not yet been published.

An estimated 250,000 patients currently undergo a bronchoscopy each year in the United States, with approximately 40 percent leading to inconclusive results. These numbers are expected to increase significantly due to new insurance coverage requirements for annual CT screening. In April, Veracyte began making the Percepta test available to a limited number of institutions around the country.

About Veracyte

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, centers on the proprietary Afirma Gene Expression Classifier (GEC) to resolve ambiguity in diagnosis and is becoming a new standard of care in thyroid nodule assessment. Since launching its Afirma solution in 2011, Veracyte estimates it has helped approximately 15,000 patients with thyroid nodules avoid unnecessary surgery, reducing healthcare costs by millions of dollars. The Afirma test is recommended in leading practice guidelines and is covered for 145 million lives in the United States, including through Medicare and many commercial insurance plans. Veracyte intends to expand its molecular cytology franchise to other clinical areas, beginning with difficult-to-diagnose lung diseases. In April 2015, the company launched the Percepta Bronchial Genomic Classifier, a test to resolve preoperative ambiguity in lung nodules that are suspicious for cancer. Veracyte is also developing a second product in pulmonology, targeting interstitial lung diseases, including idiopathic pulmonary fibrosis. For more information, please visit www.veracyte.com.

Cautionary Note Regarding Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. 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 we make regarding our beliefs regarding the drivers of adoption of Afirma, our expectations with respect to our planned entry into the pulmonology market, our beliefs regarding the benefits and attributes of our Percepta test, our expectations regarding revenue from the Percepta test, and the value and potential of our technology and research and development pipeline. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated

events and trends, the economy and other future conditions. 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 or sell; our ability to continue our momentum and growth; 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 and our ability to successfully convert new accounts resulting from such relationships; our ability to develop and commercialize new products and the timing of commercialization; our ability to successfully introduce and achieve adoption of our Percepta Bronchial Genomic Classifier; the increase in patients as a result of new insurance coverage requirements for annual CT screening; our ability to obtain reimbursement for the Percepta test; our ability to achieve sales penetration in complex commercial accounts; 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; the continued application of clinical guidelines to our products; 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 Annual Report on Form 10-K for the year ended December 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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