21st Annual Needham Growth Conference

January 15, 2019

Bonnie Anderson
Chairman and Chief Executive Officer

Forward-Looking Statements

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our expectations for results for 2018 and 2019, margin expansion and genomic volume growth. These statements involve risks and uncertainties, including our history of losses since inception; the performance and acceptance of our Afirma, Percepta and Envisia classifiers and our ability to drive revenue growth across our thyroid endocrinology and pulmonology franchises; our ability to increase usage of and reimbursement for the Afirma, Envisia and Percepta classifiers, as well as any future products we may develop or sell; the anticipated offerings under the launch of our Early Access Program; the results of our collaboration with Johnson & Johnson; our dependence on Thyroid Cytopathology Partners to perform the cytopathology component of our Afirma test; 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 classifiers; 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 collaborations; unanticipated delays in research and development efforts; our ability to develop and commercialize new products, and the timing and speed of commercialization; our ability to successfully enter new product or geographic markets; our ability to conduct clinical studies and the outcomes of such clinical studies; the amount by which use of our products is able to reduce invasive procedures and reduce healthcare costs; 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; the continued application of clinical guidelines to our products and their inclusion in such clinical practice guidelines; our ability to compete; our ability to compete against other companies, products and technologies; our ability to protect our intellectual property; and our ability to obtain capital when needed.

Additional risks and uncertainties that could affect our financial results are included under the caption “Risk Factors” in our Annual Report on Form 10-K for the full-year ended December 31, 2017, and our most recently filed Quarterly Report on Form 10-Q, which are available on our Investor Relations website at www.investor.veracyte.com and on the SEC website at www.sec.gov. These forward-looking statements speak only as of the date hereof. We specifically disclaim any obligation to update these forward-looking statements.

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Who We Are

Trusted genomics pioneer creating value through innovation

Founded in 2008 with a mission to improve diagnostic accuracy; today, expanding beyond that to advance early detection and inform treatment decisions

- **Comprehensive scientific approach** using whole-transcriptome sequencing coupled with machine learning expertise to develop diagnostic tests changing clinical care
- **Clinical evidence published in top-tier journals** to facilitate test adoption, coverage and reimbursement
- Experienced management team with **deep expertise** and **proven track record**
- **Market leader with three first-to-market tests** in large, untapped clinical areas: thyroid cancer, lung cancer, and idiopathic pulmonary fibrosis (IPF)

Afirma® GENOMIC SEQUENCING CLASSIFIER

Percepta® BRONCHIAL GENOMIC CLASSIFIER

Envisia™ GENOMIC CLASSIFIER

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Thyroid nodule diagnosis is challenging with 100,000+ unnecessary surgeries performed in the U.S. annually

525K

fine needle aspirations per year to evaluate thyroid nodules

~15% to 30%

yield inconclusive results

Majority

of patients with indeterminate results undergo surgery

~75%

deemed benign post-operatively

~180K

surgeries to diagnose **~60K** cancers

Source: Company estimates

An incredibly inefficient and avoidable diagnostic paradigm

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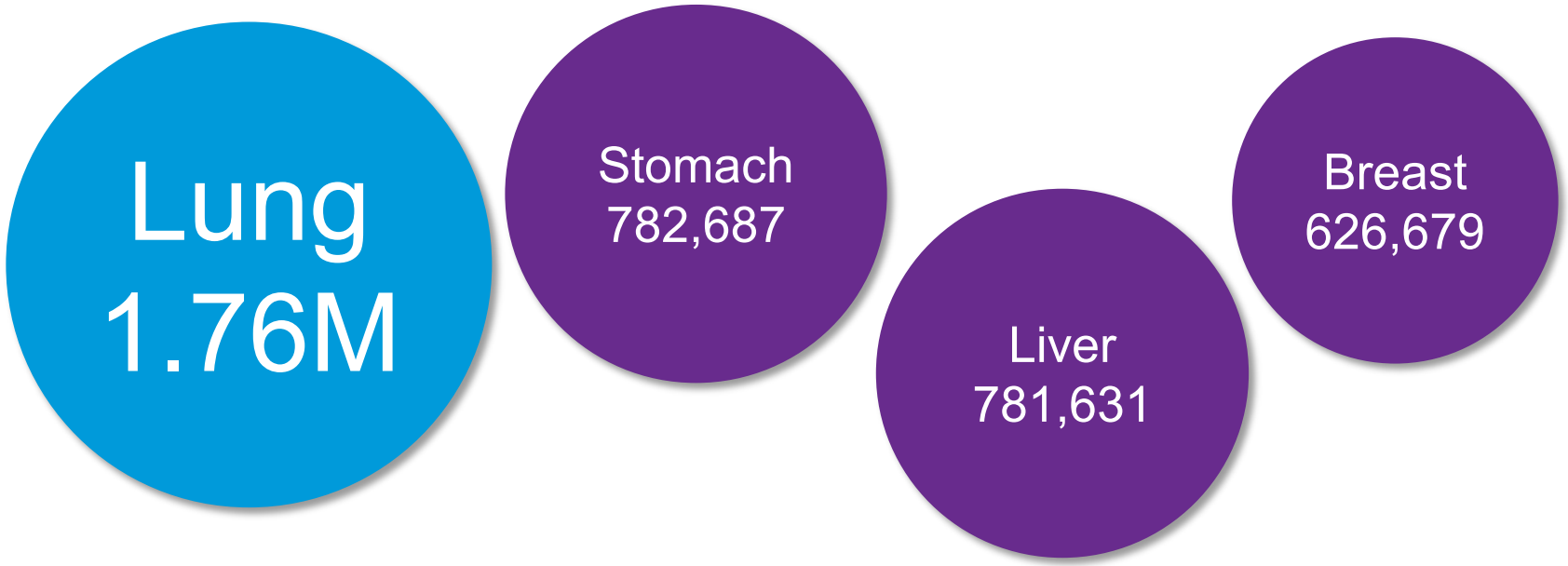
The deadliest cancer in the U.S. and globally

Estimated cancer deaths worldwide, 2018



Source: GLOBOCAN 2018

Early detection and improved diagnosis are key to saving lives

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IPF is a progressive, life-threatening, interstitial lung disease (ILD)

48,000
deaths globally
each year

Notoriously difficult to diagnose

- Leading to treatment delays, prolonged misdiagnosis, patient distress and added healthcare expense

Median survival time 2.5 years

- Life expectancy with IPF is worse than that of many cancers

> "IDIOPATHIC PULMONARY FIBROSIS APPEARS TO BE INCREASING IN INCIDENCE. IT REQUIRES EARLY RECOGNITION AND INTERVENTION WITH SUPPORTIVE CARE AND PHARMACOLOGIC AGENTS TO FORESTALL ITS PROGRESSION."

Lederer, D. and Martinez, F. (2018, May). Idiopathic Pulmonary Fibrosis. *New England Journal of Medicine.*

Sources: American Lung Association; Ley B, et al. Clinical Course and Prediction of Survival in Idiopathic Pulmonary Fibrosis. *AJRCCM* 2011; Hutchison J, et al. Increasing Global Mortality from Idiopathic Pulmonary Fibrosis in the Twenty-First Century. *Annals ATS* 2014

Improving diagnosis to inform treatment that could save lives

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Founding strategy: Improve diagnostic accuracy

Hundreds of thousands of patients evaluated for suspected disease

Imaging and/or biopsies

Diagnosis Uncertain*

15% to 70%

* In thyroid and lung indications

" …THE COMMITTEE CONCLUDED THAT MOST PEOPLE WILL EXPERIENCE AT LEAST ONE DIAGNOSTIC ERROR IN THEIR LIFETIME, SOMETIMES WITH DEVASTATING CONSEQUENCES."

Improving Diagnostics in Healthcare
Committee on Diagnostic Error in Healthcare Institute of Medicine (September 2015)

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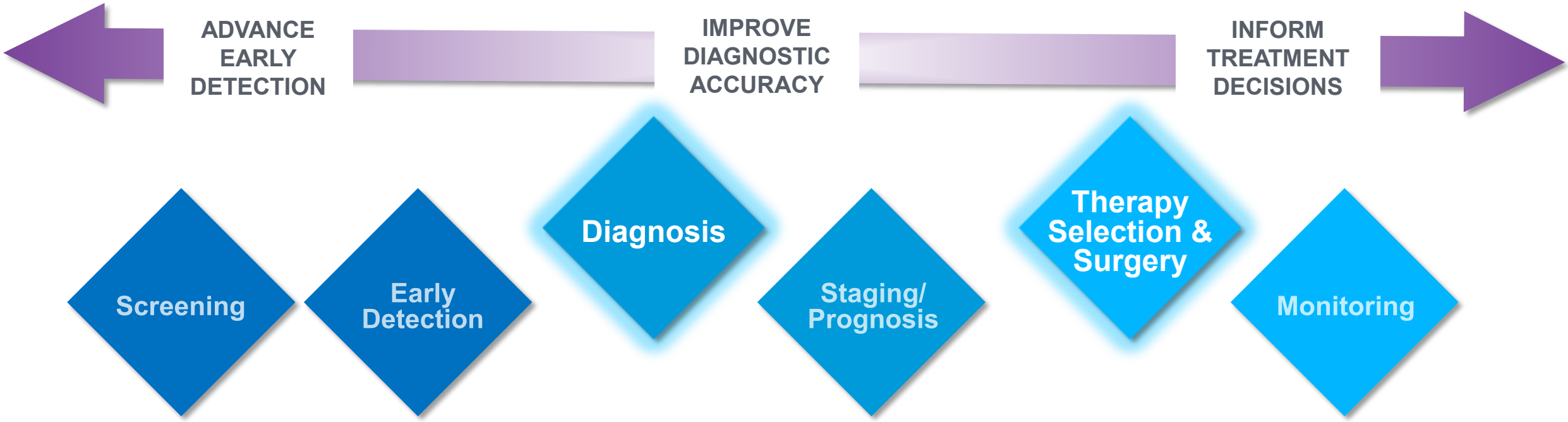
Today's expanded strategy: advance early detection, improve diagnostic accuracy, and inform treatment decisions



Delivering patient value across the clinical care continuum

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Building on a Firm Foundation

Following a proven formula for 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

Rationale

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

Reimbursement

Extensive coverage policies and contracted relationships pave way for additional tests

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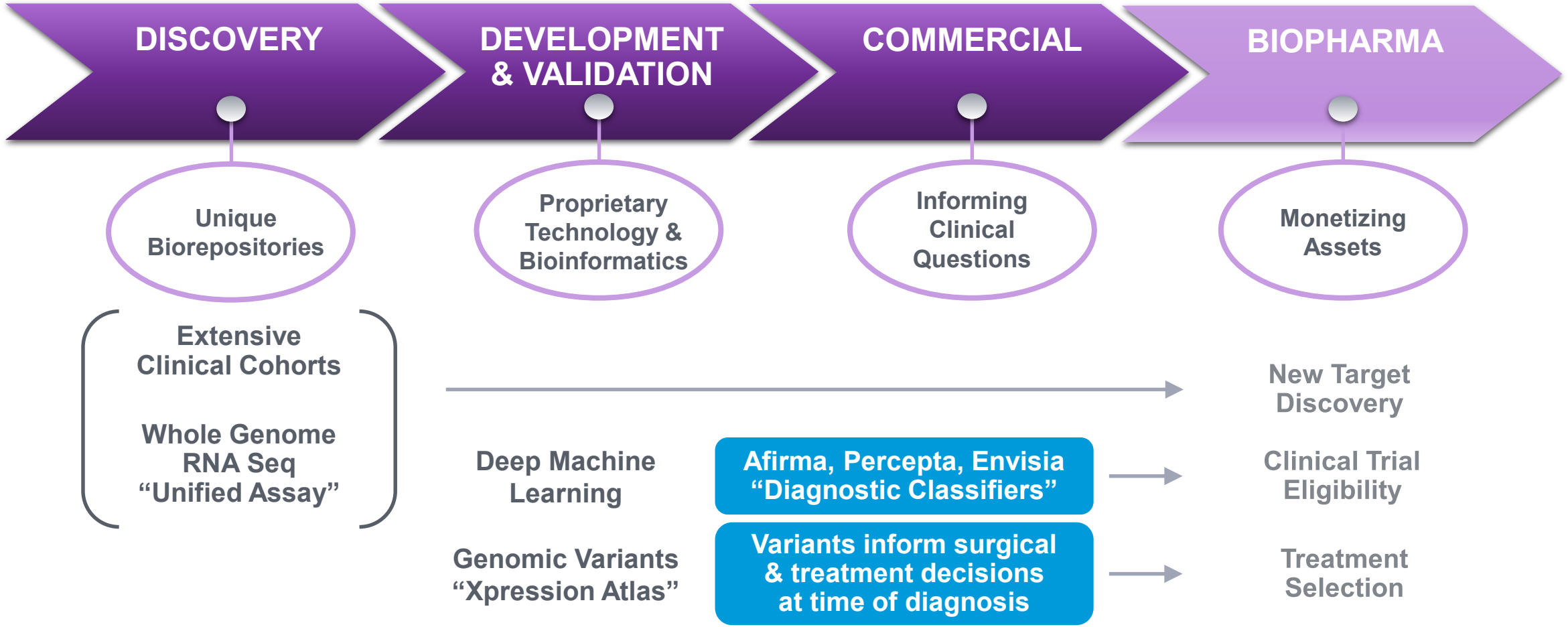
Powerful scientific platform: multiple vectors for value creation



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Leading in the Age of Evidence

Afirma
THYROID FNA ANALYSIS

- **3** clinical validation studies
- **1** analytical verification study
- **21** 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 **~ 700 enrolled patients**


The NEW ENGLAND JOURNAL of MEDICINE

Envisia
GENOMIC CLASSIFIER

- **2** clinical validation studies
- **1** analytical verification study
- **1** clinical utility patient study
- BRAVE ongoing clinical trial, **~ 400 patients**

THE LANCET Respiratory Medicine

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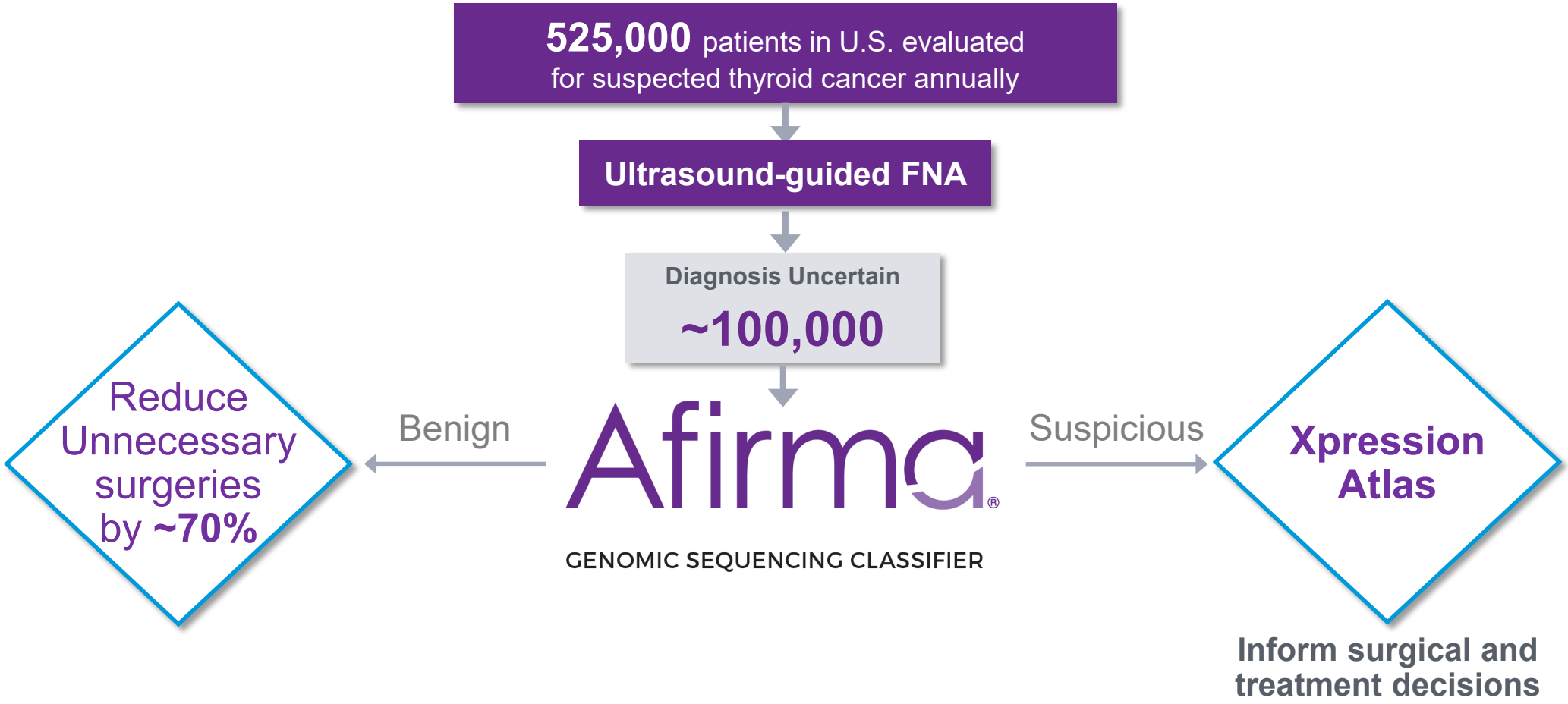
In Thyroid Cancer

Improve diagnostic accuracy to reduce unnecessary surgeries
Inform treatment decisions to improve patient outcomes



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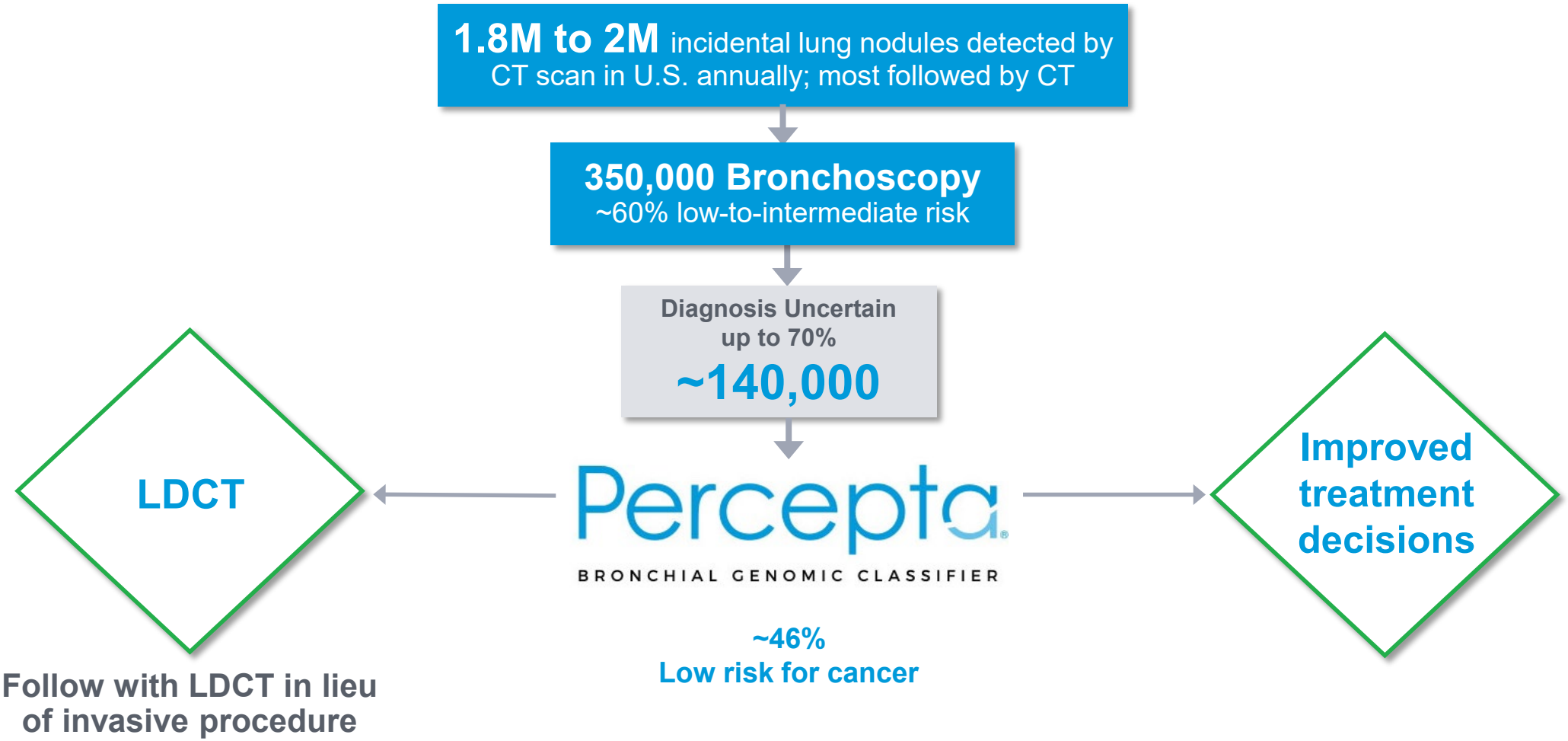
In Lung Cancer

Improve diagnostic accuracy to reduce invasive procedures



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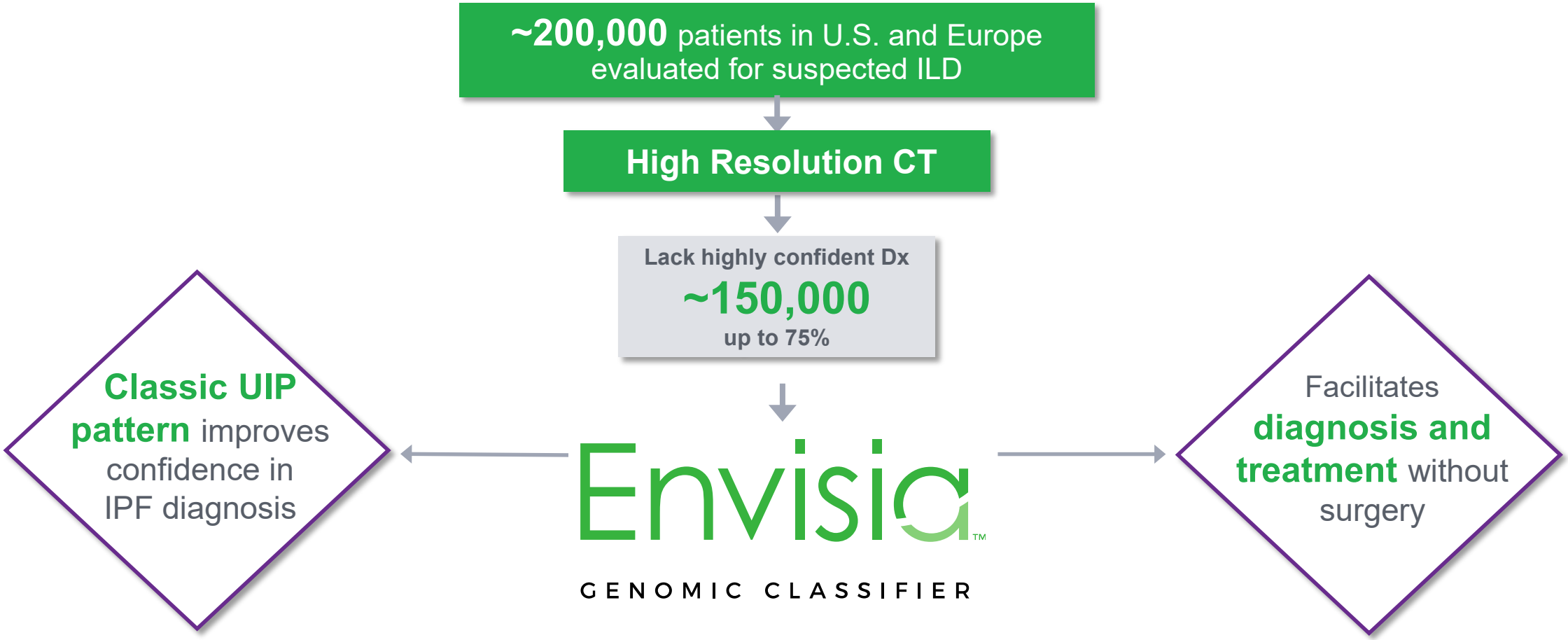
In Idiopathic Pulmonary Fibrosis

Accelerate diagnosis to get patients life-extending treatment faster



* Based on company estimates

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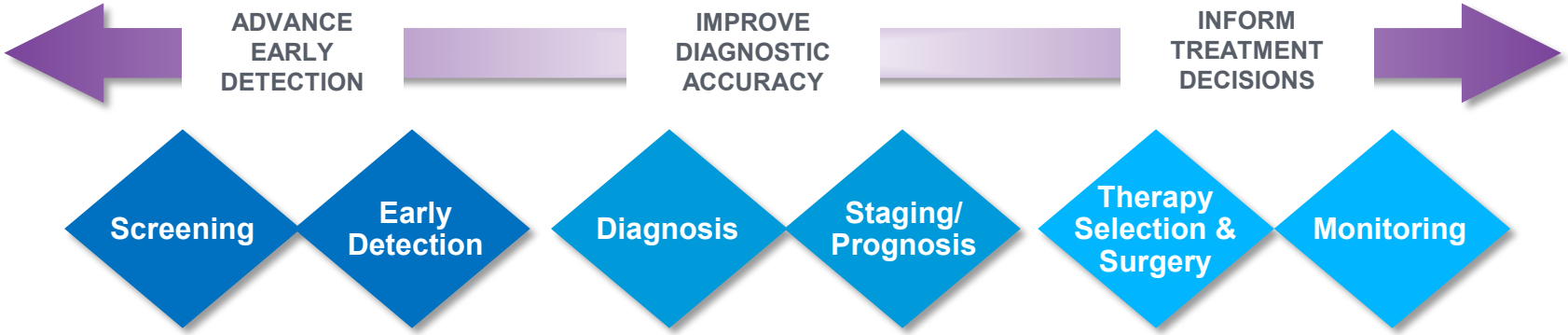
Significant pipeline addressing substantial, large market opportunity



AREA	ESTIMATED MARKET
THYROID	**$500M (U.S.)**
LUNG CANCER	**$30B to $40B (Global)**
ILD/IPF	**$525M (U.S. + EU)**

◆ = existing test ◆ = pipeline test

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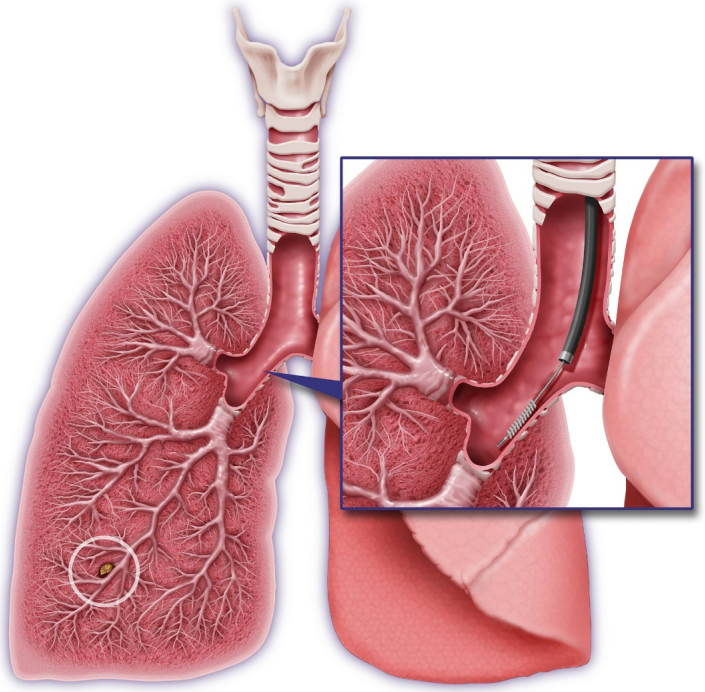
Pipeline Highlight – Nasal swab test for early lung cancer detection

Exploiting novel, proprietary field of injury science that powers Percepta BRONCHIAL GENOMIC CLASSIFIER



- Peripheral lung nodules **difficult to biopsy** leading to **late-stage diagnosis**
- Exposures such as smoking leads to genomic alterations in airway **detected from a simple brushing or swab**
  - Percepta classifier is based on bronchial airway brushing
- New nasal swab test is designed to **detect lung cancer** from **genomic alterations in the nose**

JNCI

Shared Gene Expression Alterations in Nasal and Bronchial Epithelium for Lung Cancer Detection
- Perez-Rogers J, et al. *JNCI J Natl Inst. 2017*

Non-invasive nasal swab test for early lung cancer detection to save lives

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Strategic collaboration with Johnson & Johnson Innovation and the Lung Cancer Initiative of Johnson & Johnson accelerates pipeline and expands market opportunity

Purpose: accelerate the development and commercialization of tests to improve diagnostic accuracy and advance early detection

+$50M
in monetary
and
non-monetary value*

*Company estimate

Accelerates two key programs for Veracyte:

1 **Nasal swab test** for **early lung cancer detection**

Expect early data in 2019

2 Commercialization of **second-generation Percepta classifier**, deploying our RNA whole-transcriptome sequencing platform

Expected in 1H 2019

Result: Further strengthens our leading position in lung cancer

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Recent execution driving momentum

Growth with Brand Leadership	• **Afirma GSC** reaccelerating growth • **Percepta classifier** gaining good traction • 20 sites offering **Envisia Classifier** through Early Access Program
Expanding Across the Clinical Care Continuum	• Launched **Afirma Xpression Atlas** to inform surgical and treatment decisions in thyroid cancer • Advanced first **non-invasive nasal swab test** for lung cancer
Continued Reimbursement Success	• Achieved **in-network status** with nearly all major commercial health plans • **Envisia Classifier** received draft **Medicare coverage;** expect final coverage in early 2019
Driving Value with Biopharma Collaborations	• Collaboration with **Johnson & Johnson Innovation** for early lung cancer detection • Collaboration with **Loxo Oncology** for targeted therapy in thyroid cancer

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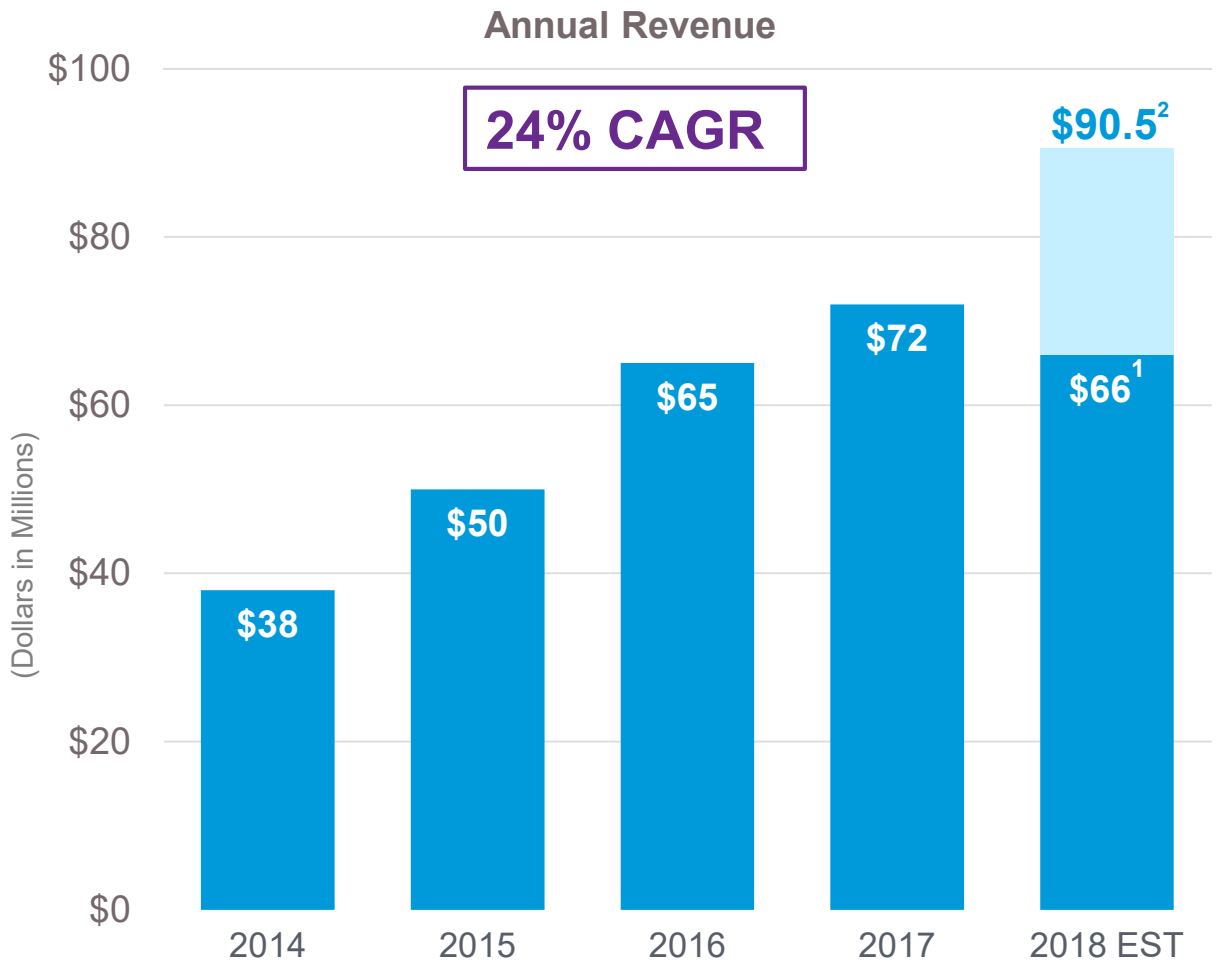
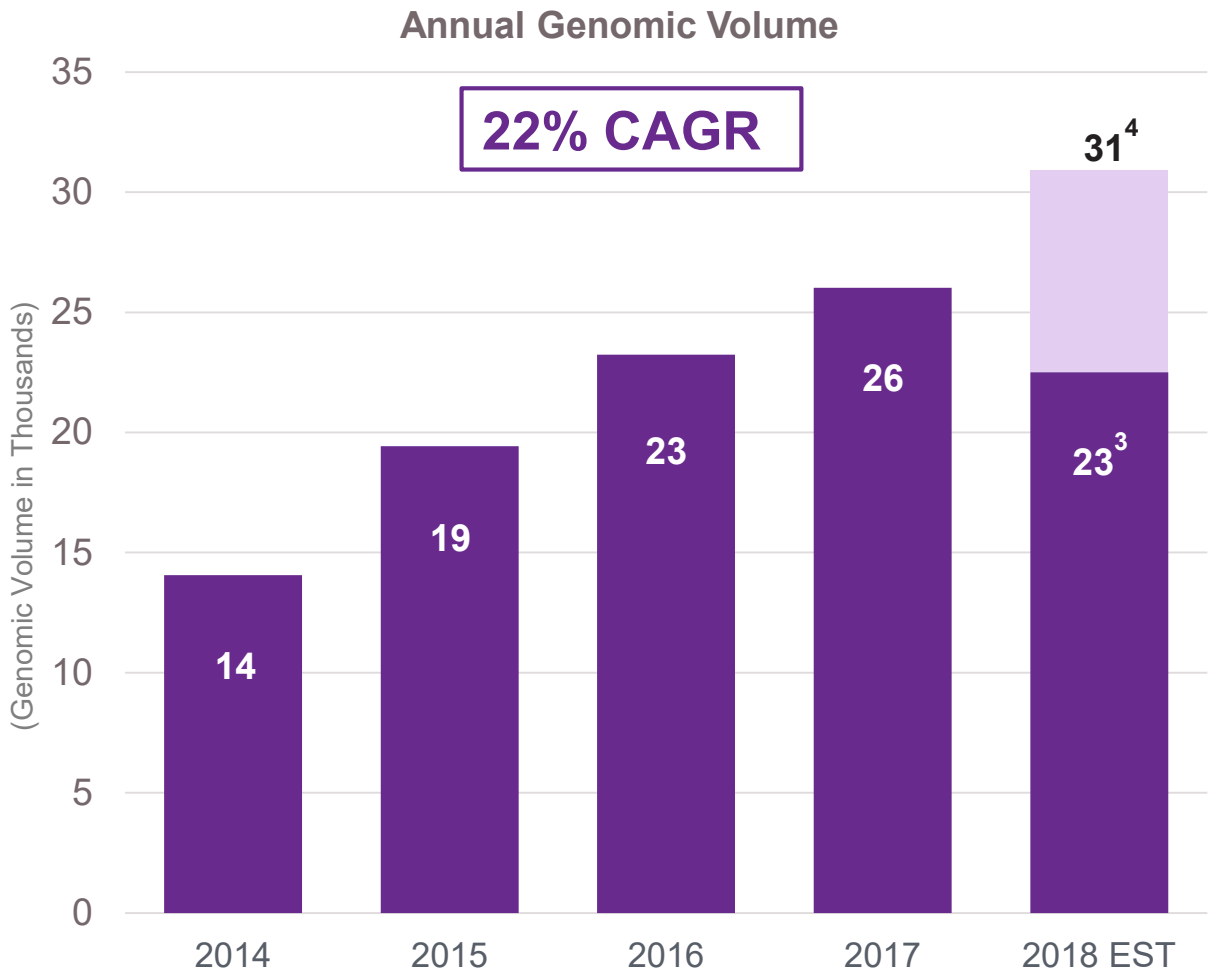
Robust Annual Revenue and Genomic Volume Growth



[1] Year-to-date revenue of $66.0M through September 30, 2018

[2] Midpoint of 2018 revenue guidance as of October 29, 2018



[3] Year-to-date genomic volume of 23 thousand reported tests for the nine months ended September 30, 2018

[4] As of October 29, 2018, the $90.5M midpoint of 2018 revenue guidance is supported by an estimated 18% to 20% growth in genomic test volume over the prior year, or a midpoint for 2018 genomic volume of 31 thousand reported tests.

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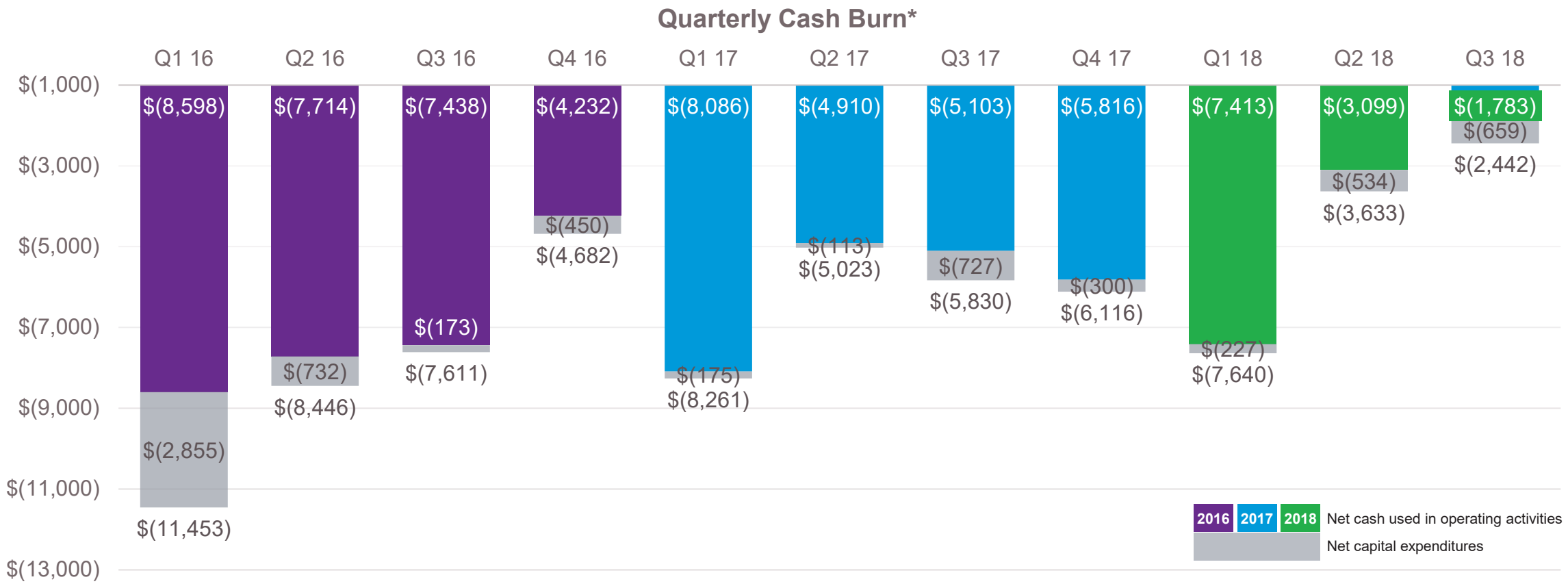
Disciplined Cash Management



*Cash burn is a non-GAAP measure that Veracyte defines as cash used in operating activities plus net capital expenditures, such as net purchases of property and equipment. See reconciliation in Appendix.

Reaching cash flow breakeven in 2019

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VCYT: A Compelling Value Proposition

- **Proven model**: answering **clinical questions that matter** with published evidence that drives **reimbursement**
  - **Novel scientific approach** using RNA whole-transcriptome sequencing coupled with machine learning to develop diagnostic tests that are changing clinical care
  - **Clinical evidence** published in top-tier journals facilitates test adoption and reimbursement
- **First to market** and **first to coverage** with **three commercial tests** addressing large, underserved thyroid cancer, lung cancer and idiopathic pulmonary fibrosis markets
- **Significant growth opportunity** with current and pipeline products addressing a $30 billion to $40 billion market opportunity
- Experienced management team with **deep expertise** and **proven track record**
- **Strong financial profile**: positioned to achieve an estimated **25% revenue growth** and **cash flow breakeven in 2019**
  - Based on 2019 revenue growth expectations as of October 29, 2018 and additional revenue of $5 million as a result of the company's recently announced agreement with Johnson & Johnson Innovation and the Lung Cancer Initiative at Johnson & Johnson

Well-positioned for longer-term growth

Appendix

Non-GAAP Financial Measures

Reconciliation of Net Cash Used in Operating Activities to Cash Burn

	Q1 2016	Q2 2016	Q3 2016	Q4 2016	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Q1 2018	Q2 2018	Q3 2018
Net cash used in operating activities	$ (8,598)	$ (7,714)	$ (7,438)	$ (4,232)	$ (8,086)	$ (4,910)	$ (5,103)	$ (5,816)	$ (7,413)	$ (3,099)	$ (1,783)
Plus purchases of property and equipment	(2,855)	(732)	(173)	(450)	(615)	(113)	(727)	(300)	(227)	(534)	(659)
Less proceeds from the sale of property and equipment	-	-	-	-	440	-	-	-	-	-	-
Cash burn	$ (11,453)	$ (8,446)	$ (7,611)	$ (4,682)	$ (8,261)	$ (5,023)	$ (5,830)	$ (6,116)	$ (7,640)	$ (3,633)	$ (2,442)
Net cash used in investing activities	$ (2,855)	$ (732)	$ (173)	$ (450)	$ (175)	$ (113)	$ (727)	$ (300)	$ (227)	$ (534)	$ (659)
Net cash (used in) provided by financing activities	$ 19,945	$ (135)	$ 317	$ 32,202	$ 548	$ (20)	$ 442	$ (1,188)	$ 901	$ 239	$ 56,530

To supplement our financial statements prepared in accordance with U. S. GAAP, we monitor and consider cash burn, which is a non-U.S. GAAP financial measure. This non-U.S. GAAP financial measure is not based on any standardized methodology prescribed by U.S. GAAP and is not necessarily comparable to similarly-titled measures presented by other companies. We define cash burn as net cash used in operating activities plus net capital expenditures, such as net purchases of property and equipment. We believe cash burn to be a liquidity measure that provides useful information to management and investors about the amount of cash consumed by the operations of the business, including our purchases of property and equipment. A limitation of using this non-U.S. GAAP measure is that cash burn does not represent the total change in cash and cash equivalents for the period because it excludes cash provided by or used for other investing and financing activities. We account for this limitation by providing information about our capital expenditures and other investing and financing activities in the statements of cash flows in our financial statements and by presenting cash flows from investing and financing activities in our reconciliation of cash burn. In addition, it is important to note that other companies, including companies in our industry, may not use cash burn, may calculate cash burn in a different manner than we do or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of cash burn as a comparative measure.

Because of these limitations, cash burn should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with U.S. GAAP. The reconciliation of cash burn to net cash used in operating activities is provided in the table above (in thousands of dollars).

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