



# ANSWERS



Corporate Presentation

**Jefferies Virtual Healthcare  
Conference**

June 4, 2021

# Forward-Looking Statements

This presentation contains forward-looking statements, including, but not limited to, our statements related to our plans, objectives, expectations (financial and otherwise) or intentions with respect to the anticipated acquisition of HalioDx; statements regarding the expected timing for completion of the transaction; statements related to the expected benefits of the proposed transaction, including but not limited to future revenues, revenue growth and gross margin accretion, HalioDx's Immunoscore technology's value in both clinical care, including in colorectal cancer diagnostics, and biopharma collaborations, and HalioDx's manufacturing capabilities and potential synergies with the nCounter system. 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, the possibility that the transaction may not be pursued following French works council review; that the closing conditions to the proposed transaction may not be satisfied or waived, including a governmental entity may not grant a required regulatory approval; delay in closing the transaction or the possibility of non-consummation of the transaction; the risk of stockholder litigation in connection with contemplated transaction; the retention of HalioDx employees and Veracyte's ability to successfully integrate the HalioDx business; and risks inherent in the achievement of anticipated synergies and the timing thereof. Additional 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 22, 2021 and in our Quarterly Report on Form 10-Q filed with the SEC on May 10, 2021. A copy of these documents can be found at the Investors section of our website at [www.veracyte.com](http://www.veracyte.com). 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.

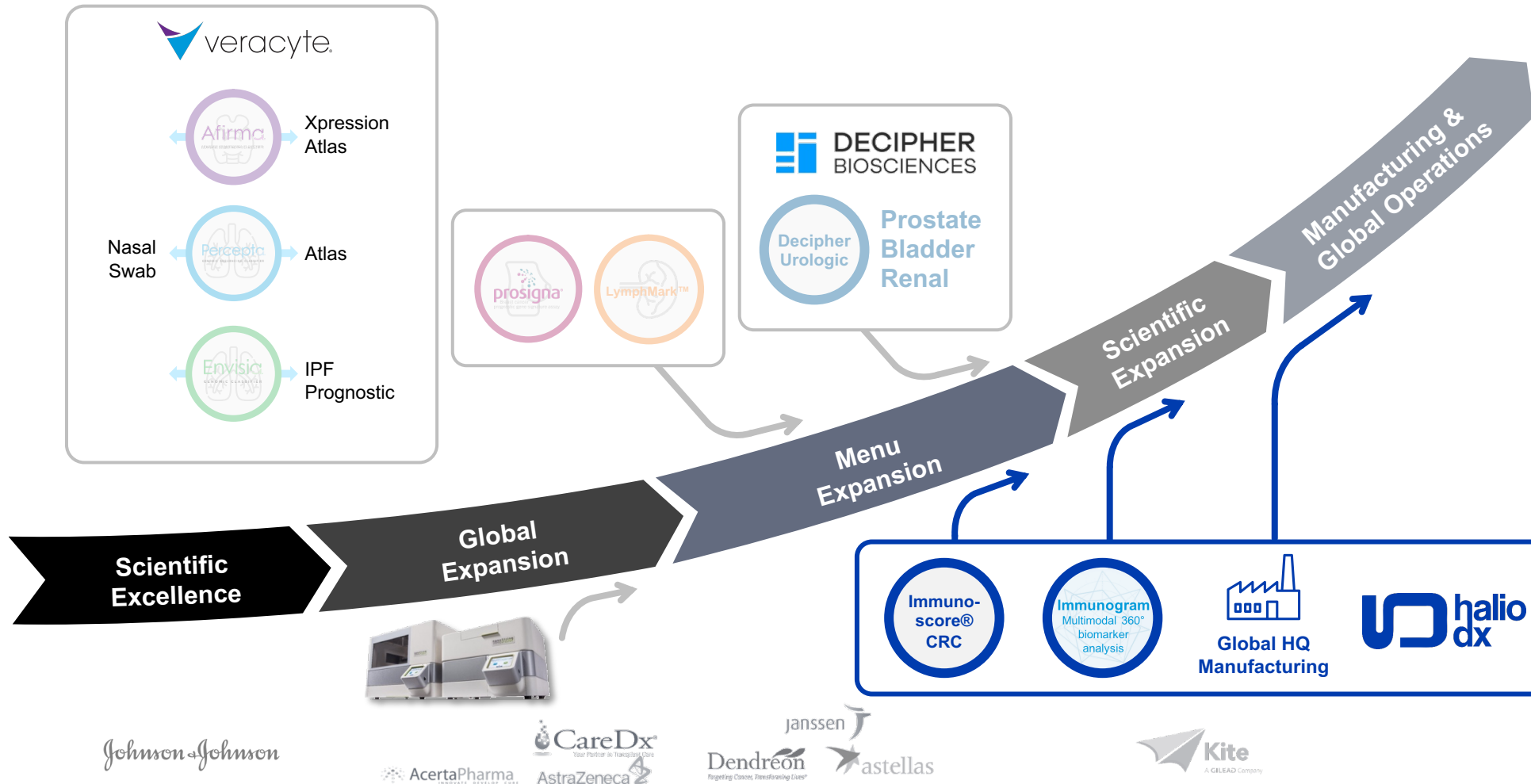
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Our vision is to improve  
outcomes for patients all  
over the world at every  
step of their journey.

# Executing on clear strategy to achieve our global vision





# Q1 2021 – Key Takeaways



## Strong CEO succession plan...



- **Bonnie Anderson** to assume active role as Executive Chairman
- **Marc Stapley** to become Chief Executive Officer



## Commercial growth...



- Testing and product revenue of **\$36.1 million**, increased **19%** v.PYQ
- Genomic volume of **14,437 tests**, increased **11%** v.PYQ



## Pipeline and Decipher acquisition to accelerate growth...



- **Nasal Swab** pivotal clinical validation to be unveiled at **ASCO**, launch 2H 2021 addressing \$5B market
- Percepta Genomic **Atlas** on track **for 2H 2021 launch**
- **Envisia Classifier on nCounter** for international launch end of 2021
- **Decipher acquisition** closed March 12, 2021 expanding into 7 of the 10 most common cancers in the US; increased TAM by ~\$2B



## Financial Strength...



- 2021 Guidance: **\$190-200 million** in 2021 revenue (+65% v.PY at midpoint)
- Gross margins of **~66%**
- Solid cash position of **\$324 million** at March 31, 2021



## Our Novel Products

# 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

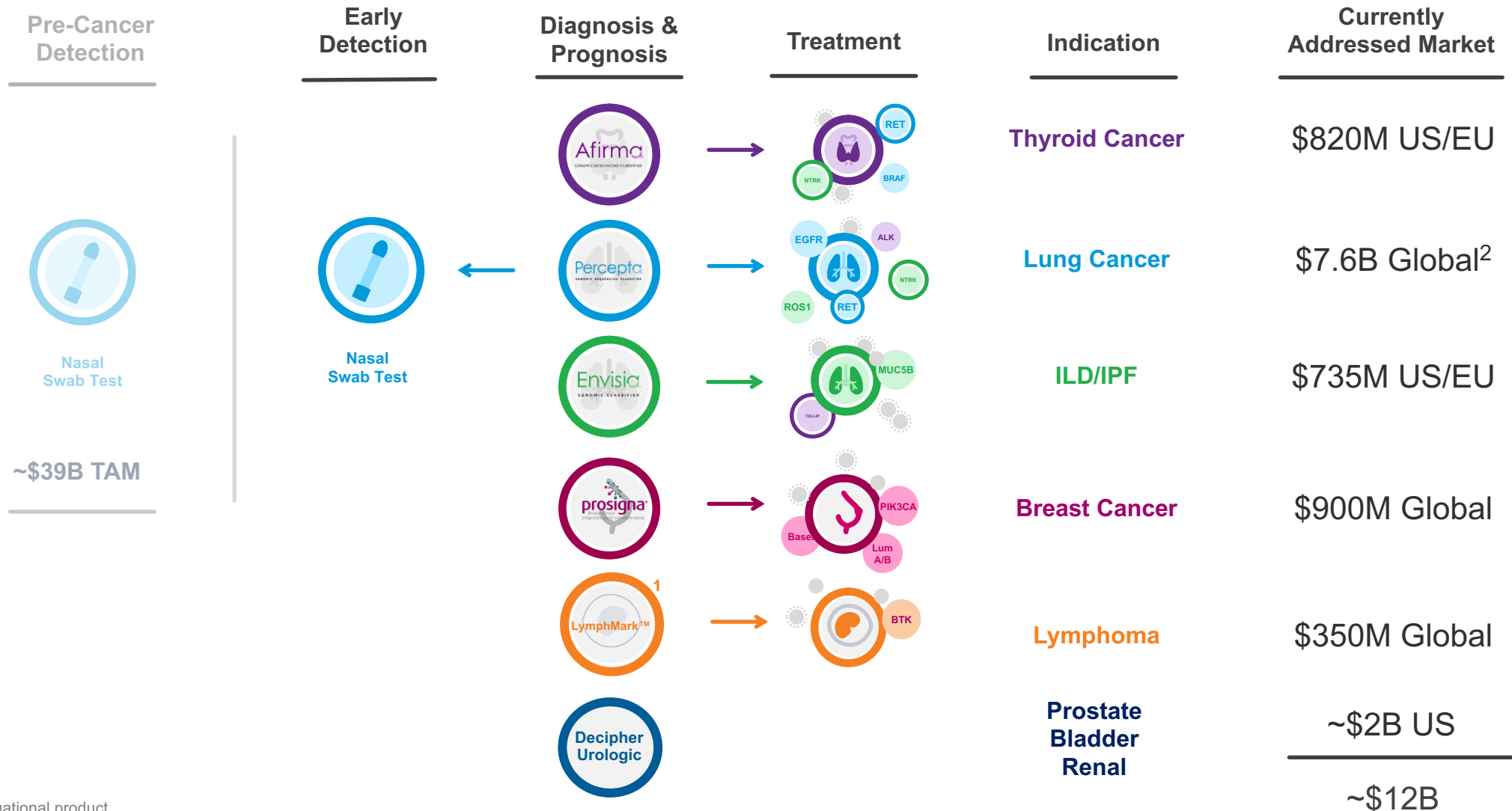


## Successful Reimbursement

Extensive coverage policies and contracted relationships pave way for additional tests



# Genomic tests targeting multiple diseases across care continuum



<sup>1</sup> Investigational product

<sup>2</sup> Percepta Genomic Atlas is US only

## 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

~\$39B

### Early Detection



Nasal Swab  
Classifier

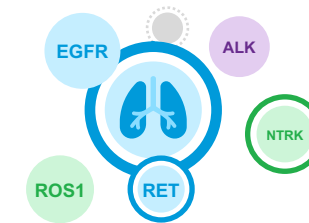
~\$5.5B

### Diagnosis



~\$700M

### Treatment



Percepta Genomic Atlas

~\$1.4B

### FUTURE Support Early- Stage Therapeutics



Biopharma  
Collaborations

Johnson & Johnson

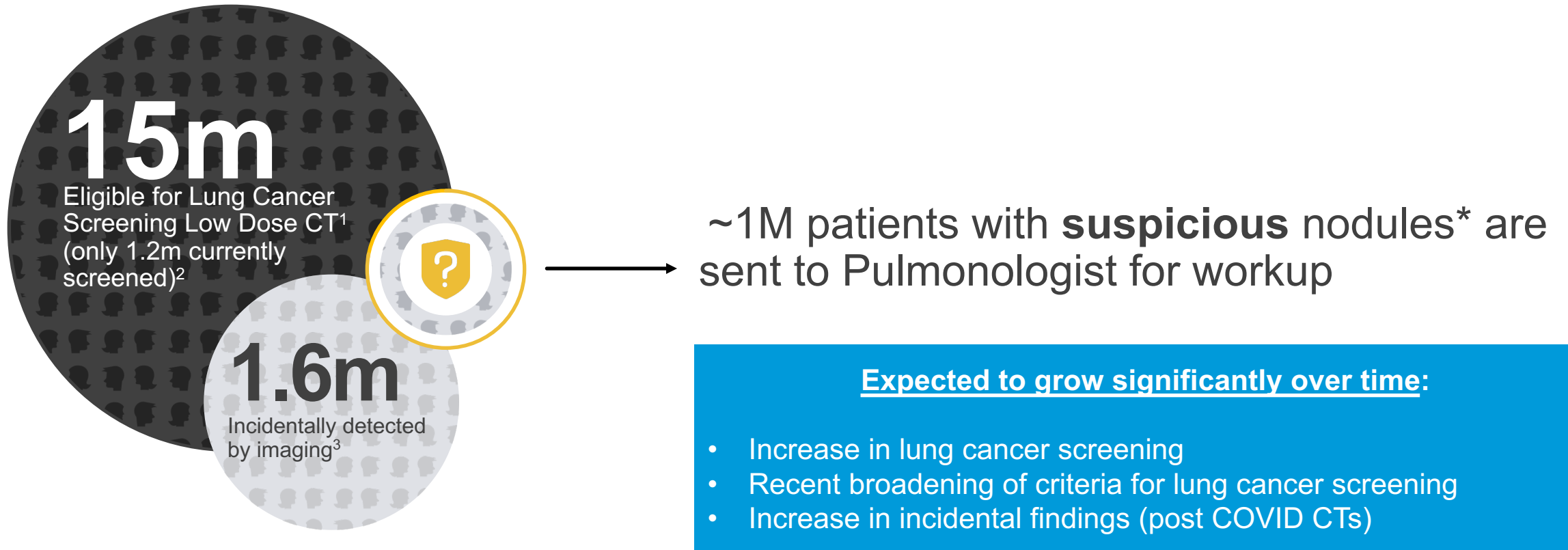
### A New Era in Lung Cancer Early Detection, Diagnosis and Treatment

- Minimally invasive
- Comprehensive genomic profiling data
- Faster, more timely answers and care decisions



## The market opportunity

# Increased market opportunity with revised screening guidelines



\* 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.

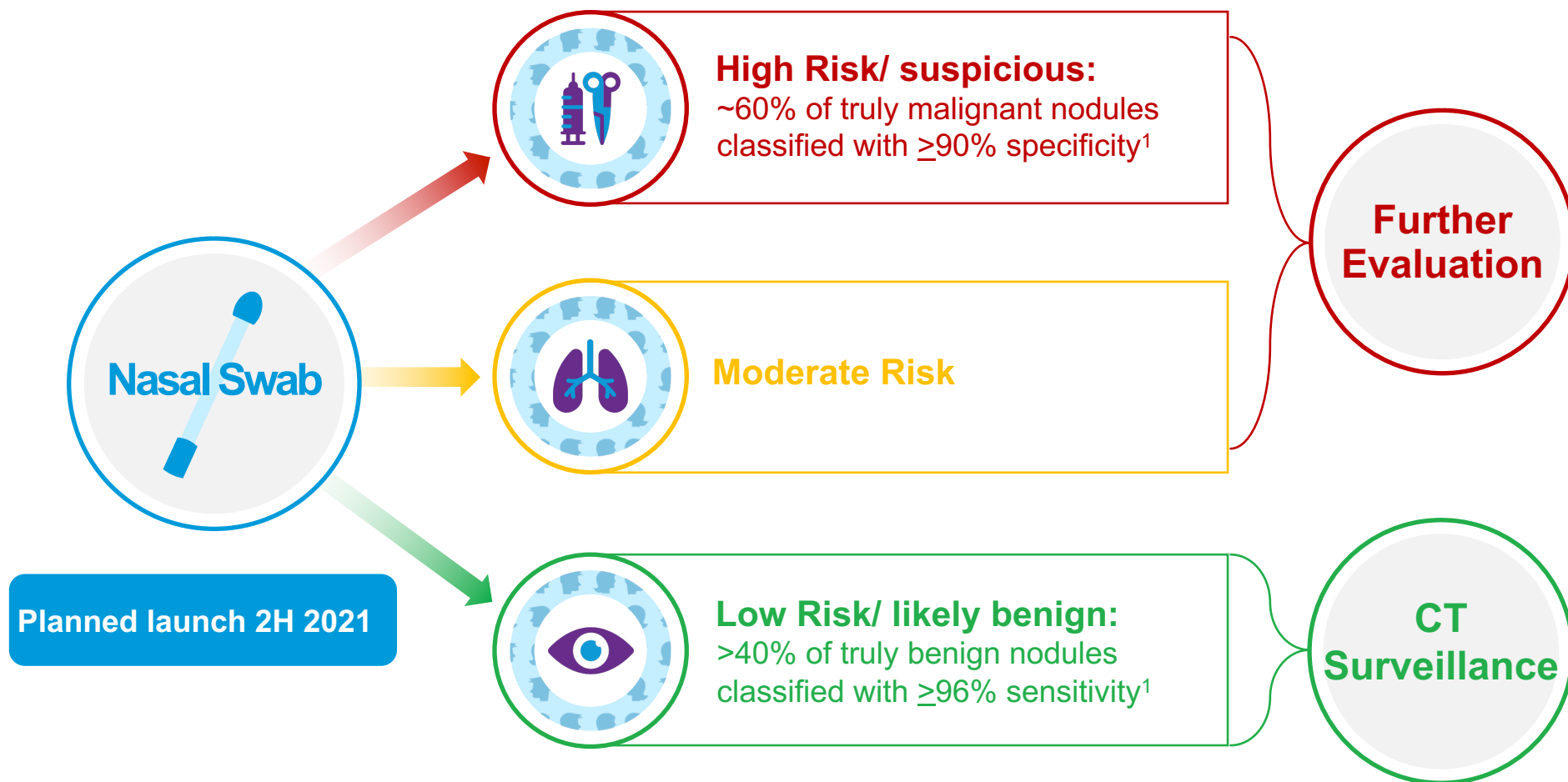
<sup>3</sup> Gould et al., ATS Journal, 2015





# Objective genomic tool to appropriately guide patient's next step

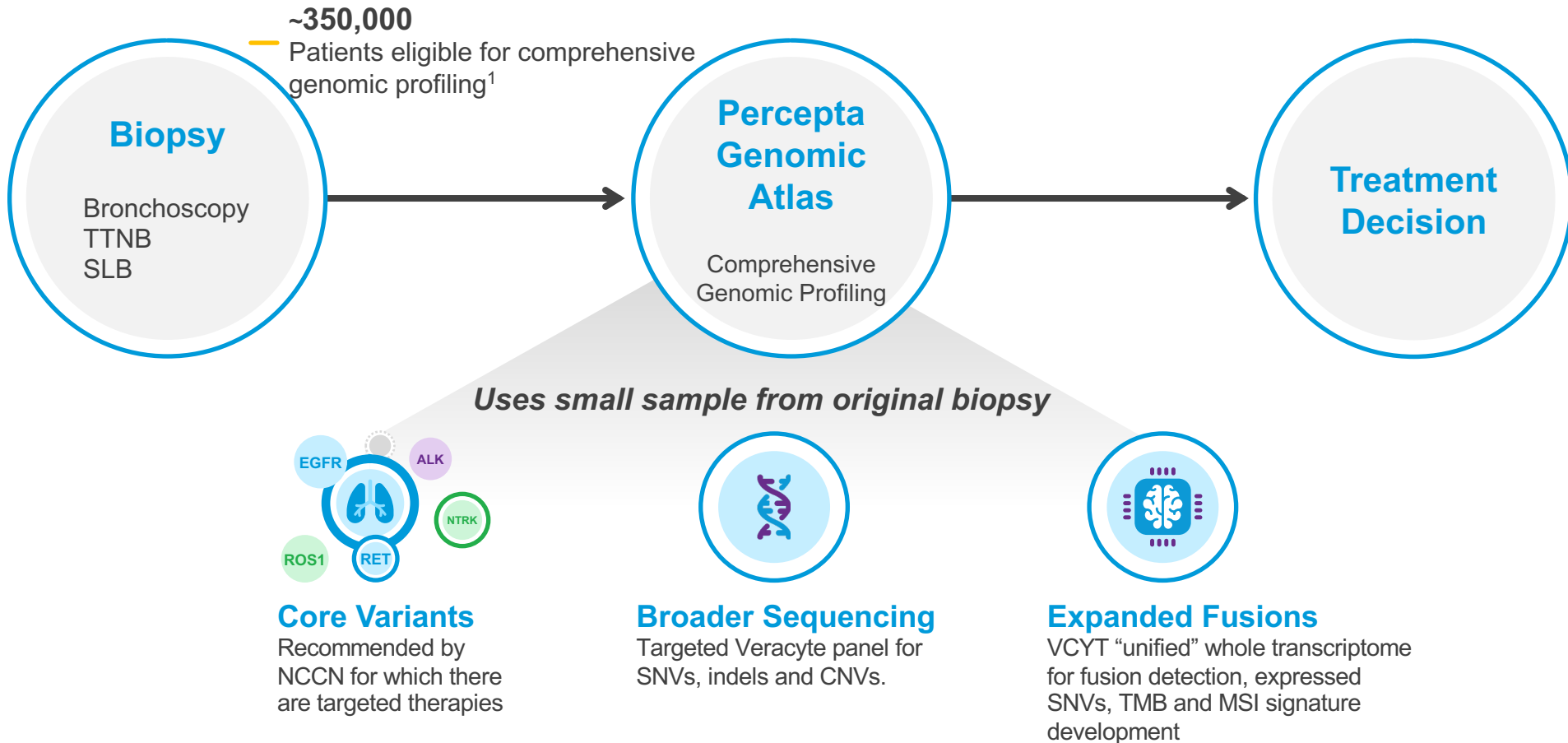
Patients with **screen detected or incidental lung nodules** referred to pulmonologist for evaluation



<sup>1</sup> Clinical validation data to be presented at 2021 ASCO Annual Meeting

## Percepta Genomic Atlas

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

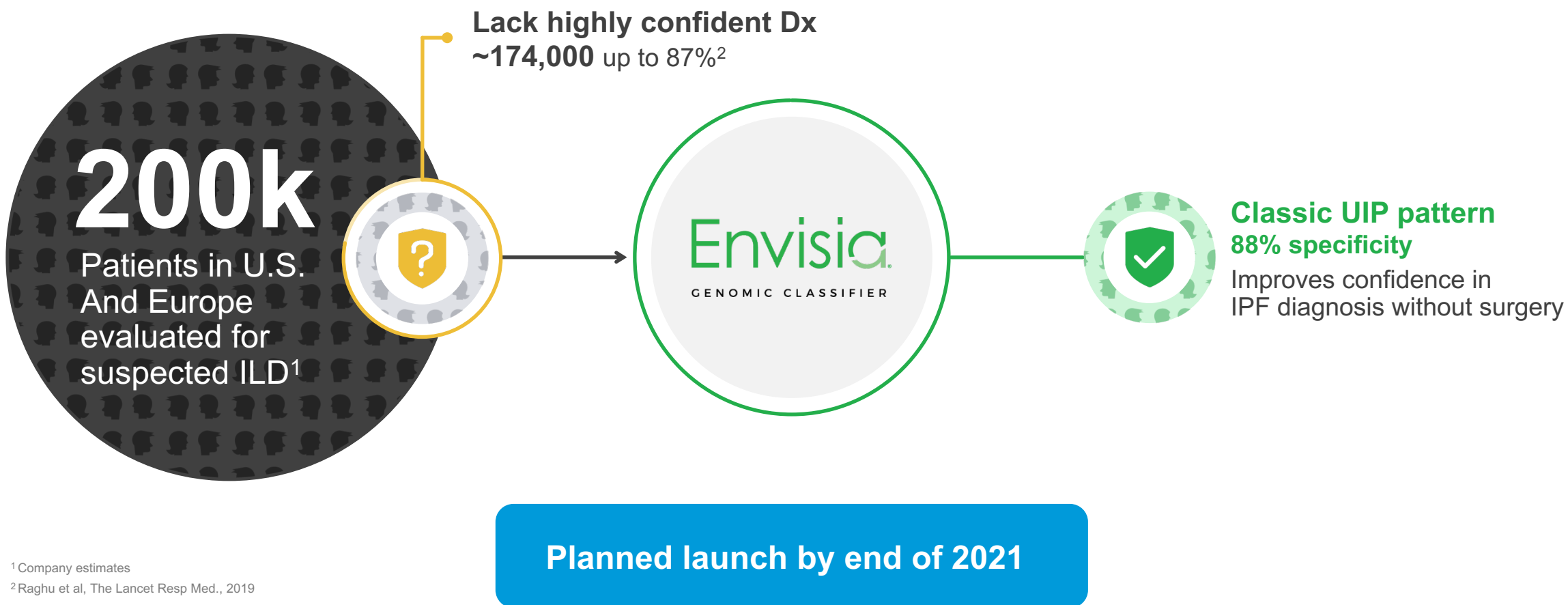


<sup>1</sup> SEER data, cancer.gov  
TTNB: transthoracic needle biopsy  
SLB: surgical lung biopsy  
NCCN: National Comprehensive Cancer Network

**Planned launch 2H 2021**

## Idiopathic Pulmonary Fibrosis (IPF)

Accelerating diagnosis to get patients life-extending treatment faster





## Decipher Bladder Cancer Opportunity

Anticipated to be one of the first genomic tests for localized Bladder Cancer

Attractive Market	Clinical Decision Points	Decipher Subtyping Value
<b>\$320M*</b> Revenue Opportunity  80,000 cases diagnosed annually  No current competition for treatment prediction & upstaging	<b>Chemotherapy Decision Point</b> Guidelines recommend neoadjuvant chemotherapy but poor patient response & severe toxicity	Decipher has shown predictive utility for patient response to neoadjuvant chemotherapy
	<b>Surgery Decision Point</b> Which patients are at greatest risk for upstaging at radical cystectomy, bladder removal?	Decipher has shown predictive risk of upstaging tumor at surgery
	<b>Immunotherapy Decision Point</b> Which patients will benefit? Standard biomarkers (PD-L1 & Tumor Burden) don't predict response	Decipher has shown predictive utility for Keytruda® response

**Now  
Medicare-  
Covered**

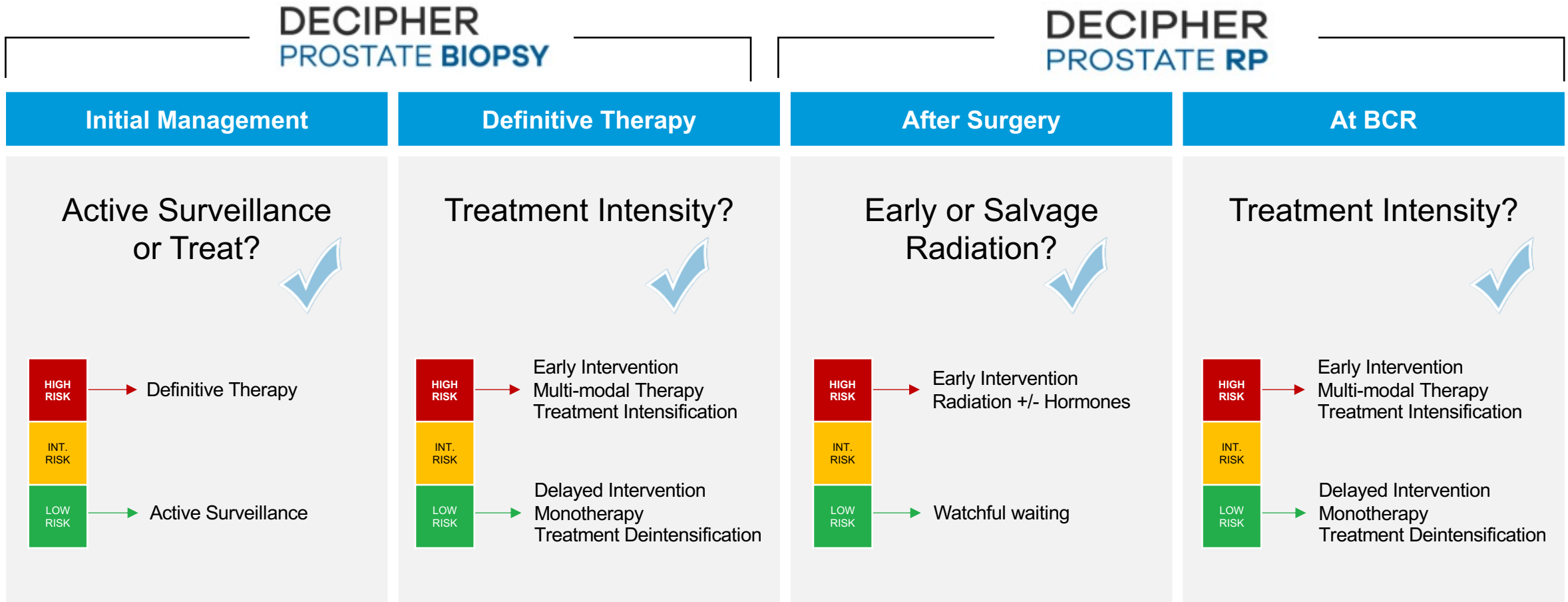
PD-L1 – predictive biomarker for immunotherapy treatment

Keytruda®= Immunotherapy drug

\* = Annual Incidence, assumes \$4K/test, current CMS rate for prostate

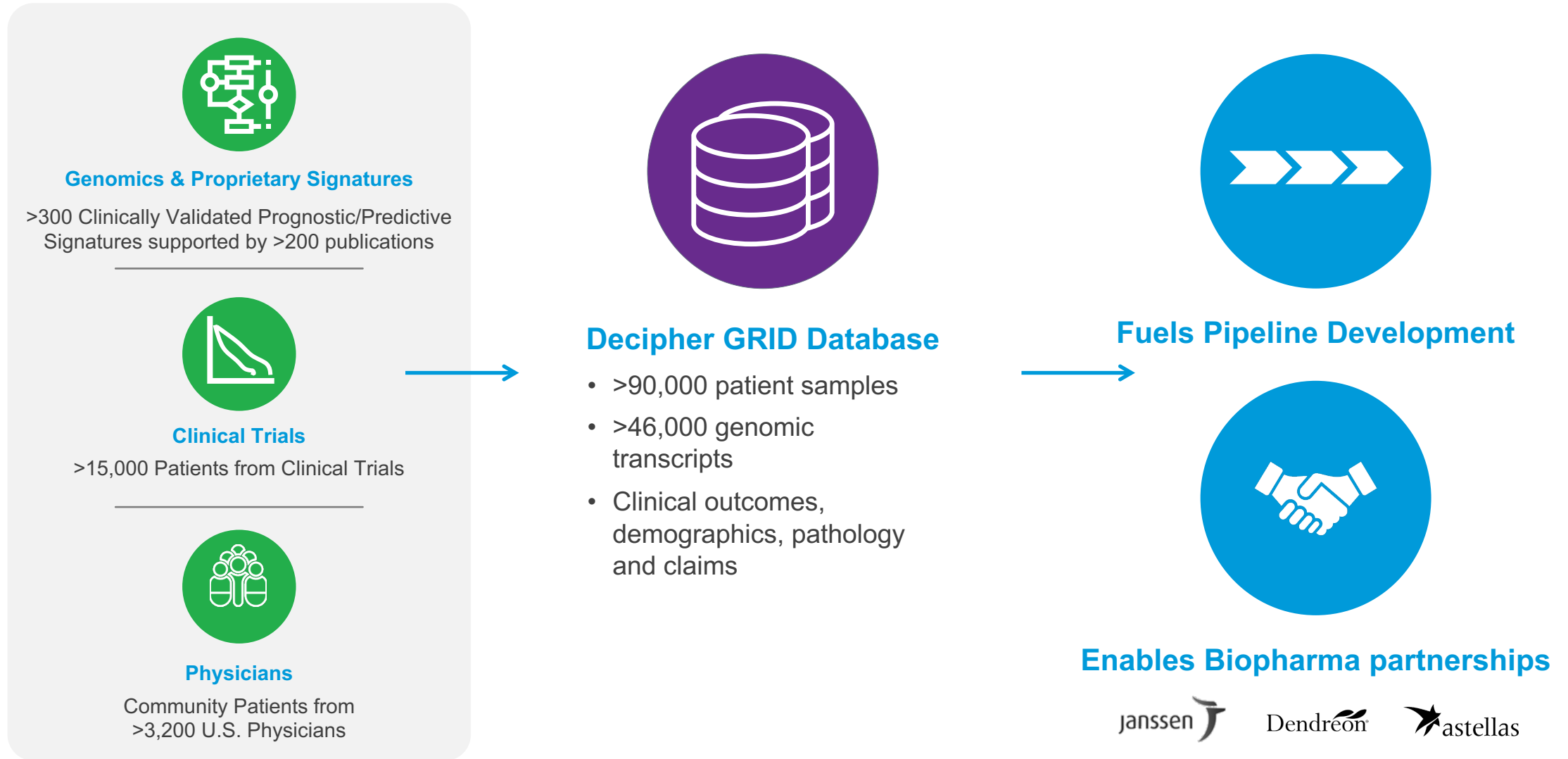
## Decipher in prostate cancer

Enables physicians to personalize treatment across localized disease



## Decipher GRID

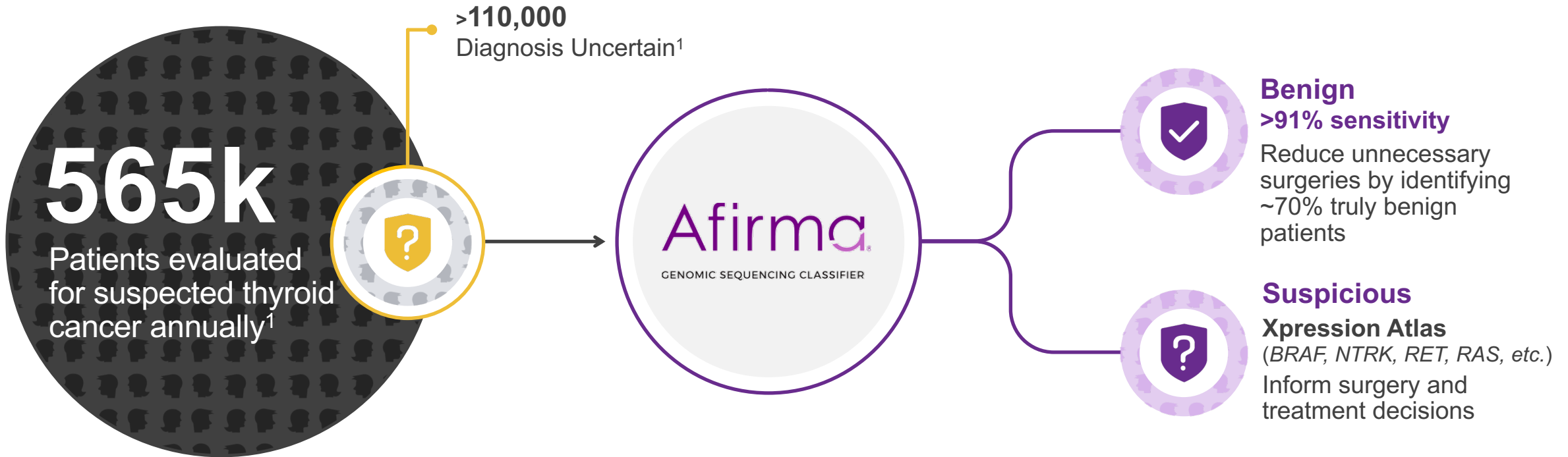
Comprehensive urologic cancer biorepository to drive further value





## Thyroid Cancer

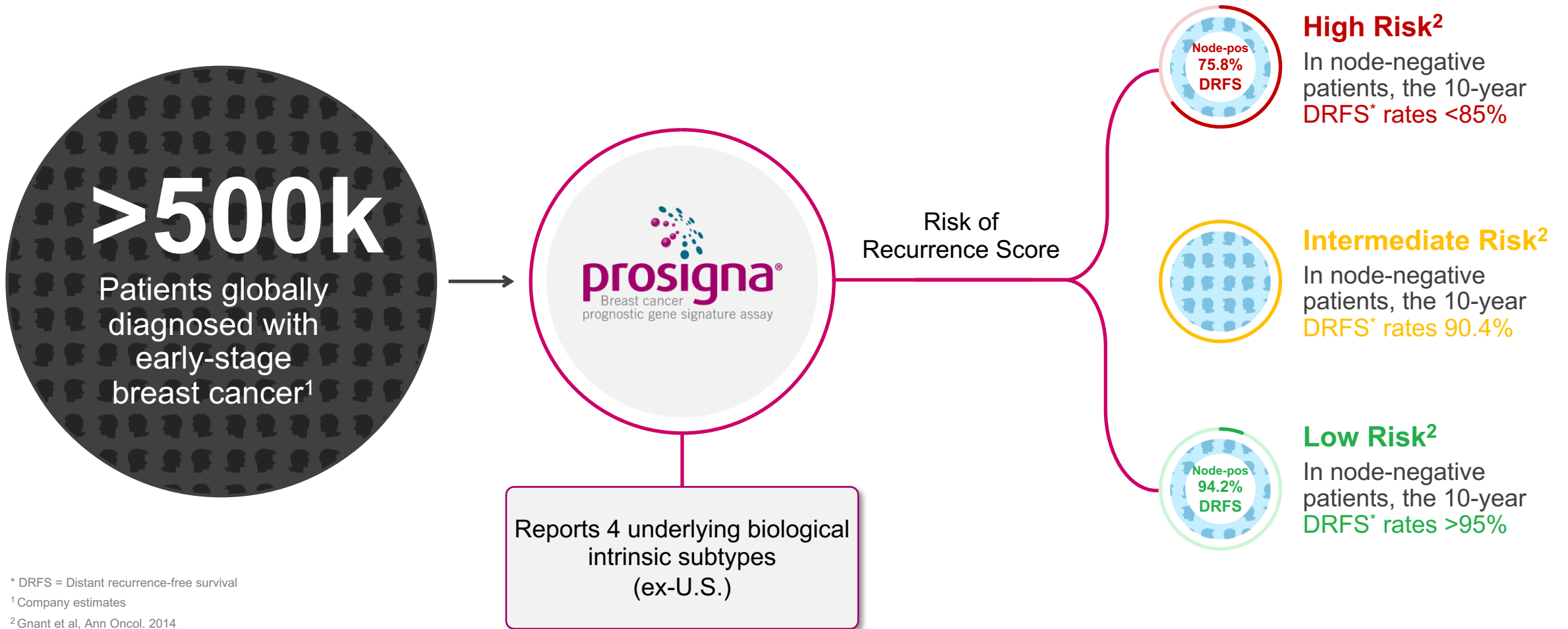
Helps patients avoid unnecessary surgeries and enables faster treatment



<sup>1</sup> Company estimates

## Breast Cancer

# Inform next steps for patients with early-stage breast cancer





**Accelerating revenue growth in 2021 and beyond**

# Provides European manufacturing and operations

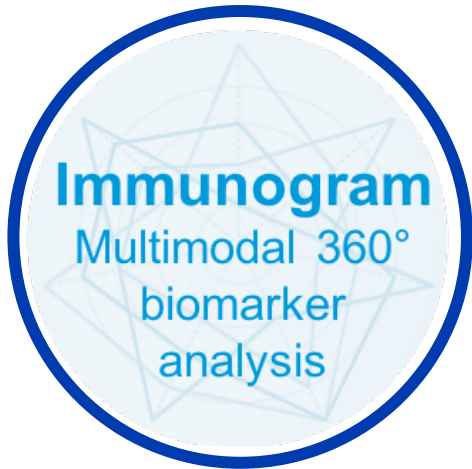
End-to-end ability to control our distributed test business



A	B	C	D	E	Total
1,383 m <sup>2</sup>	429 m <sup>2</sup>	502 m <sup>2</sup>	147 m <sup>2</sup>	180 m <sup>2</sup>	2,935 m <sup>2</sup>

- Supports global expansion of distributed-testing and enables us to prioritize adding new tests to the nCounter system
  - Envisia (adapted to nCounter by end of 2021)
  - Percepta Nasal Swab (development in 2022 with anticipated commercial launch in 2023)
  - Decipher: opportunities to add prostate and bladder cancer tests
  - Additional menu development
- Provides physical footprint to manufacture test kits for the nCounter platform
- Quality and regulatory infrastructure to support global business
- Transitioning manufacturing of our test kits to HalioDx is expected to be accretive to our gross margins, particularly as we continue to grow the nCounter installed base and test menu

# Extends our scientific capabilities to immuno-oncology

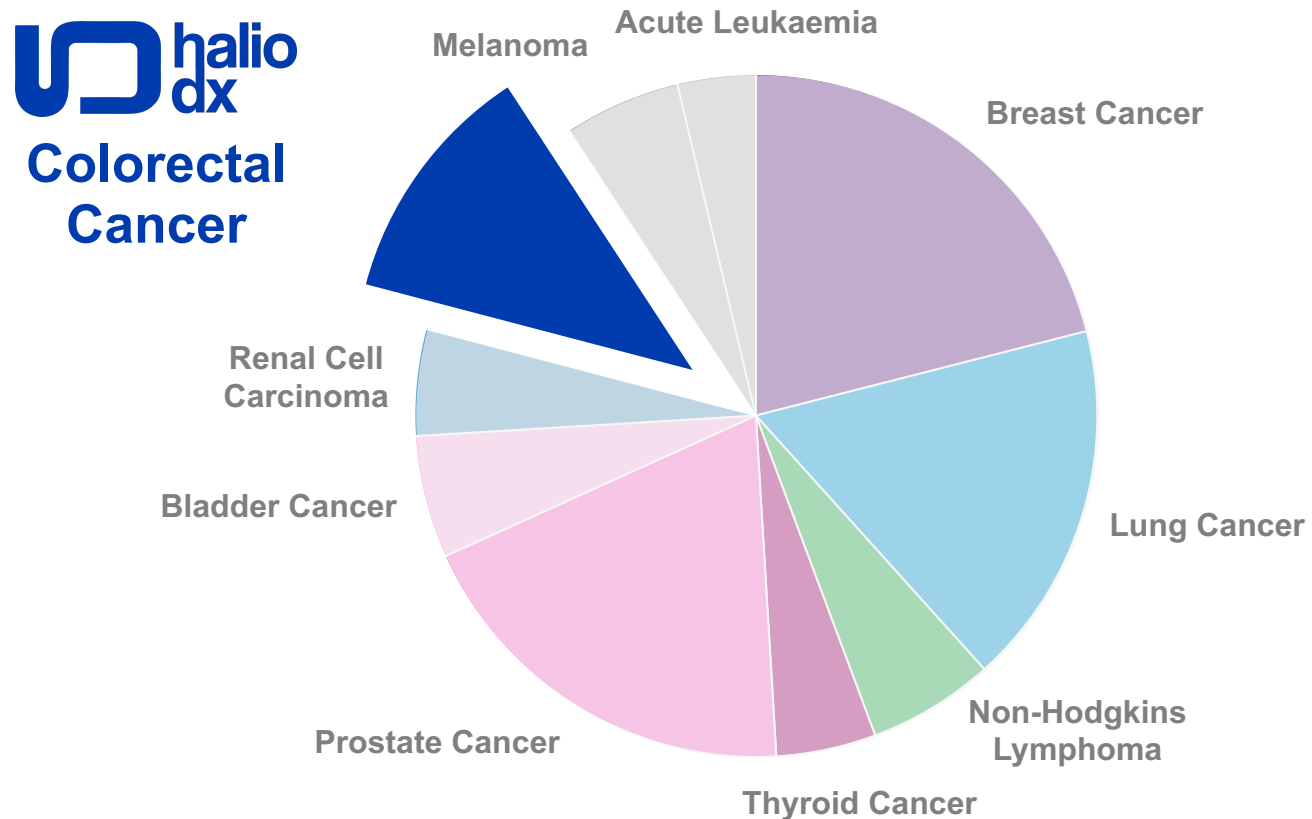


- Complementary immuno-oncology biomarker analysis technology supports our vision of answering important clinical questions along the patient-care continuum
  - Potential to help further inform patient care – from treatment decisions to risk for recurrence – and help improve outcomes
- Halio's Immunogram multimodal analysis platform can help biopharma partners understand and predict patient response to immunotherapy; anticipated to fuel biopharma services business
- Proven technology with significant clinical evidence



## HalioDx – Menu Expansion

# Expands Veracyte's market into colorectal cancer



**With HalioDx, we would address 8 of top 10 cancers\***

\* U.S. incidence  
Source: Evaluate Pharma Forecasts  
Note: Incidence based on US population in 2022.

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## Acquisition consideration for HalioDx

**Total Consideration: €260 million**

**~60% Cash**

**+**

**~40% Equity**

# Numerous catalysts to drive 2021 momentum

	Product Launches	Reimbursement Expansion	Key Evidence Development
LUNG CANCER	<ul style="list-style-type: none"> <li>✓ Nasal Swab</li> <li>✓ Percepta Genomic Atlas</li> </ul>	<ul style="list-style-type: none"> <li>✓ Percepta GSC commercial coverage</li> </ul>	<ul style="list-style-type: none"> <li>✓ Nasal swab                             <ul style="list-style-type: none"> <li>• Clinical validation</li> <li>• Analytical verification</li> </ul> </li> <li>✓ Percepta Genomic Atlas                             <ul style="list-style-type: none"> <li>• Analytical verification</li> </ul> </li> </ul>
ILD/IPF	<ul style="list-style-type: none"> <li>✓ Envisia Classifier nCounter</li> </ul>	<ul style="list-style-type: none"> <li>✓ Envisia commercial coverage</li> </ul>	<ul style="list-style-type: none"> <li>✓ Envisia nCounter                             <ul style="list-style-type: none"> <li>• Analytical verification</li> </ul> </li> </ul>
BREAST CANCER		<ul style="list-style-type: none"> <li>✓ International coverage expansion</li> </ul>	
THYROID CANCER		<ul style="list-style-type: none"> <li>✓ Afirma XA and MTC</li> </ul>	
PROSTATE CANCER		<ul style="list-style-type: none"> <li>✓ Decipher Prostate expanded Medicare indications</li> </ul>	
BLADDER CANCER	<ul style="list-style-type: none"> <li>✓ Decipher Bladder (commercial expansion)</li> </ul>	<ul style="list-style-type: none"> <li>✓ Final Medicare LCD</li> </ul>	

# Attractive financial profile



## Accelerating Revenue Growth

Momentum illustrated by post-COVID recovery  
Guidance: \$190M-\$200M in 2021 revenue (~65% total revenue growth, at midpoint of the range)



## Attractive “Gross Margin”

Decipher expected to be gross margin accretive  
Veracyte generated 66% gross margin for 1Q 2021



## Selling and Marketing Leverage

Accountability through General Manager structure: urology cancers; pulmonology; and endocrinology & breast cancer



## Strong Balance Sheet

No debt  
~\$324M cash as of March 31, 2021





## Strong Global Leadership

# Experienced team with track record of success



**Marc Stapley**  
Chief Executive Officer



**Bonnie Anderson**  
Executive  
Chairwoman



**Giulia C. Kennedy, Ph.D.**  
Chief Scientific Officer and Chief  
Medical Officer



**Tina Nova, Ph.D.**  
General Manager,  
Thyroid & Urologic Cancers



**Morten Frost**  
General Manager,  
Pulmonology & Breast Cancer



**Vincent Fert**  
CEO, HalioDx\*

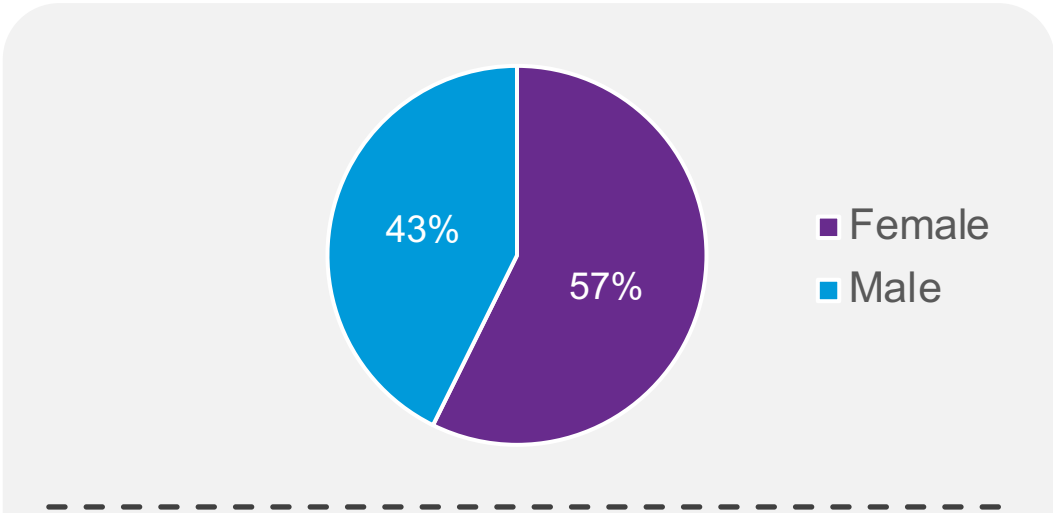
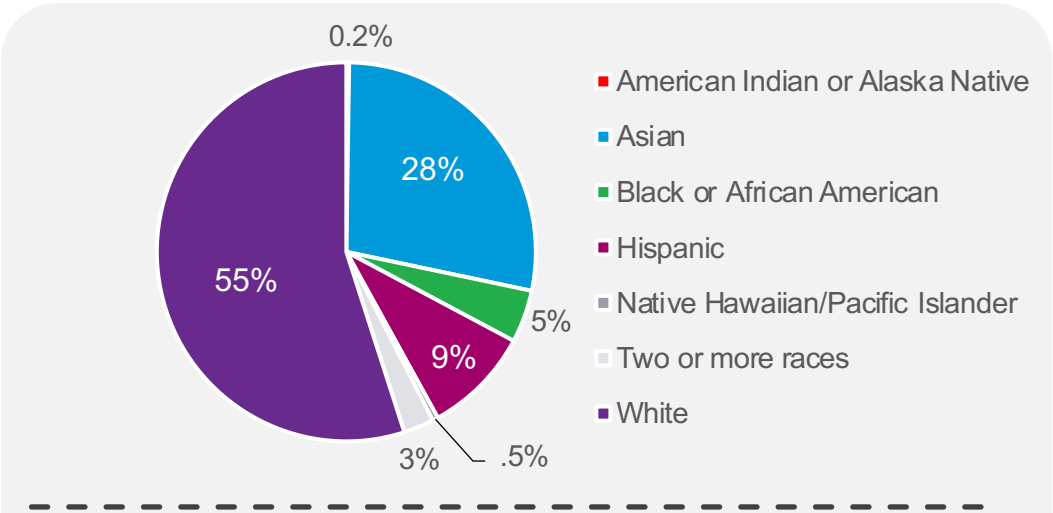


# Our diversity contributes to our success

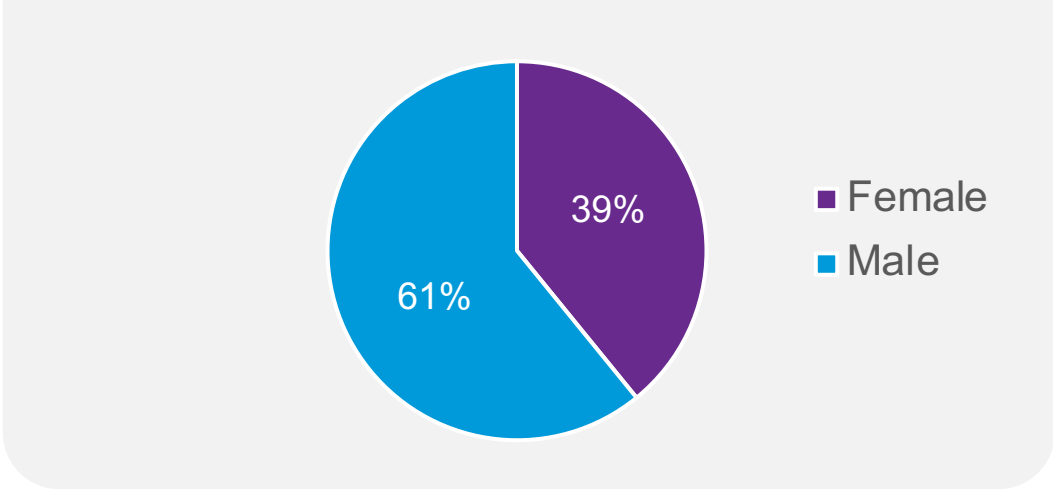
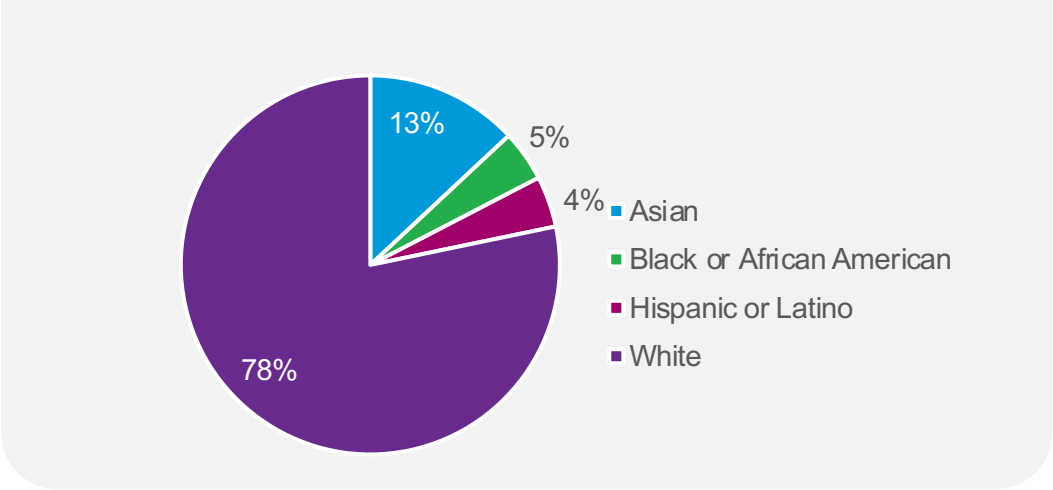
Race

Gender

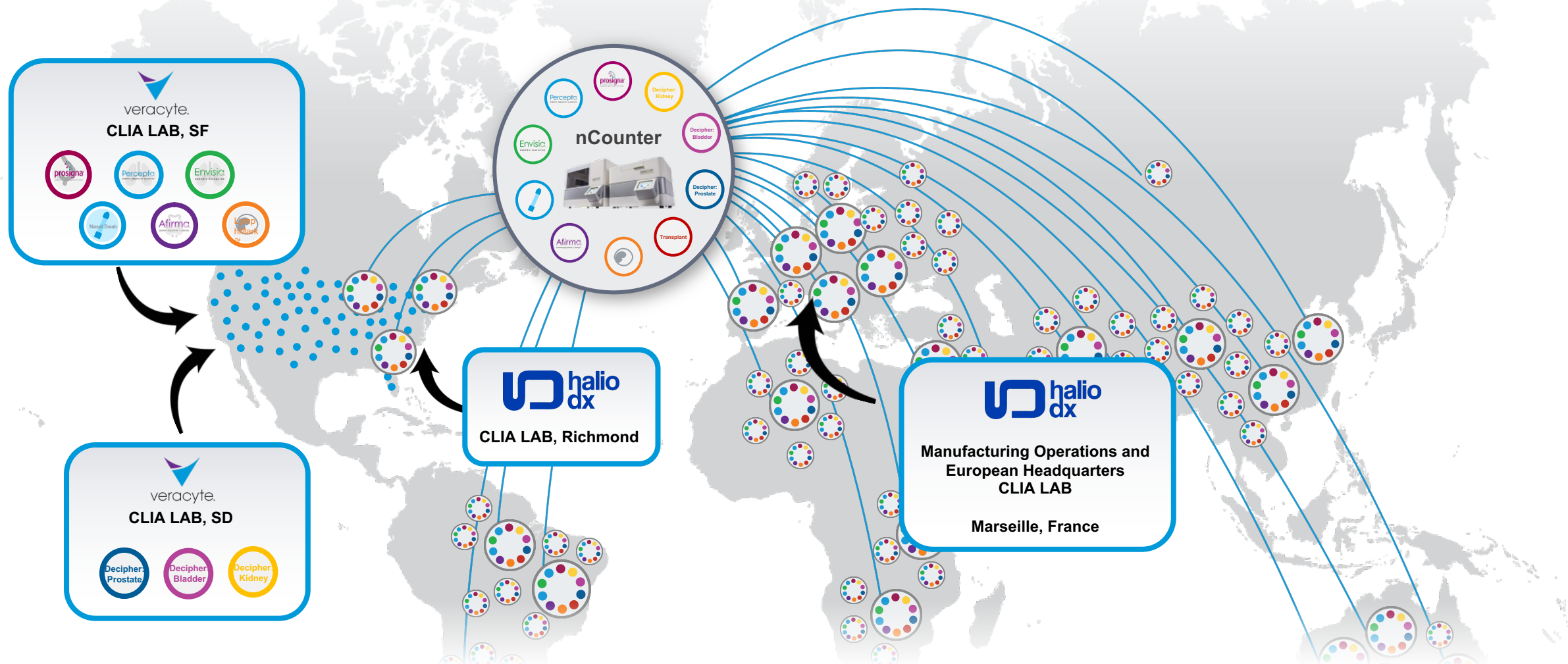
All Employees



VP Level and Above



# Solidifies global leadership in cancer diagnostics



**~\$50 BILLION** LONG-TERM GLOBAL TAM

