



Q2 2024 Business and Financial Presentation

August 6, 2024



Forward-looking statements and non-GAAP information

This presentation contains forward-looking statements, including, but not limited to our statements related to our plans, objectives, and expectations (financial and otherwise), including with respect to 2024 financial and operating results; and our intentions with respect to our tests and products, for use in diagnosing and treating diseases, in and outside of the United States. Forward-looking statements can be identified by words such as: “appears,” “anticipate,” “intend,” “plan,” “expect,” “believe,” “should,” “may,” “will,” “enable,” “positioned,” “offers,” “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; our ability to execute on our business strategies relating to the C2i Genomics acquisition, integration of the business and realization of expected benefits and synergies; our ability to demonstrate the validity and utility of our genomic tests and biopharma and other offerings; our ability to continue executing on our business plan; our ability to continue to scale our global operations and enhance our internal control environment; the impact of the war in Ukraine, and other regional conflicts, on European economies and energy supply, as well as our facilities in France; the impact of foreign currency fluctuations, increasing interest rates, inflation, the U.S. election and turmoil in the global banking and finance system; the ongoing conflict in the Middle East 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 29, 2024, and our Quarterly Report on Form 10-Q filed for the three months ended June 30, 2024 to be filed on August 7, 2024, as well as in other documents that we may file from time to time with the Securities and Exchange Commission. Copies of these documents, when available, may be found in the Investors section of our website at 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, adjusted EBITDA and non-GAAP earnings per share (EPS). These non-GAAP financial 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 financial 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 financial 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, HaliuDx and C2i Genomics, impairment charges associated with the nCounter license and other biopharmaceutical services related to HaliuDx intangible assets, stock-based compensation and costs related to restructuring from certain of our non-GAAP measures. Beginning in the second quarter of 2024, we changed our non-GAAP policy to exclude all stock-based compensation to align with our peers and we have also excluded all stock-based compensation from our prior-period non-GAAP financial measures. Management has excluded the effects of these items in non-GAAP financial 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.

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Key Q2 2024 results and FY 2024 outlook

1. **Record sequential growth** of tests with revenue of \$114.4M driven by Decipher Prostate and Afirma
2. **Achieved record test volumes** across both Decipher Prostate and Afirma
3. **Delivered \$5.7M in net income** for the quarter and **notable adjusted EBITDA** of \$24.0M or 21% of revenue¹
4. **Generated \$26.7 million of cash** during the second quarter
5. **Significantly raised 2024 revenue guidance** to \$432M to \$438M and 2024 year-end cash² guidance to \$260M to \$270M³

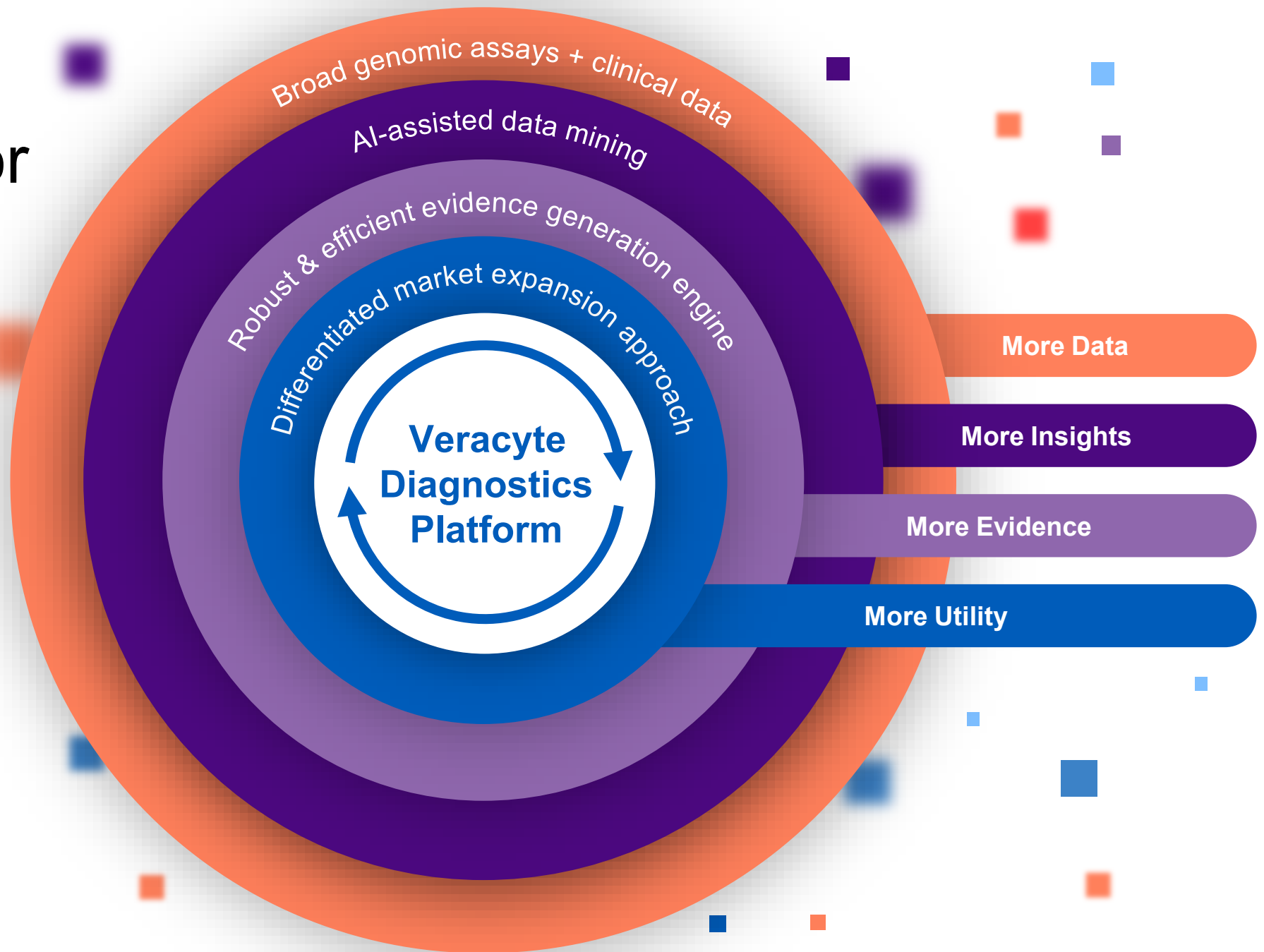
1. Non-GAAP reconciliations available in the appendix of this presentation
2. Includes cash, cash equivalents and short-term investments
3. Guidance as of August 6, 2024 only; assumes currency exchange rates as of August 6, 2024



Our vision is to
transform cancer
care for patients
all over the world

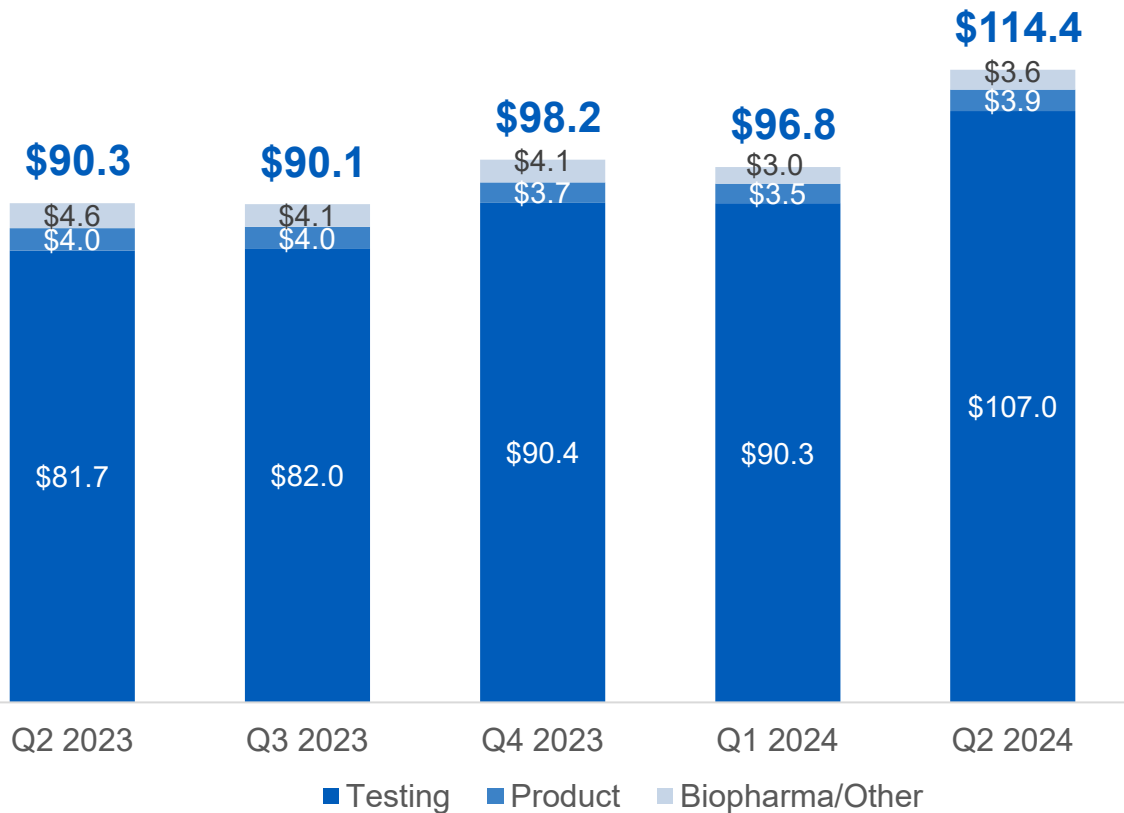


A novel platform for growth

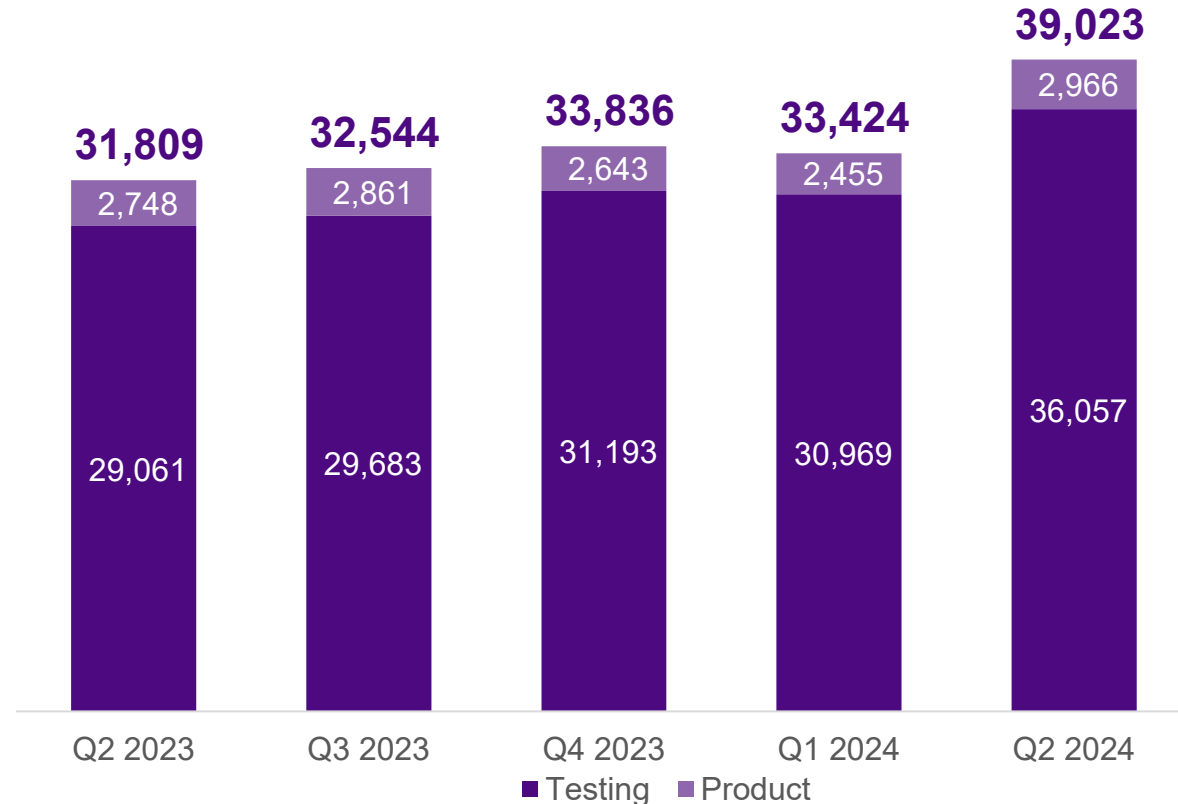


Delivered Q2 total revenue growth of 27%

Total Revenue by Quarter¹

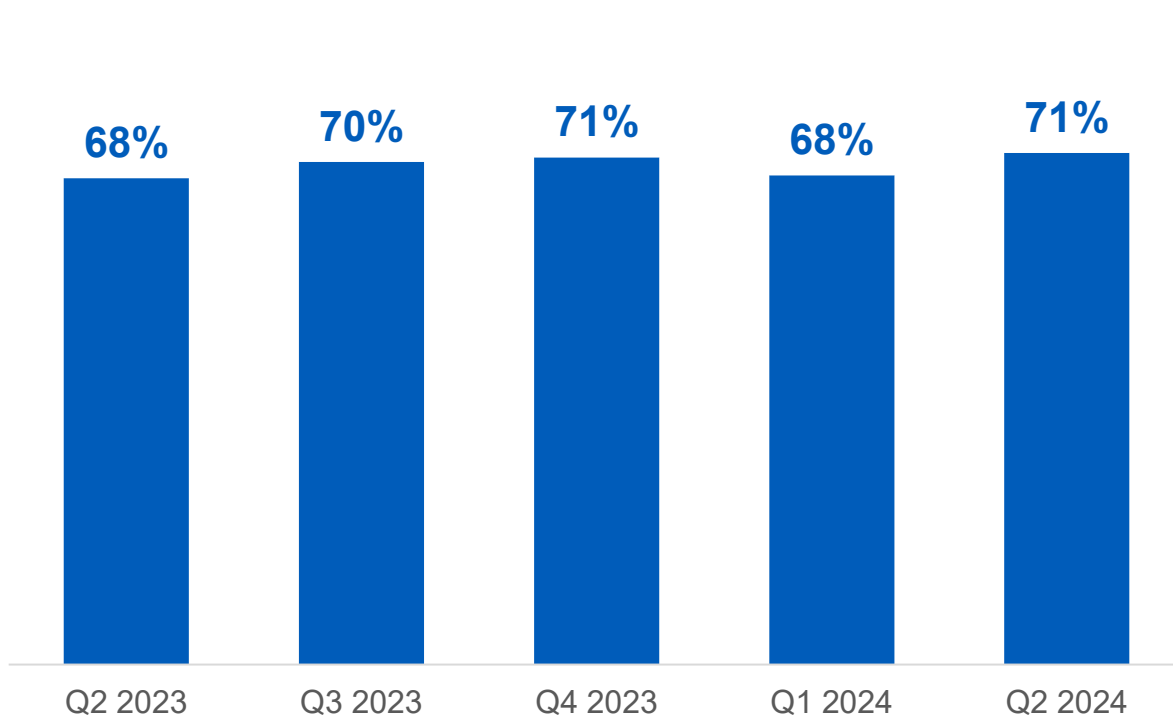


Total Volume by Quarter

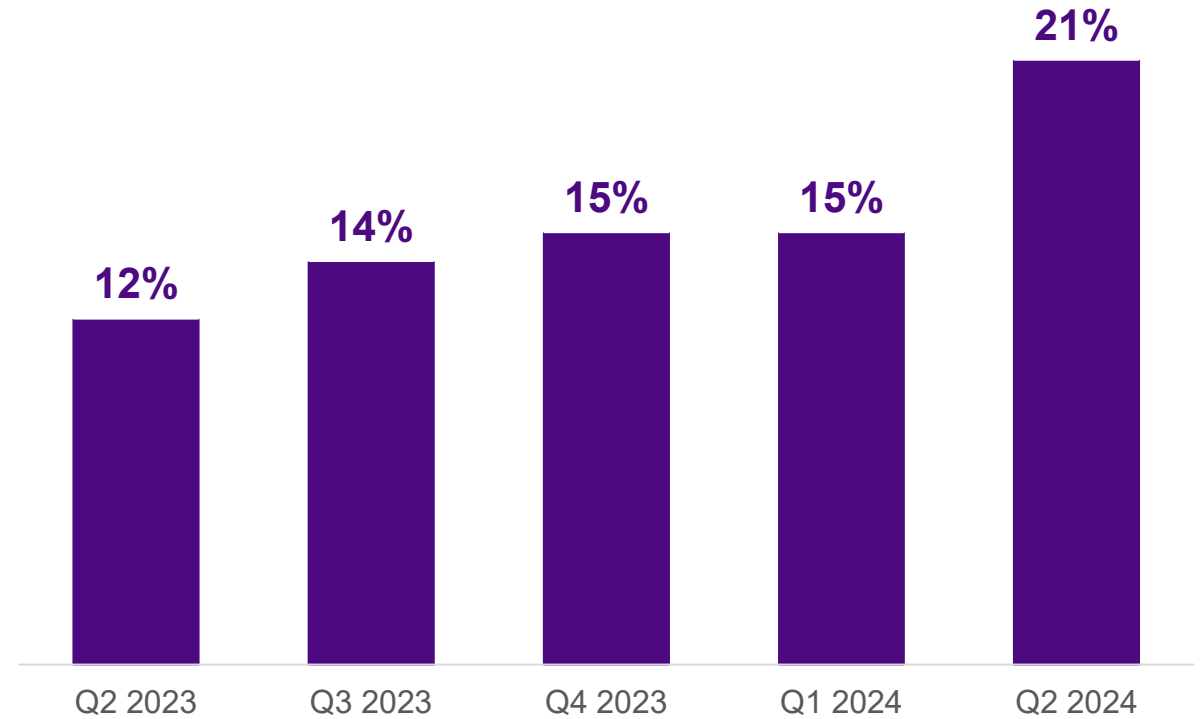


Proven profitability profile

Non-GAAP Gross Margin by Quarter¹



Adjusted EBITDA Margin by Quarter¹

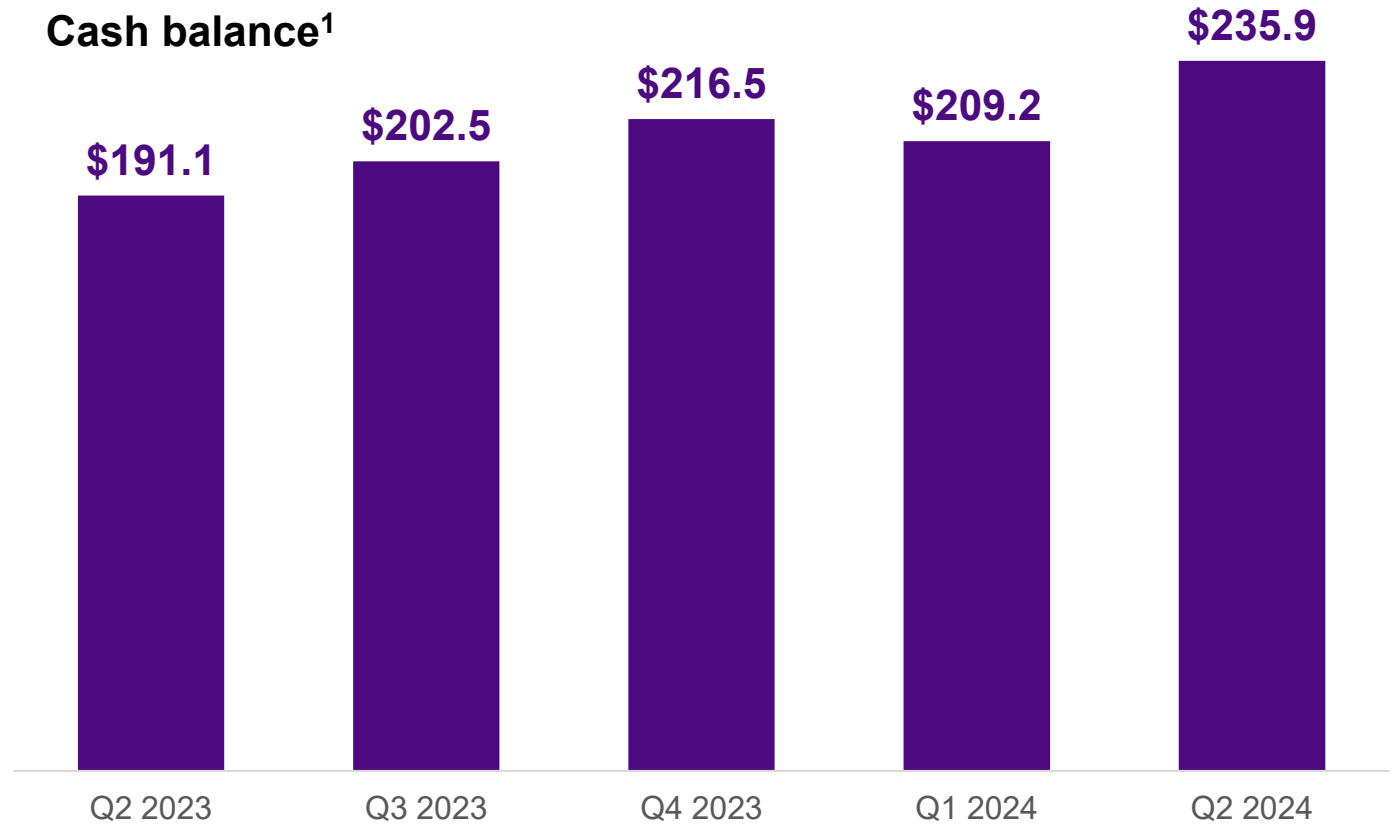


1. Non-GAAP reconciliations available in the appendix of this presentation

Q2 2024 CASH BALANCE

Cash balance of \$235.9M¹

- Q2 cash provided by operations of \$29.6M
- 2024 outlook:
 - Ending 2024 cash balance of \$260M to \$270M²

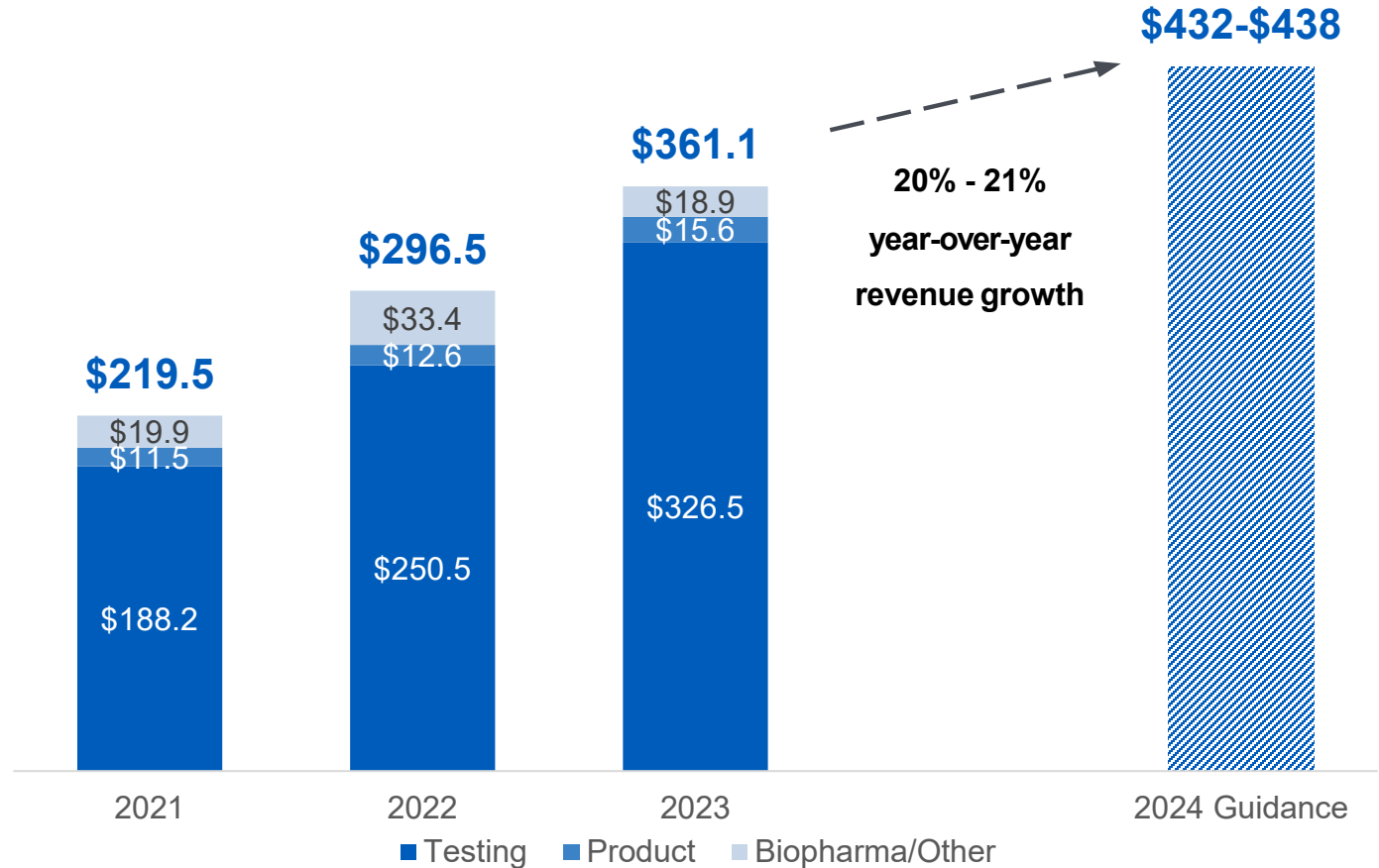


1. Ending balance of cash, cash equivalents and short-term investments, excluding restricted cash, in millions, as of June 30, 2024

2. Guidance as of August 6, 2024 only; assumes currency exchange rates as of August 6, 2024

2024 revenue guidance of \$432M to \$438M

- Expect year-over-year testing revenue growth of ~25% (previously 15% to 18%)
- Increasing full year guidance by \$29M due to year-to-date results and higher testing forecast



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

2. Guidance and currency rates are as of August 6, 2024; guidance inclusion after August 6, 2024 here should not be considered a reiteration of guidance

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Reconciliation of Non-GAAP Gross Margin

(Unaudited)
(In thousands of dollars)

Three Months Ended	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
GAAP Gross Profit	\$ 51,389	\$ 55,820	\$ 57,687	\$ 64,788	\$ 62,468	\$ 77,913
GAAP Gross Margin	62 %	62 %	64 %	66 %	65 %	68 %
Amortization of intangible assets	4,804	4,814	4,811	4,035	2,915	2,909
Stock-based compensation expense	386	497	502	472	487	604
Acquisition related expenses (1)	74	-	-	-	60	-
Other adjustments (2)	-	-	-	-	6	-
Non-GAAP Gross Profit	\$ 56,654	\$ 61,131	\$ 63,000	\$ 69,295	\$ 65,936	\$ 81,426
Non-GAAP Gross Margin	69 %	68 %	70 %	71 %	68 %	71 %

1. Includes transaction-related expenses as well as post-combination compensation expenses. For the three months ended Mar 31, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics. For the three months ended Mar 31, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HalioDx.
2. For the three months ended Mar 31, 2024, adjustments include expense related to restructuring costs associated with portfolio prioritization.
3. Some figures rounded for reporting purposes. Summed quarters may differ slightly from year-to-date figures presented due to rounding.

Reconciliation of Non-GAAP Operating Expenses

(Unaudited)
(In thousands of dollars)

Three Months Ended	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
GAAP research and development	\$ 12,769	\$ 12,541	\$ 13,322	\$ 18,673	\$ 15,965	\$ 16,465
Stock-based compensation expense	(1,256)	(1,439)	(1,135)	(1,495)	(1,763)	(1,895)
Acquisition related expenses (1)	-	-	-	-	(420)	23
Other adjustments (2)	-	-	-	-	(278)	2
Non-GAAP research and development	\$ 11,513	\$ 11,102	\$ 12,187	\$ 17,178	\$ 13,504	\$ 14,595
GAAP sales and marketing	\$ 26,130	\$ 25,756	\$ 24,344	\$ 25,260	\$ 23,782	\$ 24,216
Stock-based compensation expense	(2,112)	(2,494)	(2,521)	(2,498)	(1,093)	(2,142)
Acquisition related expenses (1)	(590)	(567)	(209)	-	(124)	-
Other adjustments (2)	-	-	-	-	(900)	(194)
Non-GAAP sales and marketing	\$ 23,428	\$ 22,695	\$ 21,614	\$ 22,762	\$ 21,665	\$ 21,880
GAAP general and administrative	\$ 21,053	\$ 25,047	\$ 16,334	\$ 23,795	\$ 26,210	\$ 31,745
Stock-based compensation expense	(4,347)	(6,019)	(3,174)	(3,142)	(4,676)	(5,213)
Acquisition related expenses (1)	(491)	(1,134)	4,790	(2,718)	(3,469)	(1,116)
Other adjustments (2)	66	-	-	-	(266)	(2,854)
Non-GAAP general and administrative	\$ 16,281	\$ 17,894	\$ 17,950	\$ 17,935	\$ 17,799	\$ 22,562
GAAP total operating expenses	\$ 61,887	\$ 63,871	\$ 89,426	\$ 100,295	\$ 67,124	\$ 73,307
Amortization of intangible assets	(525)	(527)	(526)	(528)	(738)	(881)
Stock-based compensation expense	(7,715)	(9,952)	(6,830)	(7,135)	(7,532)	(9,250)
Acquisition related expenses (1)	(1,081)	(1,701)	4,581	(2,718)	(4,442)	(1,093)
Other adjustments (2)	(1,344)	-	(34,900)	(32,039)	(1,444)	(3,046)
Non-GAAP total operating expenses	\$ 51,222	\$ 51,691	\$ 51,751	\$ 57,875	\$ 52,968	\$ 59,037

1. Includes transaction-related expenses as well as post-combination compensation expenses. For the three months ended June 30, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics (\$1.0 million) and adjustments relating to the remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy (\$0.1 million). For the three months ended Mar 31, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics. For the three months ended Dec 31, 2023, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics (\$2.6 million) and remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy (\$0.1 million). For the three months ended Sep 30, 2023, adjustments consist primarily of remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy and post-combination compensation expenses associated with the acquisition of HalioDx. For the three months ended June 30, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HalioDx. For the three months ended Mar 31, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HalioDx.
2. For the three months ended June 30, 2024, adjustments primarily include expense related to restructuring costs associated with a reduction in our Biopharmaceutical and Other segment (\$2.9 million) and expense related to restructuring costs associated with portfolio prioritization including the reduction in Envisia commercial support (\$0.2 million). For the three months ended Mar 31, 2024, adjustment includes \$1.4 million expense related to restructuring costs associated with portfolio prioritization including the reduction in Envisia commercial support. For the three months ended Dec 31, 2023, adjustment includes \$32.0 million expense related to the impairment charge associated with HalioDx developed technology, customer relationships and customer backlog finite-lived intangible assets. For the three months ended Sep 30, 2023, adjustment includes \$34.9 million related to nCounter license impairment related to the company's decision to move to a multi-platform strategy for its IVD tests. For the three months ended Mar 31, 2023, includes \$1.3 million related to impairment charges.
3. Some figures rounded for reporting purposes. Summed quarters may differ slightly from year-to-date figures presented due to rounding.

Reconciliation of Adjusted EBITDA

(Unaudited)
(In thousands of dollars)

Three Months Ended	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
GAAP Net Income (Loss)	\$ (8,091)	\$ (8,402)	\$ (29,618)	\$ (28,293)	\$ (1,864)	\$ 5,734
Amortization of intangible assets	5,329	5,341	5,337	4,563	3,653	3,790
Depreciation expense	1,341	1,518	1,985	1,773	1,937	1,948
Stock-based compensation expense	8,101	10,449	7,332	7,607	8,019	9,854
Acquisition related expenses (1)	1,155	1,701	(4,581)	2,718	4,502	1,093
Other expense (income), net (2)	(2,190)	287	(2,620)	(3,399)	(3,262)	(3,052)
Other adjustments (3)	1,344	-	34,900	32,039	1,450	3,046
Income tax expense (benefit)	-	125	(154)	(2,179)	(44)	1,627
Adjusted EBITDA	\$ 6,989	\$ 11,019	\$ 12,581	\$ 14,829	\$ 14,391	\$ 24,040

1. Includes transaction-related expenses as well as post-combination compensation expenses. For the three months ended June 30, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics (\$1.0 million) and adjustments relating to the remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy (\$0.1 million). For the three months ended Mar 31, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics. For the three months ended Dec 31, 2023, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics (\$2.6 million) and remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy (\$0.1 million). For the three months ended Sep 30, 2023, adjustments consist primarily of remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy and post-combination compensation expenses associated with the acquisition of HalioDx. For the three months ended June 30, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HalioDx. For the three months ended Mar 31, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HalioDx.
2. Includes interest income and income related to research tax credits.
3. For the three months ended June 30, 2024, adjustments primarily include expense related to restructuring costs associated with a reduction in our Biopharmaceutical and Other segment (\$2.9 million) and expense related to restructuring costs associated with portfolio prioritization including the reduction in Envisia commercial support (\$0.2 million). For the three months ended Mar 31, 2024, adjustment includes \$1.4 million expense related to restructuring costs associated with portfolio prioritization including the reduction in Envisia commercial support. For the three months ended Dec 31, 2023, adjustment includes \$32.0 million expense related to the impairment charge associated with HalioDx developed technology, customer relationships and customer backlog finite-lived intangible assets. For the three months ended Sep 30, 2023, adjustment includes \$34.9 million related to nCounter license impairment related to the company's decision to move to a multi-platform strategy for its IVD tests. For the three months ended Mar 31, 2023, includes \$1.3 million related to impairment charges.
4. Some figures rounded for reporting purposes. Summed quarters may differ slightly from year-to-date figures presented due to rounding.

Reconciliation of Non-GAAP Net Income and EPS

(Unaudited)
(In thousands of dollars)

Three Months Ended	Mar 31, 2023	Jun 30, 2023	Sep 30, 2023	Dec 31, 2023	Mar 31, 2024	Jun 30, 2024
GAAP Net Income (Loss)	\$ (8,091)	\$ (8,402)	\$ (29,618)	\$ (28,293)	\$ (1,864)	\$ 5,734
Amortization of intangible assets	5,329	5,341	5,337	4,563	3,653	3,790
Stock-based compensation expense	8,101	10,449	7,332	7,607	8,019	9,854
Acquisition related expenses (1)	1,155	1,701	(4,581)	2,718	4,502	1,093
Other adjustments (2)	1,344	-	34,900	32,039	1,450	3,046
Tax adjustments (3)	(576)	(551)	(1,124)	(3,387)	(1,132)	(114)
Non-GAAP Net Income	\$ 7,260	\$ 8,538	\$ 12,246	\$ 15,247	\$ 14,628	\$ 23,403
Diluted EPS, GAAP	\$ (0.11)	\$ (0.12)	\$ (0.41)	\$ (0.39)	\$ (0.02)	0.07
Amortization of intangible assets	0.07	0.07	0.07	0.06	0.05	0.05
Stock-based compensation expense	0.11	0.14	0.10	0.10	0.11	0.13
Acquisition related expenses (1)	0.02	0.02	(0.06)	0.04	0.06	0.01
Other adjustments (2)	0.02	-	0.48	0.44	0.02	0.04
Tax adjustments (3)	(0.01)	(0.01)	(0.02)	(0.05)	(0.02)	-
Rounding and impact of dilutive shares	-	0.02	0.01	0.01	(0.01)	-
Diluted EPS, non-GAAP	\$ 0.10	\$ 0.12	\$ 0.17	\$ 0.21	\$ 0.19	0.30
Diluted WASO, GAAP	72,175,457	72,478,662	72,804,770	73,107,059	74,759,789	77,163,149
Dilutive effect of equity awards (4)	1,337,316	1,221,721	1,326,143	1,117,195	1,117,286	-
Diluted WASO, non-GAAP	73,512,773	73,700,383	74,130,913	74,224,254	75,877,075	77,163,149

- Includes transaction-related expenses as well as post-combination compensation expenses. For the three months ended June 30, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics (\$1.0 million) and adjustments relating to the remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy (\$0.1 million). For the three months ended Mar 31, 2024, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics. For the three months ended Dec 31, 2023, adjustments consist primarily of transaction related expenses associated with the acquisition of C2i Genomics (\$2.6 million) and remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy (\$0.1 million). For the three months ended Sep 30, 2023, adjustments consist primarily of remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy and post-combination compensation expenses associated with the acquisition of HaliuDx. For the three months ended June 30, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HaliuDx. For the three months ended Mar 31, 2023, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.
- For the three months ended June 30, 2024, adjustments primarily include expense related to restructuring costs associated with a reduction in our Biopharmaceutical and Other segment (\$2.9 million) and expense related to restructuring costs associated with portfolio prioritization including the reduction in Envisia commercial support (\$0.2 million). For the three months ended Mar 31, 2024, adjustment includes \$1.4 million expense related to restructuring costs associated with portfolio prioritization including the reduction in Envisia commercial support. For the three months ended Dec 31, 2023, adjustment includes \$32.0 million expense related to the impairment charge associated with HaliuDx developed technology, customer relationships and customer backlog finite-lived intangible assets. For the three months ended Sep 30, 2023, adjustment includes \$34.9 million related to nCounter license impairment related to the company's decision to move to a multi-platform strategy for its IVD tests. For the three months ended Mar 31, 2023, includes \$1.3 million related to impairment charges.
- Incremental non-GAAP tax expense reflects the tax impact of the non-GAAP adjustments listed.
- In those periods in which GAAP net (loss) income is negative and Non-GAAP net (loss) income is positive, Non-GAAP diluted weighted average shares outstanding includes potentially dilutive common shares from equity awards as determined using the treasury stock method.
- Some figures rounded for reporting purposes. Summed quarters may differ slightly from year-to-date figures presented due to rounding or use of weighted-averages when calculating earnings per share.