



**Investor Day  
October 9, 2014**

# Forward-Looking Statements

Various remarks that we make in this presentation that are not historical, including those about our business strategy and goals, future plans and prospects, growth opportunities, drivers of our business, the size of potential addressable markets, international expansion plans, our pending acquisition of Allegro, 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: our limited operating history; our ability to increase usage of and reimbursement for Afirma and any future products we may develop or sell, including the lung cancer test acquired from Allegro Diagnostics; our dependence on a few payers for a significant portion of our revenue; risks associated with new laws and regulations, including regulation of our tests by the FDA; our ability to develop and commercialize new products and the timing of commercialization; the timing, results and applicability of clinical study results to actual outcomes; our ability to conserve cash and leverage existing infrastructure to develop additional products; our ability to commercialize the Allegro lung cancer test or our ability to launch other pulmonology products 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.

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# Introductions

Bonnie Anderson	President & Chief Executive Officer
Shelly Guyer	Chief Financial Officer
Chris Hall	Chief Operating Officer
Giulia C. Kennedy, PhD	Chief Scientific Officer
Andy Thorson	EVP, Corporate Strategy and BD
Richard Kloos, MD	Senior Medical Director, Endocrinology

Erik K. Alexander, MD	Brigham & Women's Hospital and Harvard Medical School
Anil Vachani, MD, MS	Perelman School of Medicine, University of Pennsylvania
Fernando J. Martinez, MD, MS	Weill Cornell Medical College

# Agenda

Presenter	Topic
Bonnie Anderson	Overview of Veracyte
Giulia C. Kennedy, PhD	Veracyte Research & Development
Erik K. Alexander, MD	State of the Art Care for Managing Patients with Thyroid Nodules
Anil Vachani, MD, MS	Clinical Unmet Need in Lung Cancer Detection
Fernando J. Martinez, MD, MS	The Current Approach to the Diagnosis of Interstitial Lung Disease
<b>Q&amp;A (All speakers)</b>	



# Accomplishments Since October 2013 IPO

- **Recent News: Two Commercial Payer Contracts** Executed and Effective by End of 2014
  - UnitedHealthcare
  - Cigna
- **>70% Revenue Growth** 1H 2014 over 1H 2013
- **Acceleration** into institutions and integrated delivery networks
- **Pathway to Profitability** provided with agreement to amend Genzyme agreement
- **Positive Recommendations in Practice Guidelines**
  - Preliminary American Thyroid Association (ATA) guidelines presented in June 2014
  - NCCN Guidelines updated in August 2014
- **Over 135 Million Lives** under positive medical coverage decisions
- **Launch of Afirma Malignancy Classifiers** in May 2014
- **Early Interstitial Lung Disease Data** Presented at American Thoracic Society International Conference in May 2014
- Acquisition of **Allegro Diagnostics** in September 2014 **Accelerate Entry into Pulmonology**



## **Molecular Cytology**

Improving Patient Outcomes and  
Reducing the Cost of Care

# Improving Outcomes and Reducing the Cost of Care

Too many patients undergo unnecessary and invasive procedures to resolve ambiguous diagnosis— costing the healthcare system billions of dollars



Our mission is to change that.

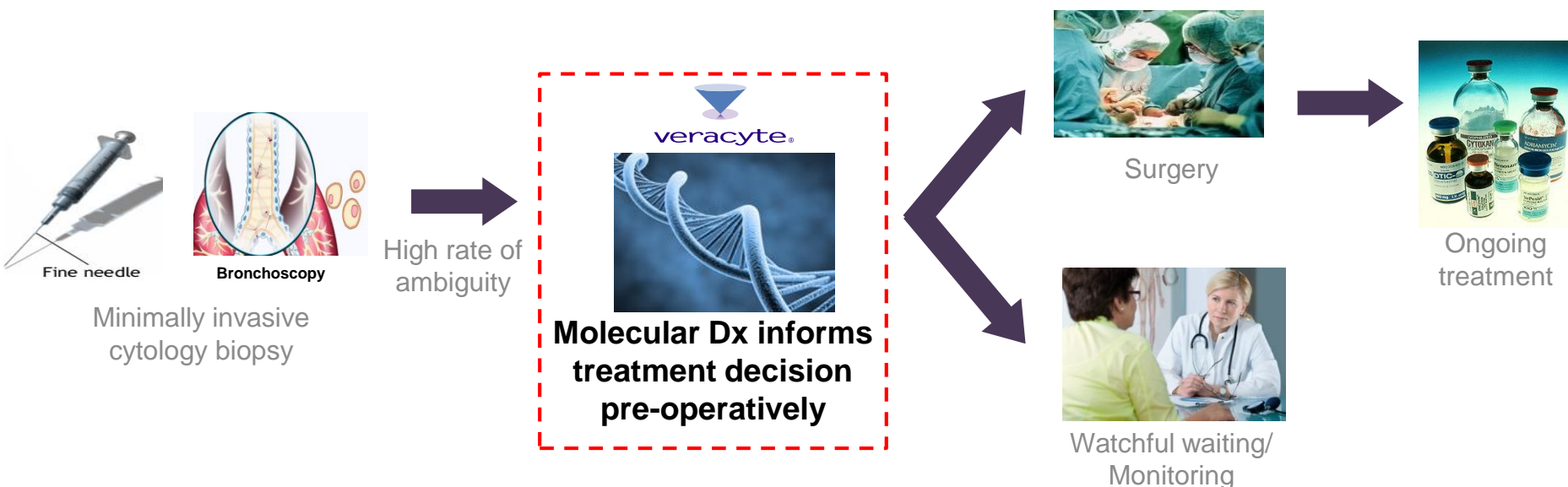
# Veracyte's Differentiated Approach

- 1 Formulate a relevant clinical question
- 2 Apply whole-genome biomarker discovery to cytology samples
- 3 Plan and execute publication strategy in advance of commercial launch

Answer the clinical question that improves care and reduces costs

# Molecular Cytology = Genomics at the Front End of Patient Care

## Molecular Cytology Paradigm



### Challenge: High Diagnostic Ambiguity

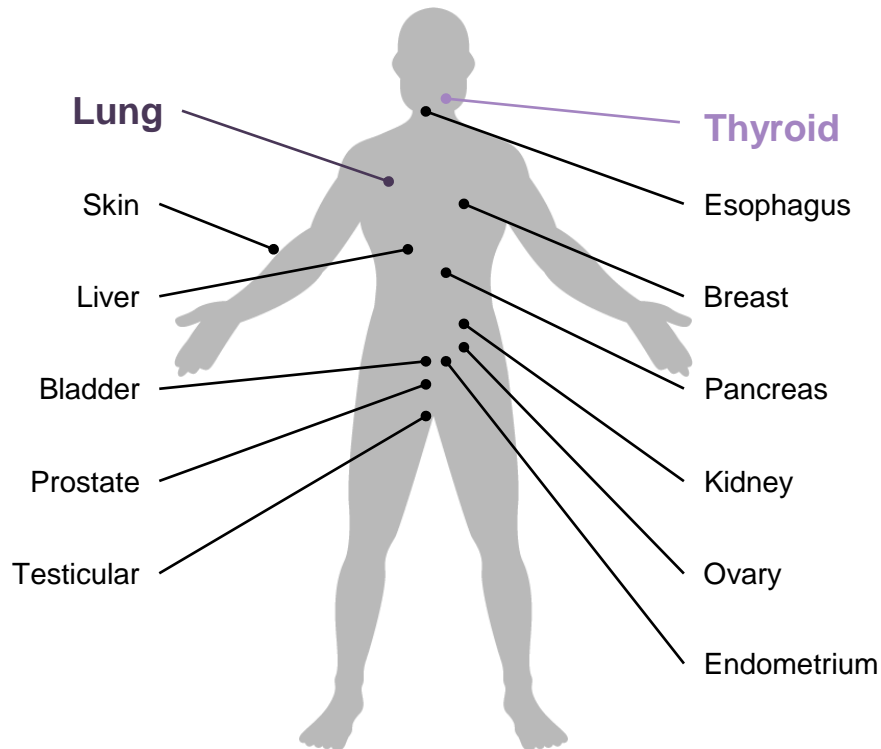
- ✗ Low yield of nucleic acids
- ✗ Cellular heterogeneity
- ✗ Variable sampling techniques

### Opportunity: More Efficient Care

- ✓ Minimally invasive, outpatient procedure
- ✓ Reduce unnecessary surgeries
- ✓ Efficient validation using surgical “truth”

# Building a Molecular Cytology Franchise

## Diagnostic Opportunities

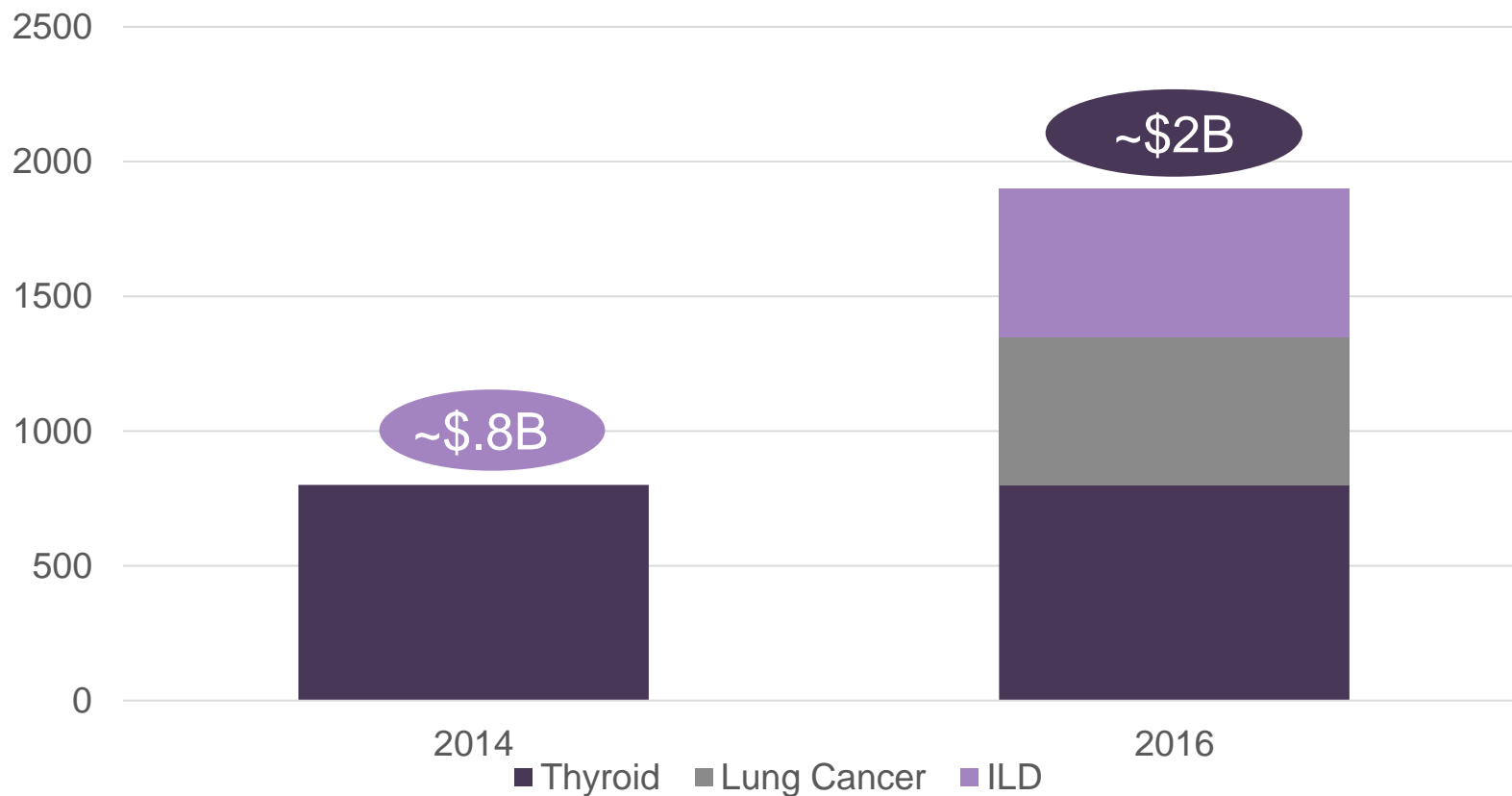


## Prioritization Criteria

- Large addressable market
- Substantial unmet clinical need
- Efficient development, validation and commercialization
- Attractive competitive landscape

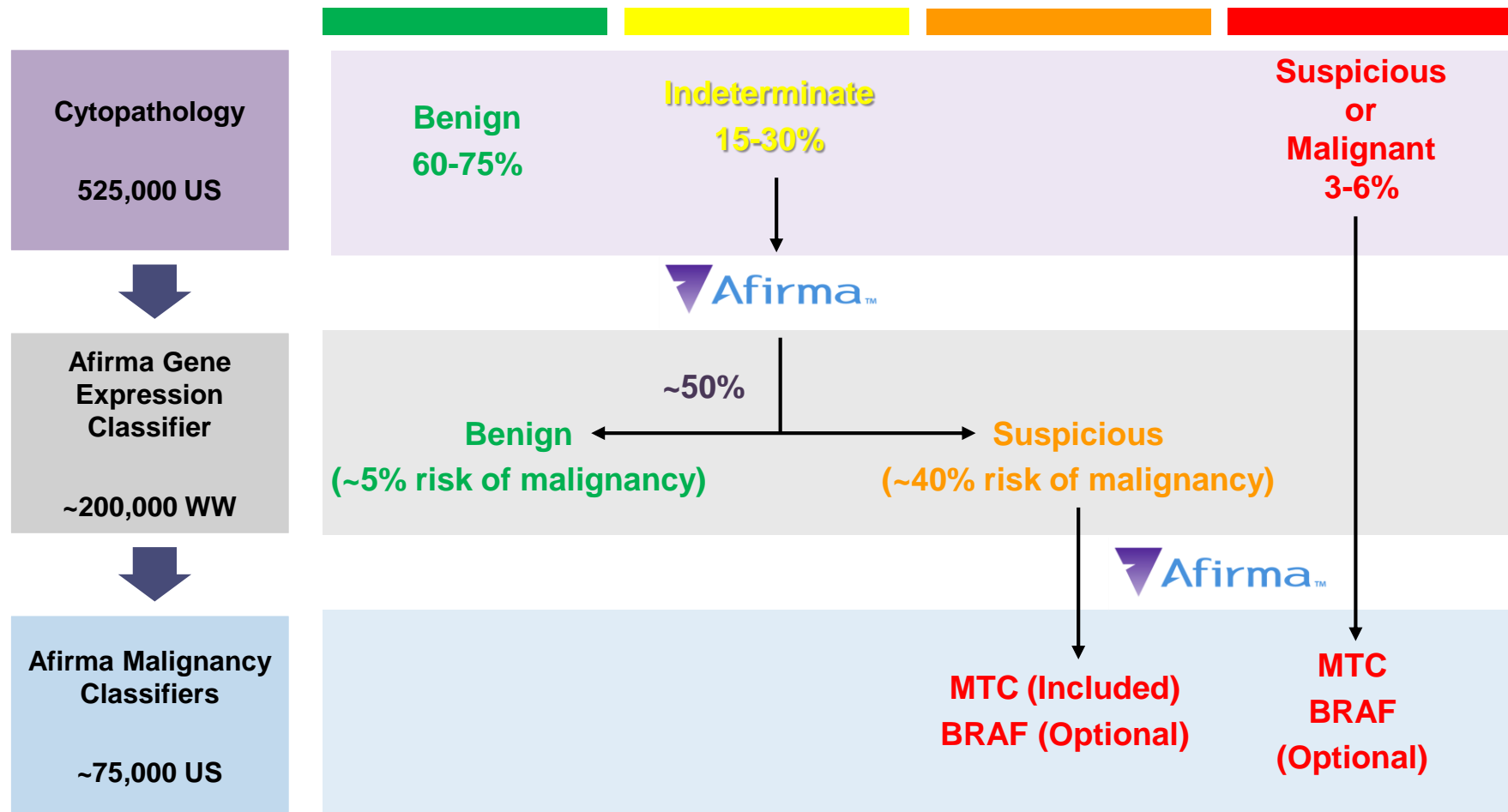
# Large, Expanding Addressable Genomic Testing Markets

More than Doubling with New Product Launches Over Next Two Years



# The Afirma Solution

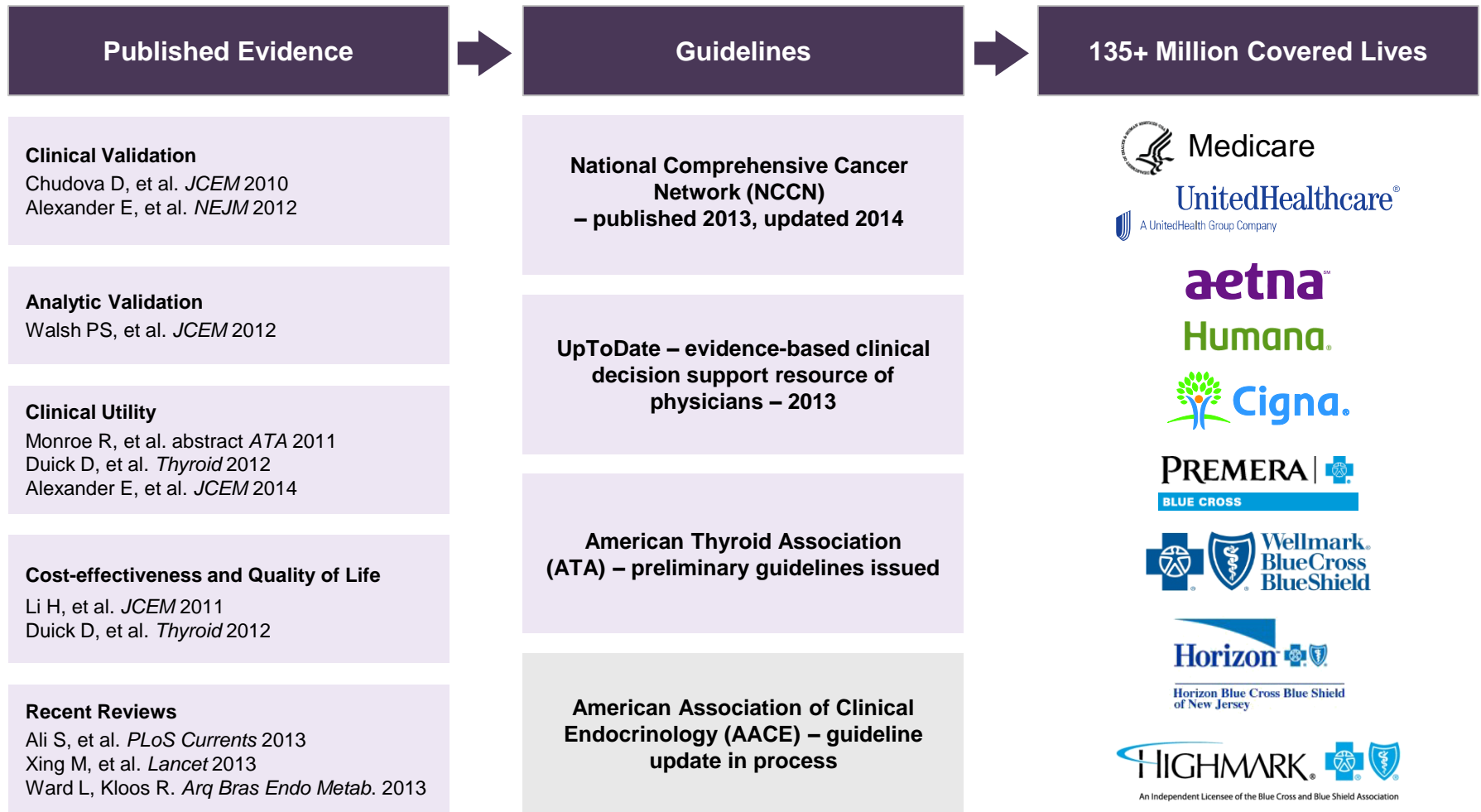
## A Comprehensive Assessment for Patients with Thyroid Nodules



MTC = Medullary Thyroid Cancer

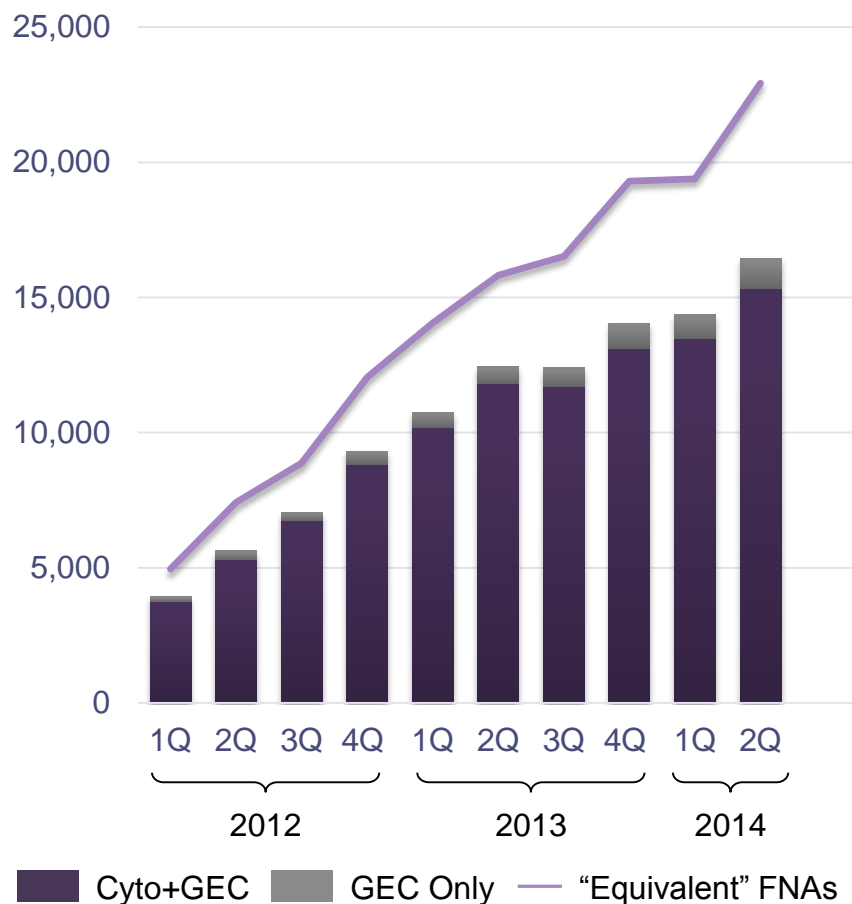


# Published Evidence Drives Guidelines and Positive Coverage

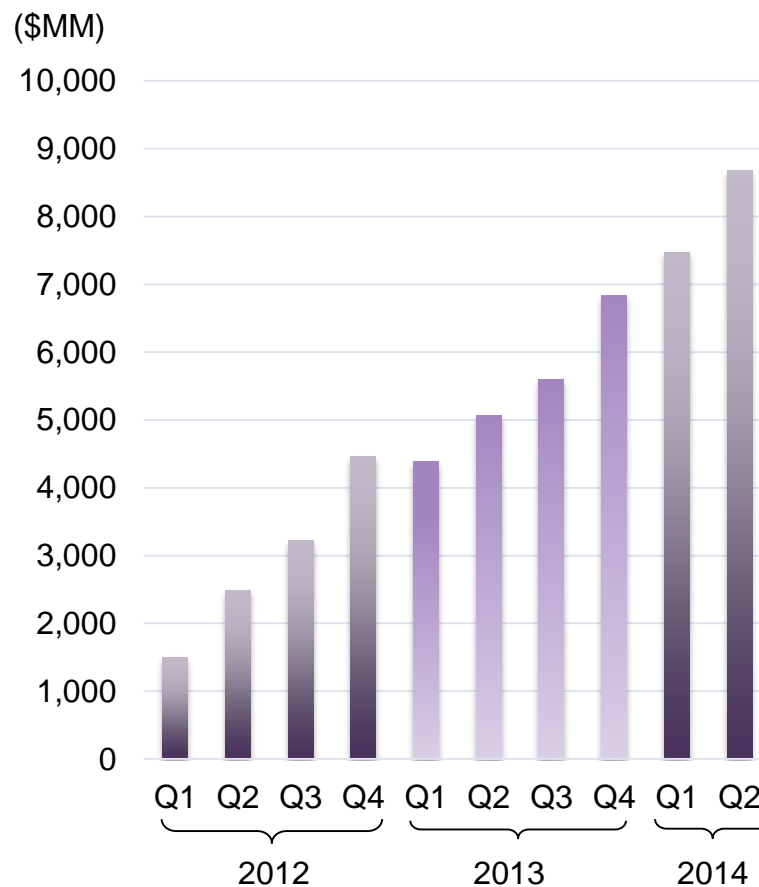


# Strong Afirma Volume and Revenue Growth

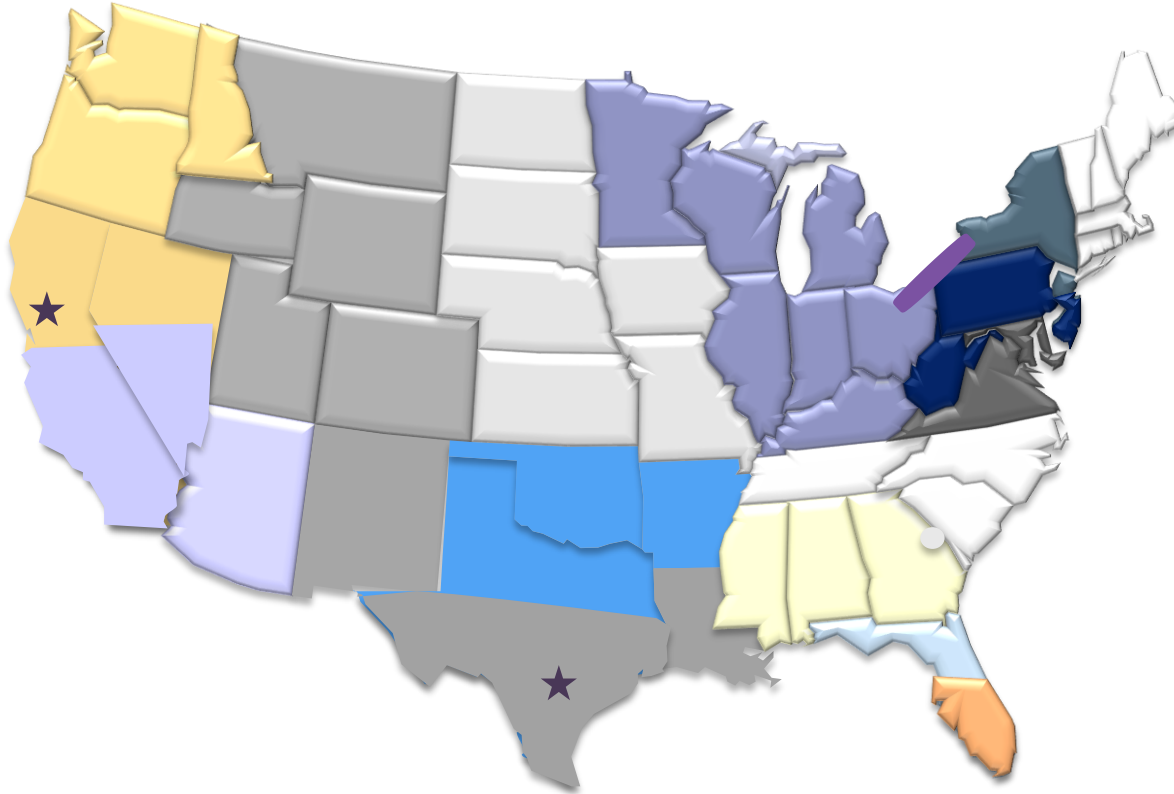
## FNA Trends



## Revenue



# Commercial Footprint Expanded to Drive Growth



- U.S. expanded to 16 territories from 8, with 3 regional managers and a VP Sales
- Each region augmented by Genzyme Sales Reps
- Leverages Genzyme's established endocrinology effort
- Strengthens both community practice and institutional channels
- Intention to add 10 additional sales and marketing hires in 2H14

## ★ South San Francisco, CA

Headquarters

- GEC CLIA Laboratory Operations
- Client Services
- Billing & Reimbursement

## ★ Austin, TX

- Cytopathology CLIA Laboratory Operations
- Billing & Reimbursement

# Genzyme Co-Promotion Agreement: Agreement to Amend

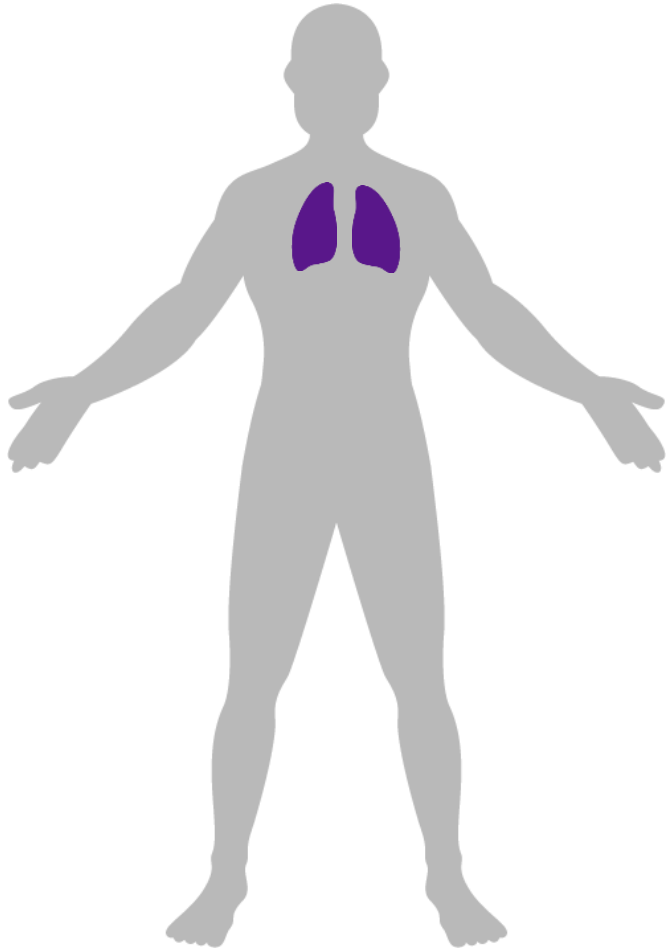
- Genzyme sales force selling Thyrogen® in U.S. and 42 countries
- Synergistic partnership
- Reps re-positioned in U.S. to leverage strength
  - Lead generation
  - Maintenance calls
- Close coordination between sales and marketing teams
- Selected international launches targeted for 2014
  - Launched in Brazil in partnership with Fleury Medicine and Health
  - Country-by-country go forward plan with Genzyme announced by year end



Subject to signing the final amendment, effective January 1, 2015, Veracyte's co-promotion fees paid to Genzyme will decrease from 32% to 15% of Afirma revenue in the United States.

# Lung Disease and Cancer

## Significant Unmet Needs



## The Opportunity

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- Lung diseases are difficult to diagnose without surgery
- Significant opportunity to reduce unnecessary surgeries and lower costs
- Inconsistent practice guidelines ripe for emerging standard approaches to care
- Pulmonologist is underserved but secures sample
- Two programs advance
  - Clinical development stage for lung cancer diagnostic
  - Early product development for Interstitial Lung Disease (ILD) diagnostic

# Acquisition of Allegro Diagnostics, Inc.

## Clinical Development Stage Lung Cancer Diagnostic

<b>Business</b>	<ul style="list-style-type: none"><li>• Molecular diagnostics company focused on developing genomic tests to improve the preoperative diagnosis of lung cancer</li></ul>
<b>Diagnostic Solution</b>	<ul style="list-style-type: none"><li>• Lead test helps physicians assess which lung nodule patients can safely be monitored with CT scans in lieu of invasive procedures following a non-diagnostic bronchoscopy</li></ul>
<b>Stage</b>	<ul style="list-style-type: none"><li>• Pre-commercial</li><li>• Two prospective multi-center clinical validation studies completed</li></ul>
<b>Company</b>	<ul style="list-style-type: none"><li>• Founded in 2006</li><li>• Spun out of Boston University by Avrum Spira MD and Jerome Brody MD, Pulmonology thought leaders</li><li>• Venture-backed and privately held</li></ul>
<b>Transaction Terms</b>	<ul style="list-style-type: none"><li>• \$21 million, ~\$8 million cash and ~\$13 million VCYT stock</li></ul>

# Deal Rationale

**Accelerates Entry into Pulmonology**

**Clinically-Validated Test That Addresses a Significant Unmet Need**

**Further Establishes Our Leadership in Molecular Cytology**

**Assets Provide Substantial Value and Future Growth Opportunities**

**Uniquely Poised to Drive Commercialization and Reimbursement**

# Lung Cancer : A Significant Diagnostic Challenge

- Lung cancer is responsible for more deaths than the next three most common cancers combined
- Push to diagnose lung cancer earlier to decrease mortality

**CT screening for over 8M high risk individuals recommended**

**~250,000 bronchoscopy procedures annually in US for suspicious lung cancers**

**Up to 40% are non-diagnostic**

**Physicians left to decide whether to advance to a more invasive procedure**

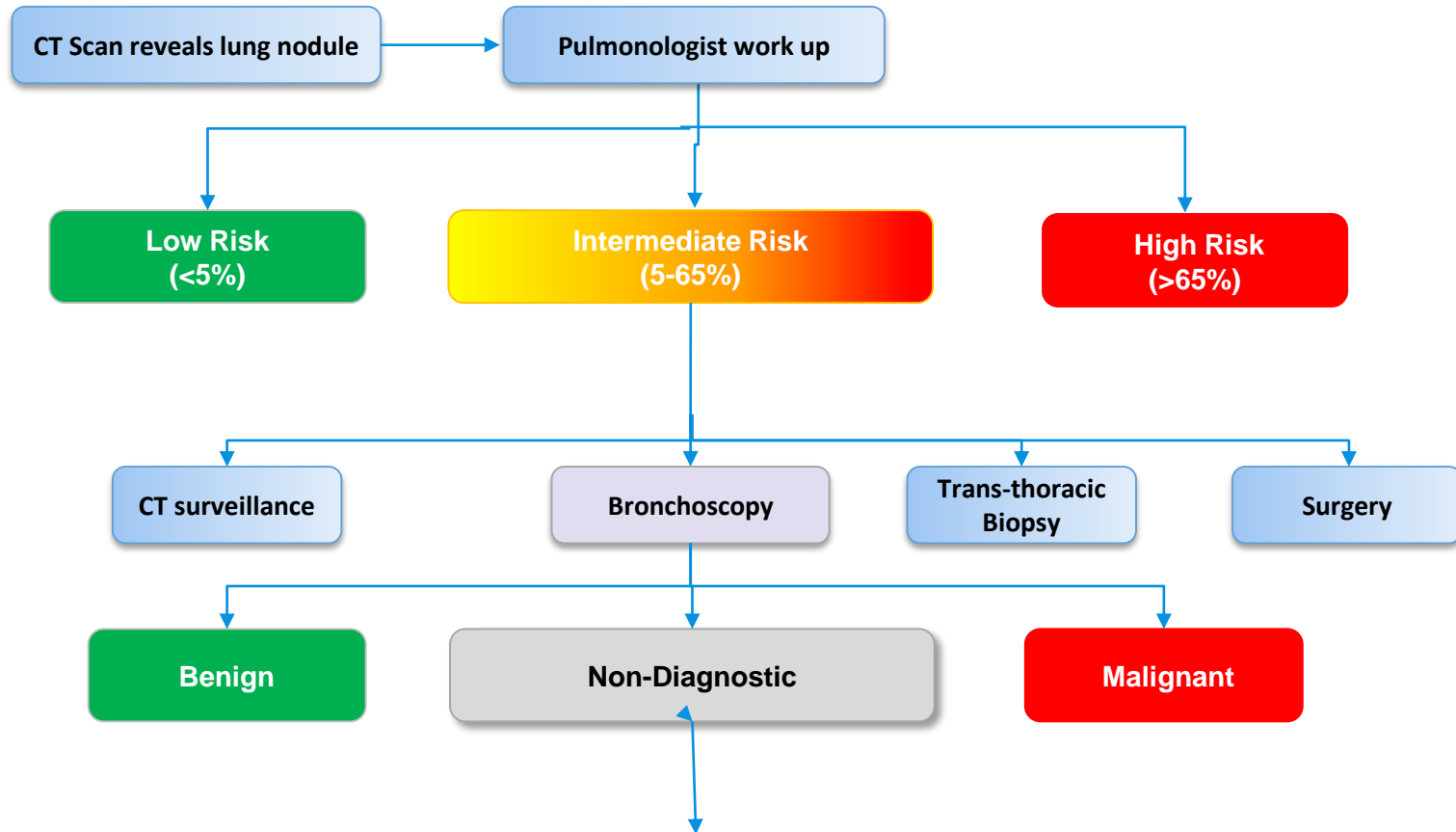
**40% of diagnostic surgeries result in a benign diagnosis**

## **Lead Lung Cancer Test:**

*Improves preoperative diagnosis of lung cancer  
to reduce unnecessary surgeries*

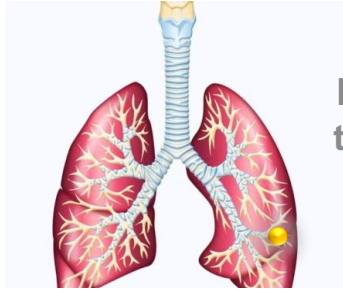


# Current Flow for Pulmonary Nodule Diagnosis

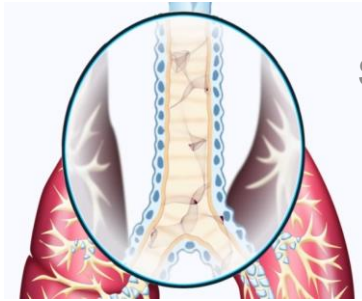


**Clinical Dilemma Today:**  
How do you manage patients with a non-diagnostic bronchial biopsy?

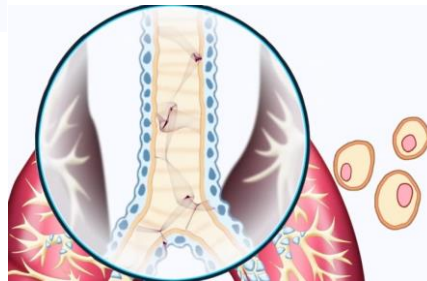
# Innovative, Proprietary “Field of Injury” Genomic Technology



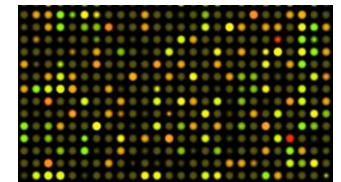
Peripheral lung nodules are difficult to biopsy yielding high rates of non-diagnostic bronchoscopies



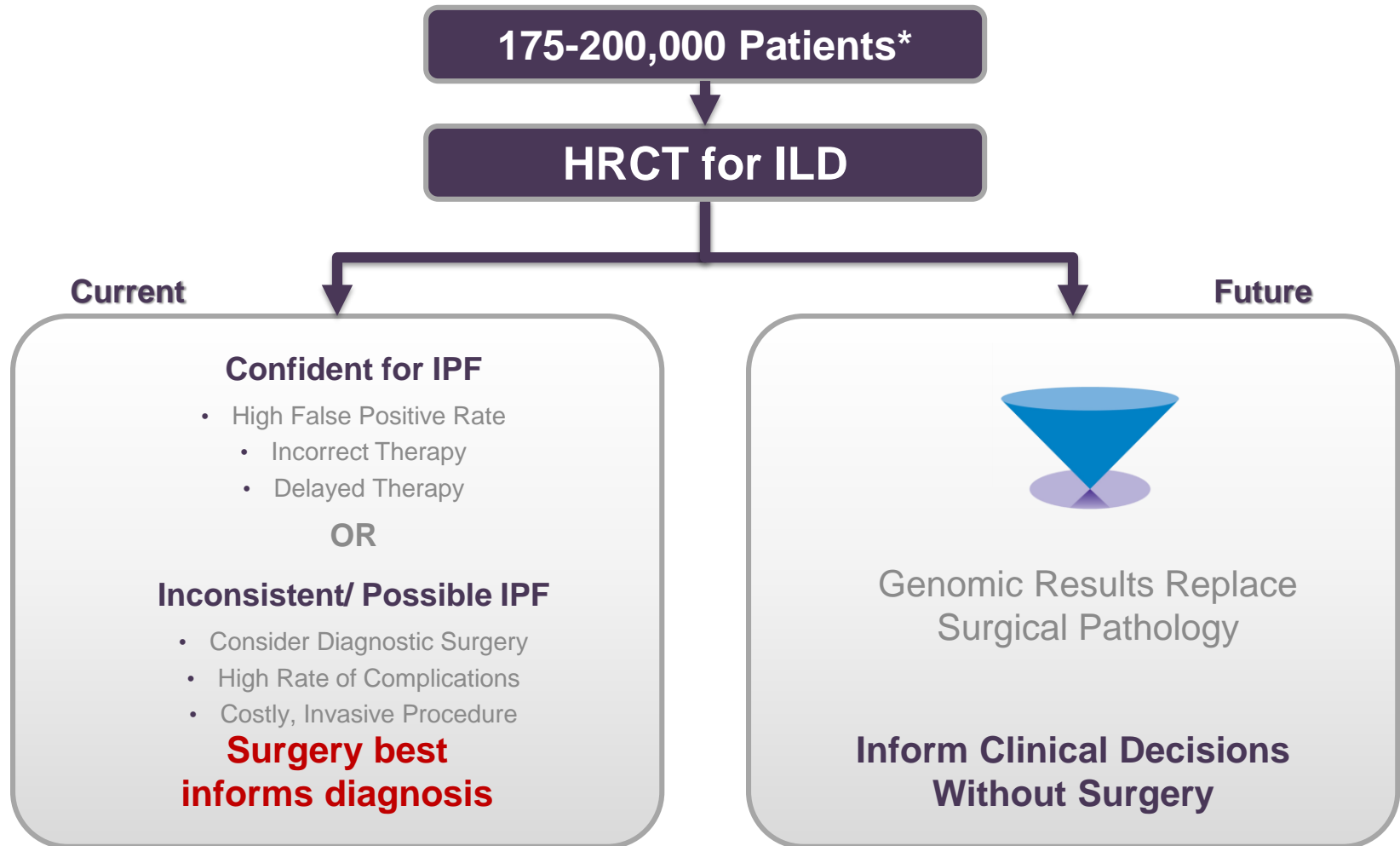
Smoking alters the epithelial cell gene expression throughout the airway



A gene signature of a cytology sample collected from the airway can predict the risk of cancer of a peripheral lung nodule

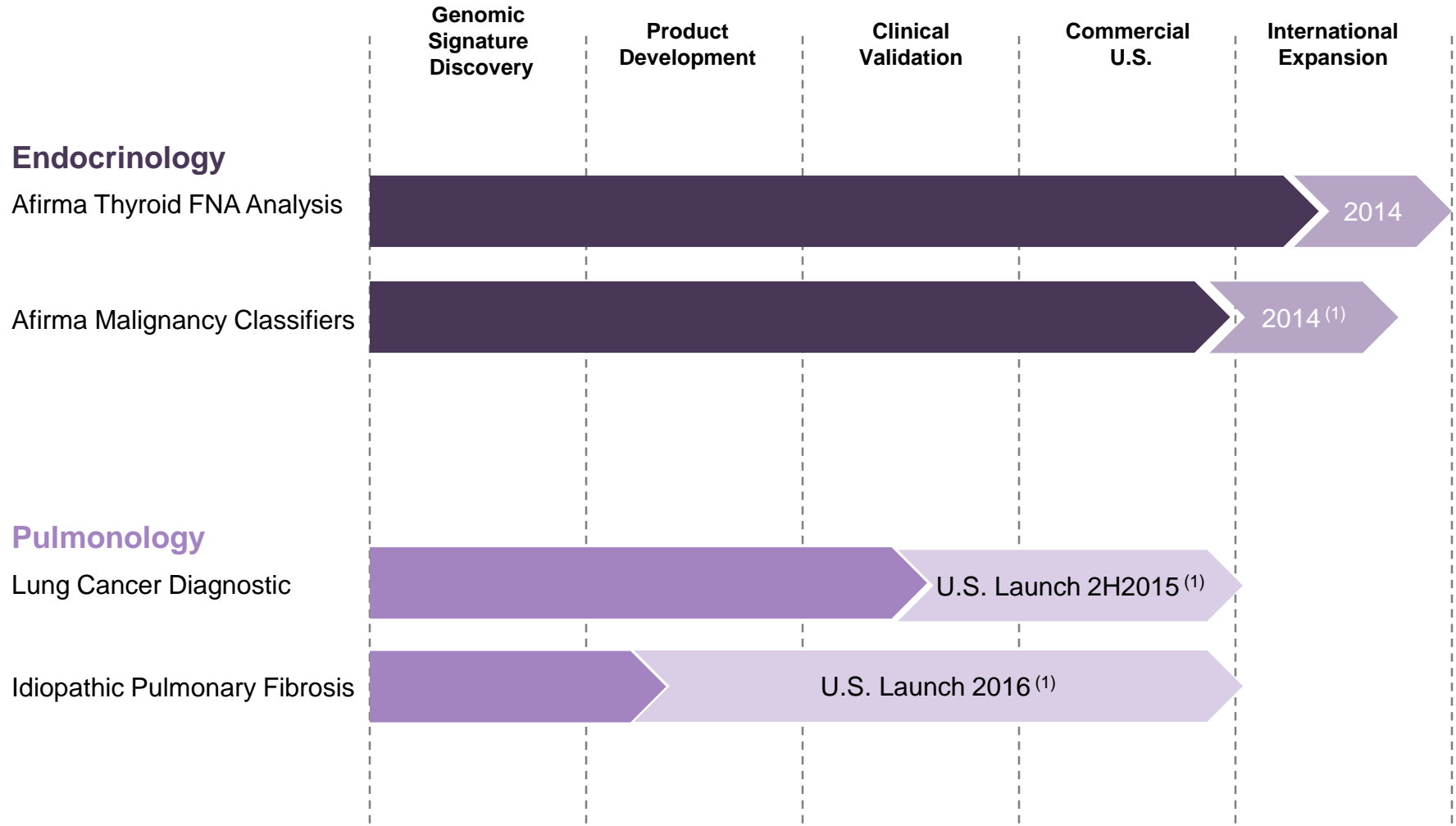


# Patients Suspicious for ILD Receive Suboptimal, Harmful Treatment



\*Company estimate including United States and 5 major European Countries (annual number of patients)

# Deep Pipeline With Multiple Near-Term Milestones



<sup>1</sup> Estimated

# Acknowledgements

## Clinical and Scientific Luminaries Advising the Company

Paul W. Ladenson, MD	<i>Johns Hopkins University School of Medicine</i> Prof. of Medicine, Pathology, Oncology, Radiology,
Edison Liu, MD	<i>The Jackson Laboratory</i> President and CEO
Fernando J. Martinez, MD	<i>Weill Cornell Medical College/New York Presbyterian Hospital</i> Executive Vice Chair of Medicine
Ganesh Raghu, MD	<i>University of Washington Medical Center</i> Prof. Medicine, Pulmonology
Steven I. Sherman, MD	<i>MD Anderson School of Medicine</i> Prof., Dept. Chair, Endocrinology & Metabolism,
Terry Speed, PhD	<i>UC Berkeley, Bioinformatics and Statistics</i> Prof. Emeritus
Avrum Spira, MD, MSc	<i>Boston University School of Medicine</i> Chief of Medicine, Division of Computational Biomedicine
R. Michael Tuttle, MD	<i>Memorial Sloan Kettering Cancer Center</i> Prof. Medicine
Lewis T. “Rusty” Williams, MD, PhD	<i>Five Prime Therapeutics</i> President and CEO

# Conclusion

Pioneering molecular cytology solutions for Endocrinology and Pulmonology

Clinically validated solution that reduces unnecessary thyroid surgeries by 50%

Proven roadmap for developing clinical evidence to drive guidelines and reimbursement

Focused on large, underserved specialty markets

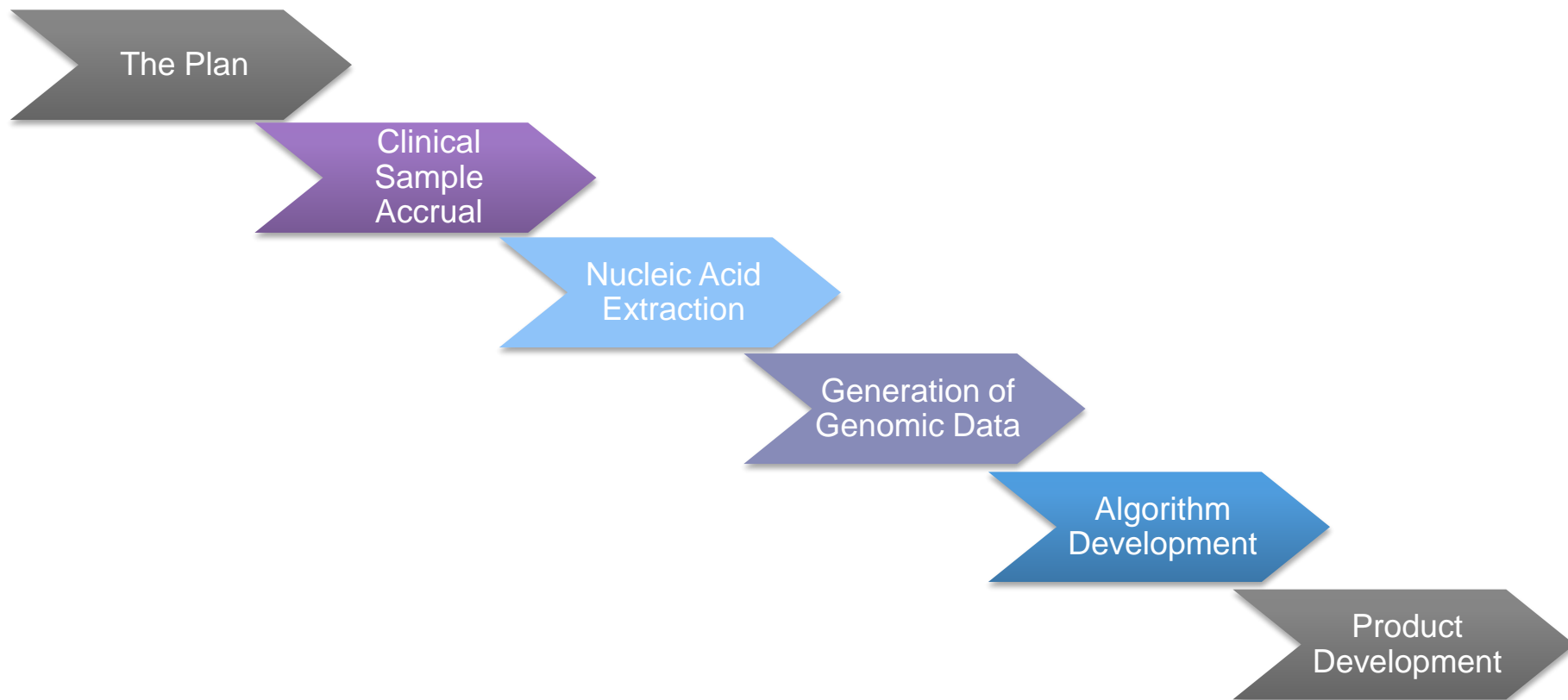
Building a molecular cytology franchise with a pipeline of high-value opportunities



## **Research & Development**

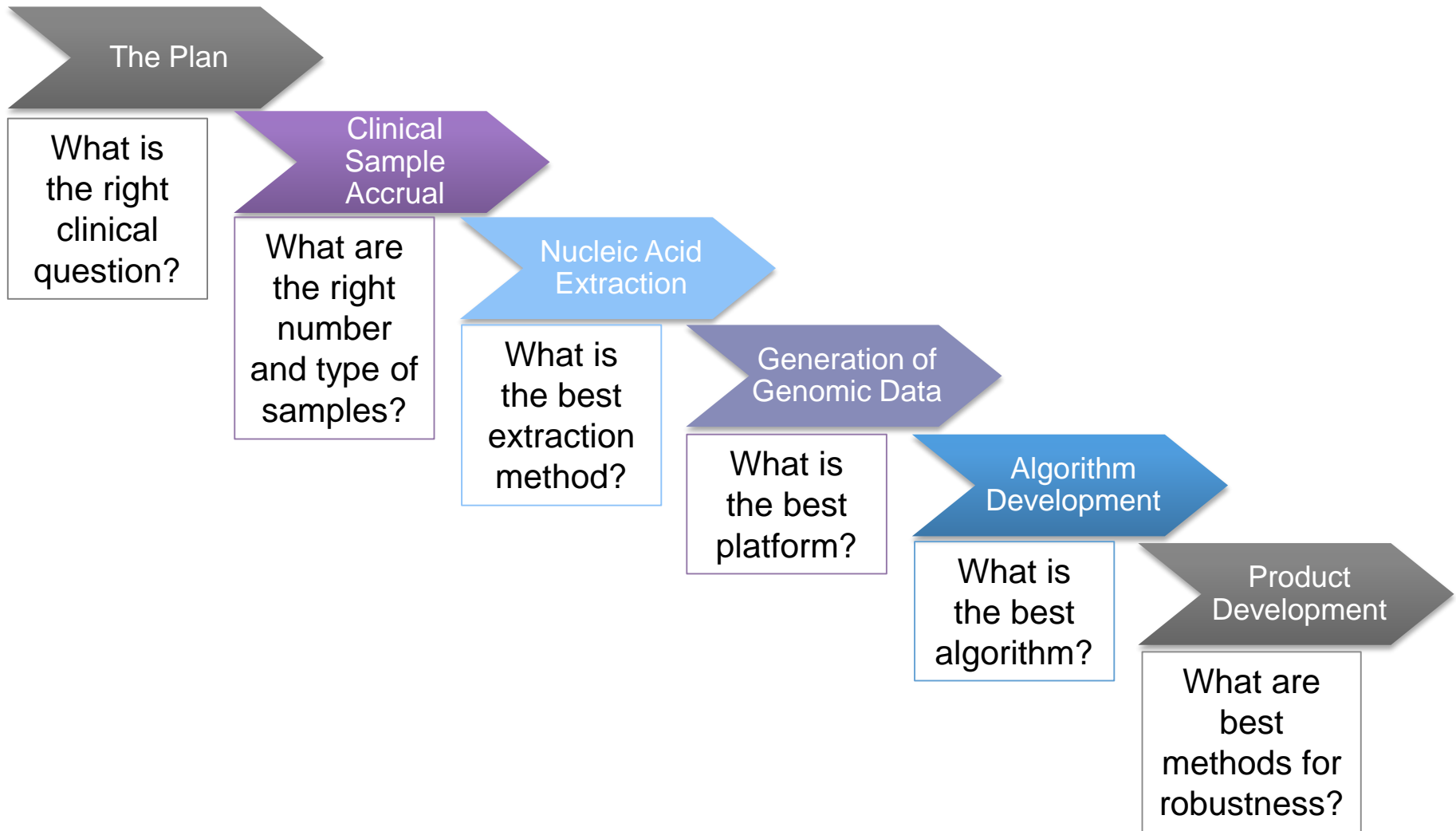
Giulia C. Kennedy, PhD  
Chief Scientific Officer

# R&D Pipeline: Discrete Steps



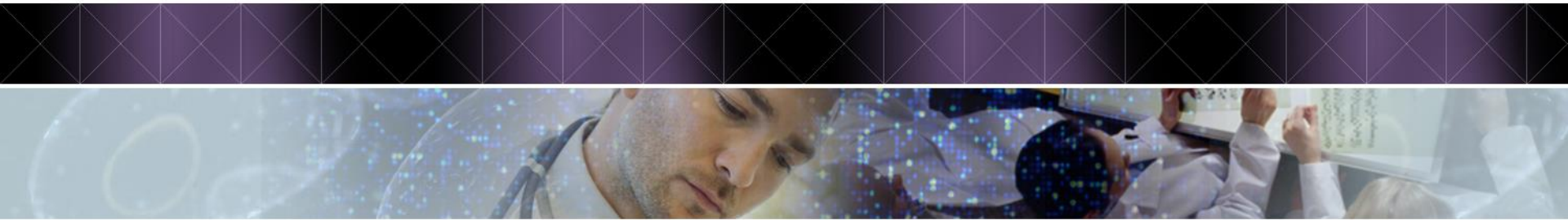


# R&D Pipeline: Discrete Steps



# Four R&D Engines Make This Possible

Clinical Sample Accrual	Genomic Discovery	Algorithm Development	Product Development
<ul style="list-style-type: none"><li>• Write clinical protocols</li><li>• Plan and execute clinical trials</li><li>• Receive samples</li><li>• Collect and record clinical annotations</li><li>• Develop and execute rubric for obtaining “truth”</li></ul>	<ul style="list-style-type: none"><li>• Develop extraction, amplification and assay methods</li><li>• Exploit multiple platforms<ul style="list-style-type: none"><li>– Microarrays</li><li>– Copy Number</li><li>– Next-Generation RNASeq</li><li>– DNASEq</li></ul></li></ul>	<ul style="list-style-type: none"><li>• Normalization</li><li>• Alignment</li><li>• Feature extraction</li><li>• Classification</li><li>• “Lock and Roll”</li></ul>	<ul style="list-style-type: none"><li>• Reproducibility</li><li>• Reagent effects</li><li>• Interfering substances</li><li>• Limit of detection</li></ul>

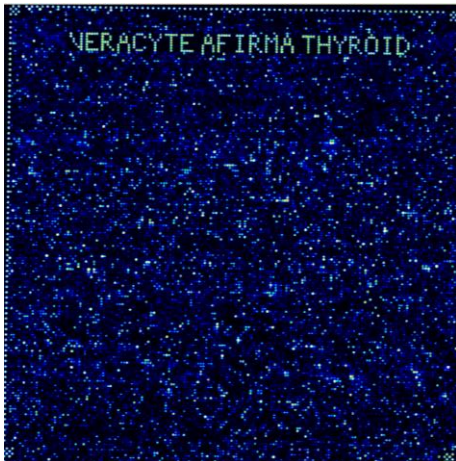
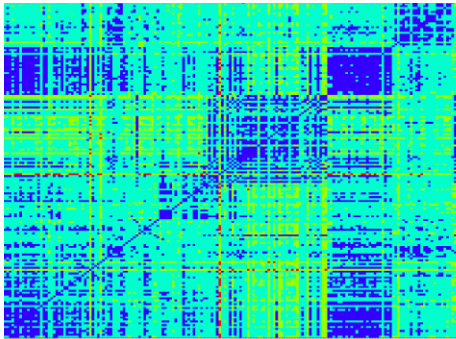


## Afirma Thyroid Products

# Development of Afirma Thyroid GEC

## Whole Genome Discovery on Clinical Samples

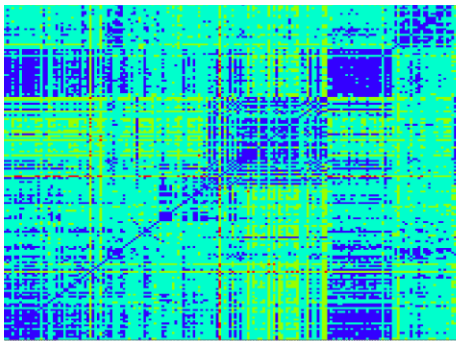
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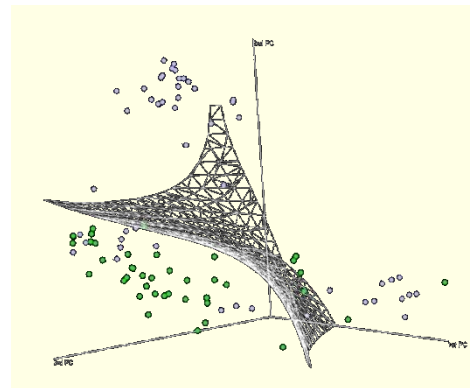
- Collected both surgical tissue and FNAs through clinical protocols
- Truth = Expert Surgical Pathology
- Developed assays to work on 15 ng RNA
- Extracted genomic data on >240,000 unique RNA transcripts using Exon microarrays
- Designed a custom microarray with 3,000 genes
- Extra content allowed us to develop the follow-on product, **Malignancy Classifier**

# Development of Afirma Thyroid GEC

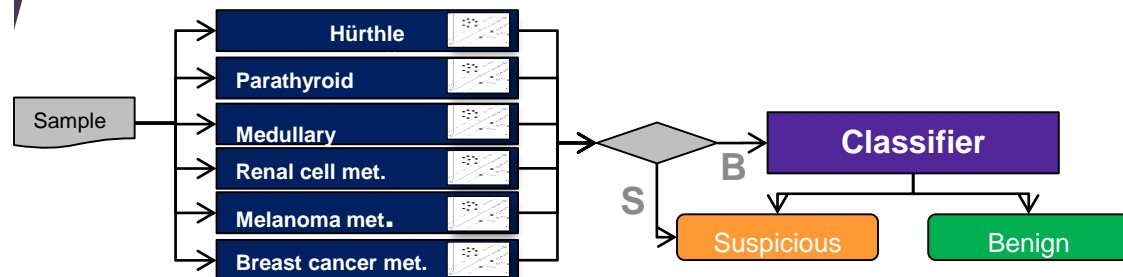
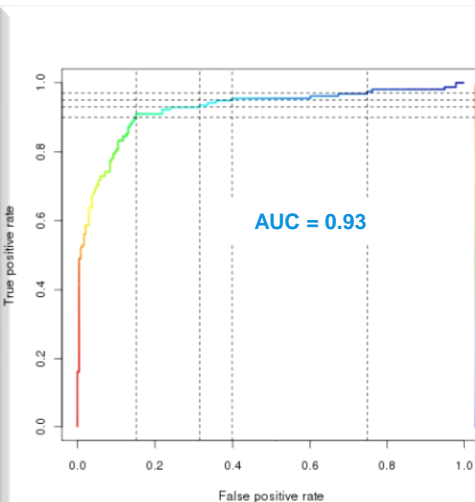
## Whole Genome Discovery on Clinical Samples



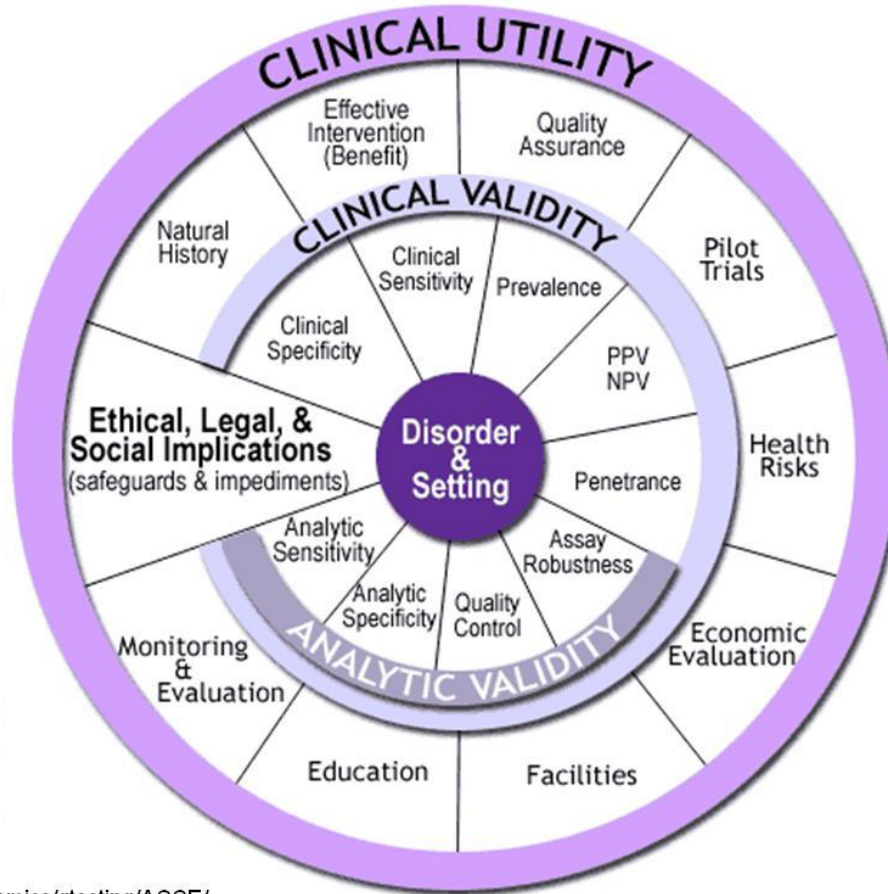
## Assay and Algorithm Development



- Tested a suite of classification algorithms, ultimately choosing Support Vector Machine
- Developed diagnostic methods to assess level of over fitting
- Developed a cassette filtering system to score rare neoplasms



# Triple Pillars of Validation



## Best Practice:

Fully characterize and de-risk test performance, prior to un-blinding Clinical Validation

Meets EGAPP/CDC guidelines for evidence-based insurance coverage decisions (CMS)

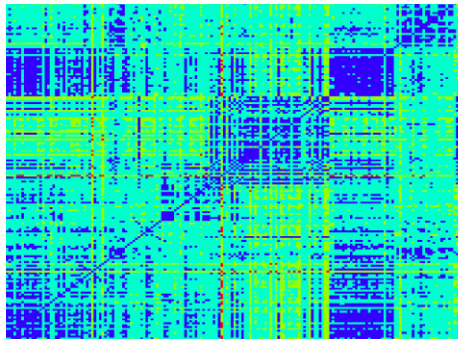
- Analytic Validity
- Clinical Validity
- Clinical Utility

<http://www.cdc.gov/genomics/gtesting/ACCE/>

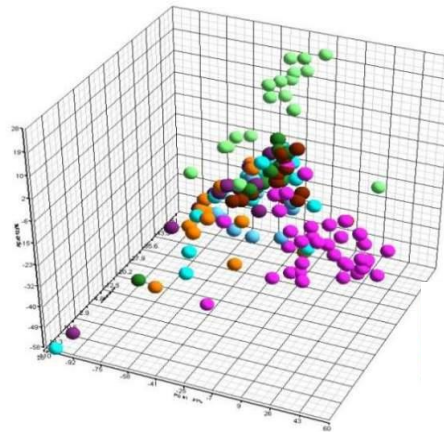


# Development of Afirma Thyroid GEC

## Whole Genome Discovery on Clinical Samples



## Assay and Algorithm Development



## Verification and Validation

THE NEW ENGLAND JOURNAL of MEDICINE

### ORIGINAL ARTICLE

#### Preoperative Diagnosis of Benign Thyroid Nodules with Indeterminate Cytology

Erik K. Alexander, M.D., Giulia C. Kennedy, Ph.D., Zubair W. ...  
Edmund S. Cibas, M.D., Darya Chudova, Ph.D., ...  
Lyssa Friedman, R.N., M.P.A., Richard T. Kloos, M.D., ...  
Susan J. Mandel, M.D., M.P.H., ... Juan Rosai, M.D., ...  
David L. Steward, M.D., ... Jonathan I. Wilde, Ph.D., ...  
Martha A. Zeiger, M.D., ... and Bryan R. Haugen, M.D.

>4000 Patients to show clinical validity

### ABSTRACT

### ORIGINAL ARTICLE

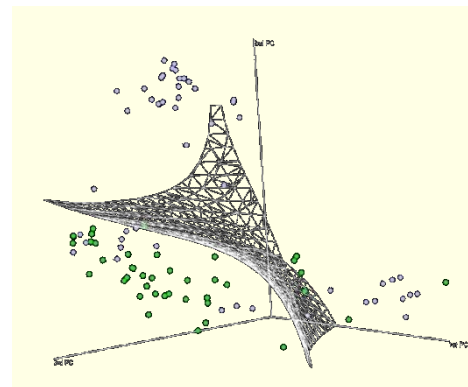
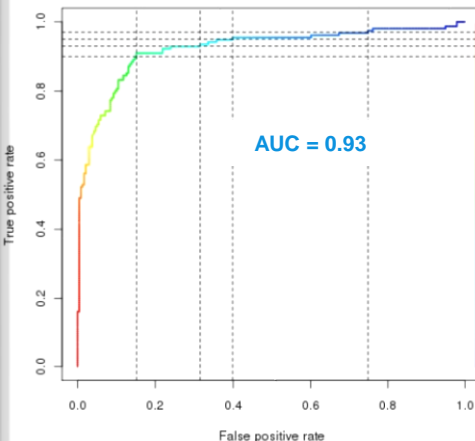
Endocrine Research

#### Analytical Performance Verification of a Molecular Diagnostic for Cytology-Indeterminate Thyroid Nodules

P. Sean Walsh, Jonathan I. Wilde, ...  
Daphne C. Chen, Darya I. Chudova, ...  
Mei Wong, James Veitch, ... Robert Monroe, David L. Steward,  
Mark A. Lupo, ... and Giulia C. Kennedy

Veracyte, Inc., ...  
G.C. Kennedy, ...  
Cincinnati College of Medicine, Cincinnati, Ohio 45267, and the Thyroid and ...  
of Florida (M.A.L.), Sarasota, Florida 34239

>45 Studies to show analytical robustness



## Medullary Thyroid Cancer Cassette

- Five genes using a linear classifier
- Truth was obtained by surgical pathology
- Validated in over 7,000 patient FNAs to have extraordinary sensitivity and specificity
  - Two MTCs were misclassified (96% sensitivity)
  - One very, very rare tumor called a paraganglioma was misclassified as an MTC (>99% specificity)

## BRAF RNA Classifier

- SVM algorithm that uses 128 RNA transcripts already measured on the custom microarray
- Truth was obtained by running a BRAF PCR assay on DNA from the same FNA
- High negative percent agreement (99%) and high positive percent agreement (90%)



# Four Issued Patents

(12)	<b>United States Patent</b> <b>Kennedy et al.</b>	(10) Patent No.: <b>US 8,541,170 B2</b> (45) Date of Patent: <b>*Sep. 24, 2013</b>																																																																																							
(54)	<b>METHODS AND COMPOSITIONS OF MOLECULAR PROFILING FOR DISEASE DIAGNOSTICS</b>																																																																																								
(75) Inventors:	<b>Giulia C. Kennedy</b> , San Francisco, CA (US); <b>Bonnie H. Anderson</b> , Half Moon Bay, CA (US); <b>Darya I. Chudova</b> , San Jose, CA (US); <b>Eric T. Wang</b> , Milpitas, CA (US); <b>Hui Wang</b> , San Bruno, CA (US); <b>Moraima Pagan</b> , San Francisco, CA (US); <b>Nusrat Rabbee</b> , South San Francisco, CA (US); <b>Jonathan I. Wilde</b> , Burlingame, CA (US)	<table><tr><td>2005/0137805 A1</td><td>6/2005</td><td>Lewin et al.</td></tr><tr><td>2005/0240357 A1</td><td>10/2005</td><td>Minor</td></tr><tr><td>2005/0250125 A1</td><td>11/2005</td><td>Novakoff et al.</td></tr><tr><td>2005/0266443 A1</td><td>12/2005</td><td>Croce et al.</td></tr><tr><td>2006/0019256 A1</td><td>1/2006</td><td>Clarke et al.</td></tr><tr><td>2006/0035244 A1</td><td>2/2006</td><td>Riggins et al.</td></tr><tr><td>2006/0083744 A1</td><td>4/2006</td><td>Chen et al.</td></tr><tr><td>2006/0088851 A1</td><td>4/2006</td><td>Erlander et al.</td></tr><tr><td>2006/0094061 A1</td><td>5/2006</td><td>Brys et al.</td></tr><tr><td>2006/0105360 A1</td><td>5/2006</td><td>Croce et al.</td></tr><tr><td>2006/0127907 A1</td><td>6/2006</td><td>Matsubara et al.</td></tr><tr><td>2007/0020657 A1</td><td>1/2007</td><td>Grebe et al.</td></tr><tr><td>2007/0037186 A1</td><td>2/2007</td><td>Jiang et al.</td></tr><tr><td>2007/0048738 A1</td><td>3/2007</td><td>Donkena et al.</td></tr><tr><td>2007/0065833 A1</td><td>3/2007</td><td>Gupta</td></tr><tr><td>2007/0099209 A1</td><td>5/2007</td><td>Clarke et al.</td></tr><tr><td>2007/0105133 A1</td><td>5/2007</td><td>Clarke et al.</td></tr><tr><td>2007/0148687 A1</td><td>6/2007</td><td>Bedingham et al.</td></tr><tr><td>2007/0161004 A1</td><td>7/2007</td><td>Brown et al.</td></tr><tr><td>2007/0172844 A1</td><td>7/2007</td><td>Lancaster et al.</td></tr><tr><td>2007/0220621 A1</td><td>9/2007</td><td>Clarke et al.</td></tr><tr><td>2007/0238119 A1</td><td>10/2007</td><td>Yu et al.</td></tr><tr><td>2008/0044824 A1</td><td>2/2008</td><td>Giordano et al.</td></tr><tr><td>2008/0124344 A1</td><td>5/2008</td><td>Combs et al.</td></tr><tr><td>2008/0131892 A1</td><td>6/2008</td><td>Becker et al.</td></tr><tr><td>2008/0145841 A1</td><td>6/2008</td><td>Libutti et al.</td></tr><tr><td>2008/0281568 A1</td><td>11/2008</td><td>Kao et al.</td></tr><tr><td>2009/0191535 A1</td><td>7/2009</td><td>Connelly et al.</td></tr><tr><td>2009/0204333 A1</td><td>8/2009</td><td>Friend et al.</td></tr></table>	2005/0137805 A1	6/2005	Lewin et al.	2005/0240357 A1	10/2005	Minor	2005/0250125 A1	11/2005	Novakoff et al.	2005/0266443 A1	12/2005	Croce et al.	2006/0019256 A1	1/2006	Clarke et al.	2006/0035244 A1	2/2006	Riggins et al.	2006/0083744 A1	4/2006	Chen et al.	2006/0088851 A1	4/2006	Erlander et al.	2006/0094061 A1	5/2006	Brys et al.	2006/0105360 A1	5/2006	Croce et al.	2006/0127907 A1	6/2006	Matsubara et al.	2007/0020657 A1	1/2007	Grebe et al.	2007/0037186 A1	2/2007	Jiang et al.	2007/0048738 A1	3/2007	Donkena et al.	2007/0065833 A1	3/2007	Gupta	2007/0099209 A1	5/2007	Clarke et al.	2007/0105133 A1	5/2007	Clarke et al.	2007/0148687 A1	6/2007	Bedingham et al.	2007/0161004 A1	7/2007	Brown et al.	2007/0172844 A1	7/2007	Lancaster et al.	2007/0220621 A1	9/2007	Clarke et al.	2007/0238119 A1	10/2007	Yu et al.	2008/0044824 A1	2/2008	Giordano et al.	2008/0124344 A1	5/2008	Combs et al.	2008/0131892 A1	6/2008	Becker et al.	2008/0145841 A1	6/2008	Libutti et al.	2008/0281568 A1	11/2008	Kao et al.	2009/0191535 A1	7/2009	Connelly et al.	2009/0204333 A1	8/2009	Friend et al.
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(*) Notice:	Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 413 days.  This patent is subject to a terminal disclaimer.																																																																																								
(21) Appl. No.:	<b>12/592,065</b>																																																																																								

(12) <b>United States Patent</b> <b>Kennedy et al.</b>	(10) Patent No.: <b>US 8,669,057 B2</b> (45) Date of Patent: <b>Mar. 11, 2014</b>
(54) <b>METHODS AND COMPOSITIONS FOR DIAGNOSIS OF THYROID CONDITIONS</b>	(52) U.S. CL. USPC ..... <b>435/6.1</b>
(75) Inventors: <b>Giulia C. Kennedy</b> , San Francisco, CA (US); <b>Bonnie H. Anderson</b> , Half Moon Bay, CA (US); <b>Darya I. Chudova</b> , San Jose, CA (US); <b>Eric T. Wang</b> , Milpitas, CA (US); <b>Hui Wang</b> , San Bruno, CA (US); <b>Moraima Pagan</b> , San Francisco, CA (US); <b>Nusrat Rabbee</b> , San Francisco, CA (US); <b>Jonathan I. Wilde</b> , Burlingame, CA (US)	(58) Field of Classification Search USPC ..... <b>506/7; 435/6.1</b> See application file for complete search history.
(73) Assignee: <b>Veracyte, Inc.</b> , South San Francisco, CA (US)	(56) <b>References Cited</b> <b>U.S. PATENT DOCUMENTS</b>  5,965,360 A 10/1999 Zain et al. 6,436,642 B1 8/2002 Gould-Rothberg et al. 7,211,390 B2 5/2007 Rothberg et al. 7,244,559 B2 7/2007 Rothberg et al.  (Continued)
(*) Notice: Subject to any disclaimer, the term of this patent is extended or adjusted under 35 U.S.C. 154(b) by 0 days.	<b>FOREIGN PATENT DOCUMENTS</b>  EP 1975245 A1 10/2008 EP 1975252 A1 10/2008  (Continued)
(21) Appl. No.: <b>13/318,751</b>	<b>OTHER PUBLICATIONS</b>
(22) PCT Filed: <b>May 7, 2010</b>	Hemmer et al., "Dna Copy No. Changes in Thyroid Carcinoma," Am. J. Pathol. 1999, 154(5):1539-1547.*
(86) PCT No.: <b>PCT/US2010/034140</b>	

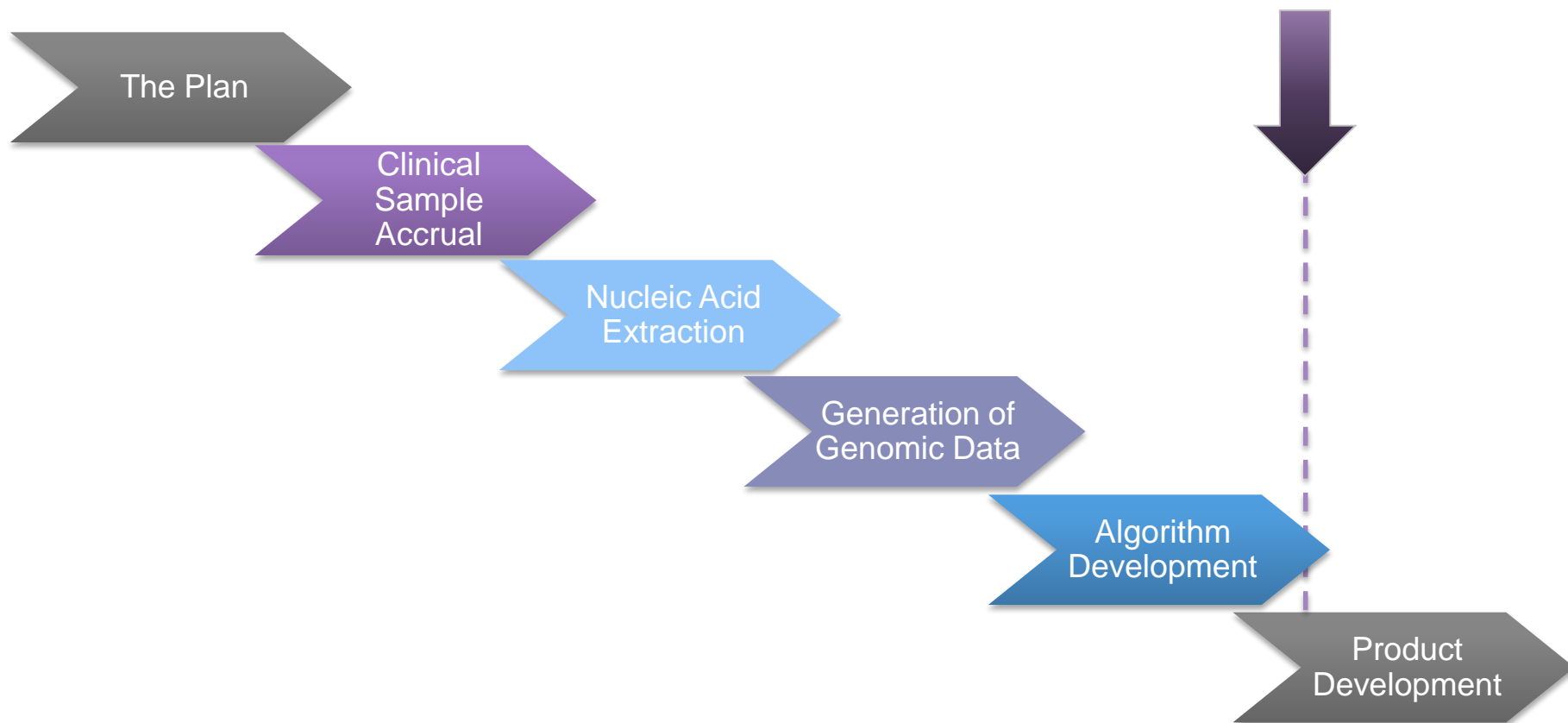
(12) <b>UK Patent</b>			(19) <b>GB</b>			(11) <b>2507680</b>			(13) <b>B</b>		
						(45) Date of B Publication			<b>18.06.2014</b>		
(54) Title of the Invention: <b>Methods and compositions of molecular profiling for disease diagnostics</b>											
(51) INT CL: <b>C12Q 1/68</b> (2006.01) <b>G01N 33/574</b> (2006.01) <b>G06F 19/20</b> (2011.01)											
(21) Application No:						<b>1401364.3</b>					
(22) Date of Filing:						<b>17.11.2009</b>					
Date Lodged:						<b>27.01.2014</b>					
(30) Priority Data:											
(31) <b>61199585</b>		(32) <b>17.11.2008</b>		(33) <b>US</b>		(31) <b>61270812</b>		(32) <b>13.07.2009</b>		(33) <b>US</b>	
(62) Divided from Application No <b>1315760.7</b> under section 15(9) of the Patents Act 1977											
(43) Date of A Publication						<b>07.05.2014</b>					
(72) Inventor(s):											
<b>Nusrat Rabbee</b>											
<b>Hui Wang</b>											
<b>Darya I Chudova</b>											
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<b>Giulia C Kennedy</b>											
<b>Bonnie Anderson</b>											
(73) Proprietor(s):											
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<b>Suite 250, 7000 Shoreline Court,</b>											
<b>South San Francisco 94080, California,</b>											
<b>United States of America</b>											

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(60) Parent of Application No(s)									<b>1315760.7</b> under section 15(9) of the Patents Act 1977								
(86) International Application Data:									<b>PCT/US2009/006162</b> En <b>17.11.2009</b>								
(72) Inventor(s):									<b>Giulla C Kennedy</b> <b>Bonnie Anderson</b> <b>Darya I Chudova</b> <b>Hui Wang</b> <b>Moraima Pagan</b> <b>Nusrat Rabbee</b> <b>Jonathan I Wilde</b> <b>Eric T Wang</b>								
(73) Proprietor(s):									<b>Veracyte Inc</b> <b>(Incorporated in USA - California)</b> <b>Suite 250, 7000 Shoreline Court,</b> <b>South San Francisco 94080, California,</b> <b>United States of America</b>								



## Lung Cancer Test

# Lung Cancer Diagnostic: Late Stage Development



# Commercialization of Veracyte Lung Cancer Test

## Whole Genome Discovery and Algorithm Development

### Bronchial Brushings

- Training set n=299
- Affymetrix GeneST array
- Supervised Learning Exploiting the “*Field of Injury*”
- 22 genes
- Logistic Regression Classification Algorithm

## Two Clinical Validation Studies

### Prospective Bronchial Brushing Samples

- Aegis I (n=298)
- Aegis II (n=341)

Performance shows high >90% NPV

## Support with Robust Clinical Evidence

- Publish AEGIS I and II **Clinical Validation Studies**
- Perform **Analytical Verification** Studies to transfer test to CLIA lab
- Initiate **Clinical Utility** and **Cost-effectiveness Studies**
- Extra content on the microarray will help us develop follow-on products

**We Are Here**

# Lung Cancer Test Performance is Highly Consistent Across Studies

## AEGIS II: Prospective, Multi-center, Blinded Study

- 22 sites: 15 academic, 7 community with enrollment from 2010-2012
- 341 patients in validation set
- Performance highly consistent with AEGIS I





## Interstitial Lung Diseases



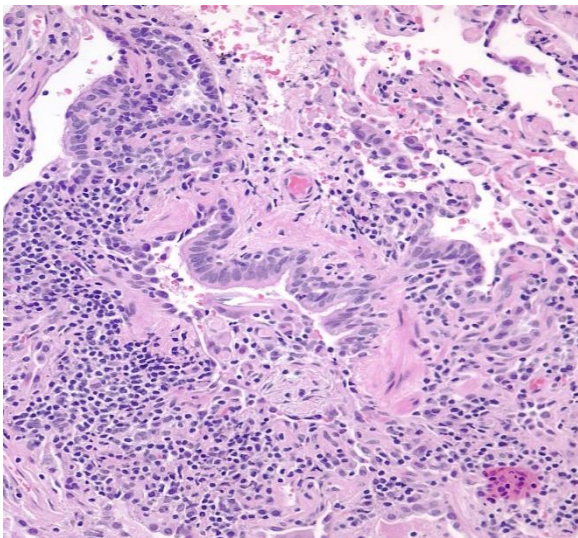
# Interstitial Lung Diseases Pose Difficult Challenges

- Diverse group of disorders
- Can have similar symptoms, physiology, pathology radiology
- Inconsistent nomenclature
- Limited, often toxic, treatments
- Difficult to diagnose

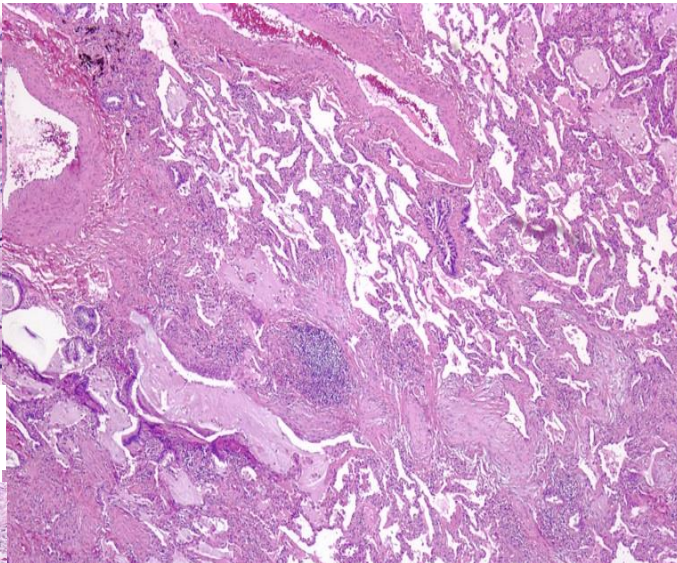




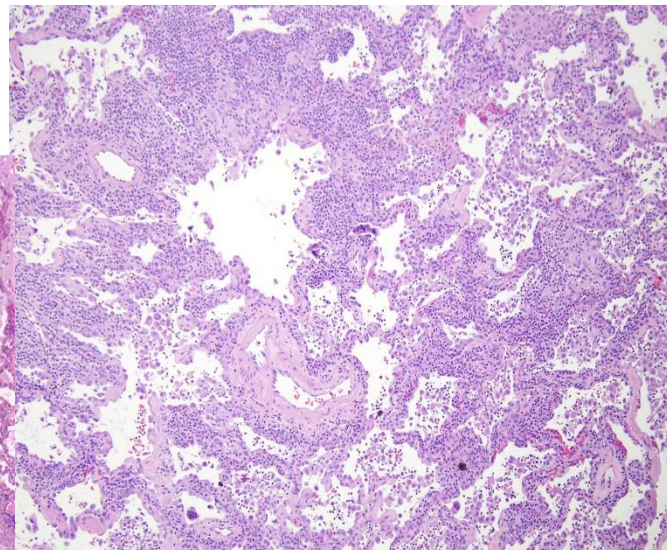
# Interstitial Lung Diseases: Heterogeneous Pathology Patterns



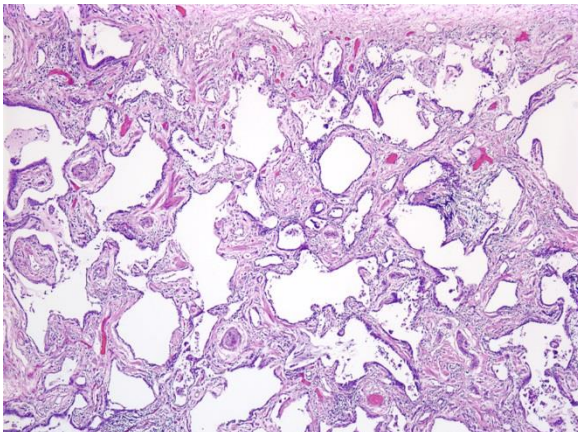
Organizing Pneumonia



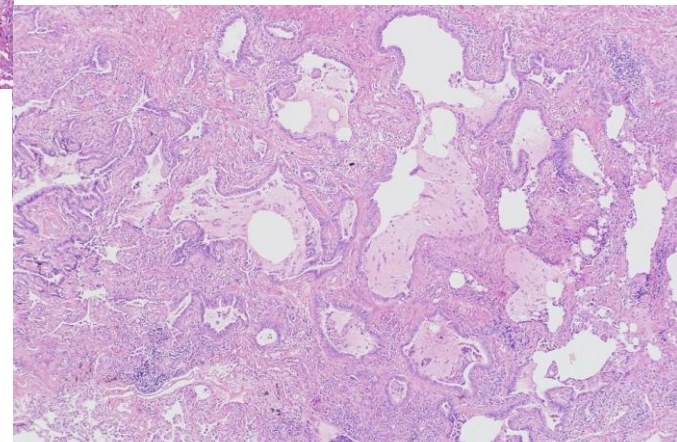
Idiopathic Pulmonary  
Fibrosis



Chronic Bronchiolitis



Nonspecific Interstitial  
Pneumonia



Hypersensitivity  
Pneumonitis

# Thyroid Development Process Replicated for ILD

## Whole Genome Discovery and Algorithm Development in Surgical Tissue

### Surgical tissue

- Banked ILD Surgical Tissues (n = 309)
- Local clinical diagnosis and some with expert surgical pathology review

### Machine Learning Algorithms

- Microarray and Deep RNA sequencing
- Support Vector Machines

## Bridge to Clinically Relevant Biopsy Samples

- **Prospective** bronchoscopy sample collection
- ~20 sites in US and EU
- Diagnoses by expert pathologist and **multi-disciplinary team (MDT)**
- Further assay and algorithm development
- Lock test and algorithm

## Publish Robust Evidence

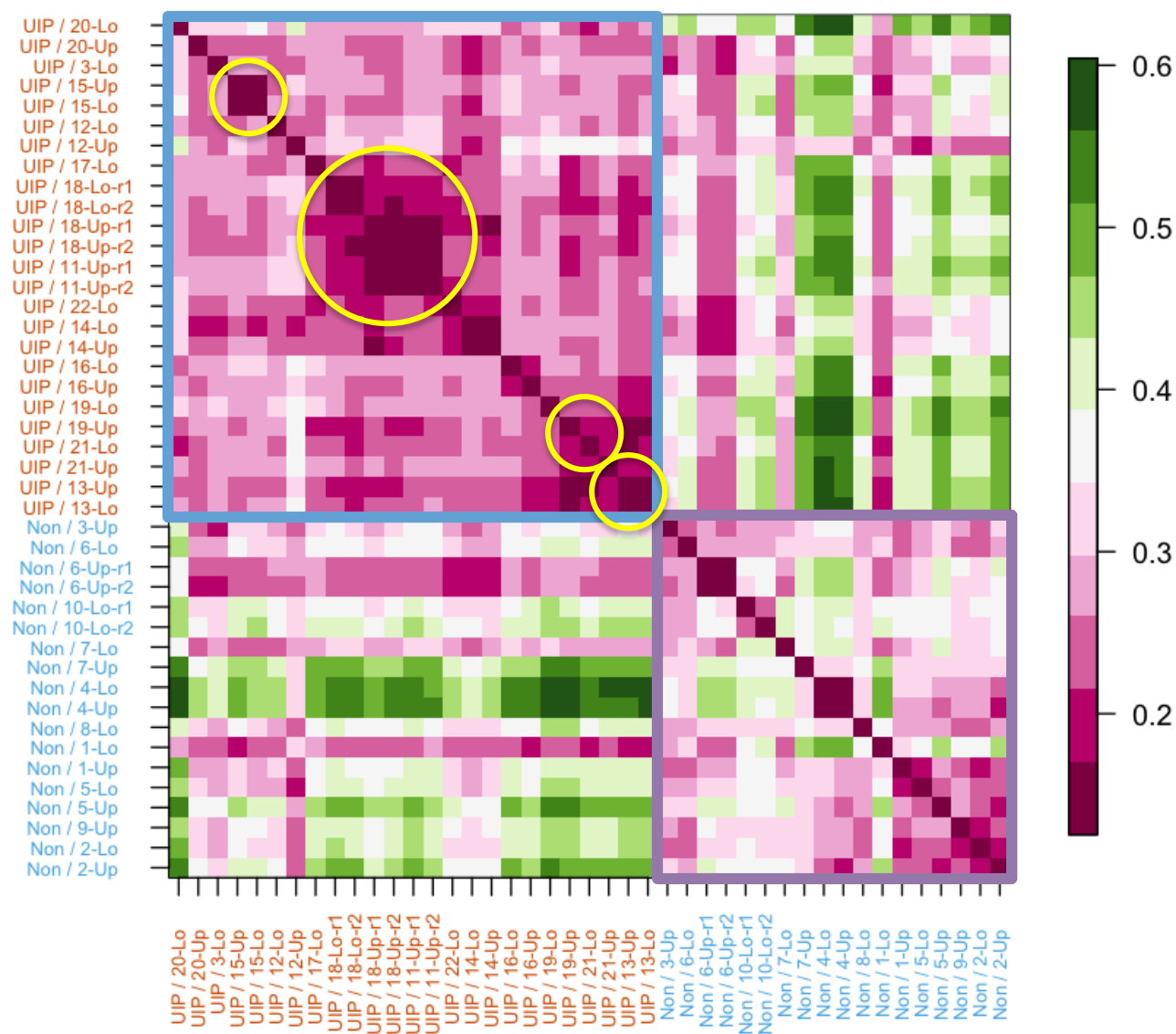
- **Analytical** validation
- Prospective, multi-center **clinical validation**
- Clinical utility and cost-effectiveness studies



**We Are Here**



# Top 200 Genes Reveals Structure in Tissue Data

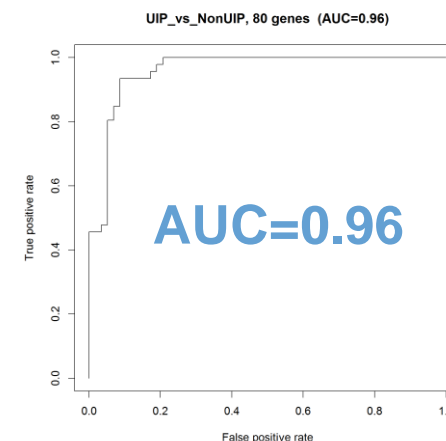
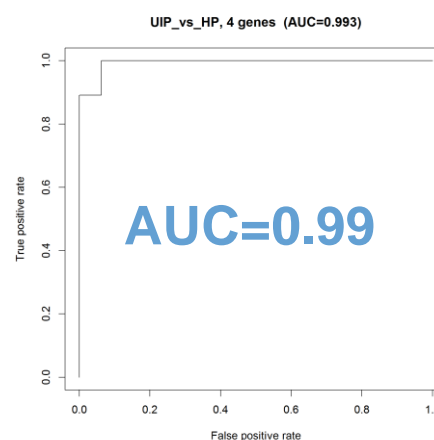
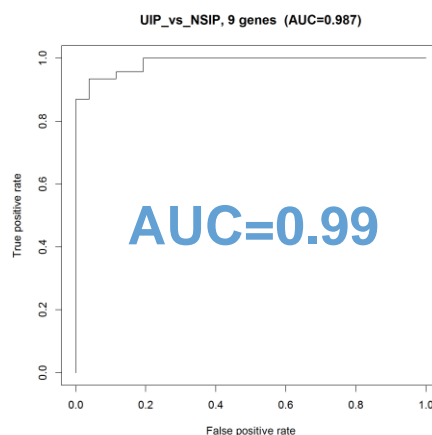


- Clustering within UIP and non-UIP groups
- Multiple samples from same patient cluster together

# Classification Performance\* to Pathology Pattern

## Pathology Pattern (UIP vs Other)

	Non-specific Idiopathic Pneumonia (NSIP)	Hypersensitivity Pneumonitis (HP)	Non-UIP
<b>Whole-genome Array</b>	0.99	0.99	0.96
<b>Patients n=</b>	29 vs 14	29 vs 15	29 vs 40
<b>RNA-Seq</b>	1.0	0.96	0.90
<b>Patients n=</b>	14 vs 6	14 vs 2	14 vs 15

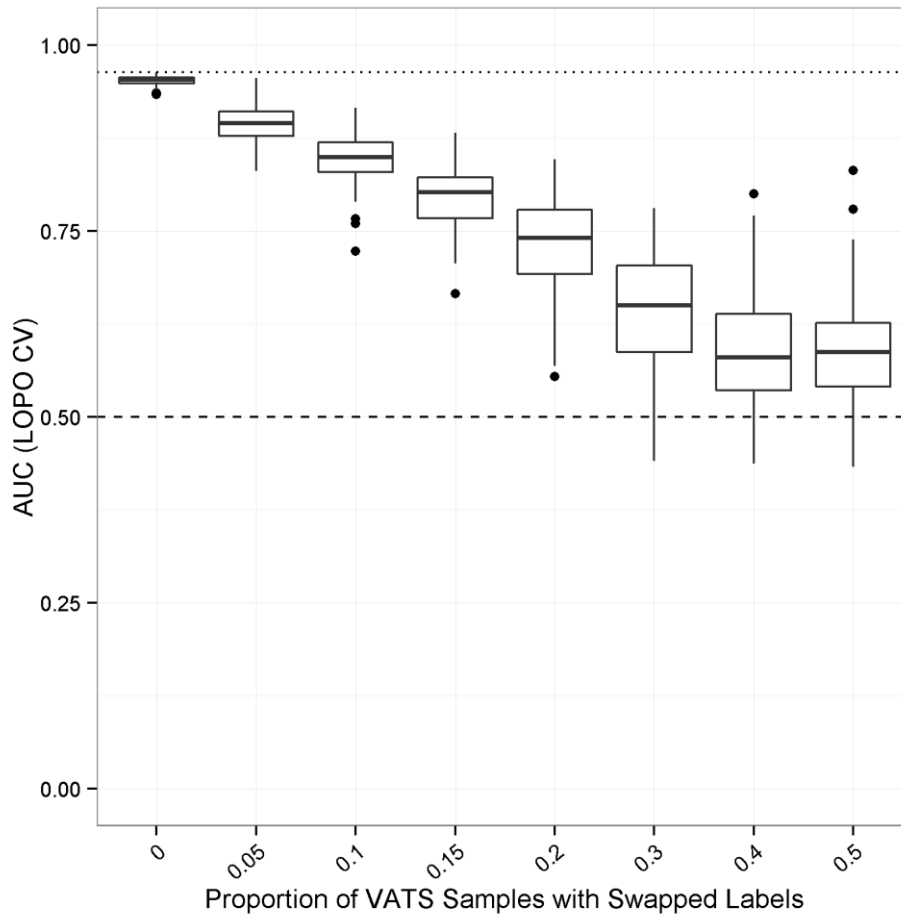


\*leave-one-patient-out cross-validation on surgical tissue

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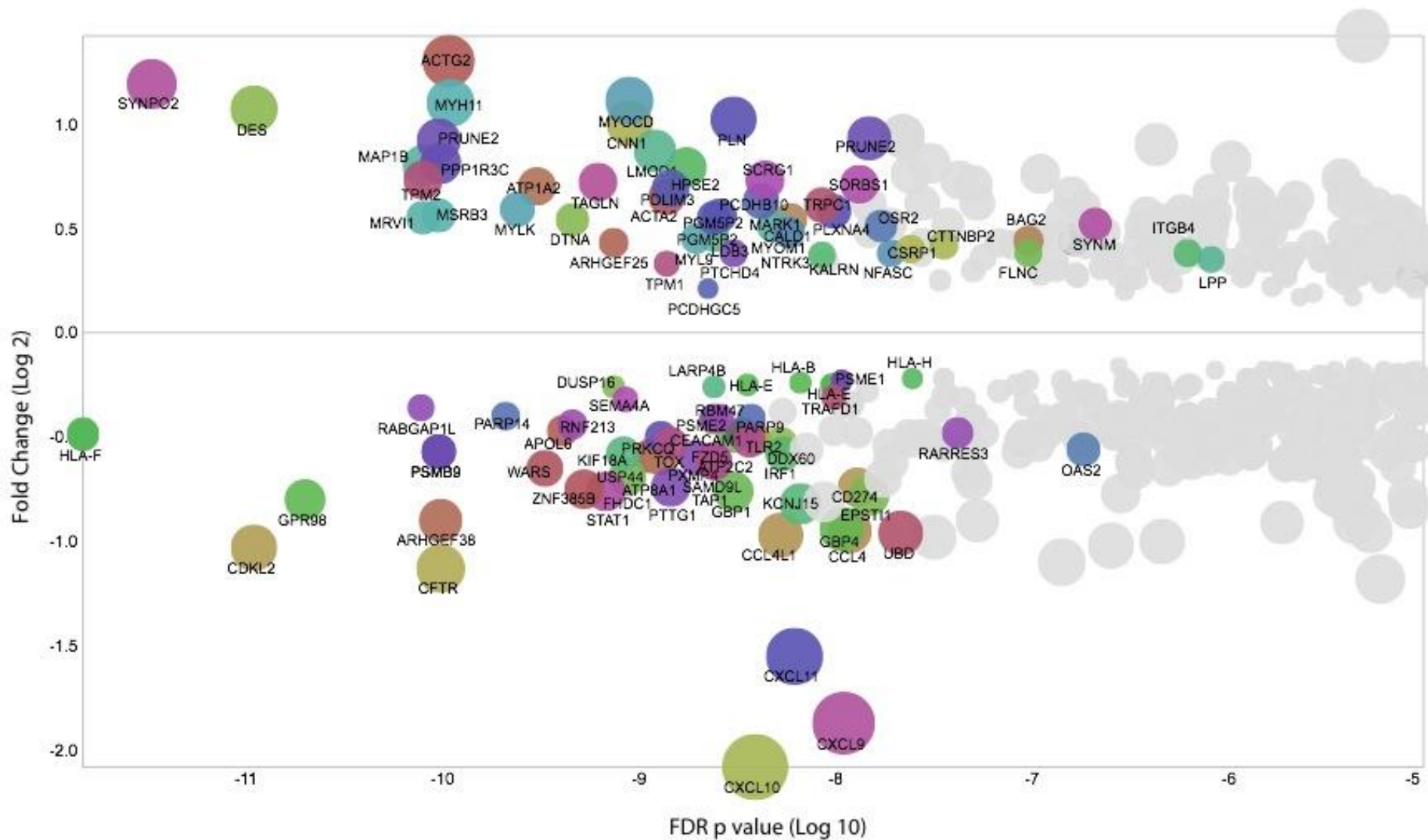
# Getting Pathology Labels Right Is Important...

...and This Is What Happens When You Get It Wrong



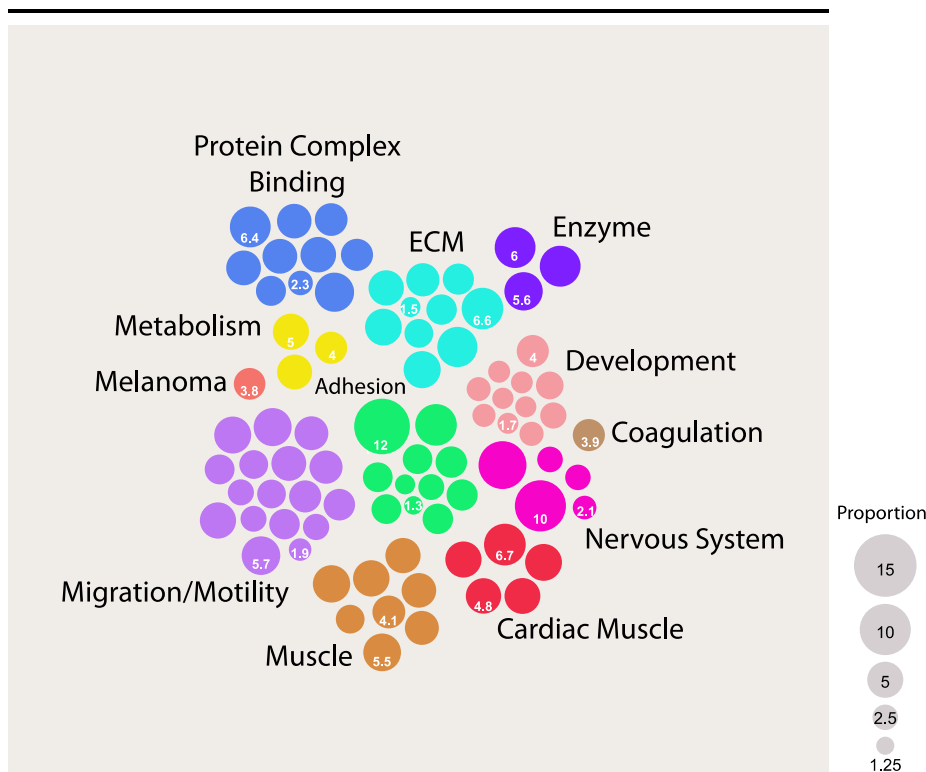
If we do a simulation where we randomly introduce pathology label errors, the performance of the ILD classifier steadily drops

# Top 500 UIP vs. Non-UIP Genes

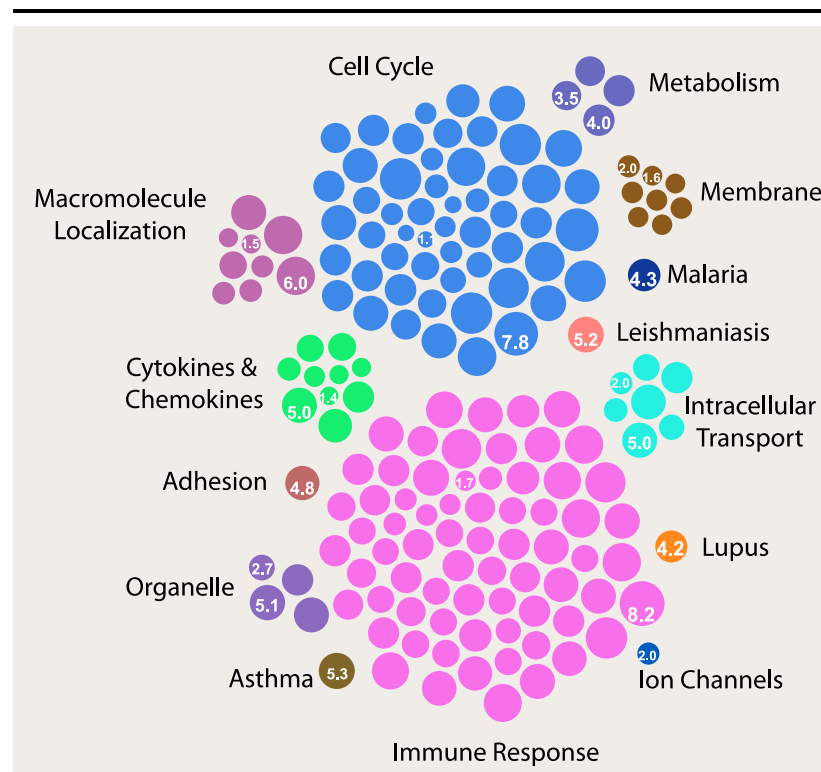


# UIP and Non-UIP Samples Characterized by Distinct Pathway and Gene Ontology Groups

## Over-represented in UIP



## Over-represented in non-UIP





- **Four major engines drive R&D**
  - Clinical Studies
  - Genomic Marker Discovery
  - Algorithm Development
  - Product Development
- Clinical site selection **yields right samples** with a truth label
- Assay and platform **optimized to fit** the indication
- High-density genomic data **collected on every patient** using the latest technology
- A **toolbox of sophisticated algorithms** are tested on all classification problems
- **Blinded clinical validation** studies foster confidence in the performance of our products
- **Unused genomic data** can be used to develop new products
- Publications drive **adoption, inclusion in guidelines and payer coverage**

# State of the Art Care for Managing Patients with Thyroid Nodules

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Erik K. Alexander, MD

Division of Endocrinology, Diabetes, & Hypertension

Brigham & Women's Hospital

Harvard Medical School



# Outline:

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## 1. Thyroid Nodule Evaluation - 2014:

- Our current standard
- Why we need better

## 2. Afirma GEC Analysis— 2014:

## 3. The Importance of High-Quality Clinical Validation

## A Typical Patient:

48yo female is found to have an incidental thyroid mass during a CT scan. The mass is **asymptomatic**. She has no history of any thyroid problems, and feels 'well'. On examination, a **3.5cm** left sided thyroid mass is identified, in an otherwise healthy individual.

The patient has been told that the importance of further evaluation is to exclude thyroid cancer. She is **worried...**

*Fine Needle Aspiration (FNA) is recommended*



# Traditional Approach to Thyroid Nodules >1-1.5cm:



## Initial Assessment:

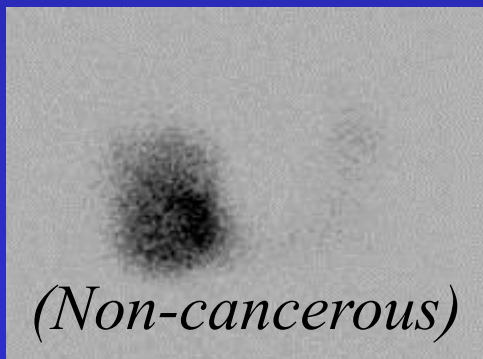
I. Ultrasound

II. Check TSH

*suppressed*

( $< 5\%$ )

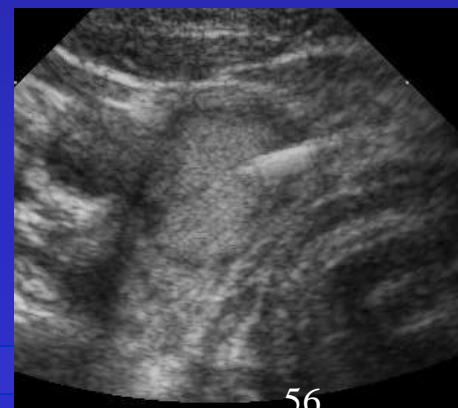
Thyroid Scan



*normal or elevated*

(~95%)

Fine Needle Aspiration



56



# Limitations of Thyroid Nodule FNA:

*A high rate of Indeterminate cytology*

---

~ 65-70% - No Malignant Cells

~ 5% - Malignant (Papillary Carcinoma)

~ 15-30% - **Indeterminate:**



“Suspicious for Malignancy”

“Suspicious for a Follicular Neoplasm”

“Atypical (follicular) lesion of Uncertain Significance”

~ 5% - Non Diagnostic



# The Low Specificity of Indeterminate Cytology



~9,350 consecutive thyroid nodules at Brigham & Women's Hospital  
evaluated with fine needle aspiration over a 13-year period

<u>FNA Cytology:</u>	<u>Proportion Cancer on Histopathology:</u>
----------------------	---

Suspicious for Papillary Carcinoma:	70 %
-------------------------------------	------

Suggestive of a Follicular Neoplasm:	27 %
--------------------------------------	------

Atypical of an undetermined significance:	24 %
--	------

*Despite recommendations for surgery, >50% of patients  
with 'abnormal' cytology prove to have benign disease*

# Incidence of Complications from Thyroidectomy



## Complication:

## Rate:

I. Perioperative risk of death  
from thyroid surgery<sup>1,2,4</sup>:

0.1-0.2% (0.8% if >80yo)

II. Permanent Complications<sup>3</sup>:

*Hypocalcemia >6mo:*

4.4%

*RLN damage >6mo:*

1.0%

III. Other:

*Significant rebleeding<sup>3</sup>:*

2.1%

*Infection:*

1.6%

1. Shrime MG, et al. *Arch Otolaryngol Head Neck Surg* 2007.

2. Hundahl SA, et al. *Cancer* 2000.

3. Bergenfelz A, et al. *Langenbecks Arch Surg* 2008.

4. Mekel M, et al. *Surgery* 2009.

# Can we do better - 2014?

## Initial Assessment:

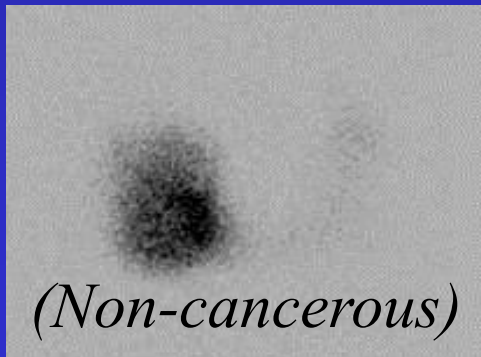
I. Ultrasound

II. Check TSH

*suppressed*

( $< 5\%$ )

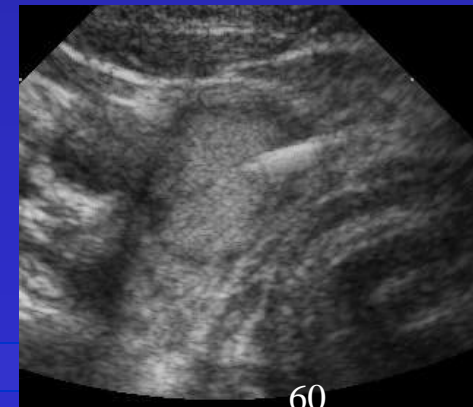
Thyroid Scan



*normal or elevated*

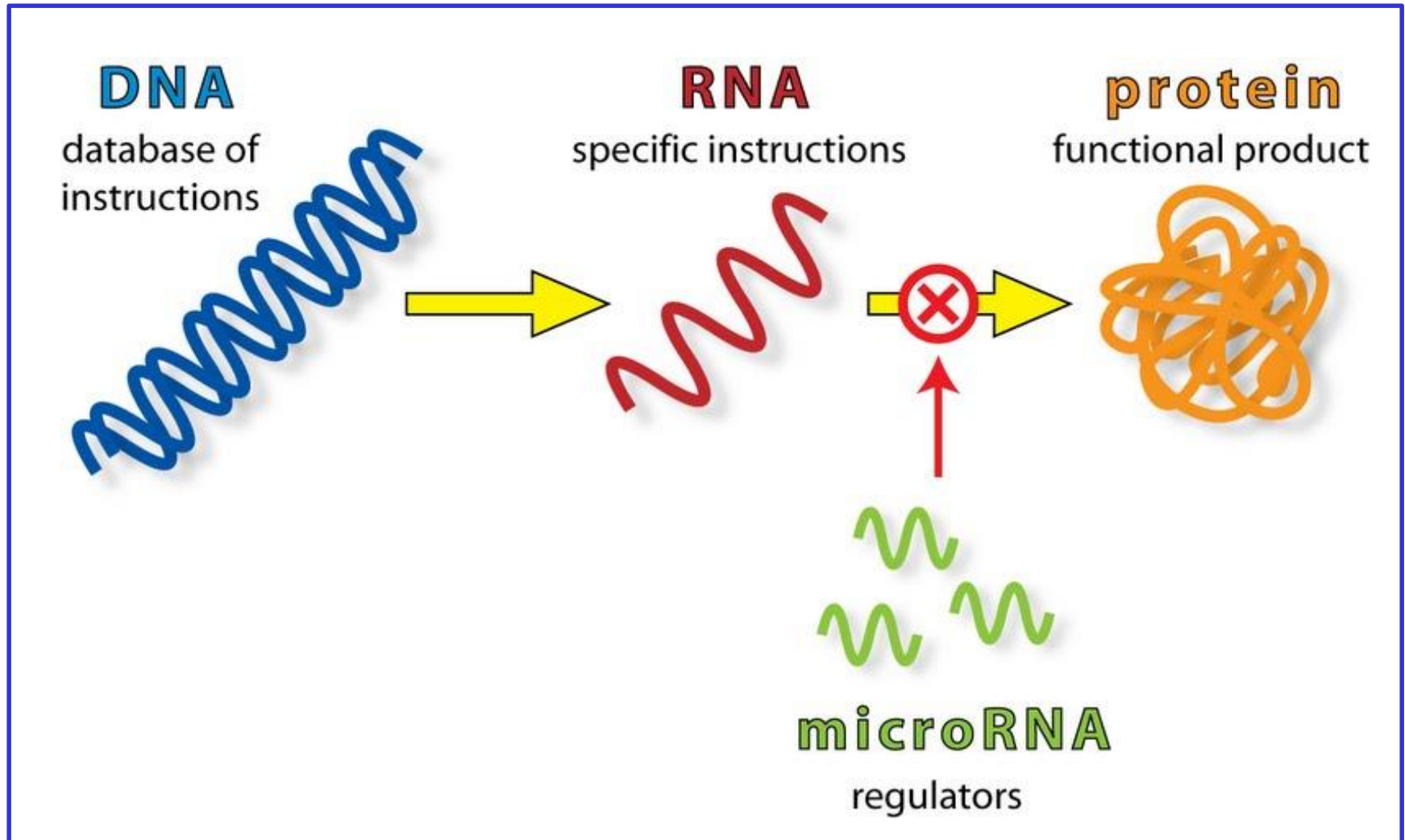
(~95%)

Fine Needle Aspiration



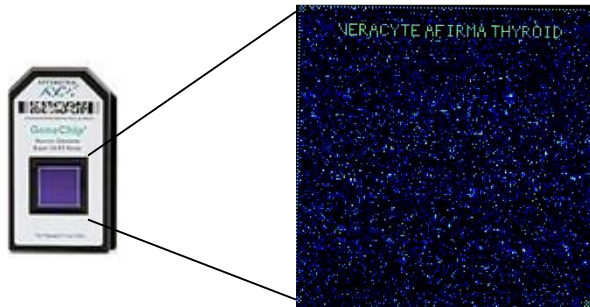
# Addressing the clinical need:

## *Synergistic Molecular Diagnostic Testing*

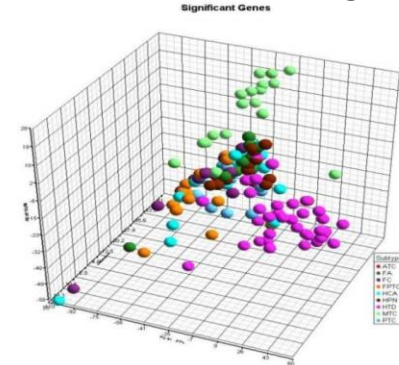


# Afirma Gene Expression Classifier:

Measure expression of 22,000 genes  
(mRNA) from nodule biopsy



Calculations via a  
multidimensional algorithm



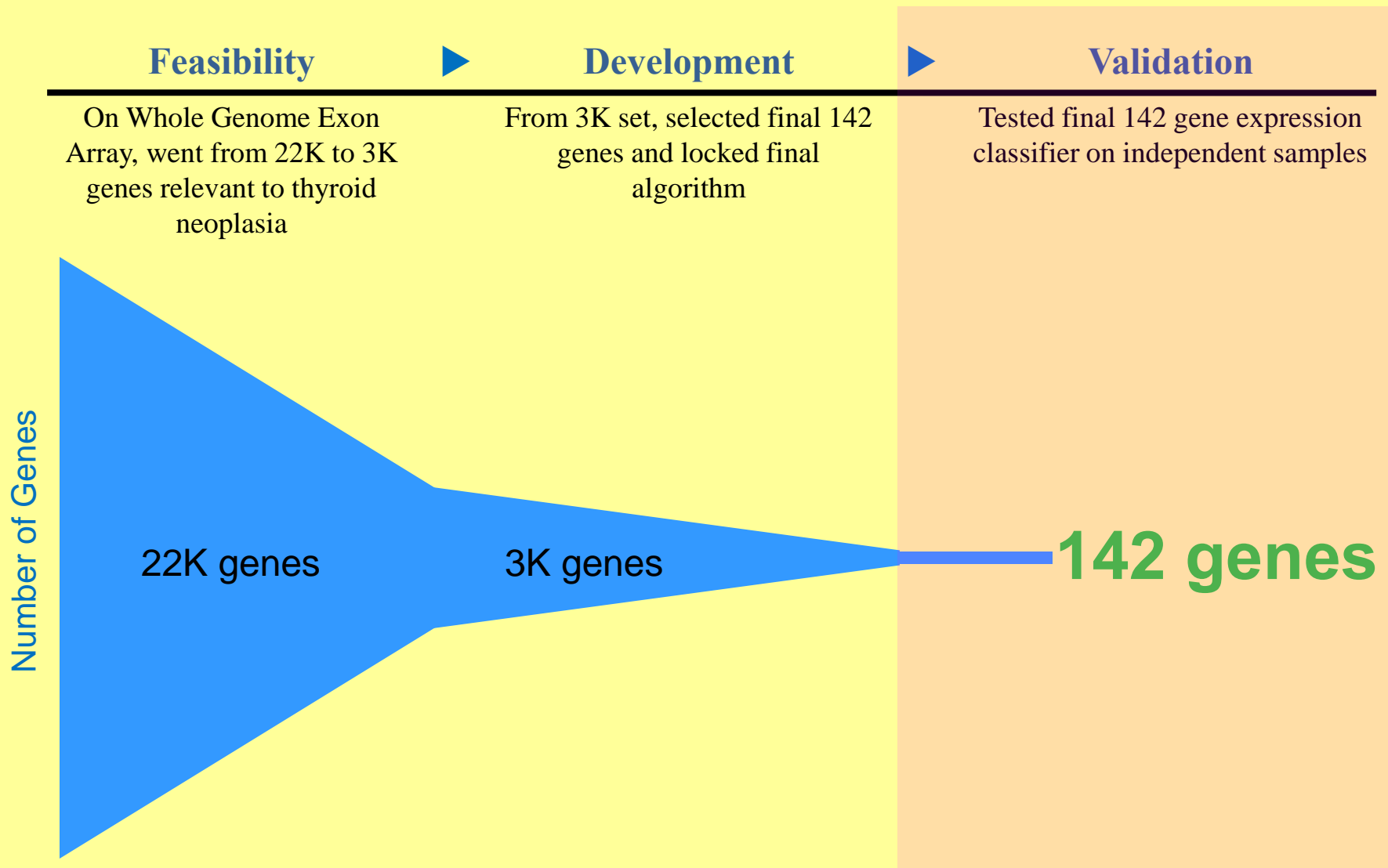
## Pattern (Signature)

- Resulting from ~160 mRNA transcripts
- Binary Result (Benign vs. Suspicious)



Key Feature: Maximized Sensitivity (NEG predictive value) →  
**BENIGN Afirma similar to that of a BENIGN Cytology result**

# Afirma GEC Design & Development:



# 2014 Focus – High Quality Validation

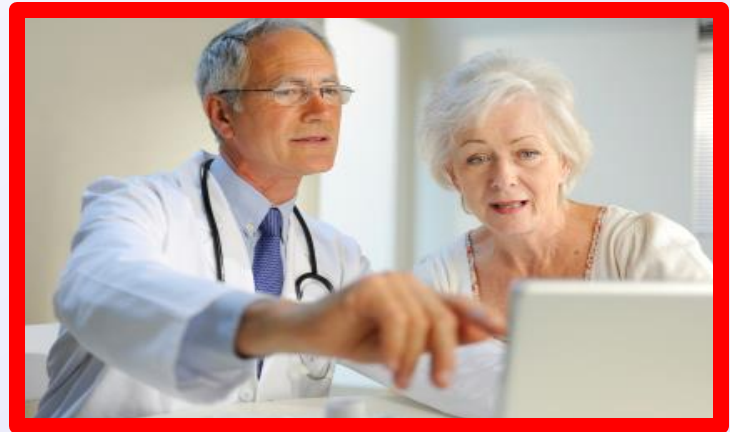
Discovery:



Development &  
Analytic Testing:



Clinical Validation & Clinical Utility



For Effective, Safe, & Accurate translation:

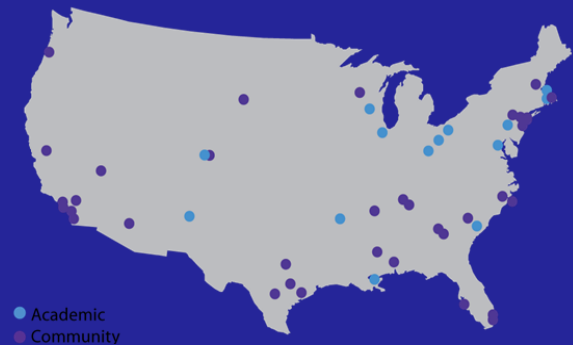
- Large, prospective, multi-center validation trial
- Double Blinded (molecular lab, pathologist, & clinician)
- Diverse & Representative of 'standard' population
- Pre-specified & Transparent – Led by Academic PI(s)



# Afirma Validation: Study Design

---

- **Prospective:**
  - *19 month enrollment of 3,789 pts (4,812 nodules)*
  - *Followup from time of sampling: 301 days*
- **Multi-center:**
  - 49 clinical sites
  - Academic & Community
- **Double-blinded:**
  - *Patient & Physicians unaware of GEC results*
  - *Molecular Lab blind to surgical pathology diagnosis.*



# Afirma GEC Validation:

When applied to patient with indeterminate thyroid nodules,  
in which diagnostic surgery would typically be recommended:

a 'benign' Afirma GEC means...

*Performance on all  
Indeterminate:*  
n=265

**NPV:93%**

*Cytology  
Atypical (AUS):*  
n=129

**NPV:95%**

*Cytology Foll.  
Neoplasm*  
n=81

**NPV:94%**

High NPV prevents unnecessary surgery –  
False Negative rate similar to benign cytology



# The NEW ENGLAND JOURNAL of MEDICINE

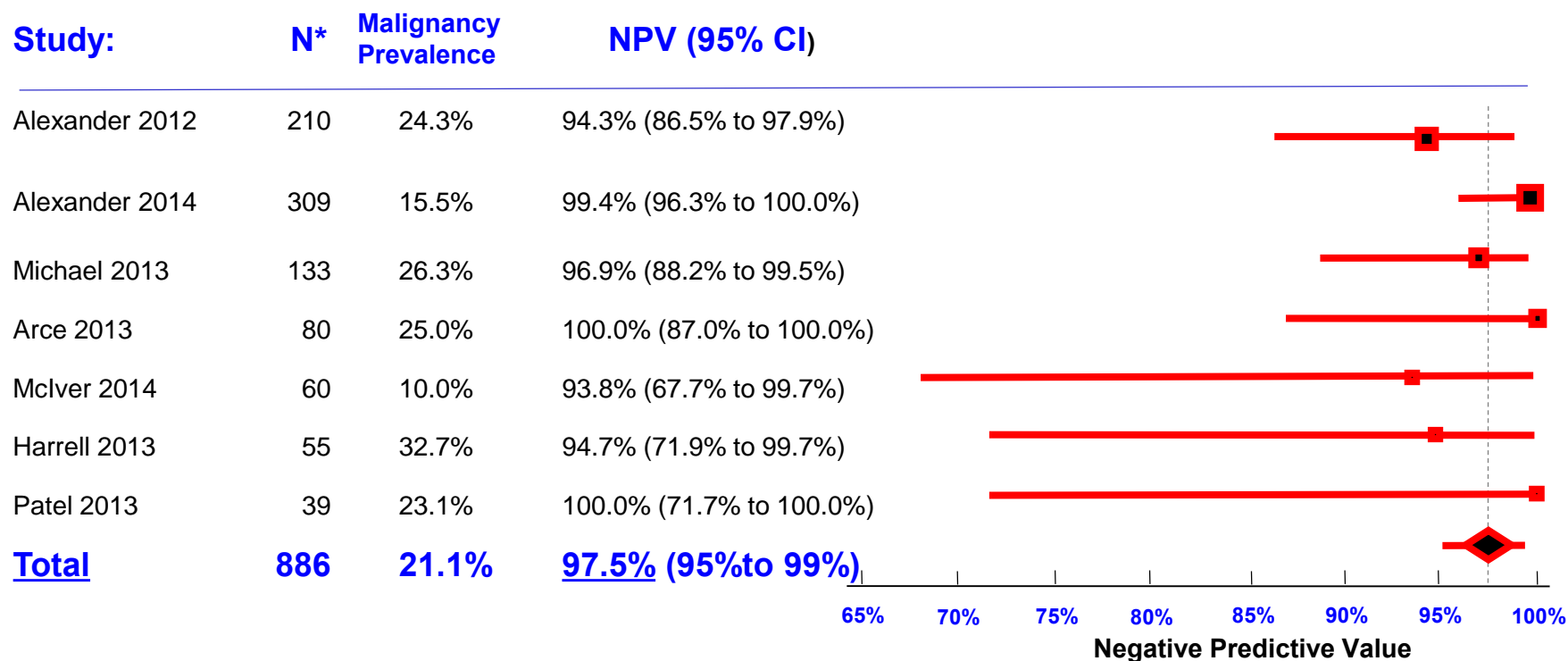
ORIGINAL ARTICLE

## Preoperative Diagnosis of Benign Thyroid Nodules with Indeterminate Cytology

Erik K. Alexander, M.D., Giulia C. Kennedy, Ph.D., Zubair W. Baloch, M.D., Ph.D.,  
Edmund S. Cibas, M.D., Darya Chudova, Ph.D., James Diggans, Ph.D.,  
Lyssa Friedman, R.N., M.P.A., Richard T. Kloos, M.D., Virginia A. LiVolsi, M.D.,  
Susan J. Mandel, M.D., M.P.H., Stephen S. Raab, M.D., Juan Rosai, M.D.,  
David L. Steward, M.D., P. Sean Walsh, M.P.H., Jonathan I. Wilde, Ph.D.,  
Martha A. Zeiger, M.D., Richard B. Lanman, M.D., and Bryan R. Haugen, M.D.

*Online First Release:* June 25, 2012.

# Consistency - Multiple Real-World Studies:



NPV calculated as true negatives (GEC benign and either unoperated or operated and histopathologically benign) divided by all GEC benign results

\*Includes Bethesda III (atypia/follicular lesion of undetermined significance) and IV (follicular/Hürthle cell neoplasm)

NPV: Negative Predictive Value; CI: confidence intervals

Alexander EK et al. N Eng J Med 2012  
 Alexander EK et al. J Clin Endocrinol Metab 2014  
 Michael B et al. AACE Annual Meeting Abstract #1038, 2013  
 Michael B. Personal communication, December 1, 2013

Arce KM et al. ATA Annual Meeting Abstract #115, 2013  
 Harrell RM & Bimston DN. Endocr Pract 2013  
 Patel LN & Heller KS. ATA Annual Meeting Abstract #78, 2013  
 McIver B et al. JCEM 2014

# The Current Approach – 2014

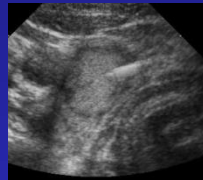


Improves: **The Traditional Standard:** through: **Synergy:**

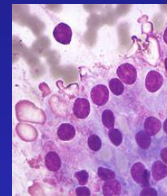
Clinical Risk  
Assessment:



Sonographic Risk  
Assessment:



Cytologic Risk  
Assessment:



Afirma Risk  
Assessment:



For any patient  
with a thyroid  
nodule:

Surgery only when Needed.

A Better Understanding of Individual Cancer RISK



# In just 2 years...

## The Profound Impact of Afirma GEC

322 Nodules with Indeterminate Biopsy  
(*Traditionally: Surgery recommended in >90%*)

174 Afirma GEC  
“Benign”



4 of 174 (2%)  
surgery recommended

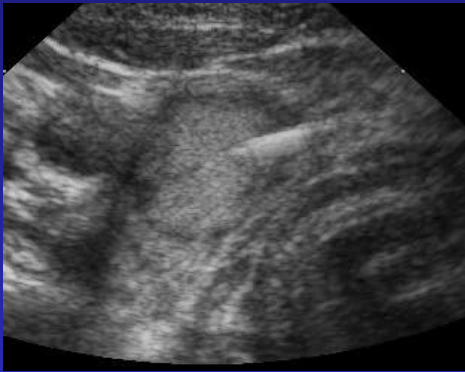
148 Afirma GEC  
“Suspicious”



141 of 148 (95%)  
surgery recommended

# The New Standard:

## Initial Assessment: Fine Needle Aspiration



## FNA Cytology:

Benign: No Intervention

Abnormal: Likely Surgical Removal:  
(hemi vs. near-total?)



## Afirma GEC:

Suspicious

Benign

Surgical Removal

No Surgery Needed







# Use of the Afirma GEC Today:

---

- Used routinely on my patients with indeterminate thyroid nodule FNA cytology:
  - Prospectively Validated in blinded fashion
  - Addresses an important unmet need in my population
- Increasingly used at throughout the U.S.
- An emerging standard of care in U.S.
  - NCCN guidelines
  - ATA guidelines

Afirma GEC provides significant opportunity to reduce unnecessary surgeries and save costs

# Clinical Unmet Need in Lung Cancer Detection

---

Anil Vachani, MD, MS  
Assistant Professor of Medicine  
Department of Medicine  
University of Pennsylvania

# Clinical Case

- 55 y/o woman
- 20 pack year smoking history
- Early stage breast cancer 2 years ago
- Chest CT done for evaluation for shortness of breath
- 11mm LUL nodule



# Clinical Challenges

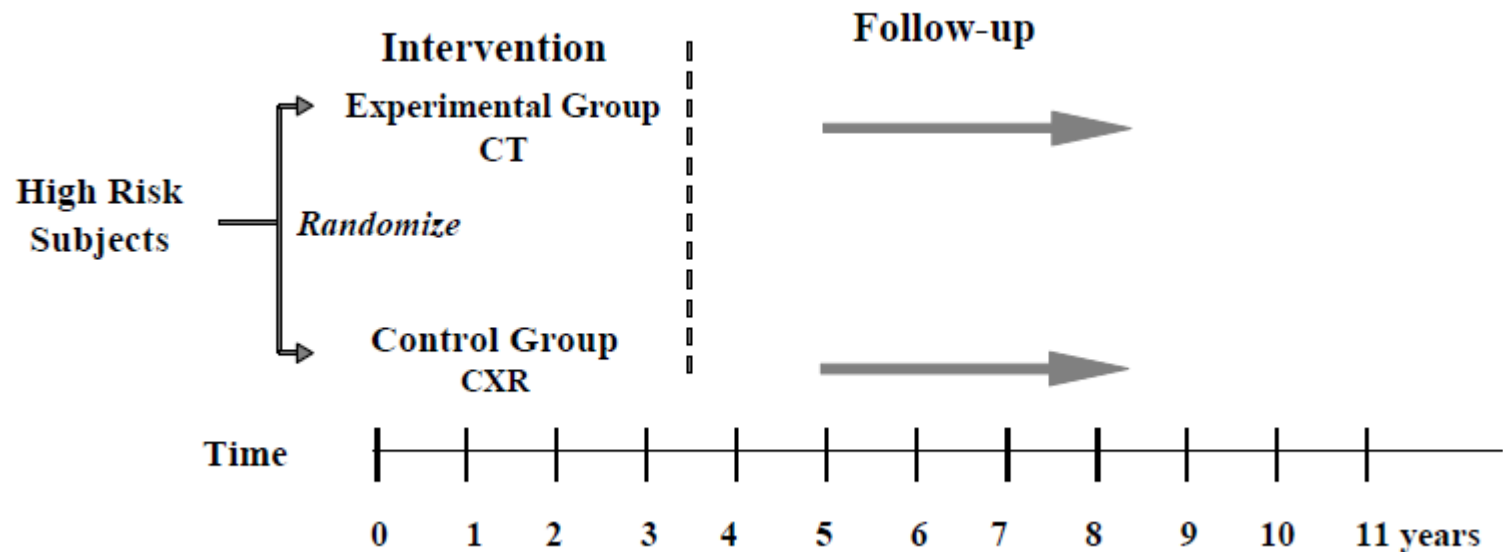
- Effective treatment for early stage disease but most lung cancers present at advanced stage
- Limited therapeutic advances for patients with advanced disease
  - Chemotherapy and Radiation
- The Lung is a difficult organ to biopsy
  - Bronchoscopy
  - CT guided needle biopsy (TTNA)
  - Surgery

# Potential Solutions

- Diagnose patients at an earlier stage of disease
  - Screening
- Improve the diagnostic yield of current biopsy techniques
- Improve therapeutic strategies for patients with late stage disease

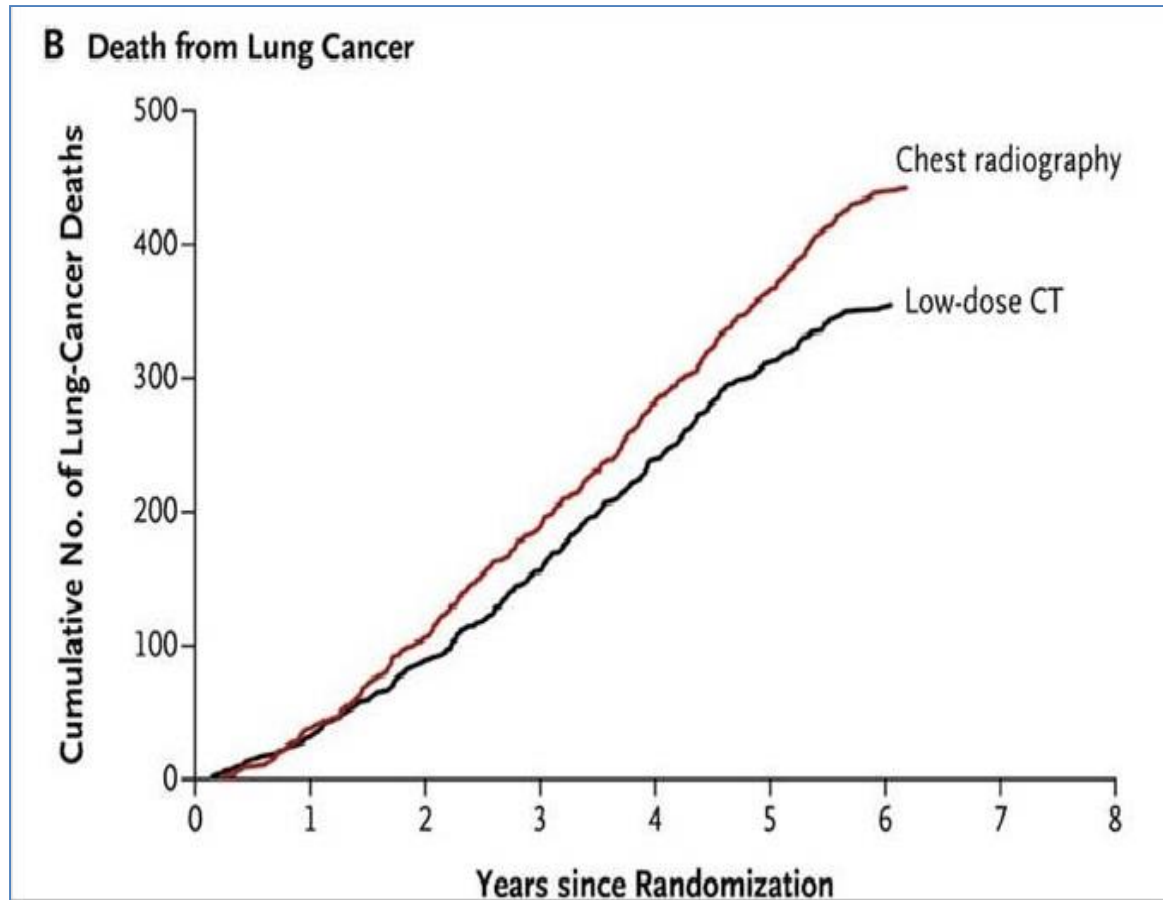
# NLST – Study Design

Prospective randomized controlled trial  
Screening for 3 consecutive years with either CXR or low-dose chest CT



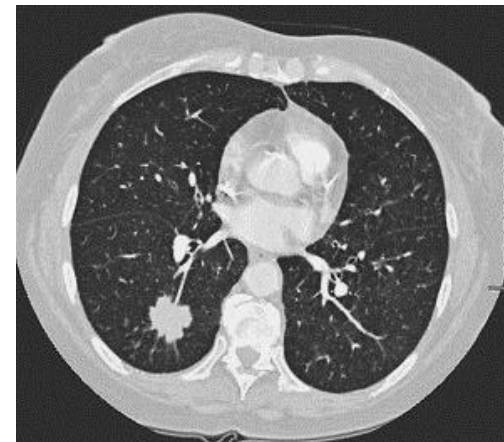
Enrollment: 8/2002-4/2004  
Annual Interim Analyses: 4/2006 - 4/2010  
Final: 10/2010

# Study Results: Mortality



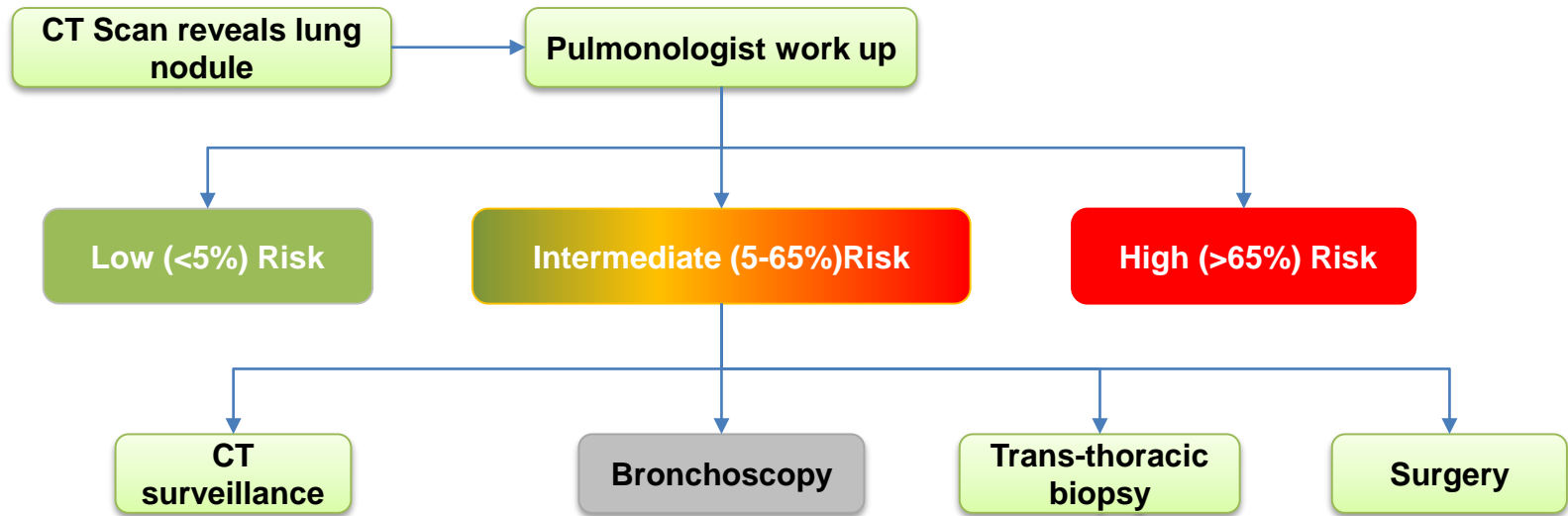


# Importance of Nodule Size



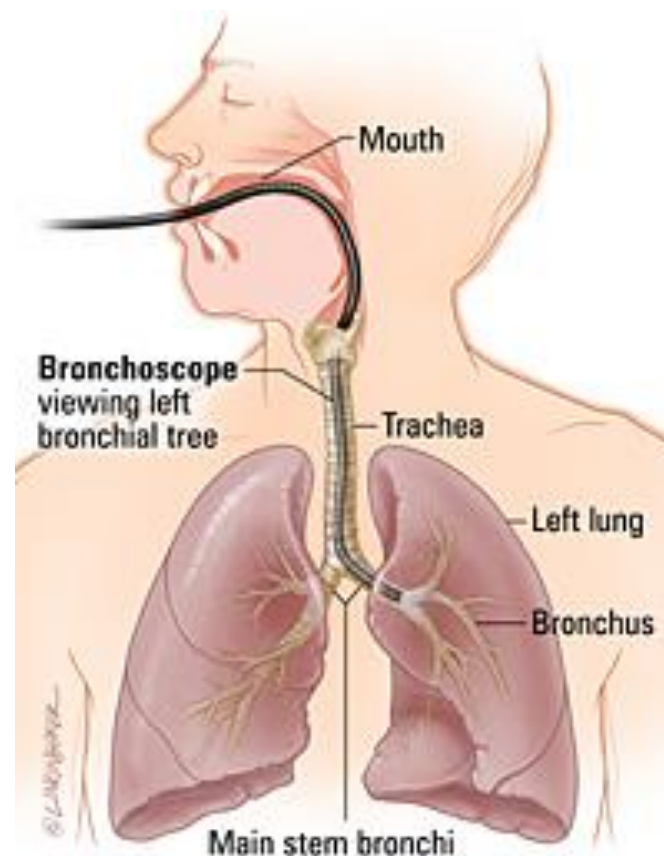
Nodule Size	Confirmed Lung Cancer		PPV (%)
	Yes	No	
4-7 mm	18 (7%)	3642 (53%)	0.5
7-10 mm	35 (13%)	2079 (30%)	1.7
11-20 mm	111 (41%)	821 (12%)	11.9
21-30 mm	58 (22%)	137 (2%)	29.7
> 30 mm	45 (17%)	64 (1%)	41.3

# Pulmonary Nodule Evaluation



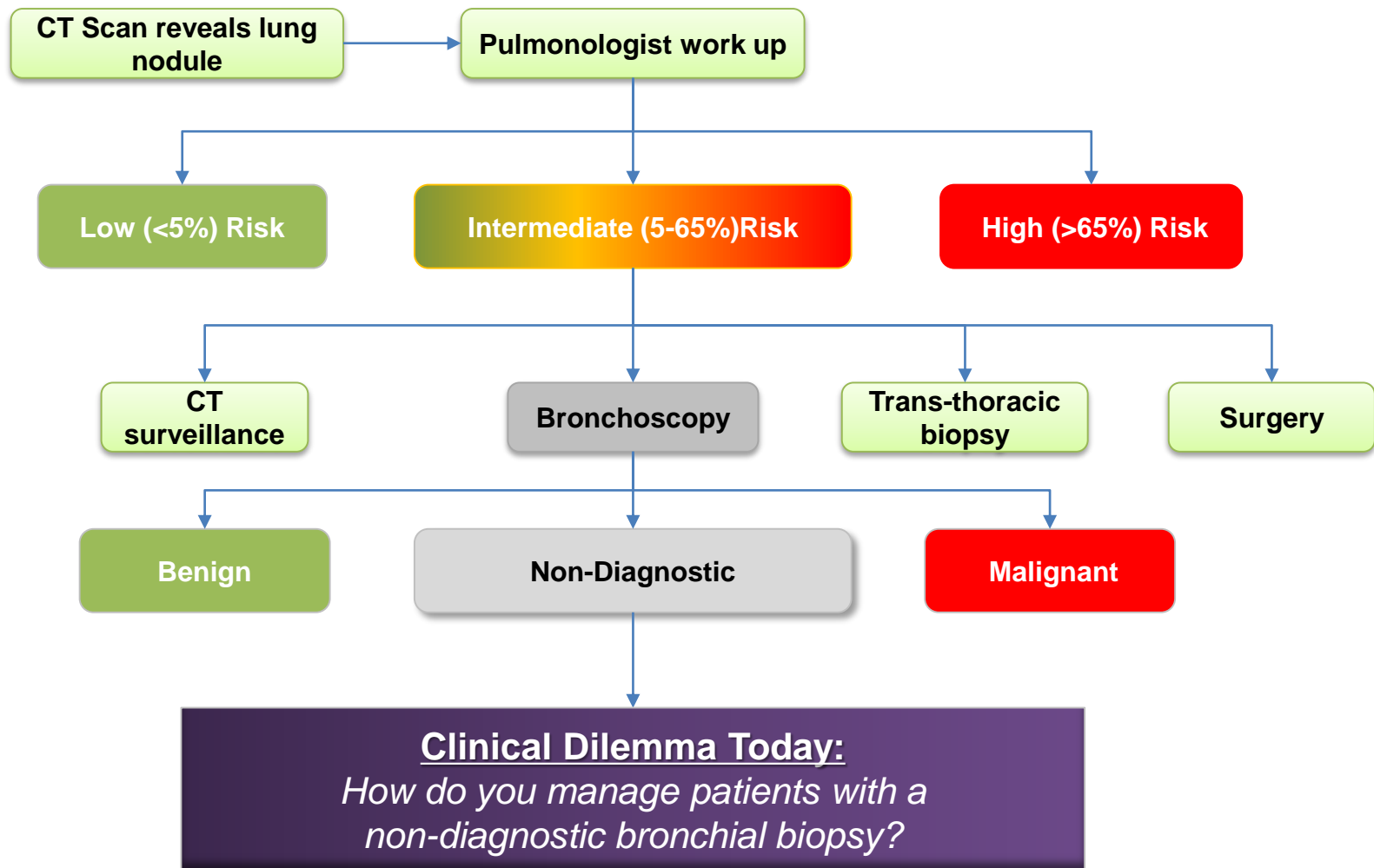
# Role of Bronchoscopy in Lung Cancer

- Estimated 300,000 procedures/year on suspect lung cancer subjects
- Diagnostic sensitivity varies
  - Conventional vs guided techniques
  - Operator experience
  - Mass size or location
  - Estimates range from 50-80% (1,2)
- False-negative rate prevents rule-out of cancer
- Non-diagnostic bronchoscopy often leads to invasive follow-up procedures
- 30% of thoracotomy procedures lead to findings of benign disease



1. Ernst A, et al., CHEST. 2010;138:165-170 2. Ost DE, Ernst A, Lei X, et al. CHEST. 2011;140(6):1557-1566.

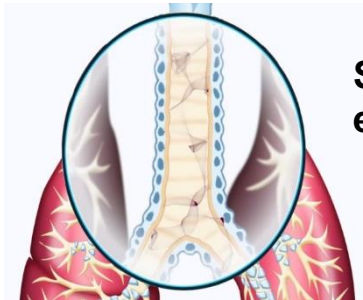
# Pulmonary Nodule Evaluation



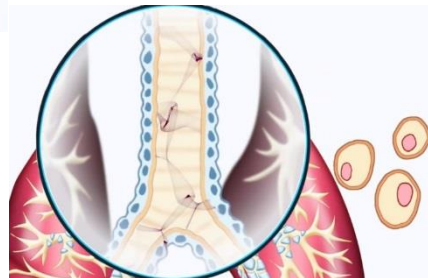
# Airway Field of Injury Concept



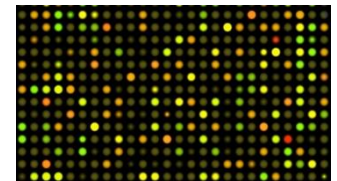
**Peripheral lung nodules are difficult to biopsy**



**Smoking alters the epithelial cell gene expression throughout the airway**



**A gene signature of a cytology sample collected from the airway can predict the risk of cancer of a peripheral lung nodule**



# AEGIS Trial: Multi-Center Cohort Study

## Airway Epithelium Gene Expression In Lung Cancer Diagnosis

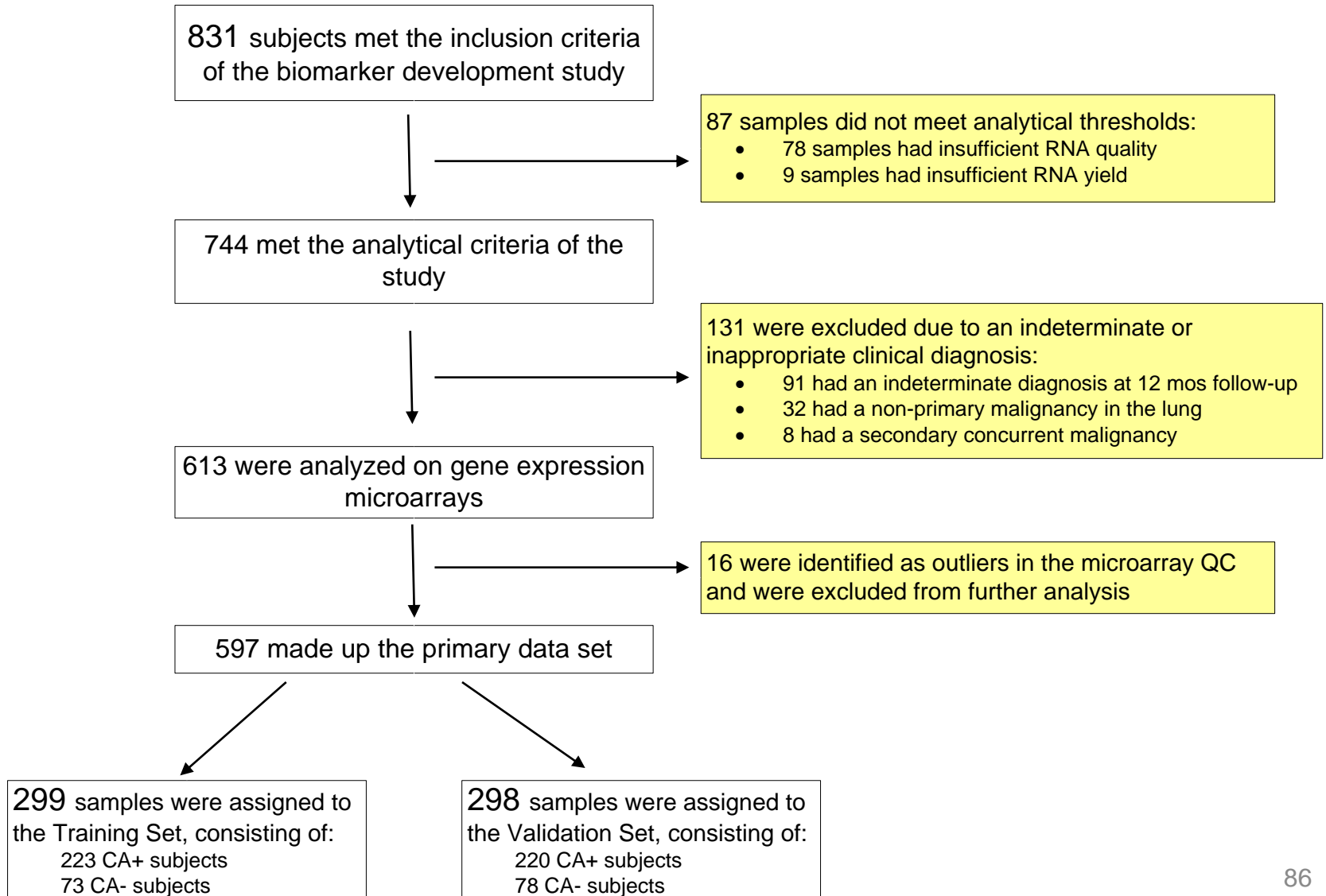
- It has been shown that gene-expression in cytologically normal airway epithelial cells reflects damage in smokers (current & former)
- Development of a multivariate classifier can be used to predict cancers in the case of non-diagnostic bronchoscopy procedures and significantly improve diagnostic yield.

# Airway Epithelium Gene Expression In the Diagnosis of Lung Cancer: AEGIS I and AEGIS II Clinical Trial Sites

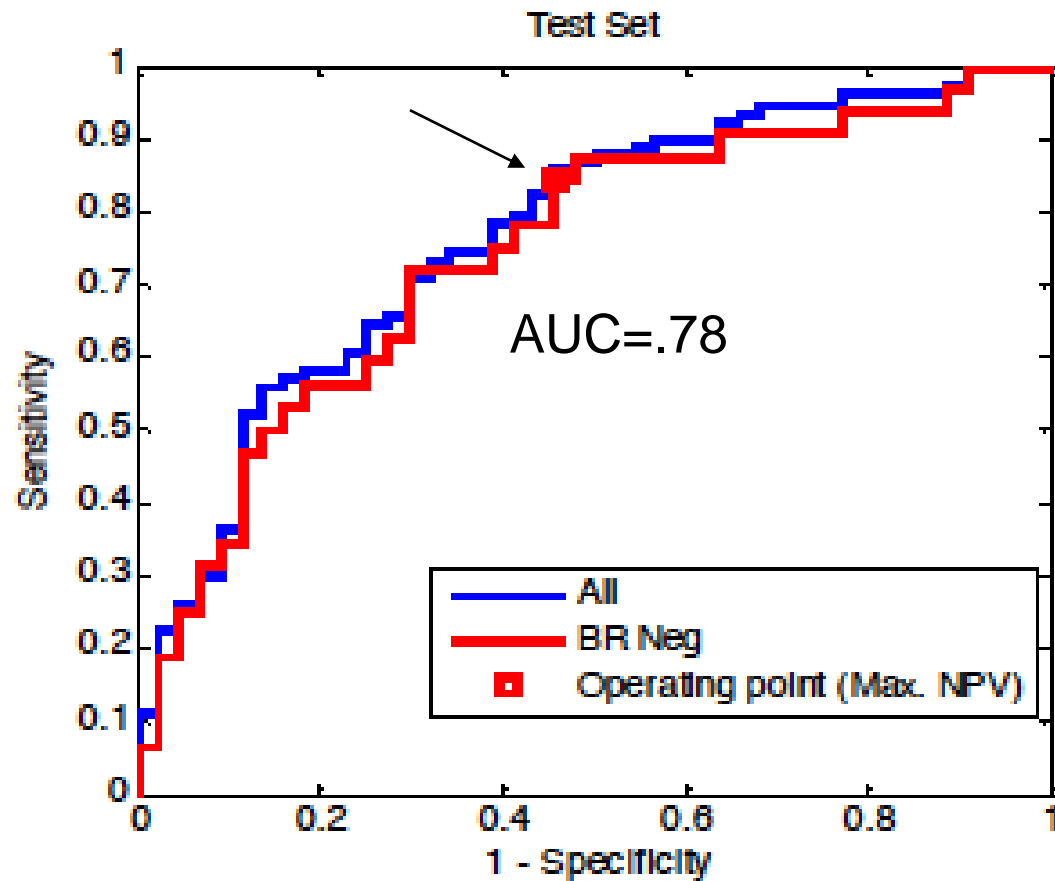




# AEGIS 1 Study Samples



# Aegis I Validation Results



# Subgroup Analysis: High sensitivity in small lesions and peripheral lesions

Mass Size	N	BG	BR	Combined
<1 cm	30	93%	79%	100%
1-2 cm	87	89%	54%	98%
2-3 cm	83	92%	53%	97%
<b>Total &lt;3cm</b>	<b>200</b>	<b>91%</b>	<b>56%</b>	<b>98%</b>
>3 cm	296	88%	78%	96%
Infiltrate	55	85%	75%	95%
Unk	45	97%	83%	100%

Location	N	BG	BR	Combined
Central	200	85%	80%	95%
Peripheral	176	92%	54%	96%
Both	168	93%	73%	99%
Unk	53	88%	88%	97%

*Greatest added benefit observed in smaller (<3cm) and peripheral lesions, where bronchoscopy alone is least sensitive.*

# Subgroup Analysis: Sensitivity of the classifier is equivalent across cancer stage

	Stage	N	BG	BR	Combined
NSCLC	IA	28	96%	29%	100%
	IB	37	81%	49%	84%
	IIA	2	100%	0%	100%
	IIB	24	92%	63%	100%
	<b>Early stage</b>	<b>91</b>	<b>89%</b>	<b>45%</b>	<b>93%</b>
	IIIA	54	91%	70%	98%
	IIIB	41	85%	73%	95%
	IV	110	90%	84%	98%
SCLC	Limited	31	84%	74%	97%
	Extensive	38	92%	92%	100%

# Additional Results

- 34% (37/110) of surgeries were performed in benign lesions
- 23% (50/214) of subjects with negative bronchoscopy & benign disease had invasive follow-up
- **42% (21/50) patients could be saved invasive procedures by use of the Allegro lung cancer test**

# Clinical Case

- 55 y/o woman
- 20 pack year smoking history
- Early stage breast cancer 2 years ago
- Chest CT done for evaluation for shortness of breath
- 11mm LUL nodule



# Clinical Case Results

- PET Scan
  - SUV ~ 2.5
  - Nonspecific lymph node uptake
- Bronchoscopy
  - Negative lymph nodes
  - Biopsy of the nodule was non-diagnostic
- VATS lobectomy
  - Benign granuloma





# Summary

- Lung nodules/masses are a very common indication for pulmonary evaluation
- Bronchoscopy is non-diagnostic in in 20-50%
  - Higher non-diagnostic rate for lung nodules < 2cm
- Decision making is difficult following a non-diagnostic bronchoscopy
- Allegro's lung cancer test can lead to fewer invasive procedures following a non-diagnostic bronchoscopy

# **The current approach to the diagnosis of interstitial lung disease**

Fernando J. Martinez, MD, MS

Weill Cornell Medical Center

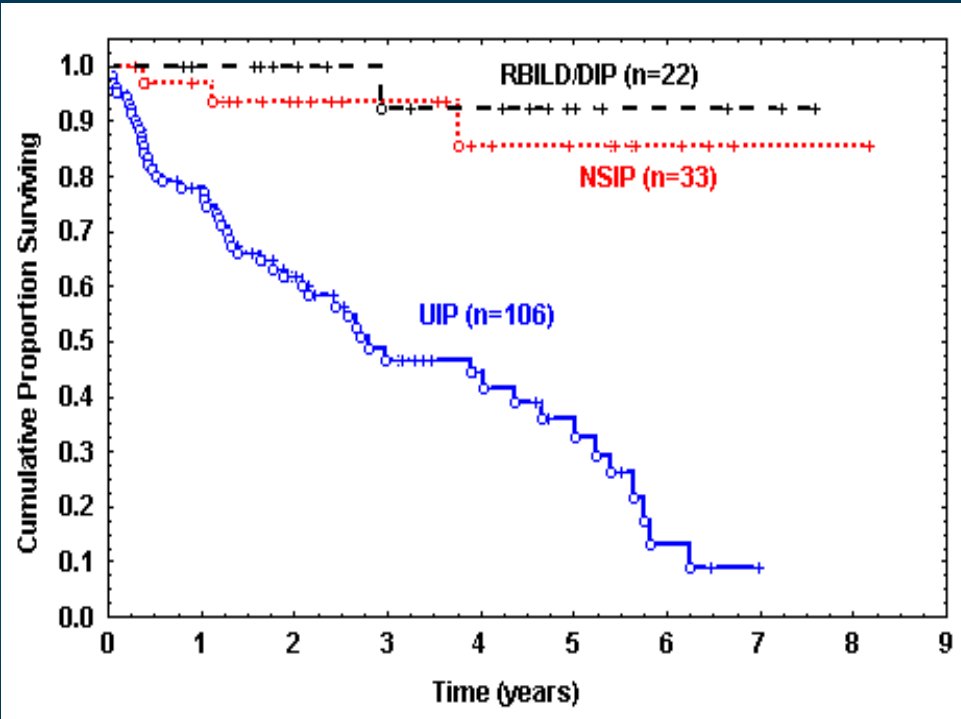
University of Michigan Health System

# Interstitial Lung Diseases - Difficulties

- ◆ Diverse group of disorders (130+)
- ◆ Similar symptoms, physiology, radiology
- ◆ Difficult nomenclature
- ◆ Limited, often toxic, treatments

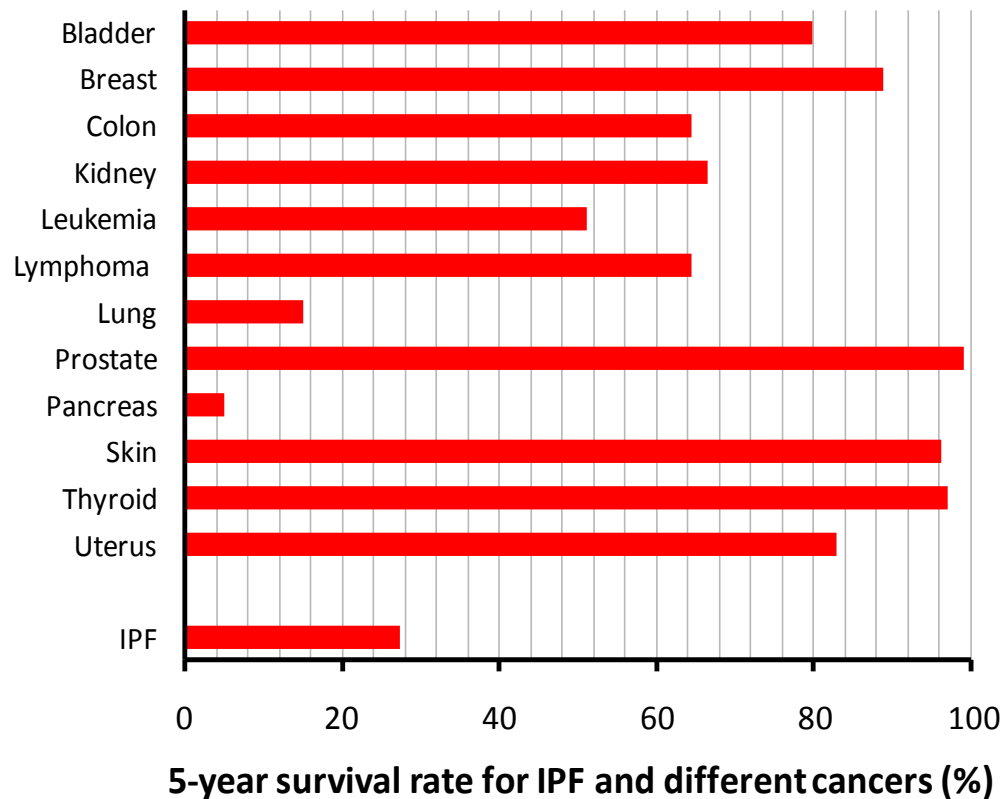


# IPF confers a poor prognosis



Parameter	HR (95% CI)
IPF diagnosis	28.46 (5.5, 147)
Age	0.99 (0.95, 1.03)
Female sex	0.31 (0.13, 0.72)
Smoker	0.30 (0.13, 0.72)
Physio CRP	1.06 (1.01, 1.11)
Onset Sx (yrs)	1.02 (0.93, 1.12)
CTfib score $\geq 2$	0.77 (0.29, 2.04)

# Five year survival of IPF is worse than most cancers

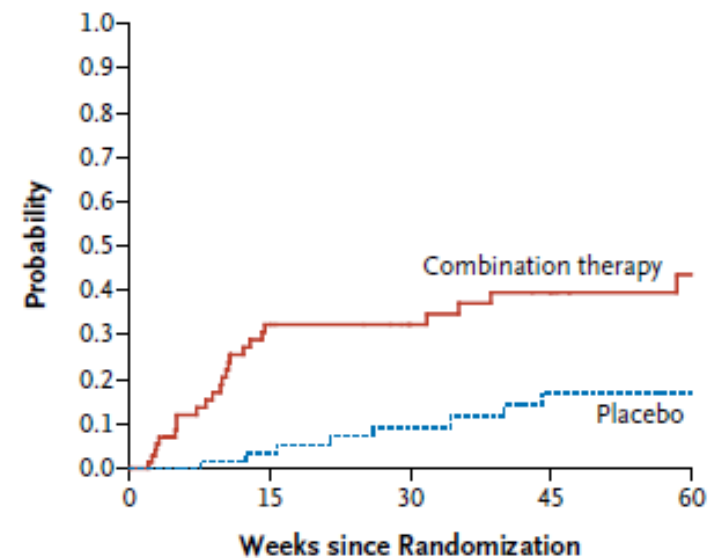


# Prednisone, Azathioprine, and N-Acetylcysteine for Pulmonary Fibrosis

The Idiopathic Pulmonary Fibrosis Clinical Research Network\*

- Interim Analysis with 50% data
  - Combination n = 77, Placebo n= 78
  - Increased Death 8 vs 1, p=0.01
  - Increased Hosp 23 v 7, p<0.001
  - No physio/clinical benefit
- Termination of combination therapy at mean of 32 weeks
- Recommendation against use of pred/azthioprine/N-acetyl cysteine

**C Time to Death or Hospitalization**



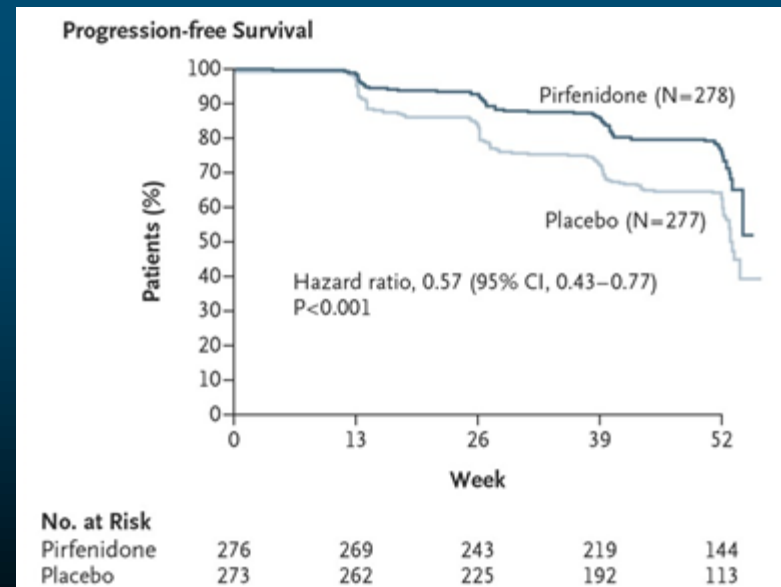
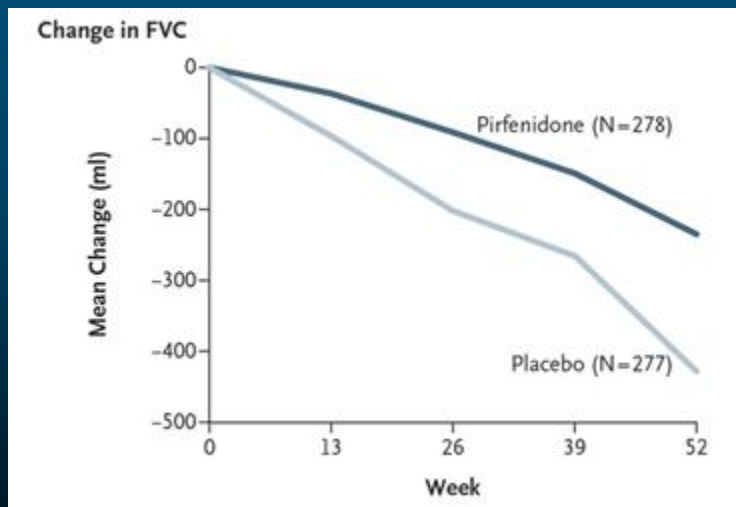
**No. at Risk**

Combination therapy	77	40	29	23	10
Placebo	78	55	42	26	16

# A Phase 3 Trial of Pirfenidone in Patients with Idiopathic Pulmonary Fibrosis

Talmadge E. King, Jr., M.D., Williamson Z. Bradford, M.D., Ph.D.,  
Socorro Castro-Bernardini, M.D., Elizabeth A. Fagan, M.D.,  
Ian Glaspole, M.B., B.S., Ph.D., Marilyn K. Glassberg, M.D., Eduard Gorina, M.D.,  
Peter M. Hopkins, M.D., David Kardatzke, Ph.D., Lisa Lancaster, M.D.,  
David J. Lederer, M.D., Steven D. Nathan, M.D., Carlos A. Pereira, M.D.,  
Steven A. Sahn, M.D., Robert Sussman, M.D., Jeffrey J. Swigris, D.O.,  
and Paul W. Noble, M.D., for the ASCEND Study Group\*

Narrowly defined mild to moderate IPF without COPD





# The NEW ENGLAND JOURNAL of MEDICINE

ESTABLISHED IN 1812

MAY 29, 2014

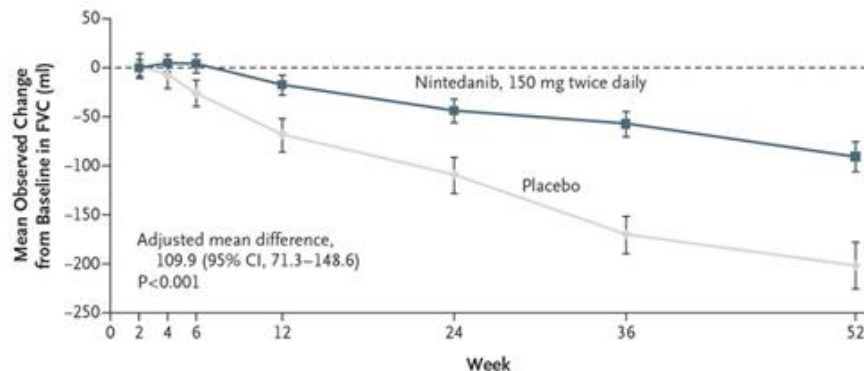
VOL. 370 NO. 22

## Efficacy and Safety of Nintedanib in Idiopathic Pulmonary Fibrosis

Luca Richeldi, M.D., Ph.D., Roland M. du Bois, M.D., Ganesh Raghu, M.D., Arata Azuma, M.D., Ph.D., Kevin K. Brown, M.D., Ulrich Costabel, M.D., Vincent Cottin, M.D., Ph.D., Kevin R. Flaherty, M.D., David M. Hansell, M.D., Yoshikazu Inoue, M.D., Ph.D., Dong Soon Kim, M.D., Martin Kolb, M.D., Ph.D., Andrew G. Nicholson, D.M., Paul W. Noble, M.D., Moisés Selman, M.D., Hiroyuki Taniguchi, M.D., Ph.D., Michèle Brun, M.Sc., Florence Le Maulf, M.Sc., Mannaïg Girard, M.Sc., Susanne Stowasser, M.D., Rozsa Schlenker-Herceg, M.D., Bernd Disse, M.D., Ph.D., and Harold R. Collard, M.D.,  
for the INPULSIS Trial Investigators\*

### Mild to moderate IPF

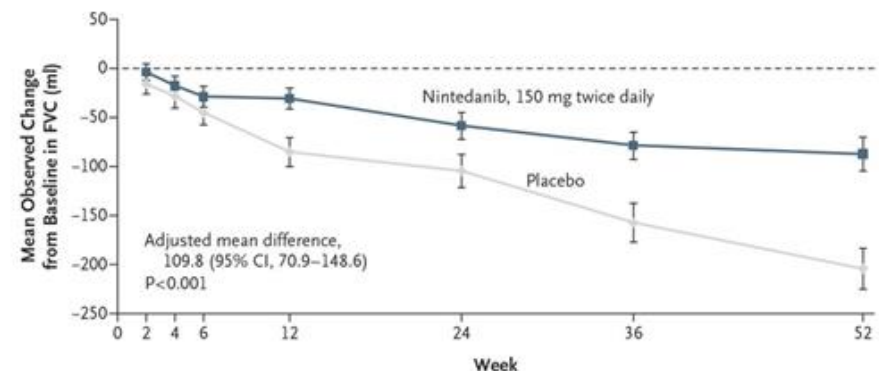
INPULSIS-1



No. of Patients

Nintedanib	303	301	298	292	284	274	250
Placebo	202	198	200	194	192	187	165

INPULSIS-2



No. of Patients

Nintedanib	323	315	315	312	303	295	269
Placebo	215	210	207	209	203	196	180



# **An Official ATS/ERS/JRS/ALAT Statement: Idiopathic Pulmonary Fibrosis: Evidence-based Guidelines for Diagnosis and Management**

Ganesh Raghu, Harold R. Collard, Jim J. Egan, Fernando J. Martinez, Juergen Behr, Kevin K. Brown, Thomas V. Colby, Jean-François Cordier, Kevin R. Flaherty, Joseph A. Lasky, David A. Lynch, Jay H. Ryu, Jeffrey J. Swigris, Athol U. Wells, Julio Ancochea, Demosthenes Bouros, Carlos Carvalho, Ulrich Costabel, Masahito Ebina, David M. Hansell, Takeshi Johkoh, Dong Soon Kim, Talmadge E. King, Jr., Yasuhiro Kondoh, Jeffrey Myers, Nestor L. Müller, Andrew G. Nicholson, Luca Richeldi, Moisés Selman, Rosalind F. Dudden, Barbara S. Griss, Shandra L. Protzko, and Holger J. Schünemann, on behalf of the ATS/ERS/JRS/ALAT Committee on Idiopathic Pulmonary Fibrosis

THIS OFFICIAL STATEMENT OF THE AMERICAN THORACIC SOCIETY (ATS), THE EUROPEAN RESPIRATORY SOCIETY (ERS), THE JAPANESE RESPIRATORY SOCIETY (JRS), AND THE LATIN AMERICAN THORACIC ASSOCIATION (ALAT) WAS APPROVED BY THE ATS BOARD OF DIRECTORS, NOVEMBER 2010, THE ERS EXECUTIVE COMMITTEE, SEPTEMBER 2010, THE JRS BOARD OF DIRECTORS, DECEMBER 2010, AND THE ALAT EXECUTIVE COMMITTEE, NOVEMBER 2010

THIS STATEMENT HAS BEEN FORMALLY ENDORSED BY THE SOCIETY OF THORACIC RADIOLOGY AND BY THE PULMONARY PATHOLOGY SOCIETY

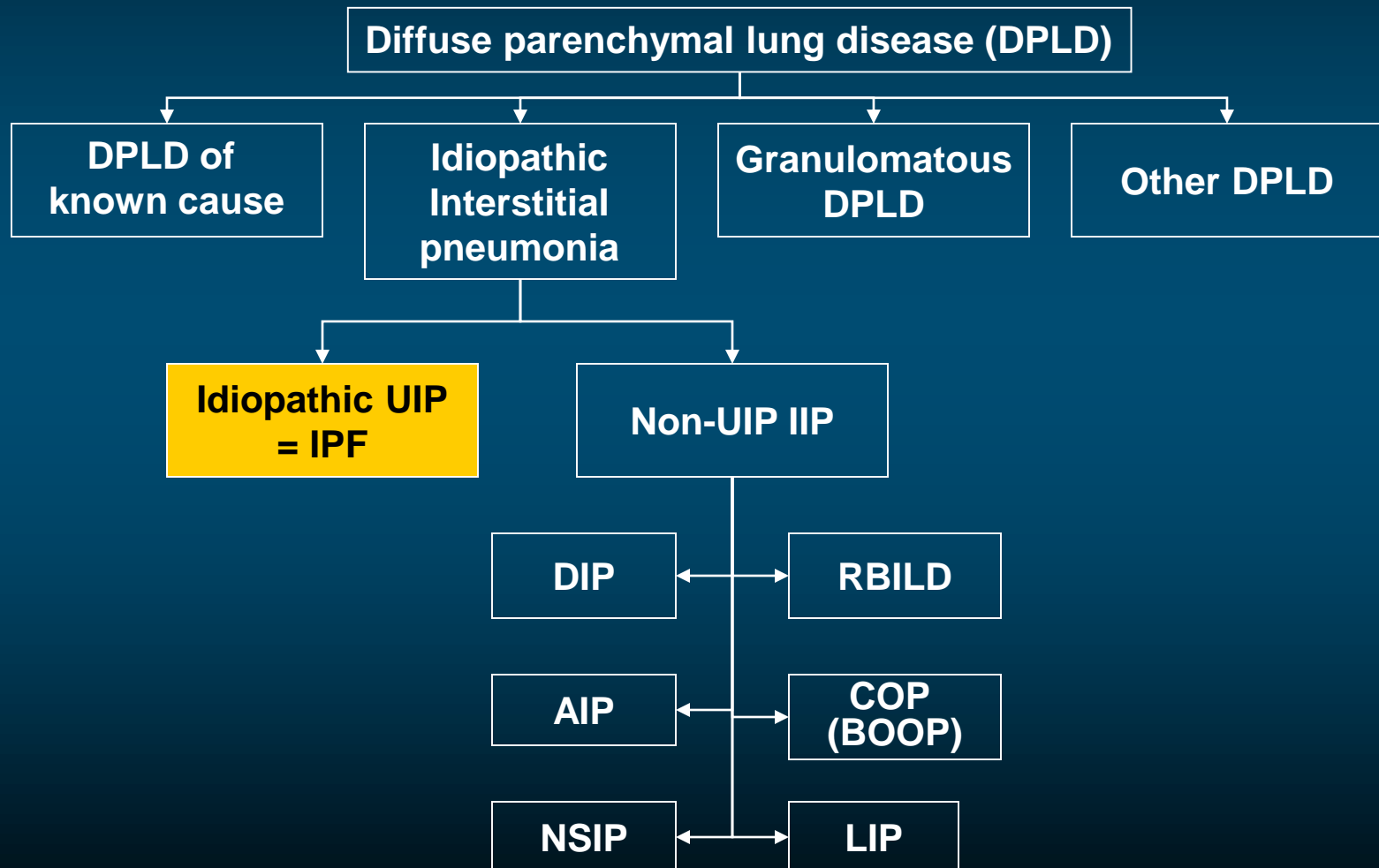
Exclusion of other known causes of interstitial lung disease

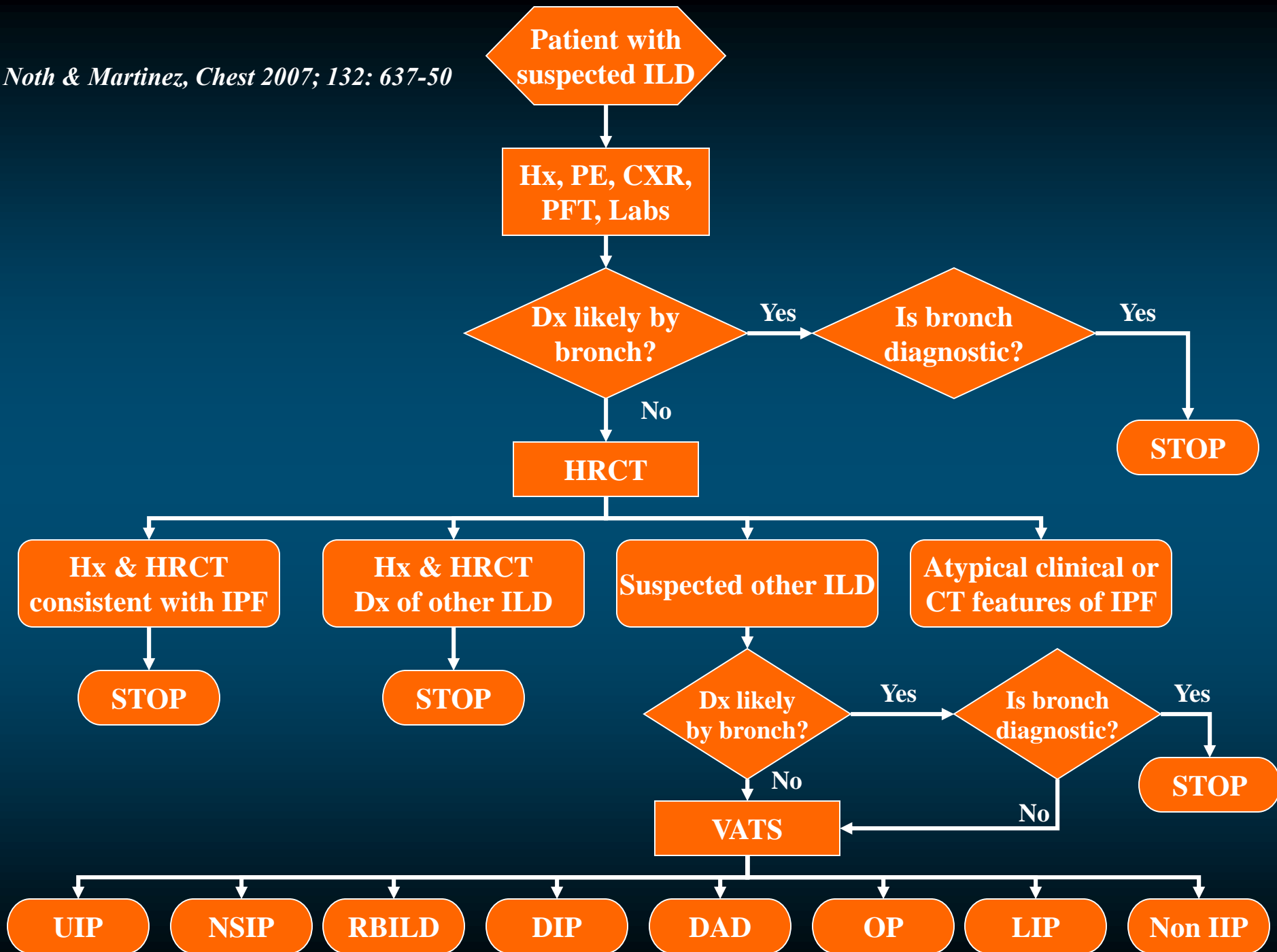
Presence of UIP pattern on HRCT (in patients without surgical biopsy)

A HRCT pattern of definite/possible UIP with a Surgical lung biopsy showing Definite/Probable UIP

*The Major and Minor Criteria proposed in the  
2000 ATS/ERS Consensus Statement were Eliminated*

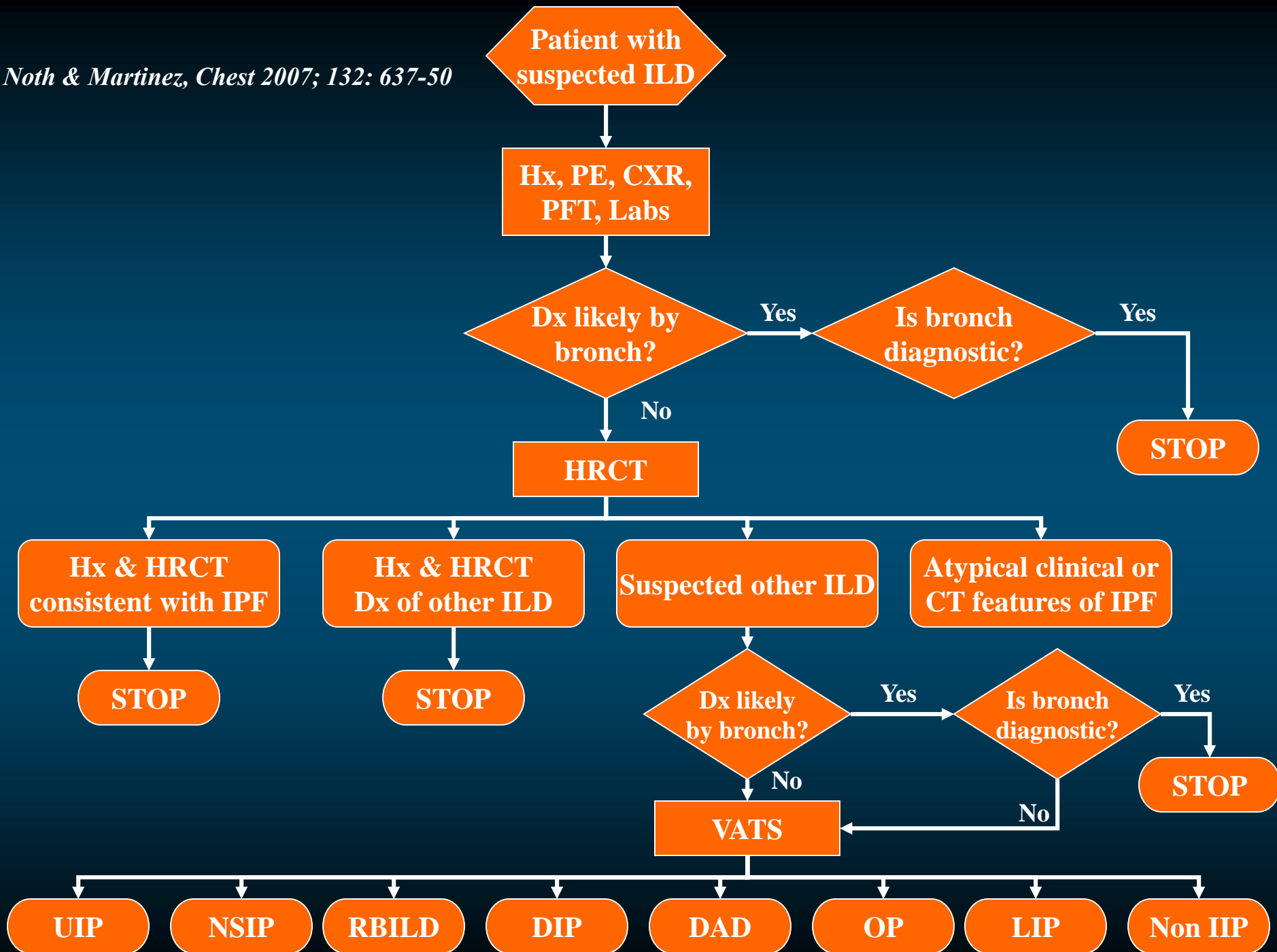
# Classification of Diffuse Parenchymal Pulmonary Disorders





# Accuracy of diagnosis of UIP

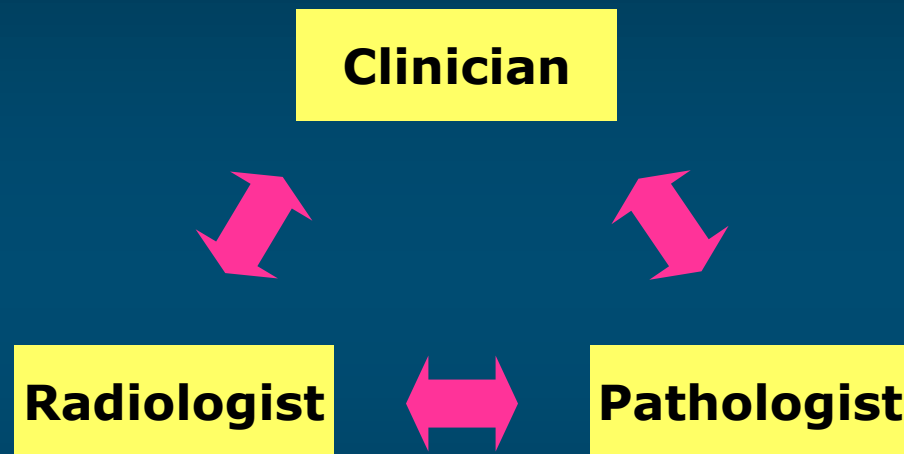
<b>Study</b>	<b>Correctness of first choice diagnosis</b>	<b>Correctness of confident first choice</b>	<b>% of UIP cases with confident diagnosis</b>
<b><i>Mathieson</i></b>	<b>89%</b>	<b>95%</b>	<b>72%</b>
<b><i>Lee</i></b>	<b>88%</b>	<b>100%</b>	<b>71%</b>
<b><i>Swensen</i></b>	<b>89%</b>	<b>100%</b>	<b>67%</b>
<b><i>Hunninghake</i></b>	<b>85%</b>	<b>96%</b>	<b>48%</b>







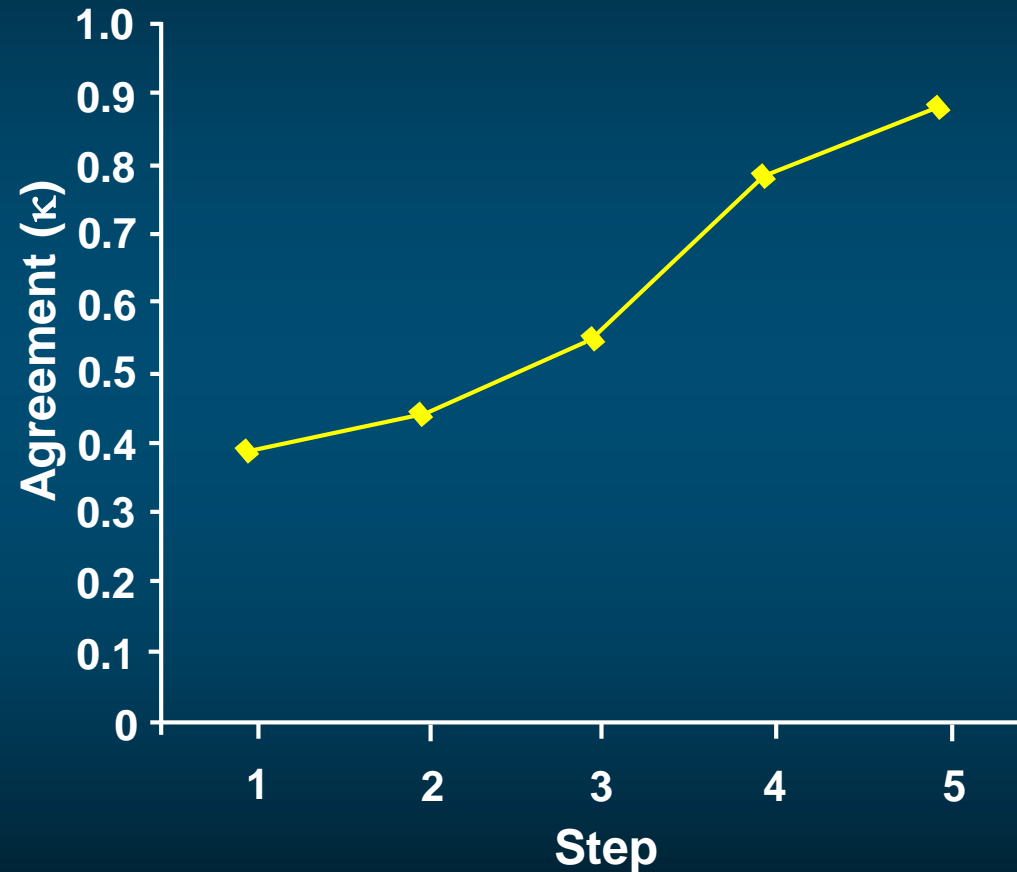
# The Clinical Radiographic and Pathologic Diagnosis of IIP: Clinical Gold Standard



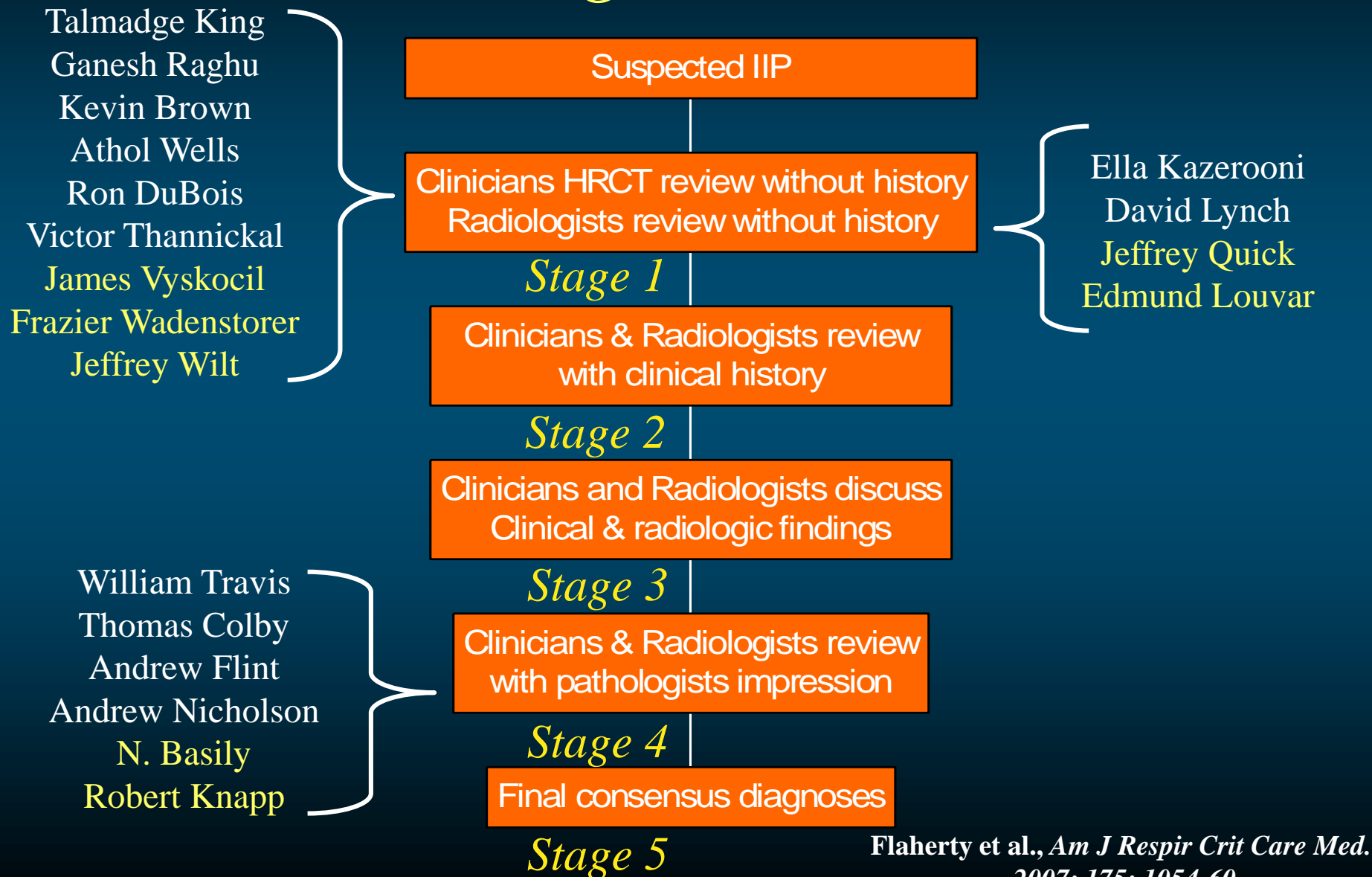
Multidisciplinary communication is essential to  
an accurate diagnosis

# Clinico/Radiological/Pathological Evaluation of 79 Consecutive IIP Patients

Step	Assessment Method	Information Provided
1	Individual	HRCT
2	Individual	HRCT, clinical data
3	Group	HRCT, clinical data
4	Group	HRCT, clinical data, SLB
5	Consensus	HRCT, clinical data, SLB



# Clinico/Radiological/Pathological Evaluation: *The new gold standard?*



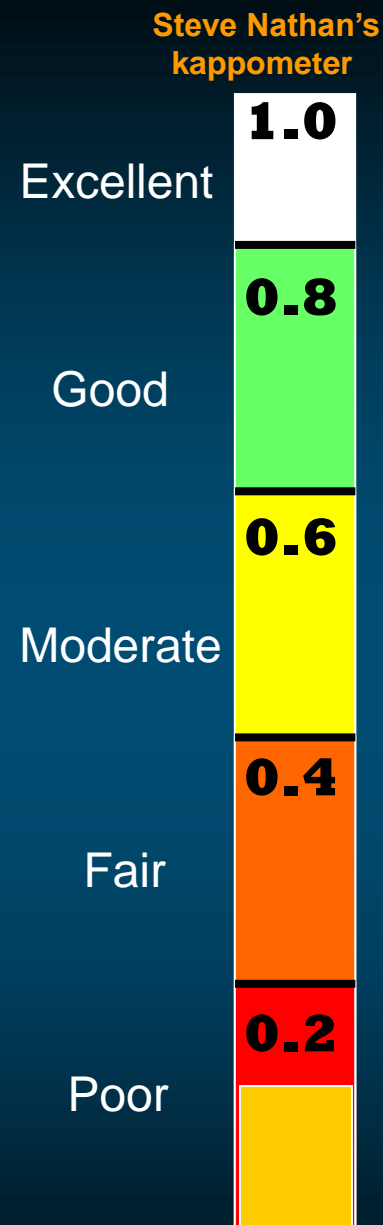
# Academic Community Agreement

Stage	Community Clinicians			Academic Clinicians						Comm Rad		Acad Rad		Comm Path		Academic Path			
	CC1	CC2	CC3	AC1	AC2	AC3	AC4	AC5	AC6	CR1	CR2	AR1	AR2	CP1	CP2	AP1	AP2	AP3	AP4
351	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
357	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
365	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
368	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
370	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
379	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
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393	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
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407	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
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410	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3	5	3
Final Diagnosis IPF																			
381	I	I	I	H	I	H	I	H	I	H	I	H	I	H	I	H	I	H	I
383	I	I	H	H	I	H	I	H	I	H	I	H	I	H	I	H	I	H	I
400	H	I	H	I	H	H	I	H	H	H	I	H	H	H	I	H	H	H	H
Final Diagnosis HP																			
356	N	H	N	H	R	H	I	H	N	N	I	H	I	H	N	I	N	H	H
382	I	H	C	H	O	H	C	H	B	H	H	R	H	B	H	C	O	H	H
397	N	H	H	H	B	B	N	H	H	H	N	H	H	O	H	C	H	C	H
431	H	I	H	N	H	H	H	H	H	H	H	H	H	N	I	H	O	H	H
Final Diagnosis CVD related IIP																			
358	C	C	C	S	S	S	S	S	S	C	S	S	S	S	S	S	S	S	S
366	I	I	I	I	N	S	S	S	S	N	S	S	S	S	S	S	S	S	S
375	I	N	N	N	S	S	S	S	S	N	S	S	S	S	S	S	S	S	S
376	I	I	I	I	S	S	S	S	S	N	S	S	S	S	S	S	S	S	S
404	N	I	I	I	I	S	S	S	S	N	S	S	S	S	S	S	S	S	S
428	I	I	S	S	S	S	S	S	S	N	S	S	S	S	S	S	S	S	S
Final Diagnosis NSIP																			
352	N	R	O	O	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
385	N	N	N	N	N	N	S	S	N	N	N	N	N	N	N	N	N	N	N
Final Diagnosis IPF versus NSIP																			
353	I	I	I	I	O	H	I	N	N	N	N	N	N	I	I	H	N	N	N
388	I	I	N	I	O	I	N	I	N	N	N	N	N	N	N	N	N	N	N
389	H	I	S	S	N	I	N	N	S	S	N	S	N	I	N	N	N	N	N
398	I	I	I	I	I	C	N	N	N	N	N	N	N	N	N	N	N	N	N
Final Diagnosis bronchiolar/RBILD																			
399	H	O	C	C	B	B	B	B	B	B	B	B	B	B	B	B	B	B	B
405	N	N	C	N	N	R	R	R	R	R	R	R	R	R	R	R	R	R	R
Final Diagnosis OP																			
354	C	C	C	C	C	C	N	C	S	C	C	S	S	C	C	C	C	C	C
372	N	C	C	C	B	N	N	N	C	C	C	N	N	H	C	C	C	C	C
Final diagnosis uncertain																			
364	I	I	N	C	O	O	N	B	N	B	S	B	O	B	H	B	N	H	N
371	C	C	O	O	H	R	S	S	O	O	N	O	O	O	O	N	O	C	C
402	B	B	C	H	B	B	H	B	B	B	R	R	R	H	H	B	S	H	B

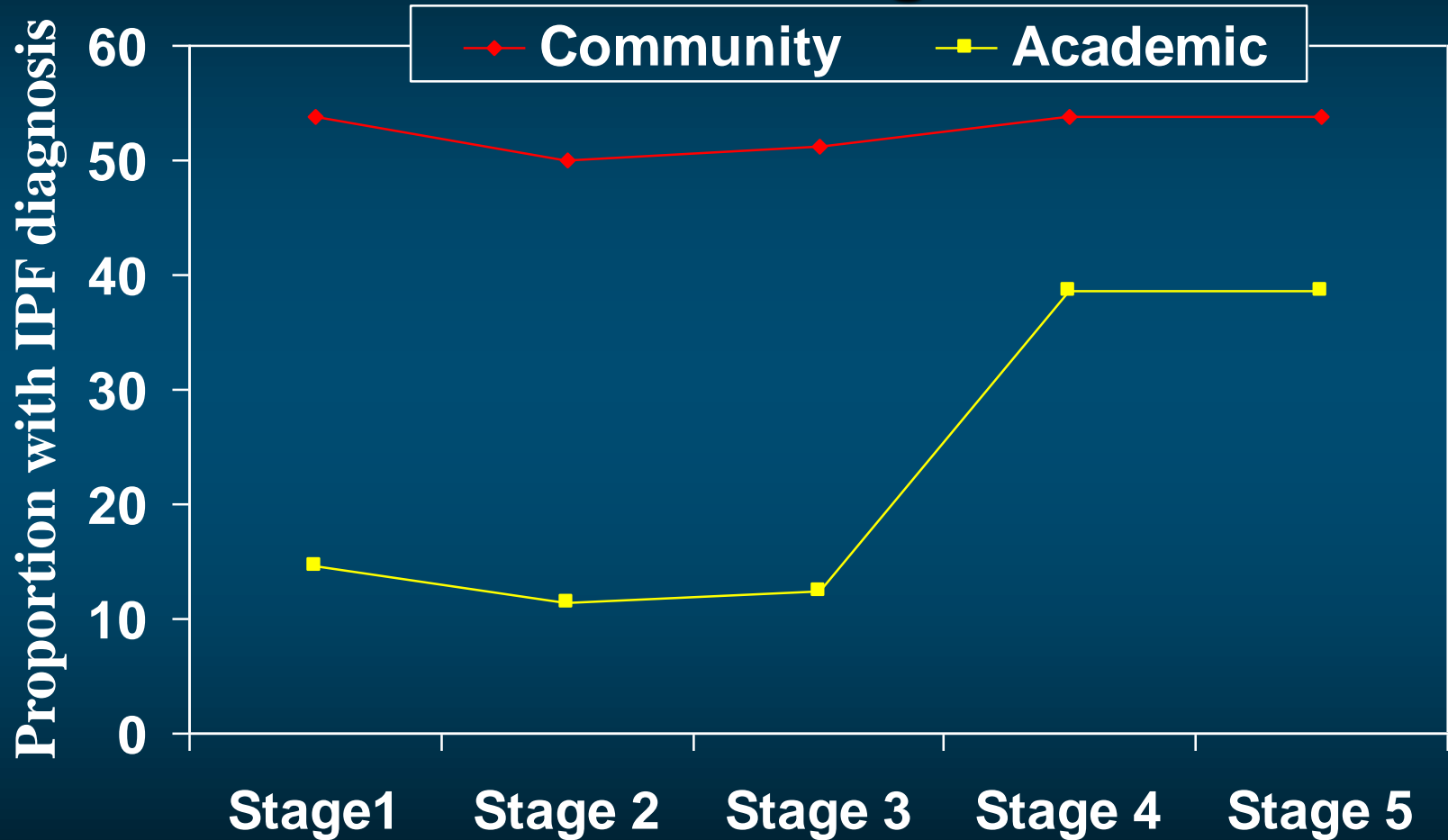
# Final Dx Kappa – Academic radiologists compared with community-based radiologists

Academic Radiologist Kappa 0.55  
Community Radiologist Kappa 0.32

	Academic 1	Academic 2
Community 1	0.24	0.34
Community 2	0.11	0.23



# Clinico/Radiological/Pathological Evaluation: *Radiologists*





# Final Dx Kappa - Pathologists

**Academic Pathologists Kappa 0.57**

**Community Pathologists Kappa 0.41**

	Acad 1	Acad 2	Acad 3	Acad 4
Comm 1	0.39	0.12	0.26	0.23
Comm 2	0.47	0.46	0.48	0.46

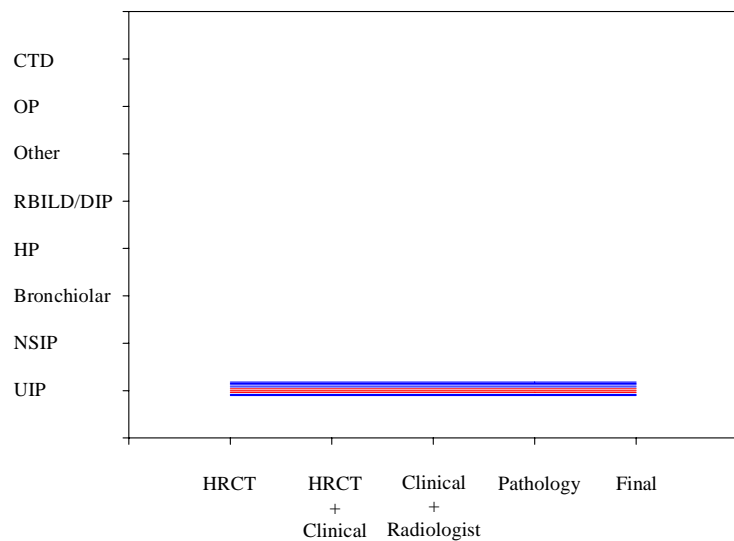
# Final Dx Kappa - Clinicians

**Academic Clinicians Kappa 0.71**

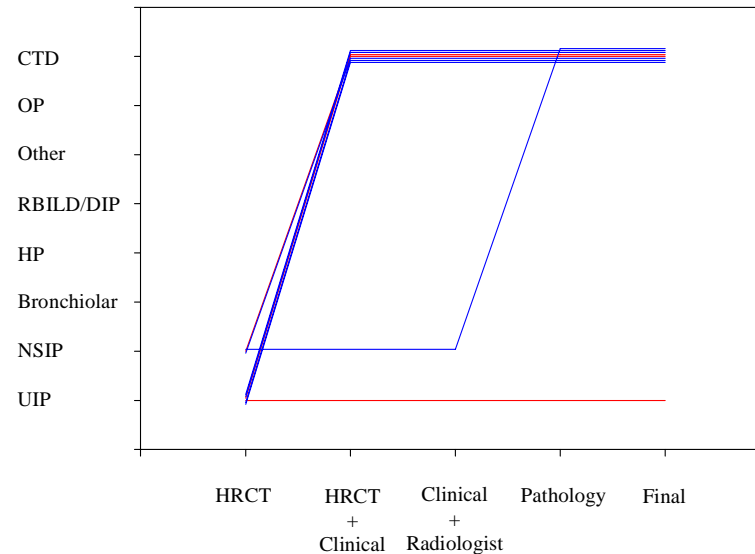
**Community Clinicians Kappa 0.44**

	Acad 1	Acad 2	Acad 3	Acad 4	Acad 5	Acad 6
Comm 1	0.22	0.28	0.20	0.21	0.35	0.21
Comm 2	0.39	0.38	0.38	0.39	0.50	0.25
Comm 3	0.23	0.33	0.28	0.26	0.36	0.26

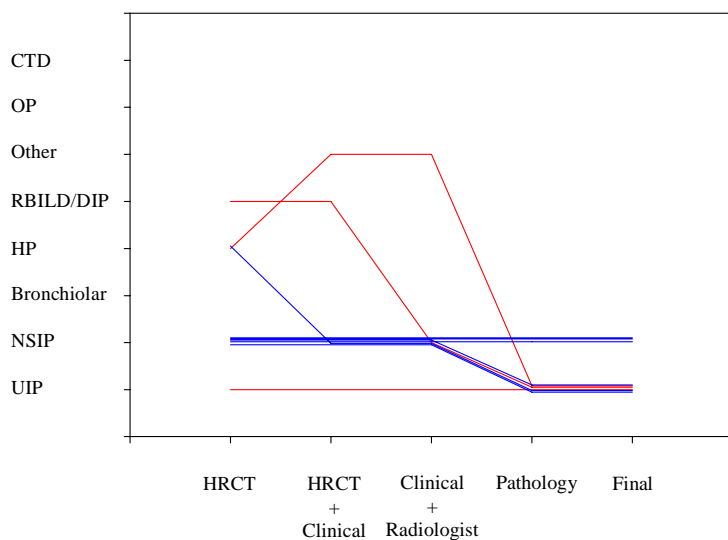
## Unanimous agreement



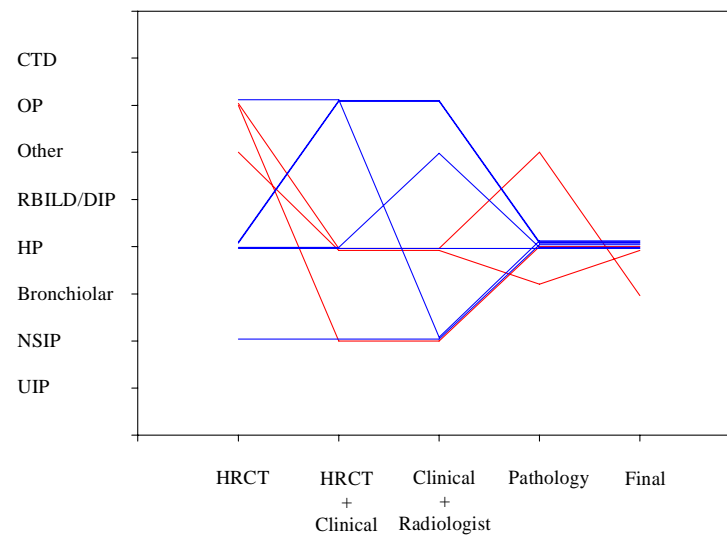
## Clinical info influence



## Pathology info influence

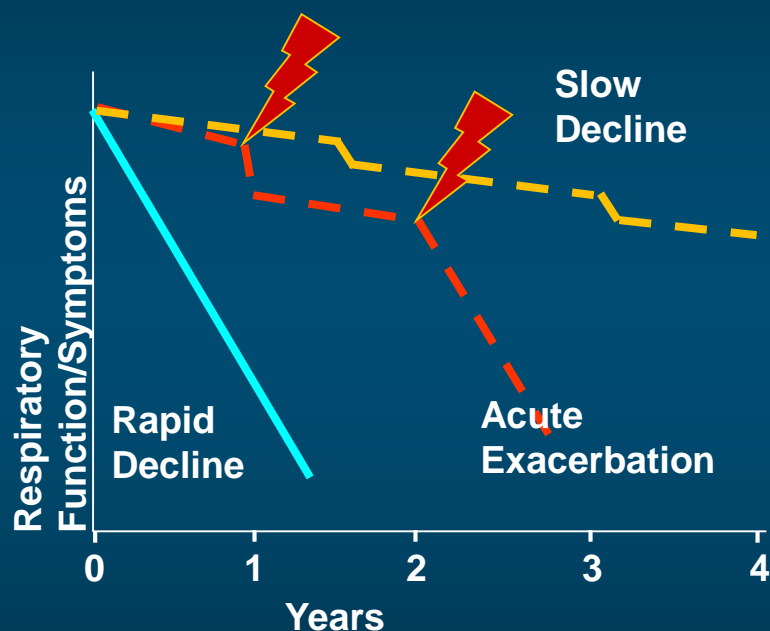


## The usual result





# Disease Progression in IPF is Variable and often Unpredictable



**Disease Progression**

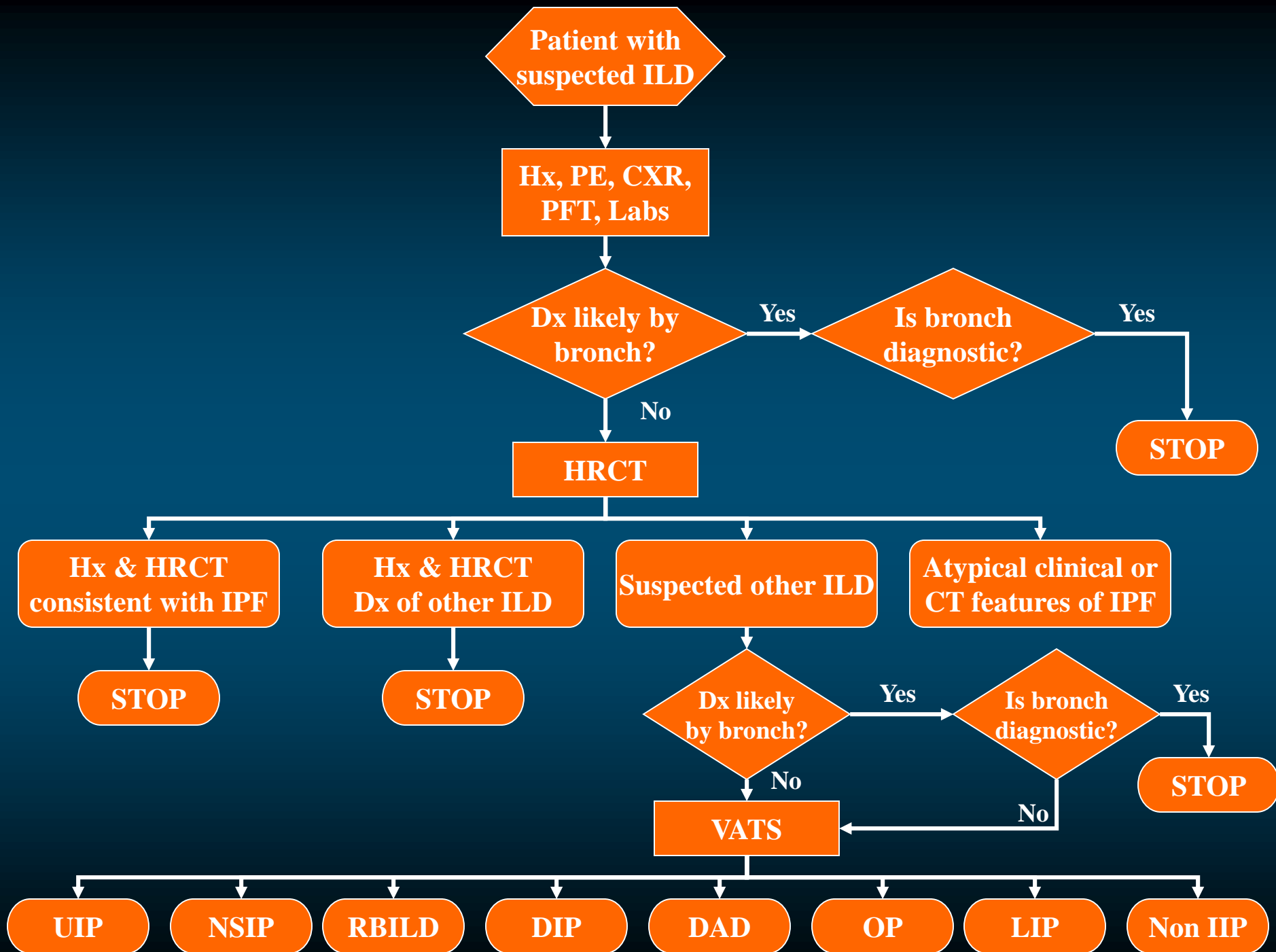
Minimal Symptoms

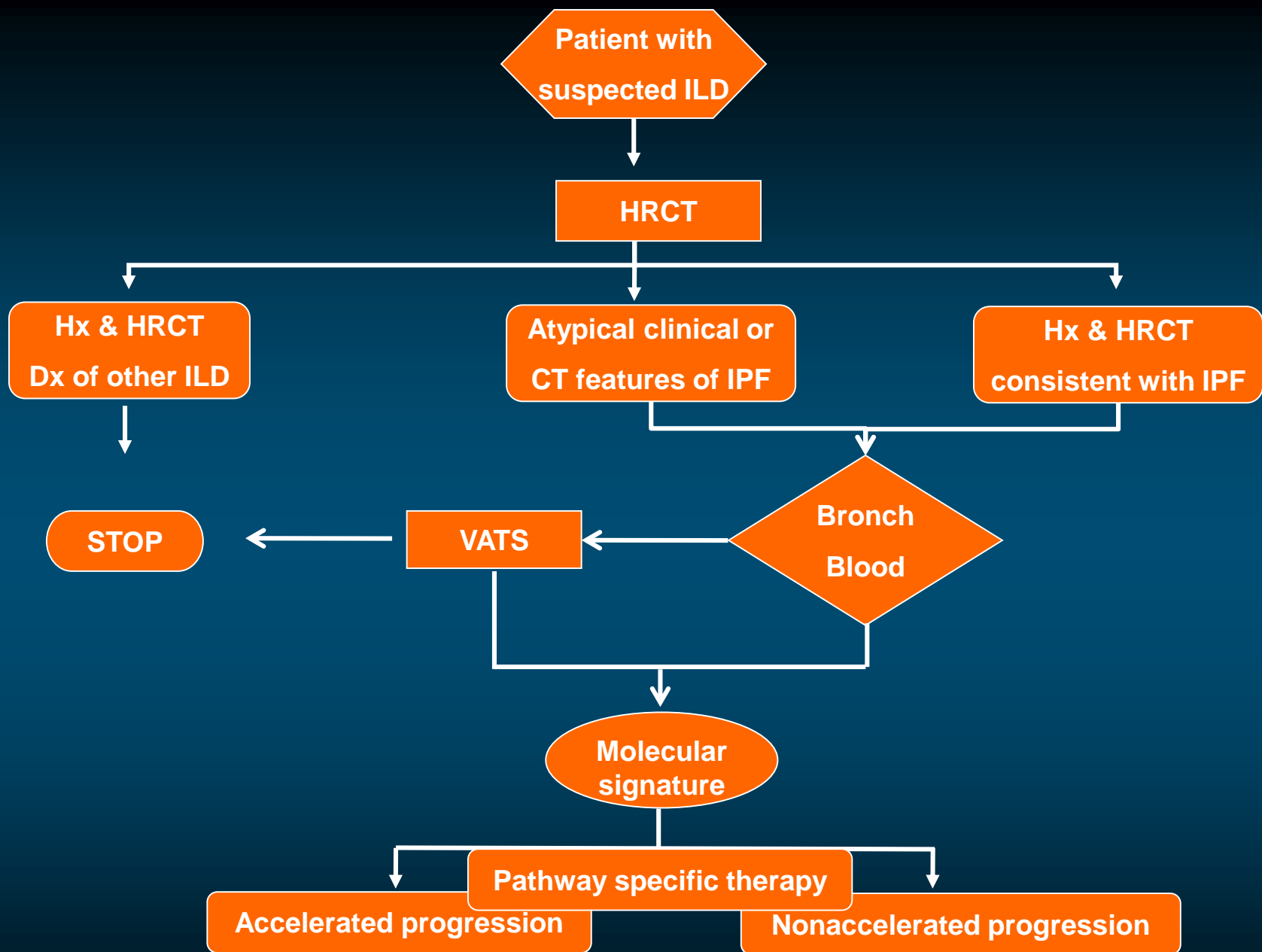
Hypoxemia

Increased Disability

Pulmonary HTN

Death











**Investor Day  
October 9, 2014**