



ANSWERS

Canaccord Genuity Medical Technologies & Diagnostics Forum

November 15, 2018

Bonnie Anderson
Chairman and Chief Executive Officer

Forward-Looking Statements

This presentation contains forward-looking statements, within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding our expectations for results for 2018 and 2019, margin expansion and genomic volume growth. These statements involve risks and uncertainties, including our history of losses since inception; our ability to successfully transition to our next-generation Afirma Genomic Sequencing Classifier; the performance and acceptance of our Percepta and Envisia classifiers and our ability to drive revenue growth across our endocrinology and pulmonology franchises; our ability to increase usage of and reimbursement for the Afirma, Envisia and Percepta classifiers, as well as any future products we may develop or sell; the anticipated offerings under the launch of our Early Access Program; our dependence on Thyroid Cytopathology Partners to perform the cytopathology component of our Afirma test; our ability to continue our momentum and growth; our dependence on a few payers for a significant portion of our revenue; the complexity, time and expense associated with billing and collecting from payers for our classifiers; laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; our dependence on strategic relationships and collaborations; unanticipated delays in research and development efforts; our ability to develop and commercialize new products, and the timing and speed of commercialization; our ability to successfully enter new product or geographic markets; our ability to conduct clinical studies and the outcomes of such clinical studies; the amount by which use of our products is able to reduce invasive procedures and reduce healthcare costs; our ability to achieve sales penetration in complex commercial accounts; the occurrence and outcome of clinical studies; the timing and publication of study results; the applicability of clinical results to actual outcomes; the continued application of clinical guidelines to our products and their inclusion in such clinical practice guidelines; our ability to compete; our ability to compete against other companies, products and technologies; our ability to protect our intellectual property; and our ability to obtain capital when needed.

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

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VCYT: Industry Leading Execution to Improve Patient Care



Three commercial-stage products address large, underpenetrated market opportunity of \$2B+



Proven model to answer right clinical question; develop rigorous evidence; change clinical care and reduce costs; **result: reimbursement**



Robust pipeline, especially for early lung cancer detection, will address **substantially larger market opportunities** and **drive further growth**



Continued operational execution has delivered consistent revenue growth, expanded margins, and resulted in strong balance sheet of **\$78.9M** in cash*



Experienced management team with deep expertise and track record of success to lead in the “Age of Evidence” and **create value through innovation**

*As of September 30, 2018; includes \$55.0 million in net cash proceeds raised in the company’s July 2018 public equity offering.

We Provide ANSWERS that Matter

Integrating Into the Current Clinical Pathway of Care

Hundreds of thousands of patients
evaluated for suspected disease

Imaging and/or biopsies

Diagnosis Uncertain*
15% to 70%

Diagnostic
surgery

Histopathology
"Truth" often
benign

Non-surgical
Candidates

Delayed or
harmful treatment

Afirma
THYROID FNA ANALYSIS

Percepta
BRONCHIAL GENOMIC CLASSIFIER

Envisia
GENOMIC CLASSIFIER

ANSWERS

* In thyroid and lung indications

Innovative Technology Platform: RNA Whole-Transcriptome Sequencing Combined with Machine Learning



Expressed Genes

Variants (Mutations)

Copy Number

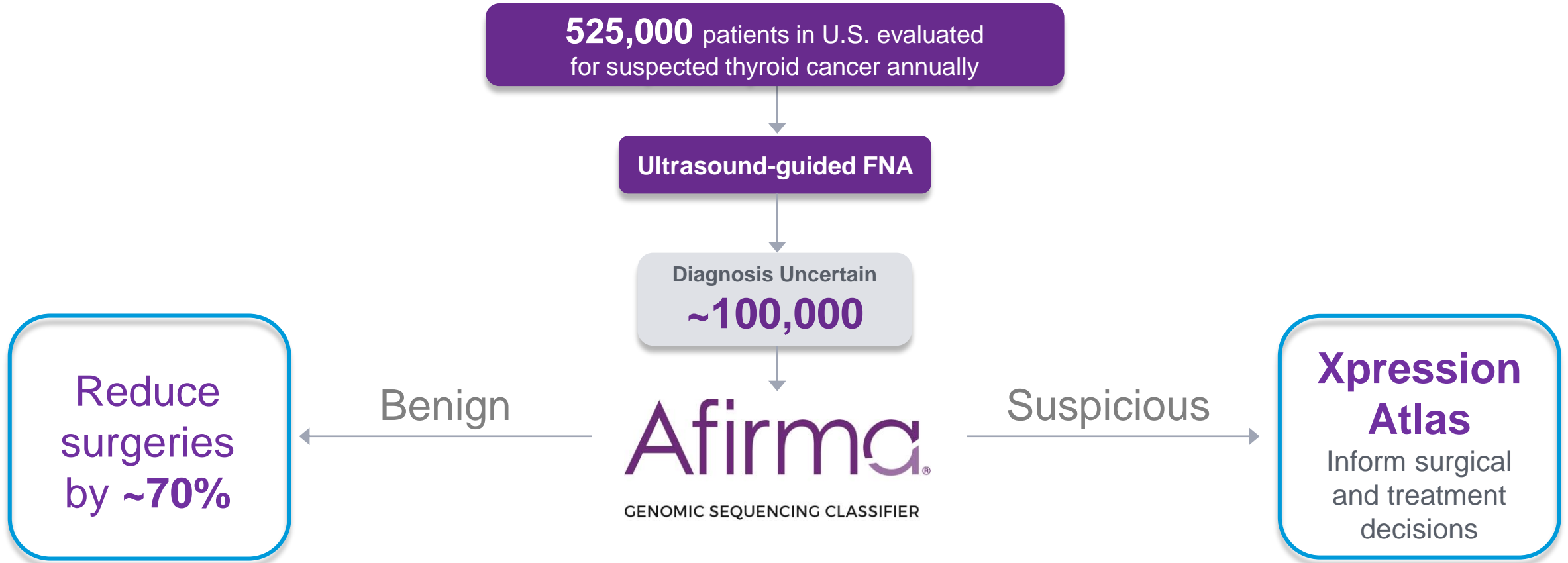
Mitochondrial DNA

Deep Machine-Learning Algorithms



ANSWERS that change clinical decisions
PLATFORM that supports biopharma partnerships

Informing Better Patient Outcomes



Market Leader with Opportunity for Growth

30% market penetration with additional runway for growth



525k

fine needle aspirations
per year to evaluate thyroid
nodules by cytopathology



~15% to 30%
yield inconclusive results



~100k

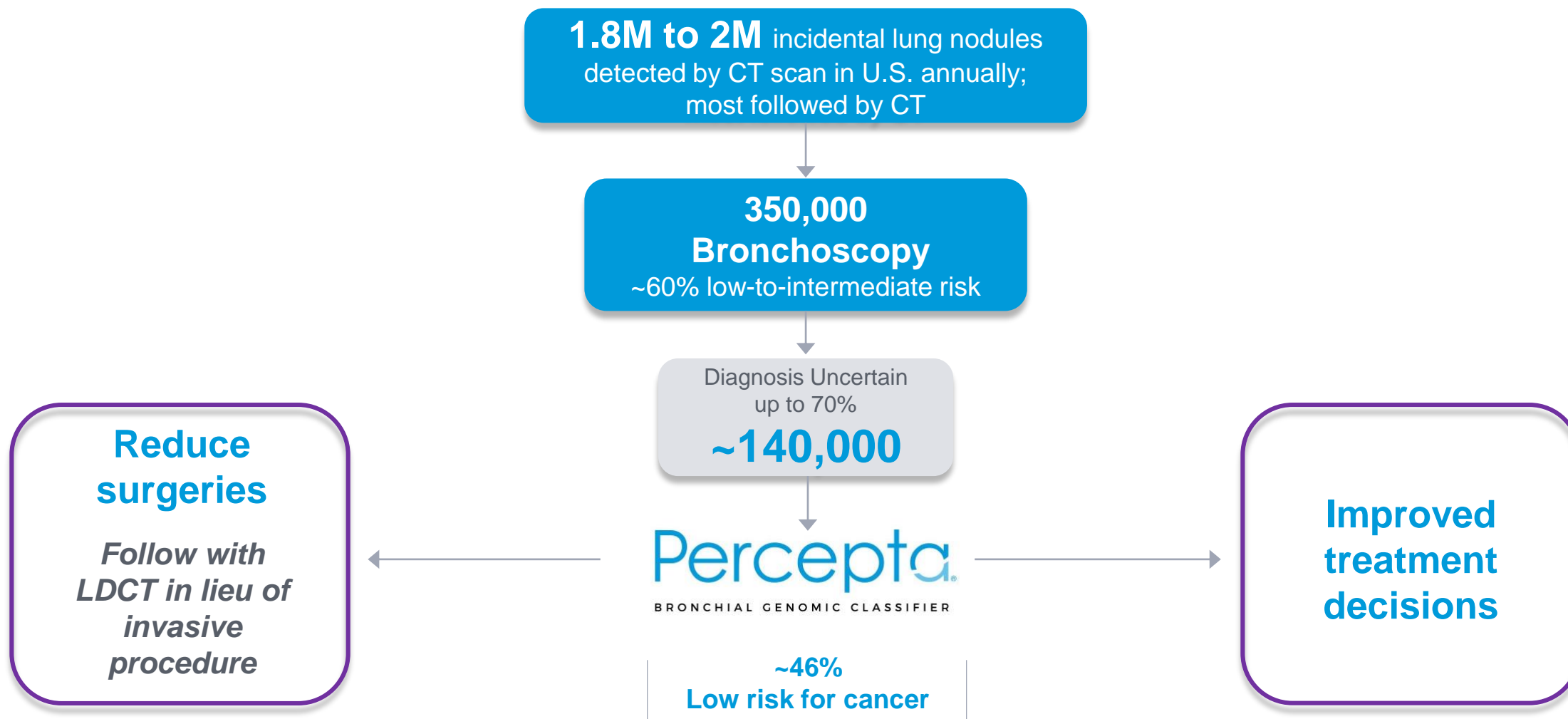
thyroidectomies performed
with benign diagnoses



~\$500M
market opportunity for
cytopathology and Afirma
genomic testing*

* Based on company estimates; 2017 market penetration

First to Market in Lung Cancer Screening and Diagnosis



Lung Cancer Screening Expected to Significantly Expand Market

- **More than 8M high-risk Americans** are eligible for annual CT screening
- Annual CT screening can **reduce deaths by 20%***
- **U.S. market poised to double or triple*** as screening programs progress



Today ~\$500M
U.S. market



In 2 to 3 years
\$1.0B to \$1.5B

Screening will save lives and increase market for Percepta classifier

*Source: National Lung Screening Trial

**Company estimates

Non-Invasive “Field of Injury” Expands Market Further for Early Lung Cancer Detection



Peripheral lung nodules are difficult to biopsy, yielding high rates of inconclusive bronchoscopies and invasive work-ups



Smoking alters gene expression of epithelial cells throughout the airway



A gene signature of epithelial cells collected from the airway can determine cancer risk

*Determining cancer risk from a **BRONCHIAL** or **NASAL** brushing*

Idiopathic Pulmonary Fibrosis (IPF): The Poster Child for Diagnostic Uncertainty



Interstitial lung diseases (ILD) are difficult to differentiate

IPF is one of the most prevalent ILDs and among the most deadly and difficult to diagnose



Misdiagnosis is common

55% of patients were misdiagnosed at least once



ILD patients endure long diagnostic delays

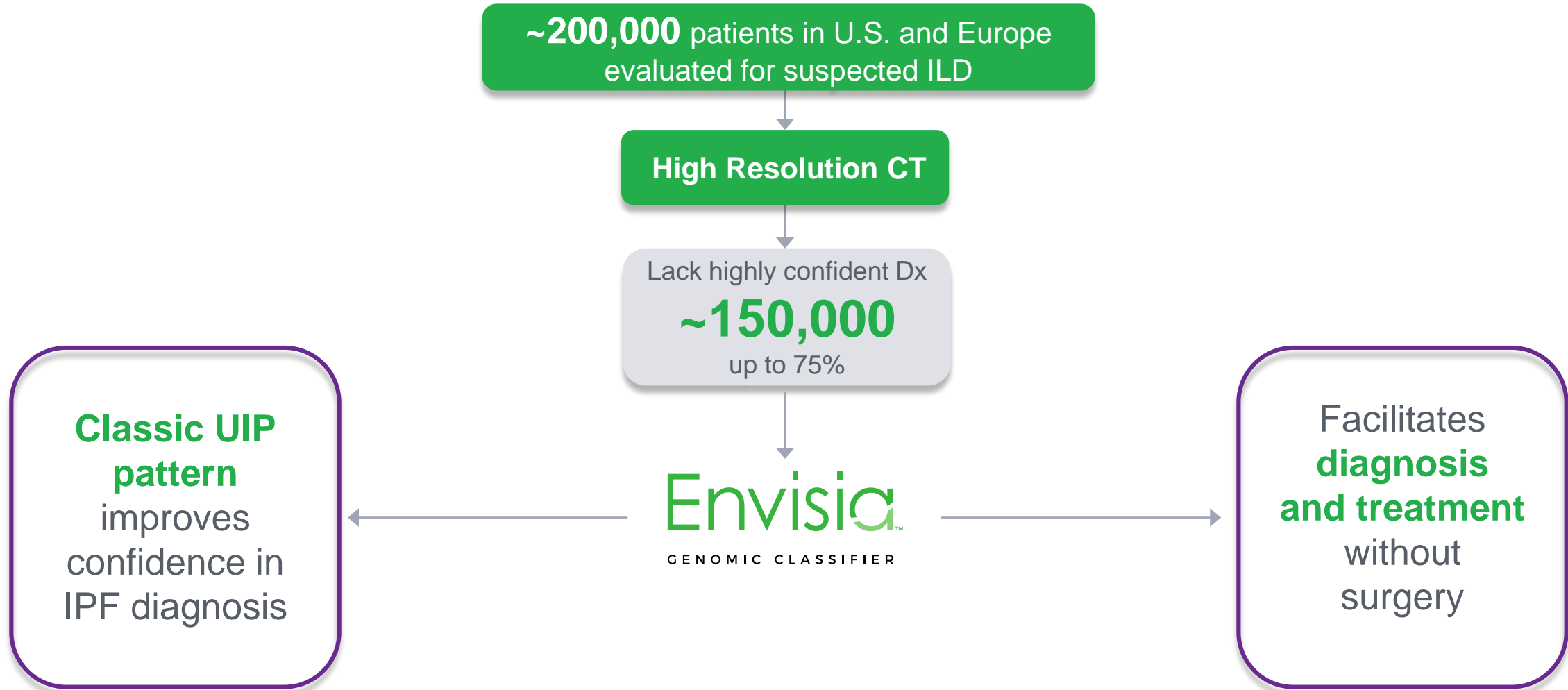
43% report at least a one-year delay from symptom onset to diagnosis



Availability of drugs make timely diagnosis critical

New drugs slow progression of IPF

Offering Patients Significant Benefits



Our Pillars of Success



Relevance

Answer questions that matter!
Integrated into current clinical care pathway
to change practice and reduce surgeries



Rigor

Build robust scientific and
clinical evidence; inform guidelines



Resolution

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



Reimbursement

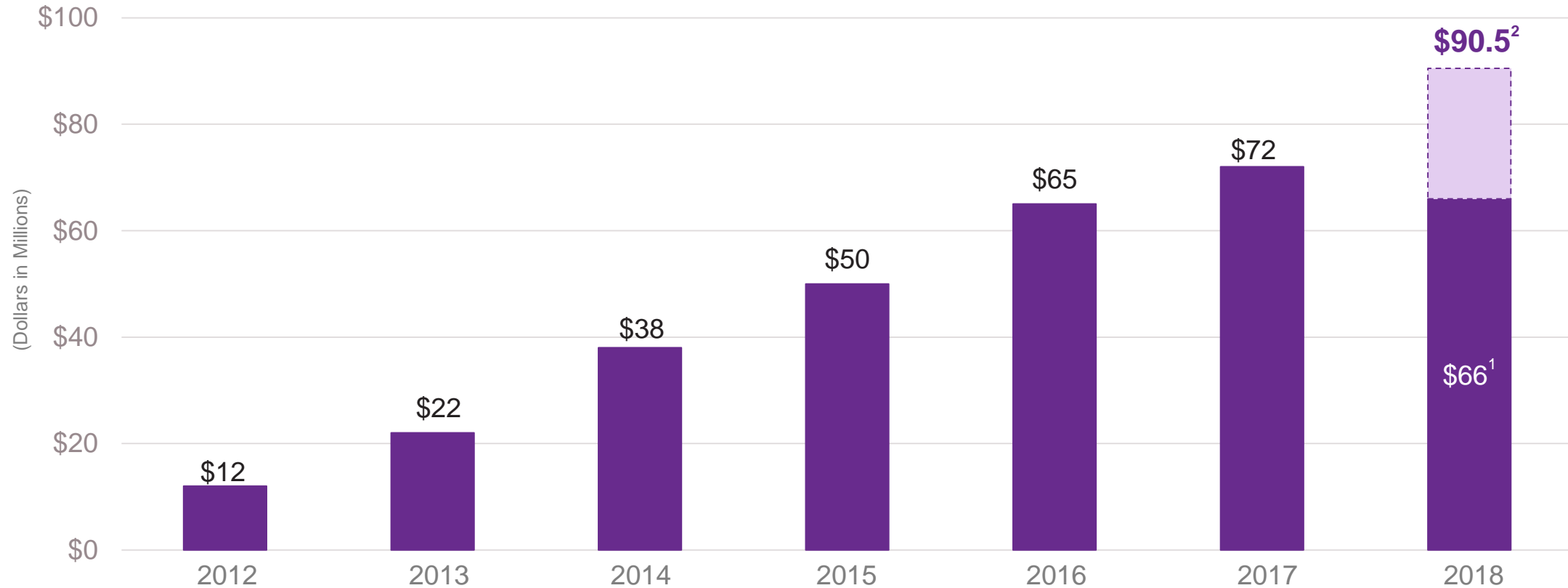
Extensive coverage policies and contracted
relationships pave way for additional tests

2018 Execution Driving Momentum

- **Reacceleration of Afirma** GSC and Xpression Atlas as standard of care in thyroid cancer
- **Percepta classifier** gaining traction – **test volume increased 21%** sequentially from 2Q 2018 to 3Q 2018
- Overall **genomic test volume** grew 20% 9-months YTD 2018 compared to prior year
- Launched **Early Access Program for Envisia Classifier** for IPF diagnosis
- Recognized **biopharma revenue of \$0.7M** for 9-month YTD 2018 through first collaboration
- **Envisia Classifier** received draft **Medicare coverage** through the MoDx program
- Expanded published clinical evidence for our products and presented data at industry meetings

On track to deliver strong results in 2018 and more than 20% genomic volume and revenue growth in 2019 while achieving cash flow breakeven by year-end 2019

Delivering Consistent Revenue Growth

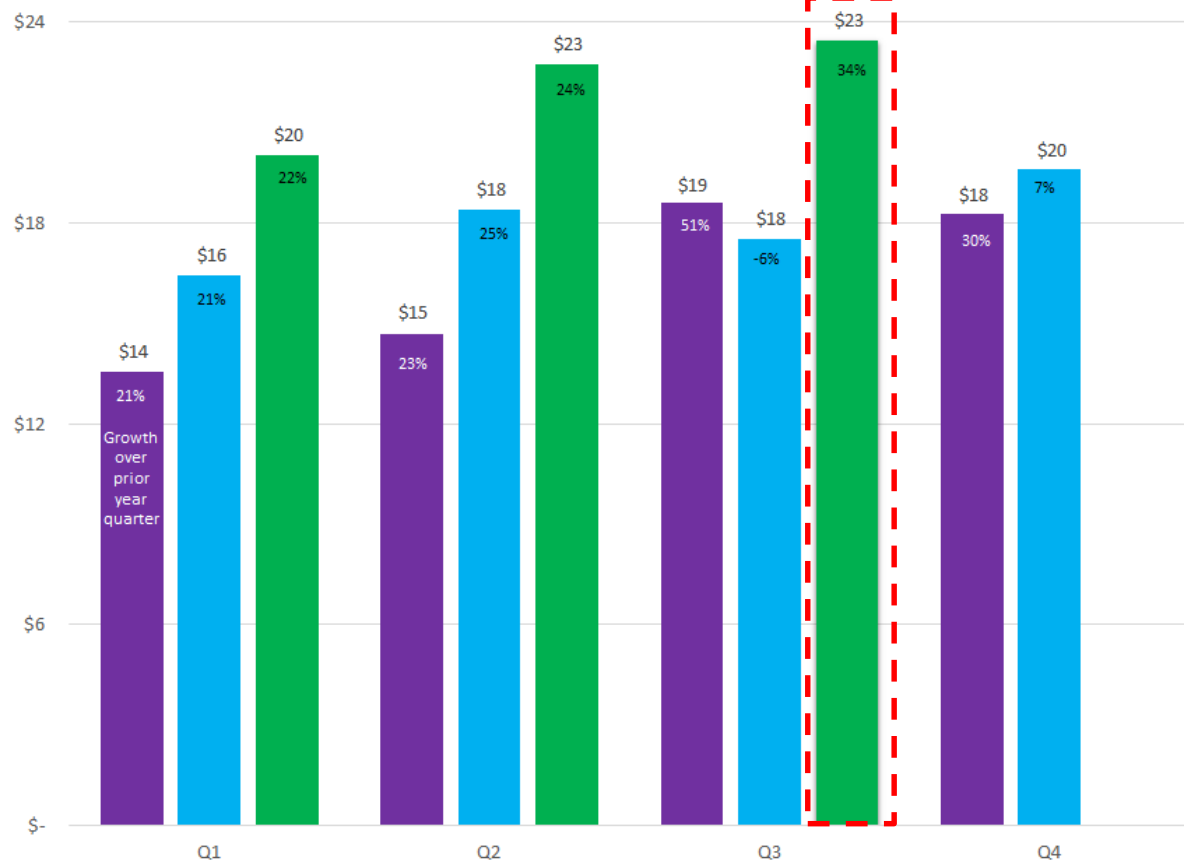


¹ Year-to-date revenue of \$66.0 M through September 30, 2018

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

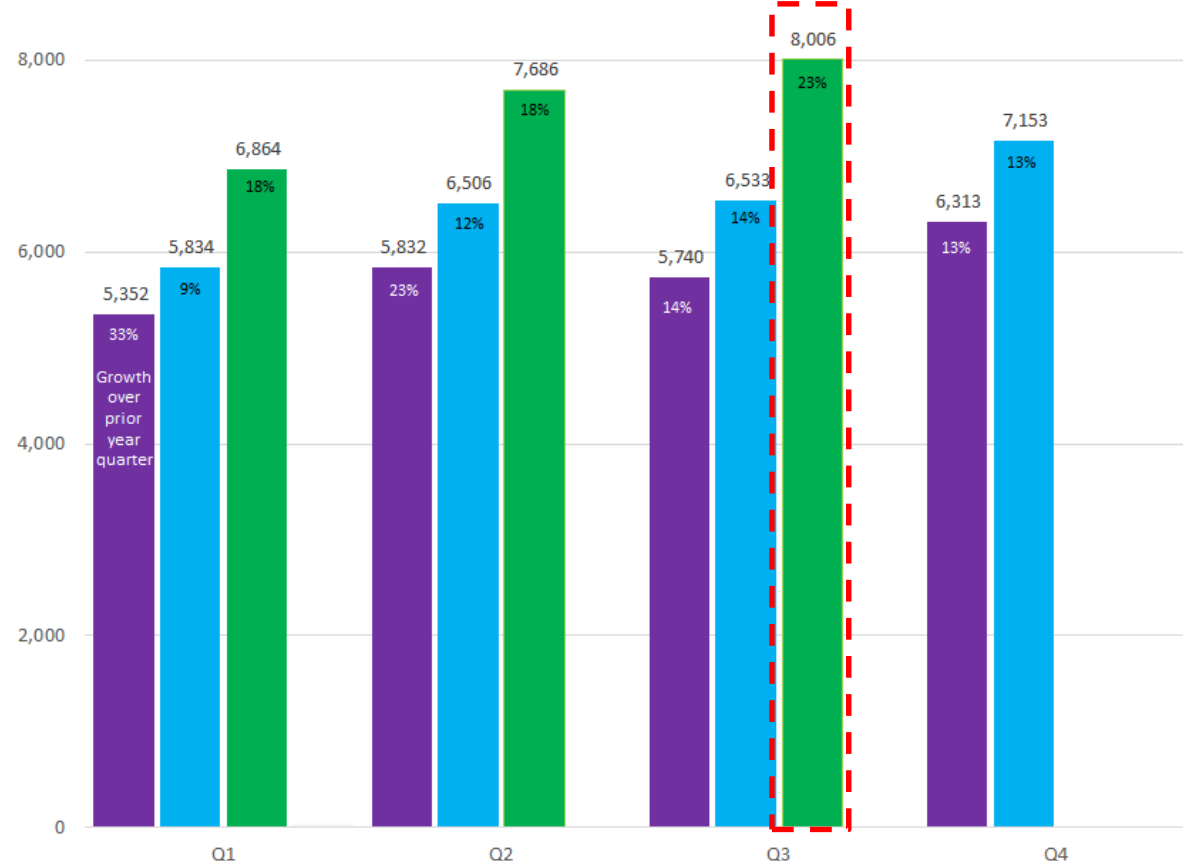
Robust Quarterly Revenue and Genomic Volume Growth

Revenue (in millions)



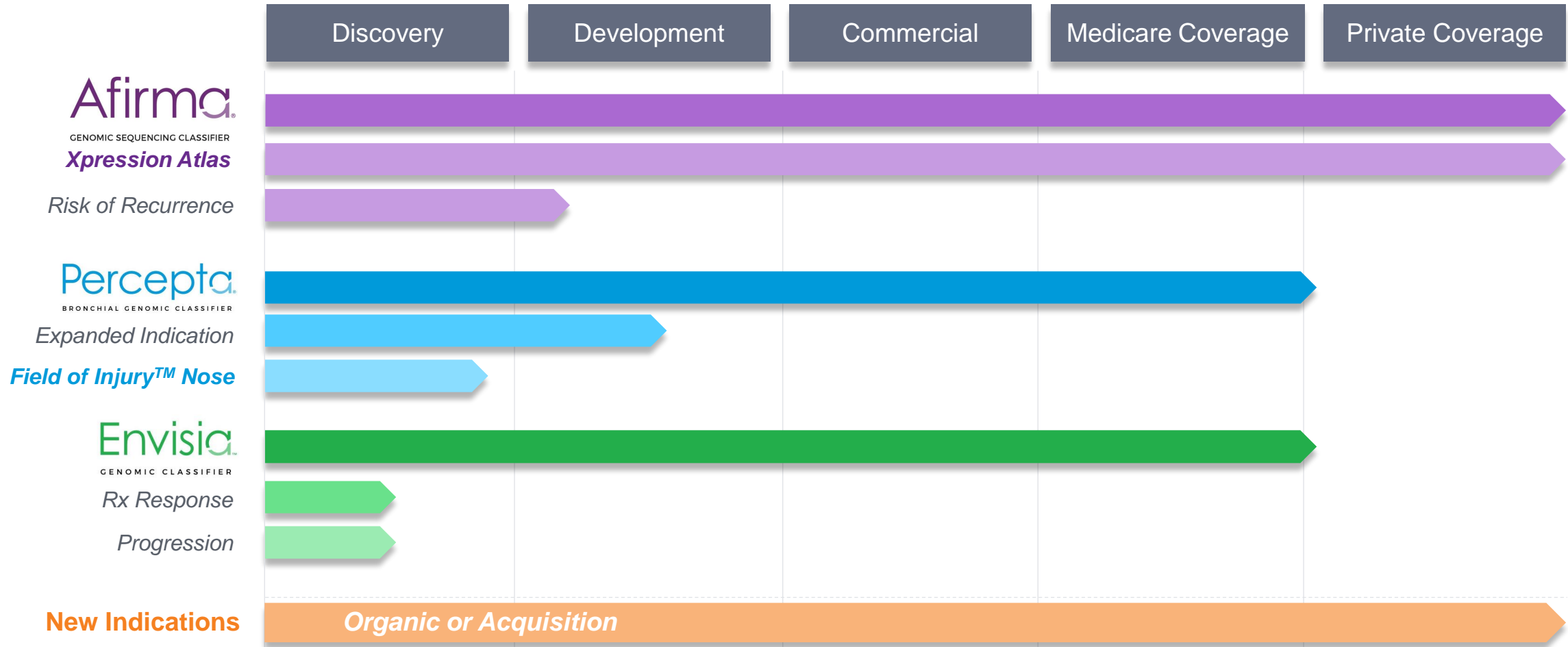
2016 2017 2018 Quarterly Revenue

Genomic Volume



2016 2017 2018 Quarterly Genomic Volume

Deep Pipeline to Support Long-term Growth



Note: As of September 27, 2018, Envisia Genomic Classifier has received draft Medicare coverage through the MolDx program.

Experienced Team with Track Record of Success

Bonnie H. Anderson
Chairman and Chief Executive Officer



Keith S. Kennedy
Chief Financial Officer



Christopher M. Hall
President and Chief Operating Officer



Giulia C. Kennedy, PhD
Chief Scientific and Medical Officer



John Hanna
Chief Commercial Officer



Angie McCabe
Vice President, Investor Relations & Corporate Communications



Catalysts to Drive Continued Momentum

Afirma
THYROID FNA ANALYSIS

Percepta
BRONCHIAL GENOMIC CLASSIFIER

Envisia
GENOMIC CLASSIFIER

Reimbursement Expansion	✓ In-network contract with Anthem	Coverage decision from large commercial payers	✓ Medicare coverage
Evidence Development	✓ Afirma GSC clinical validation data published	✓ Clinical utility data showcased	Clinical validation data published
Scientific Innovation	✓ Afirma Xpression Atlas unveiled	Field of injury™ advances	

Well-positioned for continued revenue and genomic volume growth

Note: Veracyte's Envisia Genomic Classifier received draft Medicare coverage through the MoIDx program in the third quarter of 2018.