June 17, 2016

Veracyte Releases Statement on CMS's Final PAMA Rule

Company Supports Agency's Plan to Bring Market-Based Medicare Pricing to Advanced Genomic Tests

SOUTH SAN FRANCISCO, Calif., June 17, 2016 /PRNewswire/ -- Veracyte, Inc. (NASDAQ: VCYT), a molecular diagnostics company pioneering the field of molecular cytology, issued the following statement in response to the Centers for Medicare and Medicaid Services' (CMS) release today of its final rule outlining how the agency will establish Medicare reimbursement rates for advanced genomic tests such as Veracyte's Afirma® Gene Expression Classifier (GEC) under the Protecting Access to Medicare Act (PAMA), beginning January 1, 2018.

"We are pleased that CMS has released the final PAMA rule and will now move forward to implement market-based pricing for advanced genomic tests such as the Afirma GEC," said Bonnie Anderson, Veracyte president and chief executive officer. "We believe PAMA implementation will bring welcome transparency and certainty to Medicare pricing. This in turn should help fuel innovation in diagnostics, which is transforming patient care and helping to make precision medicine a reality. Of course, details matter and we look forward to reviewing the PAMA rule closely and continuing to engage with CMS on its implementation."

The Afirma GEC has helped tens of thousands of patients avoid unnecessary thyroid surgery following indeterminate biopsy results. Under the new PAMA rule, Medicare reimbursement for advanced diagnostic laboratory tests (ADLTs) such as the Afirma GEC will be based on the median price paid by commercial payers. Most private payers currently cover the Afirma GEC at a rate that is at or above the current Medicare reimbursement rate of $3,200. Under PAMA, the new market-based Medicare rates will override any prior rates.

Veracyte aims to achieve Medicare coverage for the Percepta® Bronchial Genomic Classifier, which is used to improve lung cancer diagnosis, in 2016. The company plans to seek coverage and a rate determination for Percepta under the Palmetto GBA MolDx program as it did for the Afirma GEC. At a time the company deems appropriate, it will secure a unique CPT code for Percepta and transition Medicare rates to the PAMA process.

About Veracyte
Veracyte (NASDAQ: VCYT) is pioneering the field of molecular cytology, offering genomic solutions that resolve diagnostic ambiguity and enable physicians to make more informed treatment decisions at an early stage in patient care. By improving preoperative diagnostic accuracy, the company aims to help patients avoid unnecessary invasive procedures while reducing healthcare costs. Veracyte's Afirma Thyroid FNA Analysis centers on the proprietary Afirma Gene Expression Classifier (GEC) and is becoming a new standard of care in thyroid nodule assessment. The Afirma test is recommended in leading practice guidelines and is covered for 180 million lives in the United States, including through Medicare and many commercial insurance plans. Veracyte is expanding its molecular cytology franchise to other clinical areas, beginning with difficult-to-diagnose lung diseases. In April 2015, the company launched the Percepta Bronchial Genomic Classifier, a test to evaluate patients with lung nodules that are suspicious for cancer. In the fourth quarter of 2016, Veracyte plans to launch its second pulmonology product, the Envisia™ classifier, to improve diagnosis of interstitial lung diseases including idiopathic pulmonary fibrosis. For more information, please visit www.veracyte.com.

Cautionary Note Regarding Forward-Looking Statements
This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as: "anticipate," "intend," "plan," "expect," "believe," "should," "may," "will" and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding our beliefs regarding the drivers of adoption of Afirma, our expectations with respect to the success of our entry into the pulmonology market, our expectations regarding full-year 2016 guidance and forecast for annual GEC test volume, and the value and potential of our technology and research and development pipeline. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, anticipated events and trends, the economy and other future conditions. Forward-looking statements involve risks and uncertainties, which could cause actual results to differ materially, and reported results should not be considered as an

indication of future performance. These risks and uncertainties include, but are not limited to: our limited operating history and history of losses; our ability to increase usage of and reimbursement for Afirma and to obtain reimbursement for any future products we may develop or sell; 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 tests; 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 our ability to successfully convert new accounts resulting from such relationships; our ability to develop and commercialize new products and the timing of commercialization; our ability to successfully achieve adoption of and reimbursement for our Percepta Bronchial Genomic Classifier; 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; our inclusion in clinical practice guidelines; the continued application of clinical guidelines to our products; our ability to compete; our ability to expand into international markets and achieve adoption of our tests in such markets; our ability to obtain capital when needed; and other risks set forth in the company's filings with the Securities and Exchange Commission, including the risks set forth in the company's Quarterly Report on Form 10-Q for the quarter ended March 31, 2016. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements.