Third Quarter 2019 Performance

Investor Financial Presentation

October 22, 2019

Safe Harbor Statement

This presentation contains statements that are not historical and that are based on our beliefs and assumptions and on information currently available to us. These statements 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 known and unknown risks, uncertainties, assumptions, and other factors that could cause actual results to differ materially from our expectations.

Examples of forward-looking statements include, among others, statements we make regarding our belief that we have a strong foundation in place to drive revenue growth and to achieve cashflow breakeven before the end of 2019; our beliefs regarding momentum in our business and potential drivers of future growth; our third quarter 2019 performance; our 2019 annual revenue guidance and our expectations regarding fourth quarter 2019 revenue and cashflow; the potential impact of the preliminary data for our nasal swab test in improving lung cancer detection and diagnosis. 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 history of losses since inception; the commercialization, performance and acceptance of our Afirma, Percepta, Envisia and nasal swap classifiers; our dependence on a few payers for reimbursements and payments of our tests and a significant portion of our revenue; the complexity, time and expense associated with billing and collecting from payers for our classifiers; our ability to increase usage of and reimbursement for the Afirma, Percepta and Envisia classifiers, as well as any future products we may develop or sell; our dependence on physicians and patients who decide whether to order and use our tests; the fluctuation of our quarterly operating results; our ability to comply with federal and state licensing requirements and other laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; our dependence on supplies for equipment and other materials used for our tests; our ability to continue our momentum and growth; our ability to develop and commercialize new products and the timing and speed of commercialization; the amount by which use of our products is able to reduce invasive procedures and reduce healthcare costs; our ability to attract and retain key personnel; 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 obtain capital when needed; and other risks set forth in our filings with the Securities and Exchange Commission, including the risks set forth in our Annual Report on Form 10-K for the year ended December 31, 2018 and our Quarterly Report on Form 10-Q for the three months ended September 30, 2019. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements.

This presentation also includes certain financial measures that are not calculated in accordance with U.S. generally accepted accounting principles, or GAAP. These non-GAAP financial measures are in addition to, and not as a substitute for or superior to measures of financial performance prepared in accordance with GAAP. There are a number of limitations related to the use of these non-GAAP financial measures versus their nearest GAAP equivalents. For example, other companies may calculate non-GAAP financial measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measures as tools for comparison. We have provided a reconciliation of those measures to the most directly comparable GAAP measures, which is available in the appendix.

Financial KPIs[1] – Q3 2019

Benchmark		Revenue	Genomic Volume[2]	Gross Margin	Operating Expenses (Excludes Cost of Revenue)	Net Loss	Cash Flow from Operations
+Variance -Variance	+Variance -Variance						
Actuals Q3 2019		$30,973	9,941	71%	$23,621	-$729	-$1,556
Prior Year		$23,466	8,006	65%	$19,510	-$4,469	-$1,783
		+$7,507	+1,935	n/a	-$4,111	+$3,739	+$227
		+32%	+24%	+6%	-21%	+84%	+13%
Highlights		• Product revenue +3.5 million v.PYQ or 15% • Biopharmaceutical services revenue of $4.3 million	• 8,925 Afirma • 793 Percepta • 223 Envisia	• Improvement from selling higher margin products, moving our tests to a unified assay and better pricing on supplies. • Excluding biopharmaceutical services revenue, gross margin increase 200 basis points.	• R&D costs increased $0.2 million as a result of higher stock compensation expense. • S&M costs increased $3.0 million primarily due to higher compensation expense. • G&A costs increased $0.9 million as a result of higher stock compensation expense.		• Improvement in net loss partially offset by changes in net working capital

Numbers presented in this presentation may vary from SEC filings due to rounding

1 – Key performance indicators ("KPIs")
2 – Includes Afirma GEC / GSC, Percepta and Envisia reported genomic volume only.

Financial KPIs[1] – Q3 2019 YTD

Benchmark		Revenue	Genomic Volume[2]	Gross Margin	Operating Expenses (Excludes Cost of Revenue)	Net Loss	Cash Flow from Operations
+Variance -Variance	+Variance -Variance						
Actuals YTD 2019		$90,638	28,766	71%	$71,164	-$5,141	-$5,022
Prior Year		$66,258	22,556	63%	$61,061	-$19,894	-$12,295
		+$24,380	+6,210	n/a	-$10,103	+$14,753	+$7,273
		+37%	+28%	+8%	-17%	+74%	+59%
Highlights		• Product revenue +13.2 million vs PY or 20% • Biopharmaceutical services revenue of $11.8 million	• 26,179 Afirma • 2,172 Percepta • 415 Envisia	• Improvement from selling higher margin products, moving our tests to a unified assay and better pricing on supplies. • Excluding biopharmaceutical services revenue, gross margin increase of 400 basis points.	• R&D costs decreased $1.3 million as a result of lower direct R&D spend. • S&M costs increased $8.3 million primarily due to higher compensation expense. • G&A costs increased $3.1 million as a result of higher stock compensation expense and professional fees.		• Improvement in net loss partially offset by changes to net working capital

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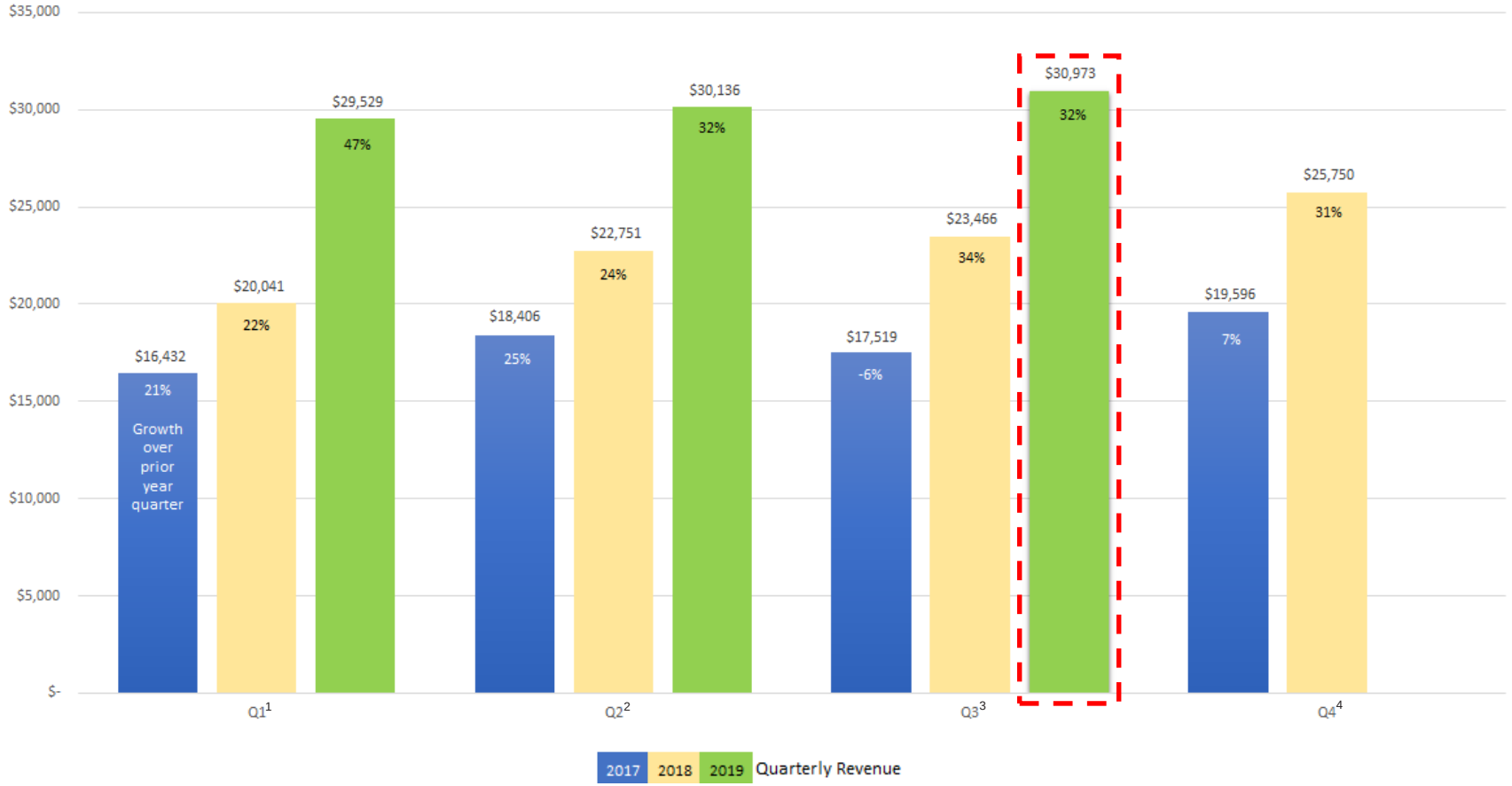
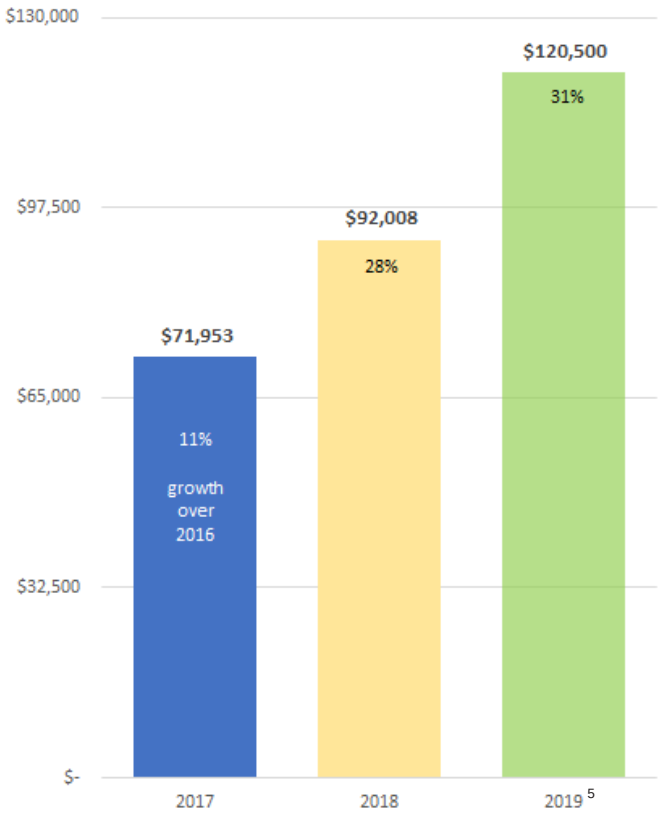
1 – Key performance indicators ("KPIs")
2 – Includes Afirma GEC / GSC, Percepta and Envisia reported genomic volume only.

Revenue

Year-Over-Year Quarterly Revenue



Annual Total Revenue

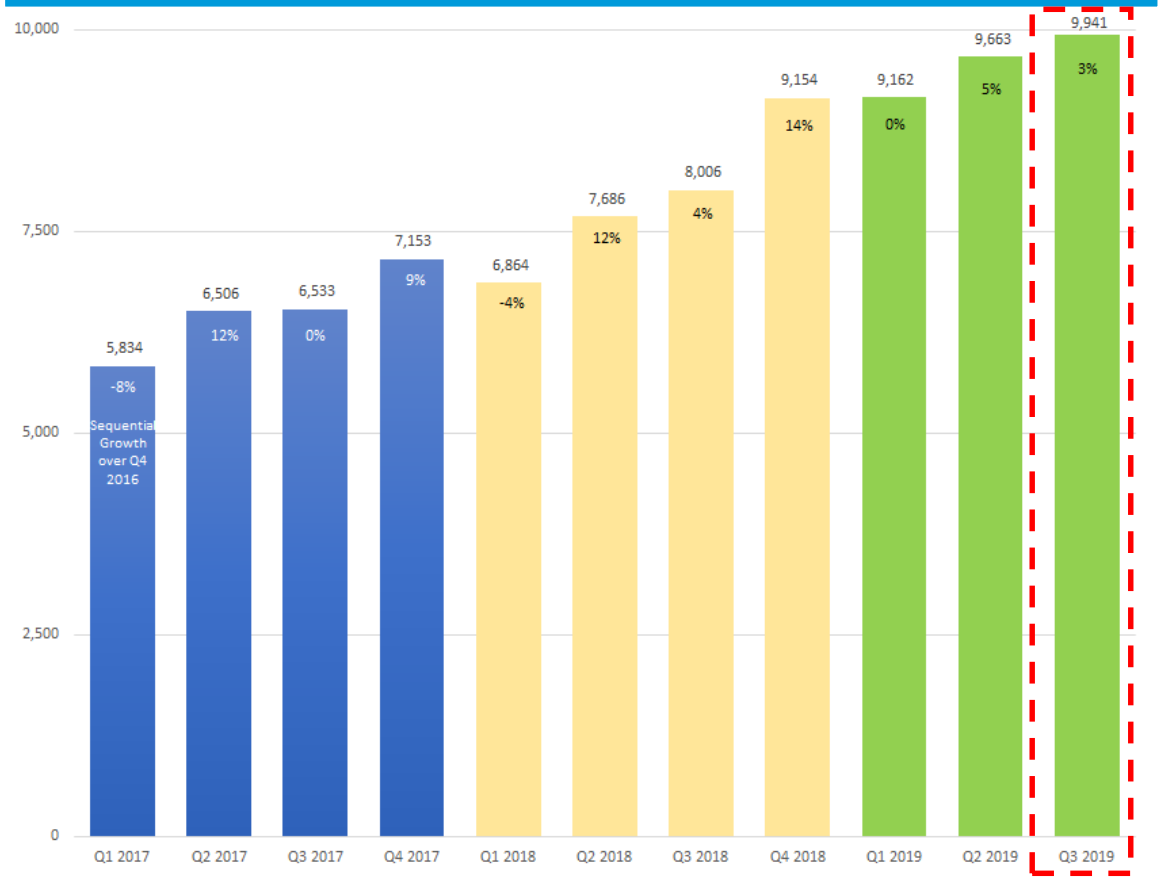


1 – As a result of the related cash collections being higher than previously estimated and cash collection trends, the Company updated its revenue estimates and recognized an additional $0.7 million and $0.6 million of revenue for tests performed in prior periods in Q1 2018 and Q1 2019 respectively.
2 – As a result of the related cash collections being higher than previously estimated and cash collection trends, the Company updated its revenue estimates and recognized an additional $1.0 million, $0.5 million and $0.1 million of revenue for tests performed in prior periods in Q2 2017, Q2 2018 and Q2 2019 respectively.
3 – As a result of the related cash collections being higher than previously estimated and cash collection trends, the Company updated its revenue estimates and recognized an additional $0.5 million and $0.1 million of revenue for tests performed in prior periods in Q3 2018 and Q3 2019 respectively.
4 – As a result of the related cash collections being higher than previously estimated and cash collection trends, the Company updated its revenue estimates and recognized an additional $0.3 million of revenue for tests performed in prior periods in Q4 2018.
5 – Midpoint of 2019 revenue guidance range of $119-122 million as of October 22, 2019

Genomic Volume[1]

Year-Over-Year

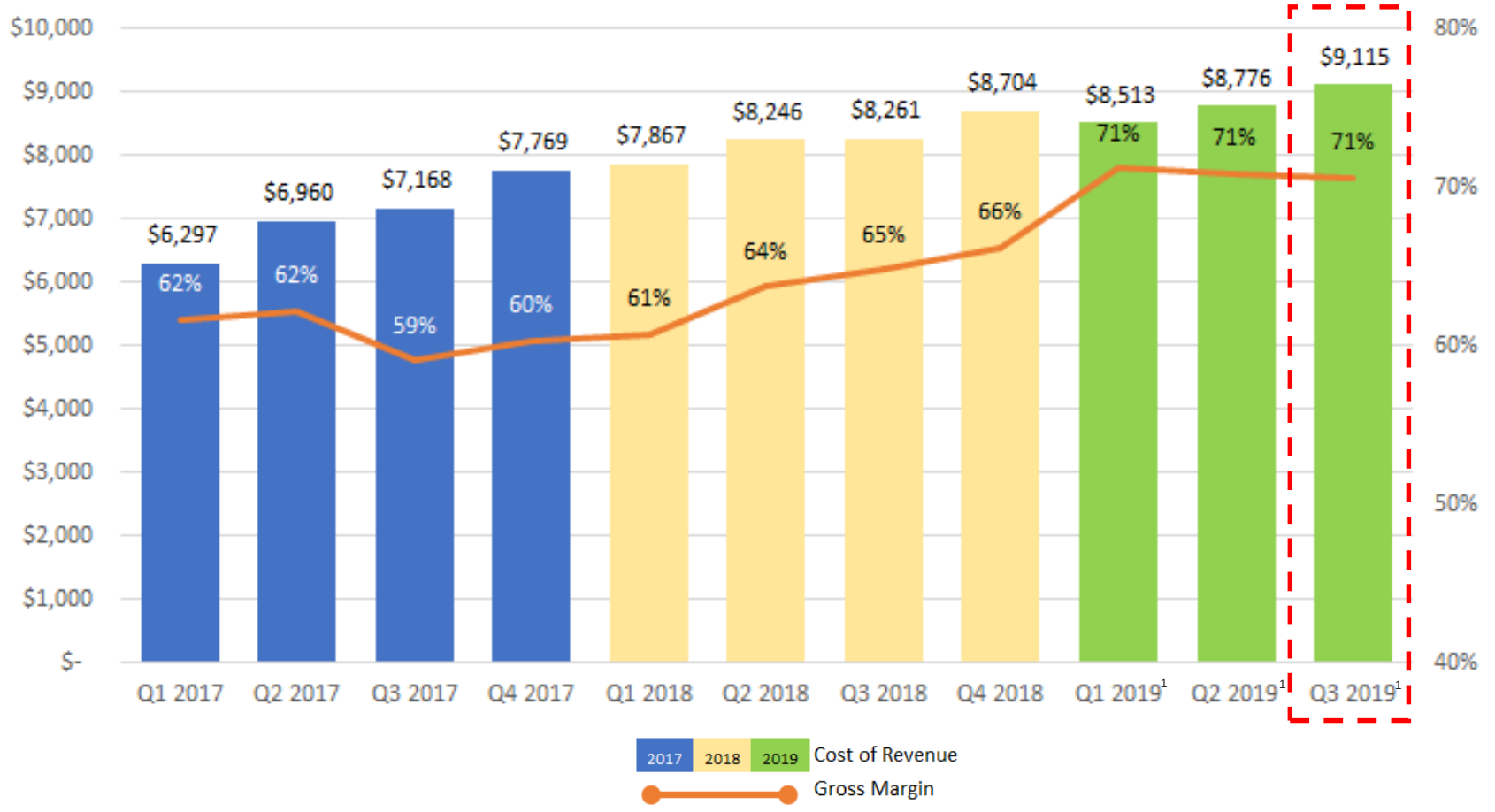
Sequential



1 – Includes Afirma GEC / GSC, Percepta and Envisia reported genomic volume only.

Cost of Revenue + Gross Margin

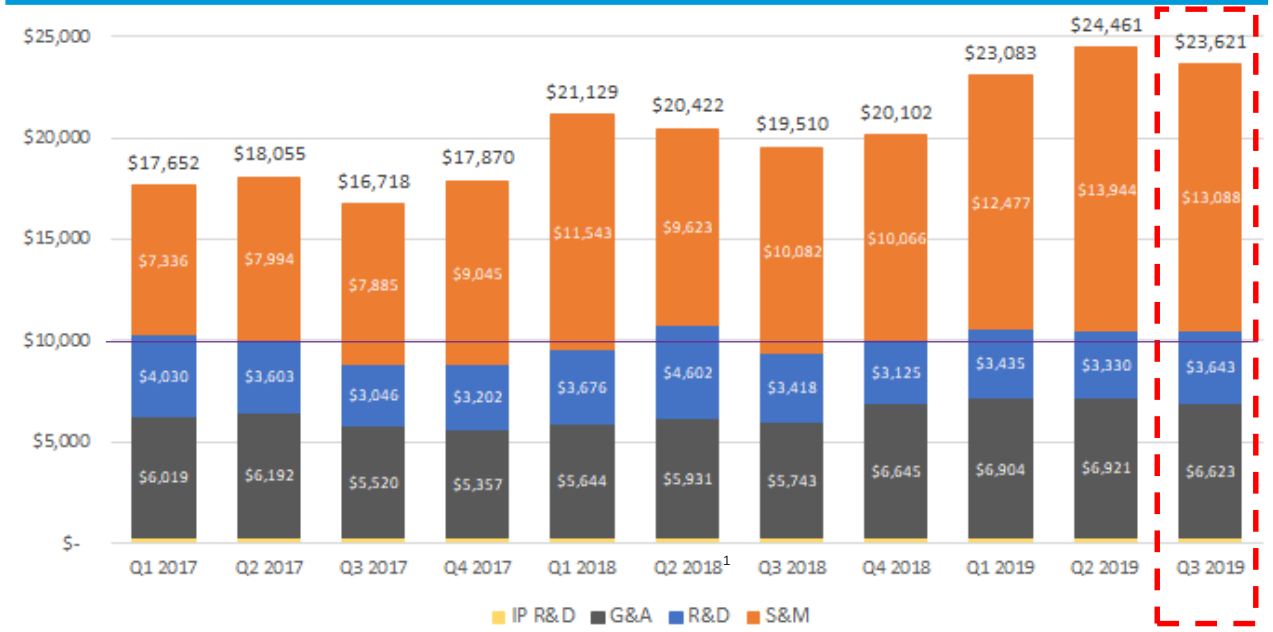
Quarterly Cost of Revenue + Gross Margin



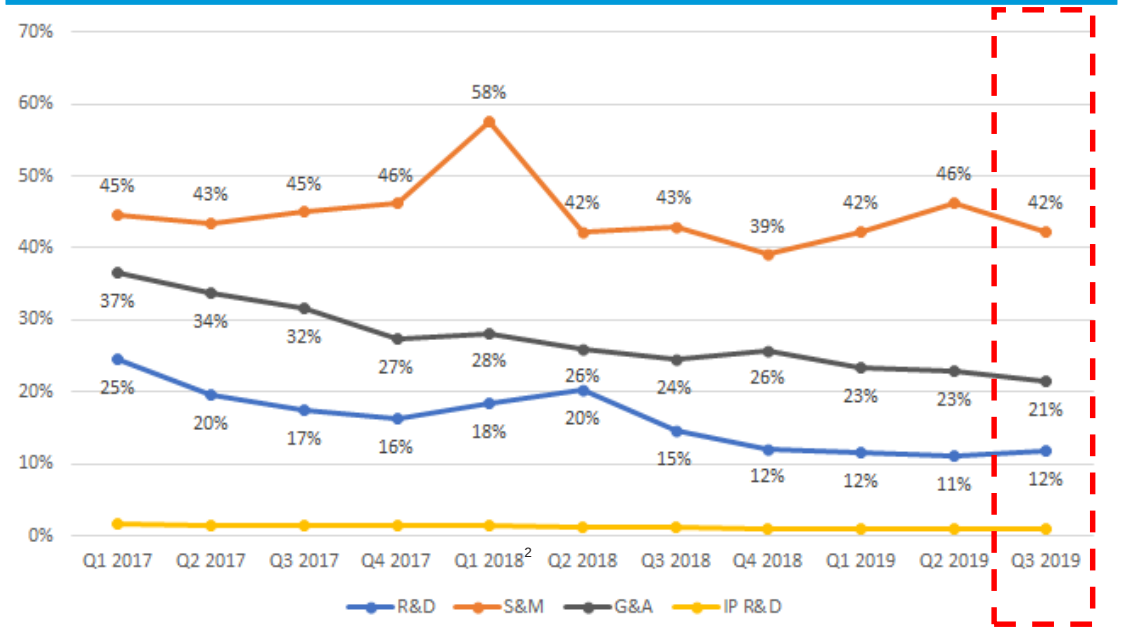
1 – Service revenue GM% contribution per quarter: 500bps in Q1 2019, 400bps in Q2 2019 and 500bps in Q3 2019.

Operating Expenses

Operating Expenses



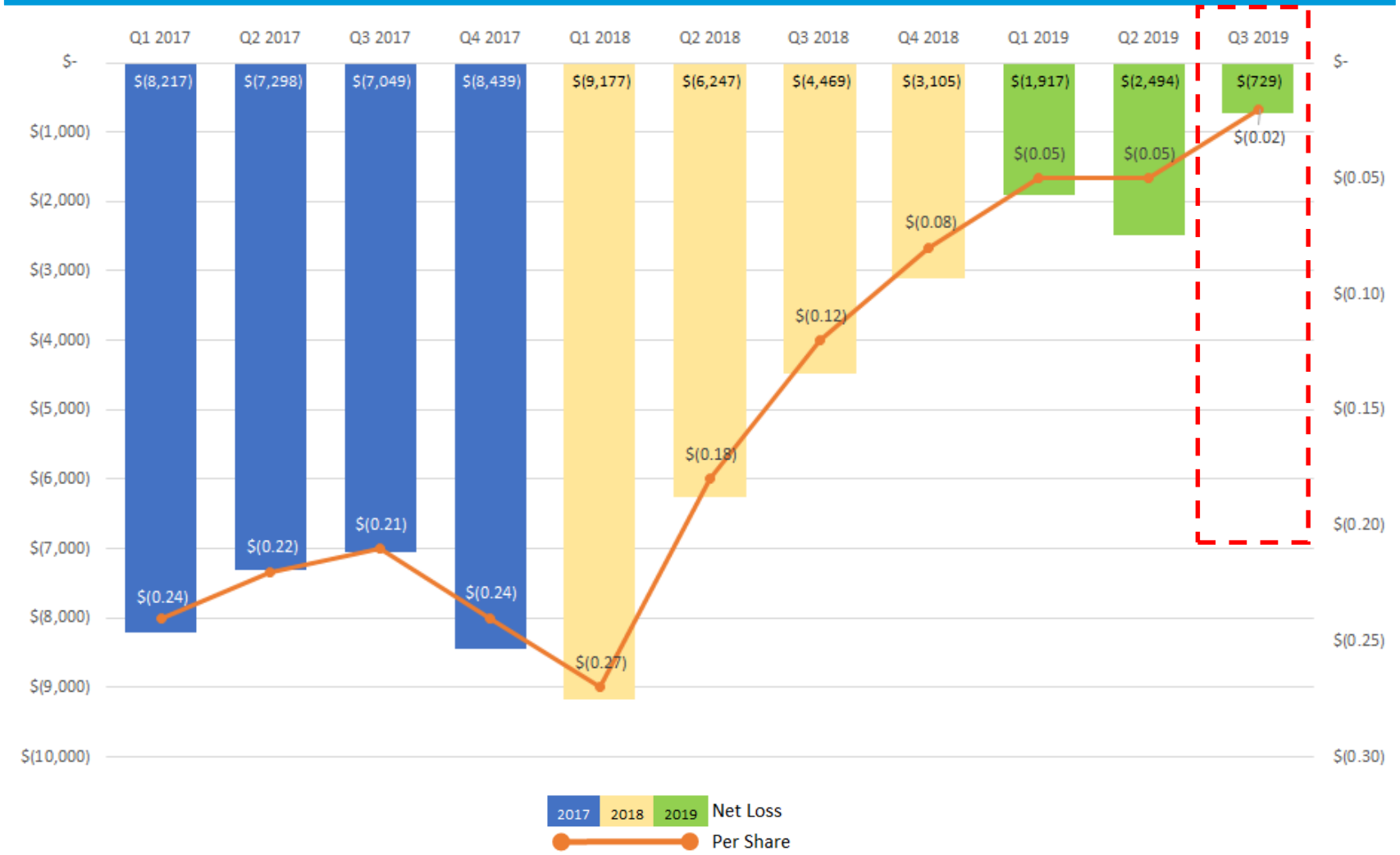
% of Revenue



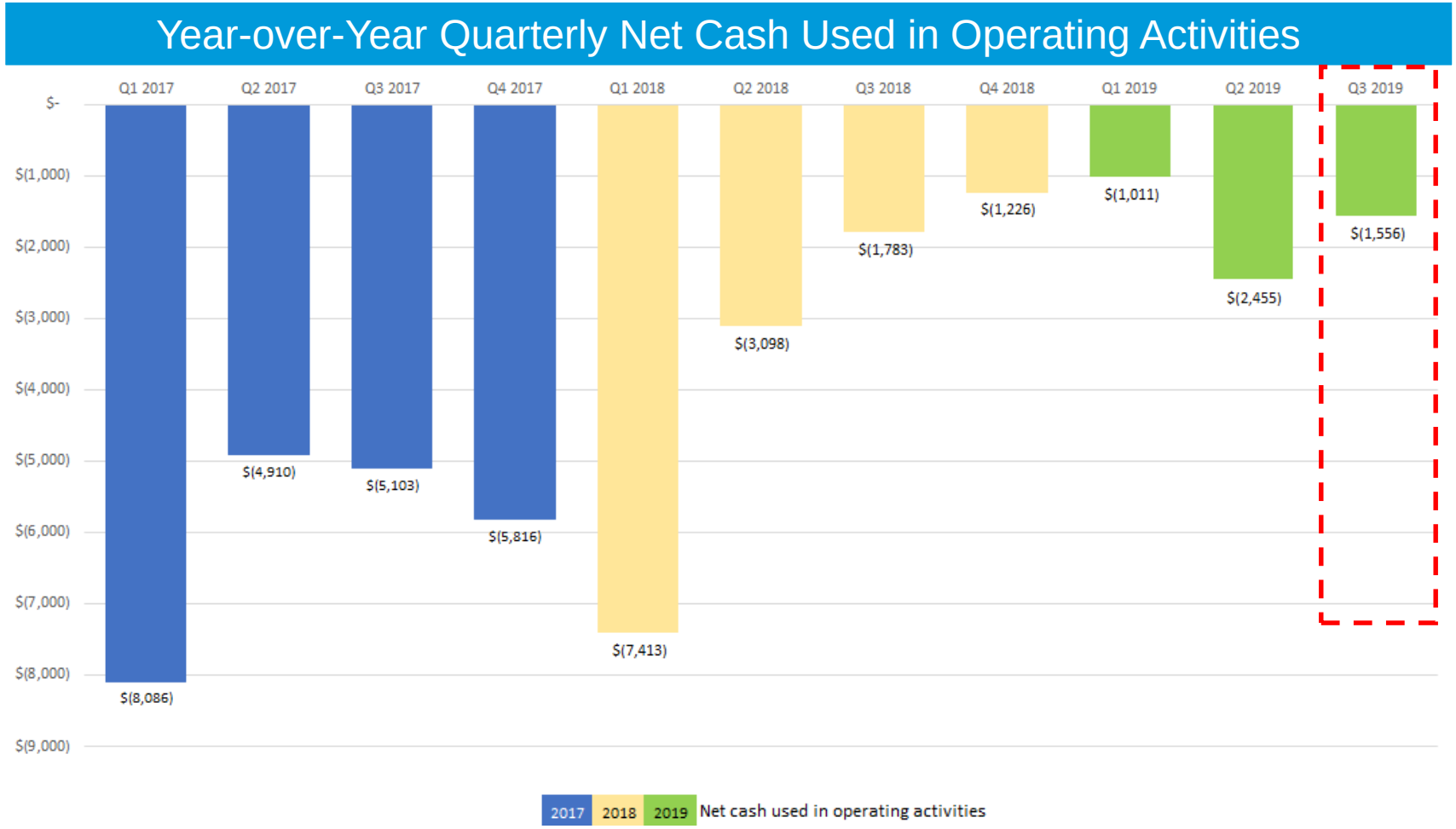
1 – Includes incremental one-time sequencing costs to advance field-of-injury research.
2 – S&M compensation expense increased $3.6 million in Q1 2018 compared to the same period in 2017, principally due to increased sales compensation as we continue to build out our multi-product sales force. Our average field-sales headcount increased 46% over the prior year from 48 people to 70 people.

Net Loss

Year-over-Year Quarterly Net Loss + Net Loss Per Share

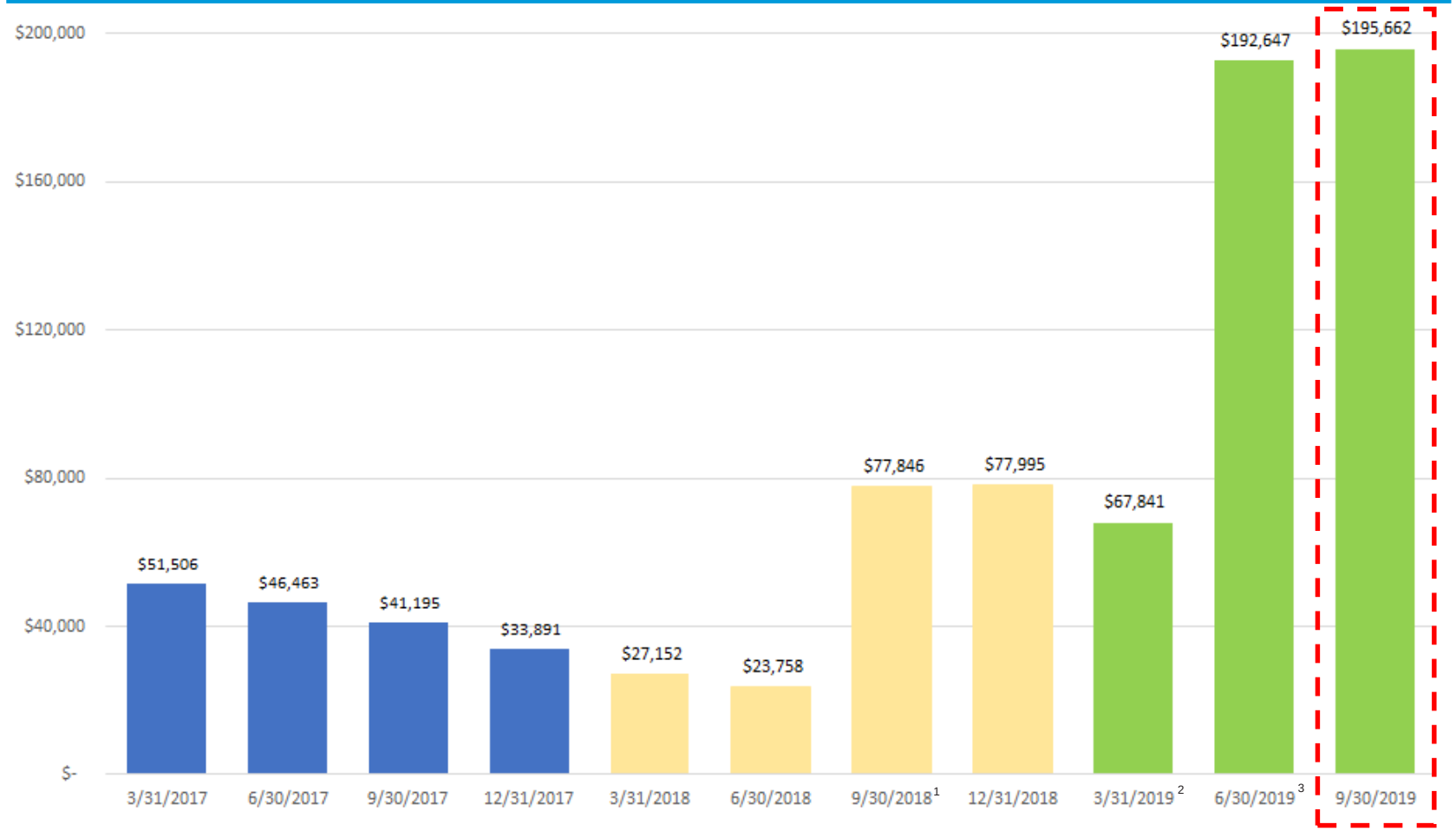


Net Cash Used in Operating Activities



Cash

Cash Balance



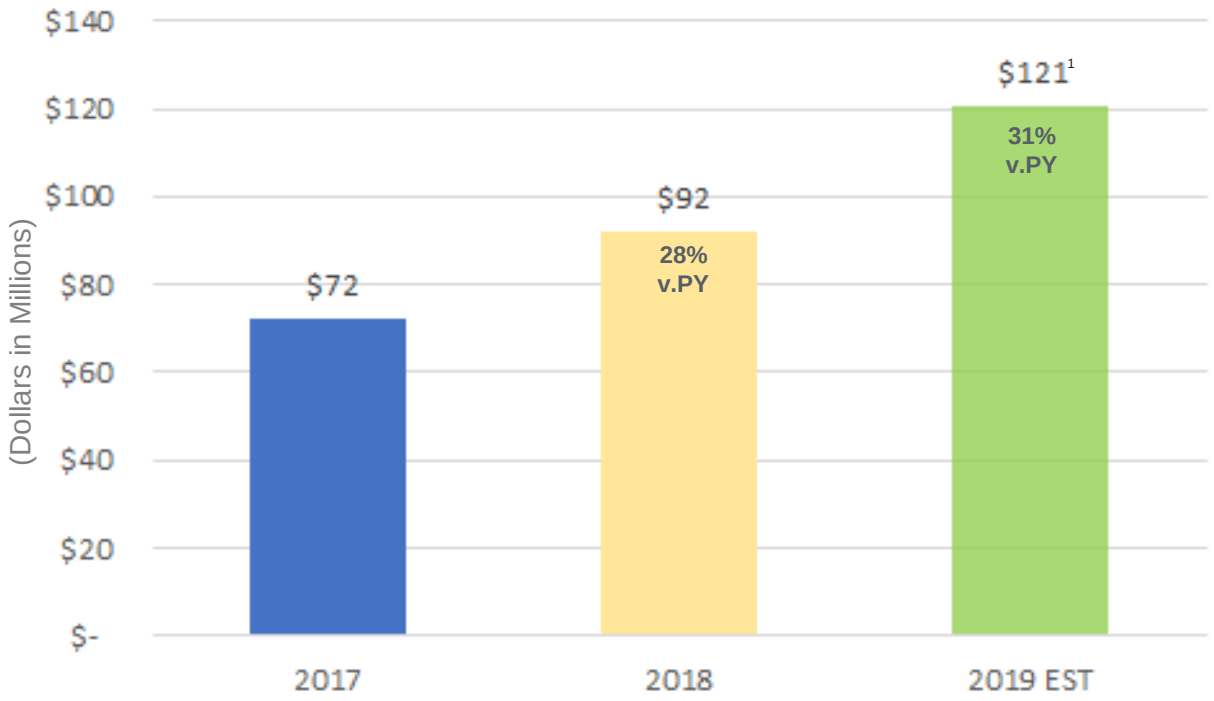
1 – In July 2018, the Company completed a public offering of 5.8 million shares of its common stock, raising $55.0 million in net cash proceeds.

2 – In January 2019, the Company paid down $12.5 million in long term debt.

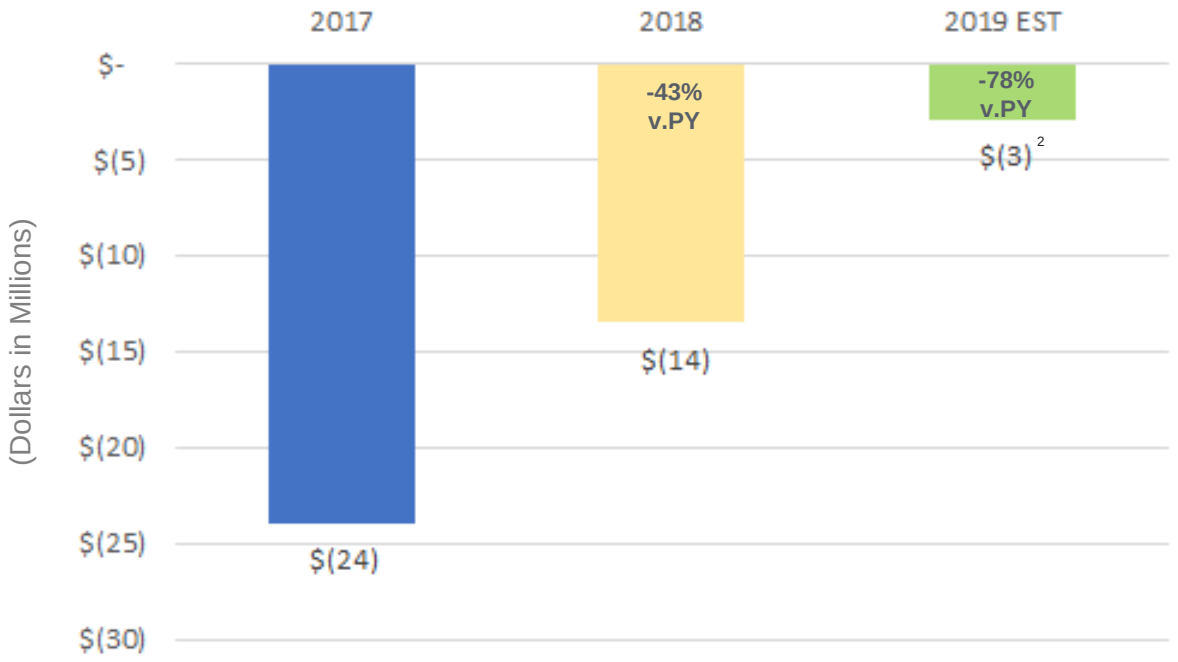
3 – In May 2019, the Company completed a public offering of 6.3 million shares of its common stock, raising $137.8 million in net cash proceeds partially offset by paying down $12.4 million in long term debt.

2019 Guidance

Revenue



Net Cash Used In Operating Activities



1 – Midpoint of 2019 revenue guidance range of $119-122 million as of October 22, 2019

2 –Midpoint of 2019 net cash used in operating activities guidance range of $2-4 million as of October 22, 2019