

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934**

Date of Report (Date of earliest event reported): June 1, 2021

VERACYTE, INC.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36156
Commission
File Number

20-5455398
(IRS Employer
Identification No.)

6000 Shoreline Court, Suite 300, South San Francisco, California
(Address of principal executive offices)

94080
(Zip Code)

Registrant's telephone number, including area code: (650) 243-6300

N/A

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value, \$0.001 per share	VCYT	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 1.01. Entry into a Material Definitive Agreement.

On June 1, 2021, Veracyte, Inc., a Delaware corporation (“Veracyte”), announced that it had negotiated a Securities Purchase and Contribution Agreement (the “SPA”) for the acquisition of HaliuDx SAS, a French société par actions simplifiée (“HaliuDx”), for a purchase price of €260 million in total consideration to HaliuDx securityholders, consisting of approximately €147 million in cash and up to approximately €113 million in shares of Veracyte common stock, subject to customary purchase price adjustments (the “Acquisition”). The number of Veracyte shares to be issued will be based on a 10-day volume-weighted trading average of Veracyte shares prior to the closing date of the Acquisition (the “Closing Date”), and the SPA requires Veracyte to register the resale of such share consideration, if any, within two business days of the Closing Date. However, the SPA provides Veracyte with the option, at its sole discretion, to substitute cash in lieu of shares in any amount up to the entire acquisition consideration, without changing the total consideration paid at closing. The SPA provides for approximately 10% of the total consideration to be paid into escrow to secure certain indemnification obligations of the HaliuDx securityholders. In addition, the SPA provides for approximately 20% of the consideration to be paid to certain founders of HaliuDx to be subject to a holdback provision, contingent upon their continued employment with Veracyte over the two years following the closing.

In connection with the negotiation of the SPA, on June 1, 2021, Veracyte entered into a Memorandum of Understanding (“MOU”) with the securityholders of HaliuDx (the “Sellers”) relating to the future execution of the SPA. As set forth in the MOU, Veracyte has an exclusivity period extending from June 1, 2021 to the earlier of (1) the execution of the SPA and (2) the date that is six months following the execution of the MOU. During such exclusivity period, the Sellers shall not initiate, solicit, encourage, respond to or facilitate any inquiry, proposal or offer by any third party with respect to any acquisition of all or part of the share capital of any Group Companies (as defined in the SPA) and/or all or part of their assets, or to proceed with the merger, spin-off, contribution, business combination or any similar transaction involving the Group Companies. In addition, during such exclusivity period, the Sellers cannot furnish any information or afford access to the business, financial position, properties, assets or the books and records of the Group Companies to any person or entity in connection with any competing proposal to the MOU. Pursuant to the MOU, the Sellers agreed to cause the Group Companies to operate in the ordinary course of business and to refrain from taking certain actions until the earlier of the execution date of the SPA or the expiration of the MOU.

In connection with the execution of the MOU, the Sellers will inform and consult with the works council of HaliuDx regarding the acquisition. Upon the completion of such consultation process and the Sellers’ agreement to enter into the SPA, the MOU irrevocably commits Veracyte to execute and deliver the SPA within ten business days.

Following the execution of the SPA, Veracyte’s and the Sellers’ obligations to complete the Acquisition will be subject to customary closing conditions, including French foreign investment authorization; provided, that in the event the SPA is executed but such foreign investment authorization is not obtained, Veracyte has agreed to pay a break-up fee of €1 million to the Sellers. The form of SPA attached to the MOU also includes certain customary representations, warranties, covenants and indemnities of the parties.

The foregoing descriptions of the SPA and MOU are included to provide you with information regarding their terms, do not purport to be complete descriptions of the terms of such agreements and are qualified in their entirety by reference to the full text of the SPA and MOU, copies of which will be filed with Veracyte’s Quarterly Report on Form 10-Q for the fiscal quarter ending June 30, 2021.

Press Release

On June 1, 2021, Veracyte issued a press release announcing the proposed Acquisition (the “Press Release”). The Press Release is being filed as Exhibit 99.1 to this Current Report on Form 8-K.

Forward-Looking Statements

This Current Report on Form 8-K, including the Press Release, contains “forward-looking” statements within the meaning of Section 27A of the Securities Act and Section 21E of the Exchange Act which involve risks and uncertainties. These forward-looking statements include, but are not limited to, that the SPA may not be entered into and the transaction may not be pursued following works council review in France; the possibility that the closing conditions to the proposed transaction may not be

satisfied or waived, including that a governmental entity may not grant a required regulatory approval; delay in closing the transaction or the possibility of non-consummation of the transaction; the risk of stockholder litigation in connection with contemplated transaction; the retention of HaliuDx employees and Veracyte's ability to successfully integrate the HaliuDx business; and risks inherent in the achievement of anticipated synergies and the timing thereof. You can identify these statements by the use of terminology such as "believe", "expect", "will", "should," "could", "estimate", "anticipate" or similar forward-looking terms. You should not rely on these forward-looking statements as they involve risks and uncertainties that may cause actual results to vary materially from the forward-looking statements. For more information regarding the risks and uncertainties that could cause actual results to differ materially from those expressed or implied in these forward-looking statements, as well as risks relating to Veracyte's business in general, Veracyte refers you to the "Risk Factors" section of Veracyte's Securities and Exchange Commission ("SEC") filings, including Veracyte's most recent Form 10-K and 10-Q, which are available on the Investor Relations page of Veracyte's website at <https://investor.veracyte.com/> and on the SEC website at www.sec.gov. The risks and uncertainties may be amplified by the COVID-19 pandemic, which has caused significant economic uncertainty. The extent to which the COVID-19 pandemic impacts Veracyte's and HaliuDx's businesses, operations, and financial results, including the duration and magnitude of such effects, will depend on numerous factors, which are unpredictable, including, but not limited to, the duration and spread of the outbreak, its severity, the actions to contain the virus or treat its impact, and how quickly and to what extent normal economic and operating conditions can resume. Veracyte undertakes no obligation to update any of these forward-looking statements for any reason after the date of this communication or to conform these statements to actual results or revised expectations, except as required by law.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit Number	Exhibit Title or Description
99.1	Press Release issued by Veracyte, dated June 1, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: June 1, 2021

VERACYTE, INC.

By: /s/ Marc Stapley

Name: Marc Stapley

Title: *Chief Executive Officer*
(Principal Executive Officer)



For Immediate Release

**Veracyte to Acquire HaliuDx,
Positioning for Global Cancer Diagnostics Growth**

Fueling growth by enabling IVD test development and manufacturing, deepening scientific capabilities and expanding cancer diagnostics scope to 8 of the 10 top cancers in the U.S.

Investor conference call and webcast today at 8:00 a.m. ET

SOUTH SAN FRANCISCO, Calif., June 1, 2021 — Veracyte, Inc. (Nasdaq: VCYT) today announced it has reached the terms of an agreement to acquire HaliuDx in a transaction to further accelerate growth and strengthen Veracyte's global leadership in cancer diagnostics.

"The acquisition of HaliuDx will further enable our long-term growth by providing key strategic capabilities to help us to execute on our powerful vision of improving outcomes for patients all over the world at every step of their journey," said Bonnie Anderson, Veracyte's executive chairwoman. "Our prior strategic acquisitions brought exclusive global access to a best-in-class diagnostic platform and a significantly expanded cancer testing menu. We believe HaliuDx will help fuel our global growth by accelerating IVD test development and manufacturing operations in Europe and by expanding our scientific expertise into the emerging immuno-oncology field. Additionally, their commercial-stage colon cancer immune response test will broaden our testing menu to 8 of the top 10 cancers."

HaliuDx is an immuno-oncology diagnostics company providing oncologists and drug development organizations with first-in-class diagnostic products and services to guide cancer care and contribute to precision medicine. The company provides a unique range of immune assessment solutions, including its flagship Immunoscore® assay for assessing the immune contexture of a tumor as a key determinant of patients' outcomes and response to cancer treatments. HaliuDx has developed a unique biopharma partnering ecosystem for the identification of clinically relevant biomarker signatures, the demonstration of their utility in clinical trials and the development and commercialization of resulting IVD and companion diagnostic tests. The company operates CLIA-certified laboratories in the United States and France, as well as a manufacturing facility in France that develops, manufactures, and distributes in vitro diagnostic clinical products.

Strategic Benefits for Global Growth

- *Enables Veracyte to develop and manufacture test kits for the nCounter diagnostic platform.* The company plans to transition manufacturing of the kits, currently produced by NanoString, to HaliuDx's manufacturing facility in Marseille, France. This would further accelerate the expansion of test menu on the nCounter platform in Europe and other strategic global markets.
- *Deepens Veracyte's scientific capabilities.* HaliuDx's unique Immunogram multimodal analysis platform offers potential pipeline development opportunities in a range of clinical indications and can serve as a platform to grow Veracyte's biopharma partnering business. HaliuDx's deep expertise in immuno-oncology is complementary with Veracyte's expertise in cancer genomics and large biorepository of genomic content built from whole transcriptome data.
- *Expands Veracyte's cancer diagnostics scope to 8 of the 10 top cancers by U.S. incidence.* The addition of HaliuDx's Immunoscore® test to guide treatment decisions in colorectal cancer will further expand Veracyte's menu of high-value advanced diagnostic tests that address unmet needs at multiple points in the patient care continuum.

Marc Stapley, Veracyte's chief executive officer, said, "Adding HaliuDx to Veracyte is a strategic investment that we believe will position the company to unlock its growth potential. With this acquisition, we will have the parts needed to expand our business globally. Veracyte plays an increasingly vital role in advancing patient outcomes and care, and I'm excited to bring my experience building and leading complex global organizations to the company. I look forward to partnering with Bonnie, who will oversee completion of this acquisition and lead the strategic integration, and to welcoming the HaliuDx team to Veracyte so we can work together to improve care for patients all over the world."

"Veracyte is a leading global diagnostics company with strong expertise in genomic testing through both centralized and distributed tests," said Vincent Fert, HaliuDx's chairman and chief executive officer. "We are aligned with their mission to improve care for patients and believe our capabilities and expertise in immuno-oncology and diagnostic development and manufacturing are highly complementary to their business and strategic vision. The transaction gives us the opportunity to significantly accelerate the scale and scope of our offerings and continue investing in our innovative Immunogram multimodal analysis platform, which is proven in its ability to help biopharma partners understand and predict patient response to immunotherapy."

Transaction Terms and Other Information

Upon completion of the required works council consultations, Veracyte expects that the shareholders of HaliuDx will enter into a definitive purchase agreement with Veracyte for the purchase and sale of HaliuDx. Upon the closing of the transaction, HaliuDx will become a subsidiary of Veracyte. At closing, Veracyte will pay approximately €260 million in total consideration to HaliuDx security holders, consisting of approximately €147 million in cash and up to approximately €113 million in stock, subject to customary purchase price adjustments. The number of Veracyte shares issued in the transaction will be based on a 10-day volume-weighted trading average of Veracyte shares prior to the closing date. However, without changing the total consideration paid at closing, Veracyte has the option, at its sole discretion, to substitute cash in lieu of shares in any amount up to the entire acquisition consideration. The transaction, which has been unanimously approved by Veracyte's board of directors and is fully supported by the HaliuDx board of directors, is expected to close in the third fiscal quarter of 2021, subject to the satisfaction of customary closing conditions, including foreign investment approval in France.

Veracyte expects the acquisition of HaliuDx to be accretive to its revenue growth in 2021 and to expand the near-term addressable markets for Veracyte's current and pipeline tests. Veracyte also expects the transaction to be strategically accretive to its gross margins once it transitions manufacturing of test kits to HaliuDx for use on the nCounter Analysis System.

HaliuDx's operations and laboratories will remain in Marseille, France and Richmond, Virginia.

Advisors

Goldman Sachs & Co. LLC is serving as financial advisor to Veracyte, and Fenwick & West LLP and Latham & Watkins LLP are serving as Veracyte's legal advisors in the United States and France, respectively. Shearman & Sterling LLP is serving as legal advisor to HaliuDx.

Conference Call and Webcast Details

Veracyte will host a conference call and webcast on Tuesday, June 1, at 8:00 a.m. Eastern Time to discuss the transaction. The conference call will be streamed live via webcast from the company's website at the following link: <https://edge.media-server.com/mmc/p/7nbdhd3a>. The webcast should be accessed 10 minutes prior to the conference call start time. A replay of the webcast will be available for one year following the conclusion of the live broadcast and will be accessible on the company's website at <https://investor.veracyte.com/events-presentations>.

The conference call can be accessed as follows:

U.S./Canada participant dial-in number (toll-free):	(855) 541-0980
International participant dial-in number:	(970) 315-0440
Conference I.D.:	4412708

About Veracyte

Veracyte (Nasdaq: VCYT) is a global genomic diagnostics company that improves patient care by providing answers to clinical questions, informing diagnosis and treatment decisions throughout the patient journey in cancer and other diseases. The company's growing menu of genomic tests leverages advances in genomic science and technology, enabling patients to avoid risky, costly diagnostic procedures and quicken time to appropriate treatment. The company's tests in lung cancer, prostate cancer, breast cancer, thyroid cancer, bladder cancer and idiopathic pulmonary fibrosis are available to patients and its lymphoma subtyping and renal cancer tests are in development. With Veracyte's exclusive global license to a best-in-class diagnostics instrument platform, the company is positioned to deliver its tests to patients worldwide. Veracyte is based in South San Francisco, California. For more information, please visit www.veracyte.com and follow the company on Twitter (@veracyte).

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements, including, but not limited to, our statements related to our plans, objectives, expectations (financial and otherwise) or intentions with respect to the anticipated acquisition of HalioDx; statements regarding the expected timing for completion of the transaction; statements related to the expected benefits of the proposed transaction, including but not limited to, test menu expansion, future revenues, revenue growth and gross margin accretion, HalioDx's Immunoscore® technology's value in both clinical care, including in colorectal cancer diagnostics, and biopharma collaborations, and HalioDx's manufacturing capabilities and potential synergies.

Forward-looking statements can be identified by words such as: "appears," "anticipate," "intend," "plan," "expect," "believe," "should," "may," "will," "positioned," "designed" and similar references to future periods. Actual results may differ materially from those projected or suggested in any forward-looking statements. These statements involve risks and uncertainties, which could cause actual results to differ materially from our predictions, and include, but are not limited to, that definitive agreements may not be entered into and the transaction may not be pursued following works council consultation in France; the possibility that the closing conditions to the proposed transaction may not be satisfied or waived, including a governmental entity may not grant a required regulatory approval; delay in closing the transaction or the possibility of non-consummation of the transaction; the risk of stockholder litigation in connection with contemplated transaction; the retention of HalioDx employees and Veracyte's ability to successfully integrate the HalioDx business; and risks inherent in the achievement of anticipated synergies and the timing thereof. Additional factors that may impact these forward-looking statements can be found in Item 1A – "Risk Factors" in our Annual Report on Form 10-K filed with the SEC on February 22, 2021 and in our Quarterly Report on Form 10-Q filed with the SEC on May 10, 2021. A copy of these documents can be found at the Investors section of our website at www.veracyte.com. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements or reasons why actual results might differ, whether as a result of new information, future events or otherwise.

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Investor and Media Contact:

Tracy Morris
Vice President of Corporate Communications
& Investor Relations
Veracyte
tracy.morris@veracyte.com
650-380-4413