



Q4 2023 Business and Financial Presentation

February 22, 2024



Forward-looking statements and non-GAAP information

This presentation contains forward-looking statements, including, but not limited to our statements related to our plans, objectives, and expectations (financial and otherwise), including with respect to 2024 financial and operating results; statements regarding the expected benefits of the acquisition of C2i Genomics; and our intentions with respect to our tests and products, for use in diagnosing and treating diseases, in and outside of the United States. Forward-looking statements can be identified by words such as: “appears,” “anticipate,” “intend,” “plan,” “expect,” “believe,” “should,” “may,” “will,” “enable,” “positioned,” “offers,” “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: our ability to launch, commercialize and receive reimbursement for our products; our ability to execute on our business strategies relating to the C2i Genomics acquisition, integration the business and realize expected benefits and synergies; our ability to demonstrate the validity and utility of our genomic tests and biopharma and other offerings; our ability to continue executing on our business plan; our ability to continue to scale our global operations and enhance our internal control environment; the impact of the war in Ukraine, and other regional conflicts, on European economies and energy supply, as well as our facilities in France; the impact of foreign currency fluctuations, increasing interest rates, inflation, potential government shutdowns and turmoil in the global banking and finance system; and the performance and utility of our tests in the clinical environment. Additional factors that may impact these forward-looking statements can be found under the caption “Risk Factors” in our Annual Report on Form 10-K filed on March 1, 2023, and our Quarterly Report on Form 10-Q filed for the three months ended September 30, 2023, filed on November 8, 2023, as well as in other documents that we may file from time to time with the Securities and Exchange Commission. Copies of these documents, when available, may be found in the Investors section of our website at investor.veracyte.com. These forward-looking statements speak only as of the date hereof and, except as required by law, we specifically disclaim 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.

In addition to the financial measures prepared in accordance with generally accepted accounting principles (GAAP), this presentation contains certain non-GAAP results including non-GAAP gross margin, non-GAAP operating expenses, and non-GAAP loss from operations. These measures are not meant to be considered superior to or a substitute for financial measures calculated in accordance with GAAP, and investors are cautioned that there are material limitations associated with the use of non-GAAP financial measures as an analytical tool. We use non-GAAP measures to internally evaluate and analyze financial results. We believe these non-GAAP financial measures provide investors with useful supplemental information about the financial performance of our business, enable comparison of financial results between periods where certain items may vary independent of business performance, and enable comparison of our financial results with other public companies, many of which present similar non-GAAP financial measures. However, the non-GAAP measures we present may be different from those used by other companies.

We exclude amortization of acquired intangible assets, acquisition-related expenses relating to our acquisitions of Decipher Biosciences, HalioDx and C2i Genomics, impairment charges associated with the nCounter license and other biopharmaceutical services related HalioDx intangible assets, and costs related to restructuring from certain of our non-GAAP measures. Management has excluded the effects of these items in non-GAAP measures to help investors gain a better understanding of the core operating results and future prospects of the company, consistent with how management measures and forecasts the company's performance, especially when comparing such results to previous periods or forecasts. The company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Reconciliations between our GAAP results and non-GAAP financial measures are presented in the Appendix.

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Key Q4 2023 Results and FY 2024 Outlook

1. Strong Q4 2023 revenue of \$98.2M driven by Decipher Prostate and Afirma
2. Ended Q4 with \$216.5M of cash,¹ and generated ~\$15.6M of cash from operations during the quarter
3. Published the clinical validity study for Percepta Nasal Swab in *CHEST*
4. Acquired C2i Genomics, adding minimal residual disease (MRD) capabilities to Veracyte
5. Provided 2024 revenue guidance of \$394M to \$402M and 2024 year-end cash¹ guidance of \$230M to \$234M²

1. Includes cash, cash equivalents and short-term investments

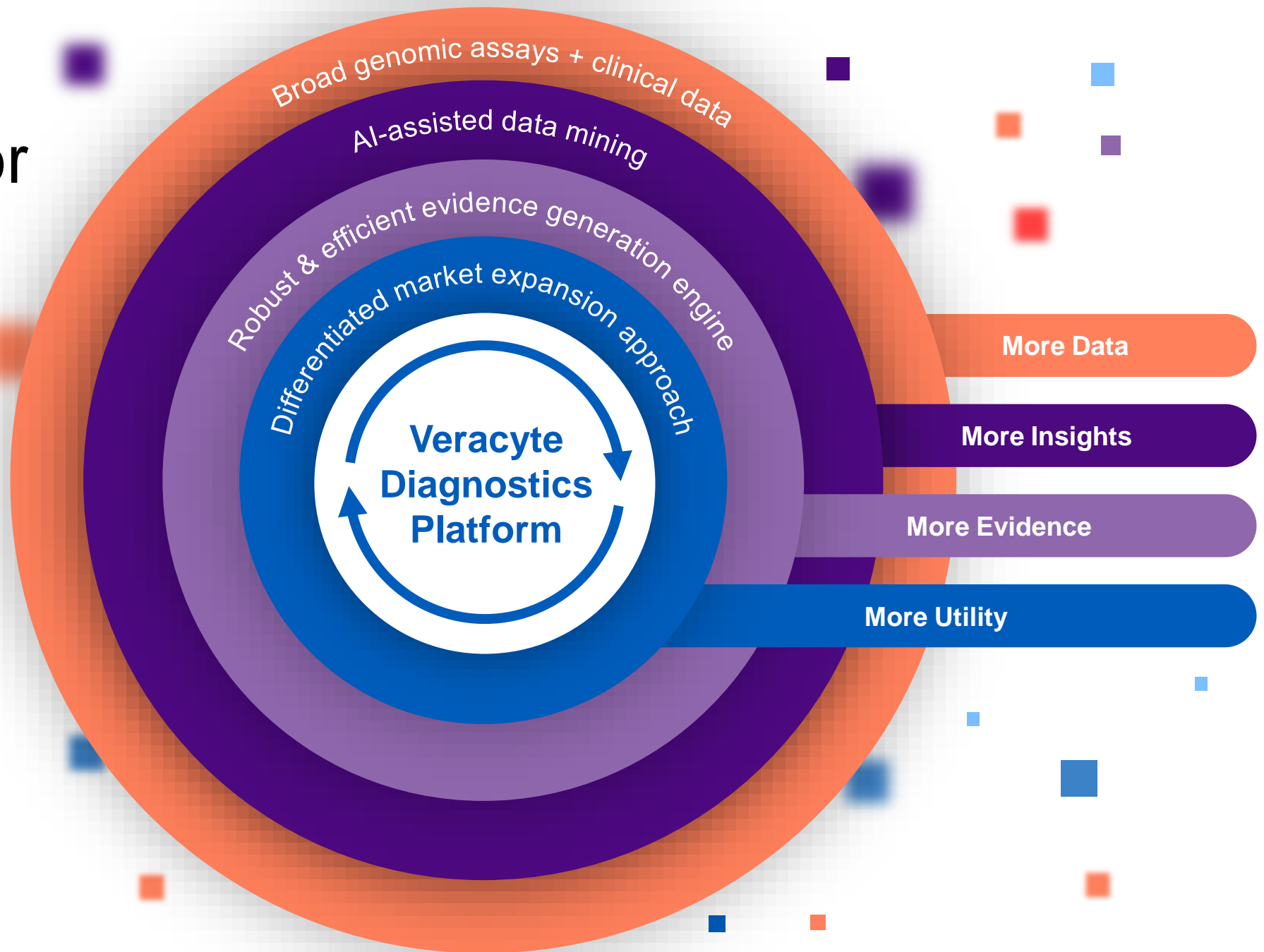
2. Guidance as of February 22, 2024 only; assumes currency exchange rates as of February 22, 2024 and cash balance includes the impact of acquisition-related expenses, but excludes the impact of acquired cash related to the C2i Genomics acquisition



Our vision is to
transform cancer
care for patients
all over the world

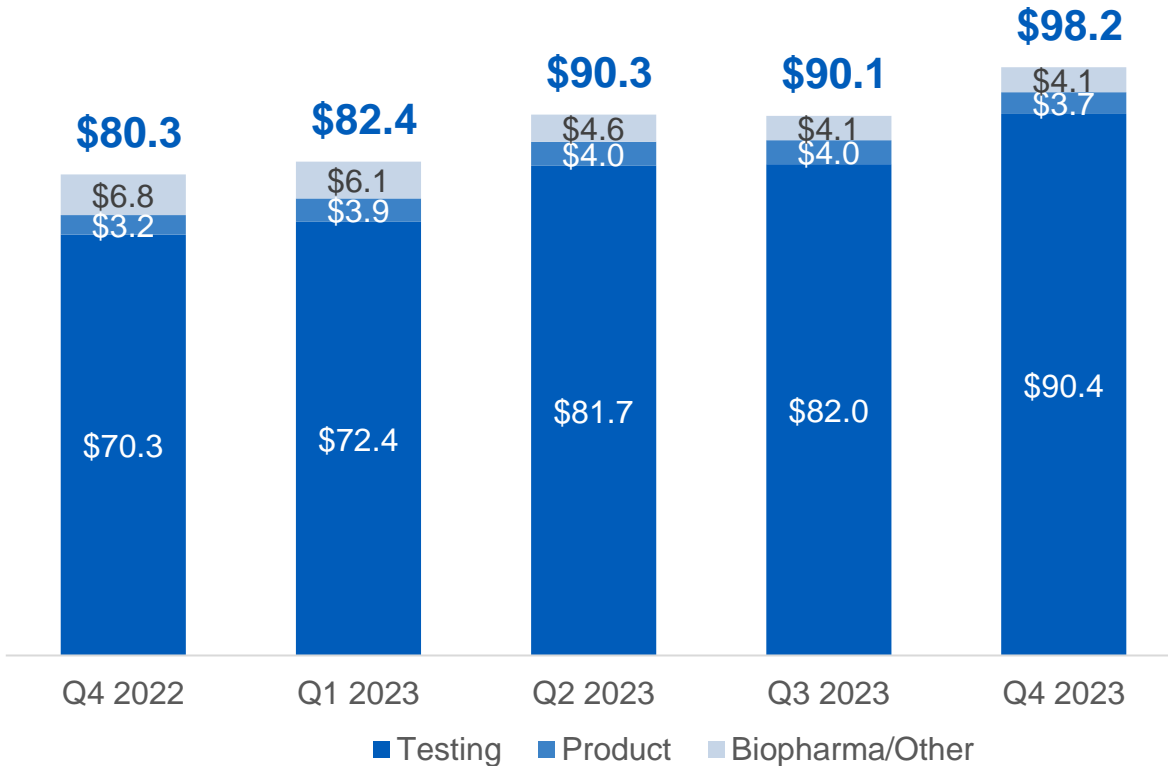


A novel platform for growth

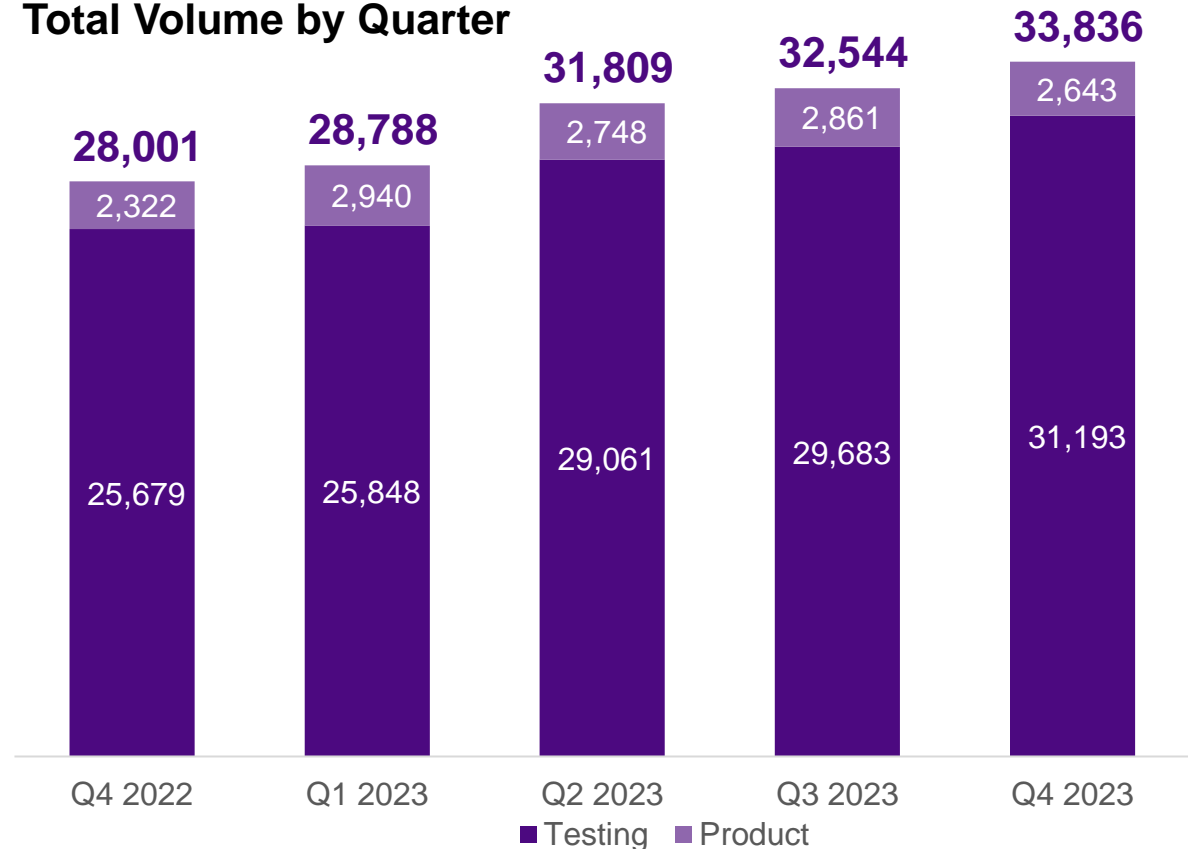


Delivered Q4 total revenue growth of 22%

Total Revenue by Quarter¹

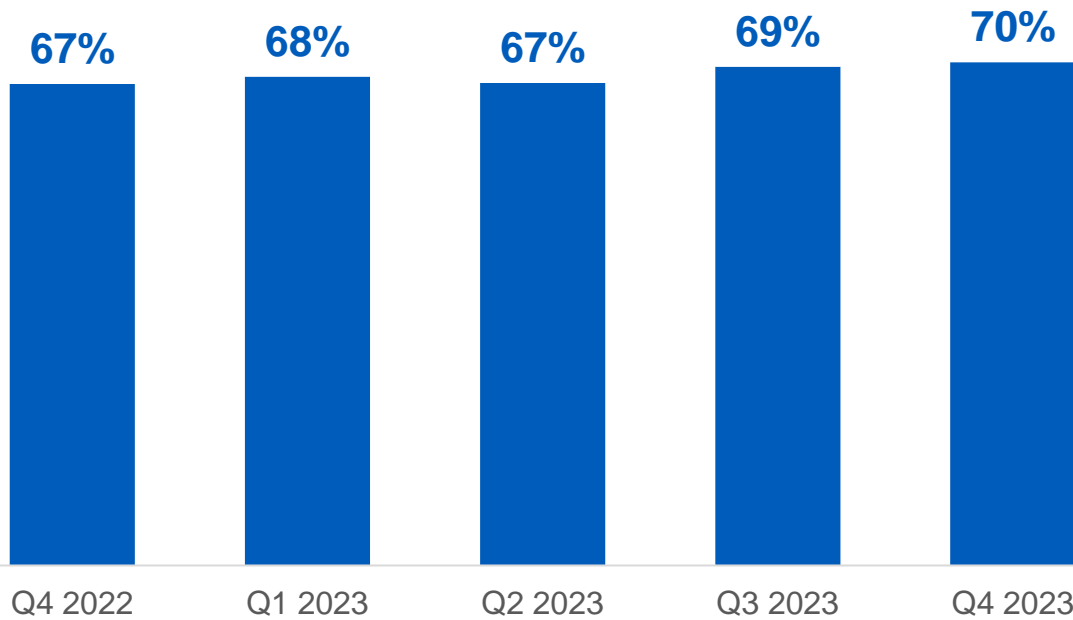


Total Volume by Quarter

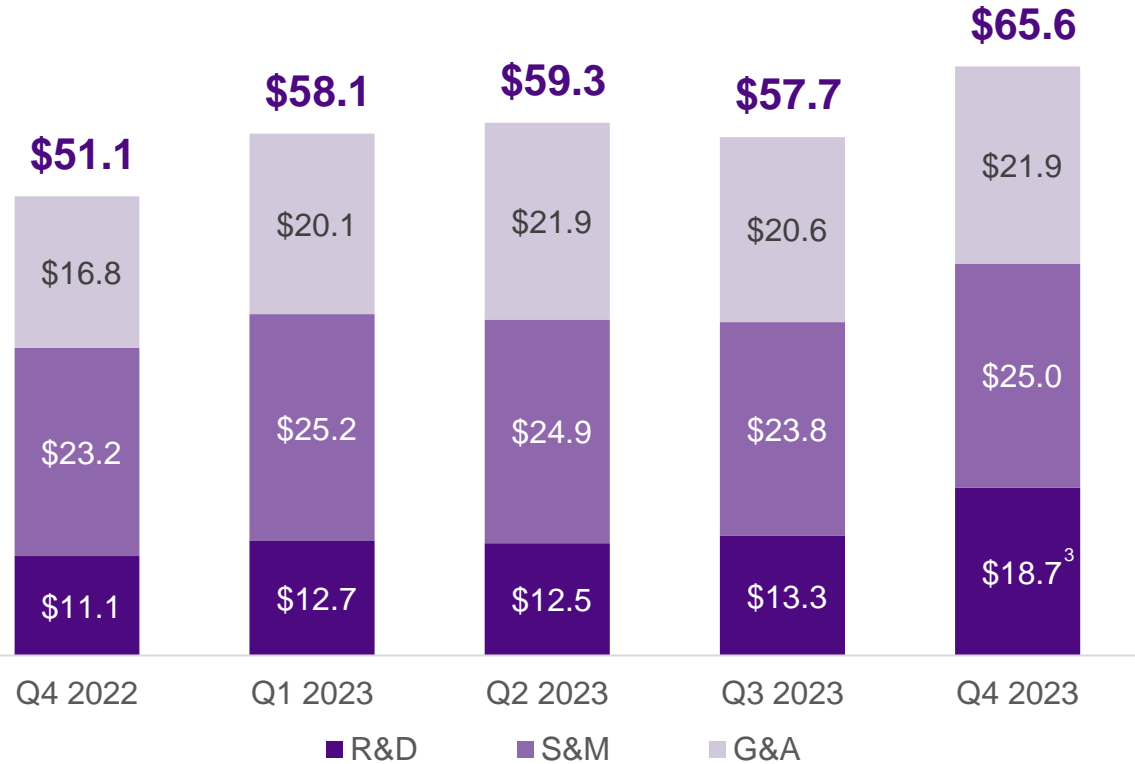


Strong non-GAAP gross margin

Non-GAAP Gross Margin by Quarter¹



Non-GAAP Operating Expense by Quarter^{1,2}



1. Non-GAAP reconciliations available in the appendix of this presentation
2. Amounts in millions; Operating expenses rounded and summarized as presented
3. Q4 2023 R&D Includes \$3.5M IVD tech access fee

Cash balance of \$216.5M¹

- Q4 cash generated by operations of \$15.6M
- Testing growth and working capital performance resulted in higher than projected cash balance
- 2024 outlook:
 - Q1 slight cash usage
 - Ending 2024 cash balance of \$230M to \$234M² including approximately \$8M of acquisition-related expenses

Cash balance¹

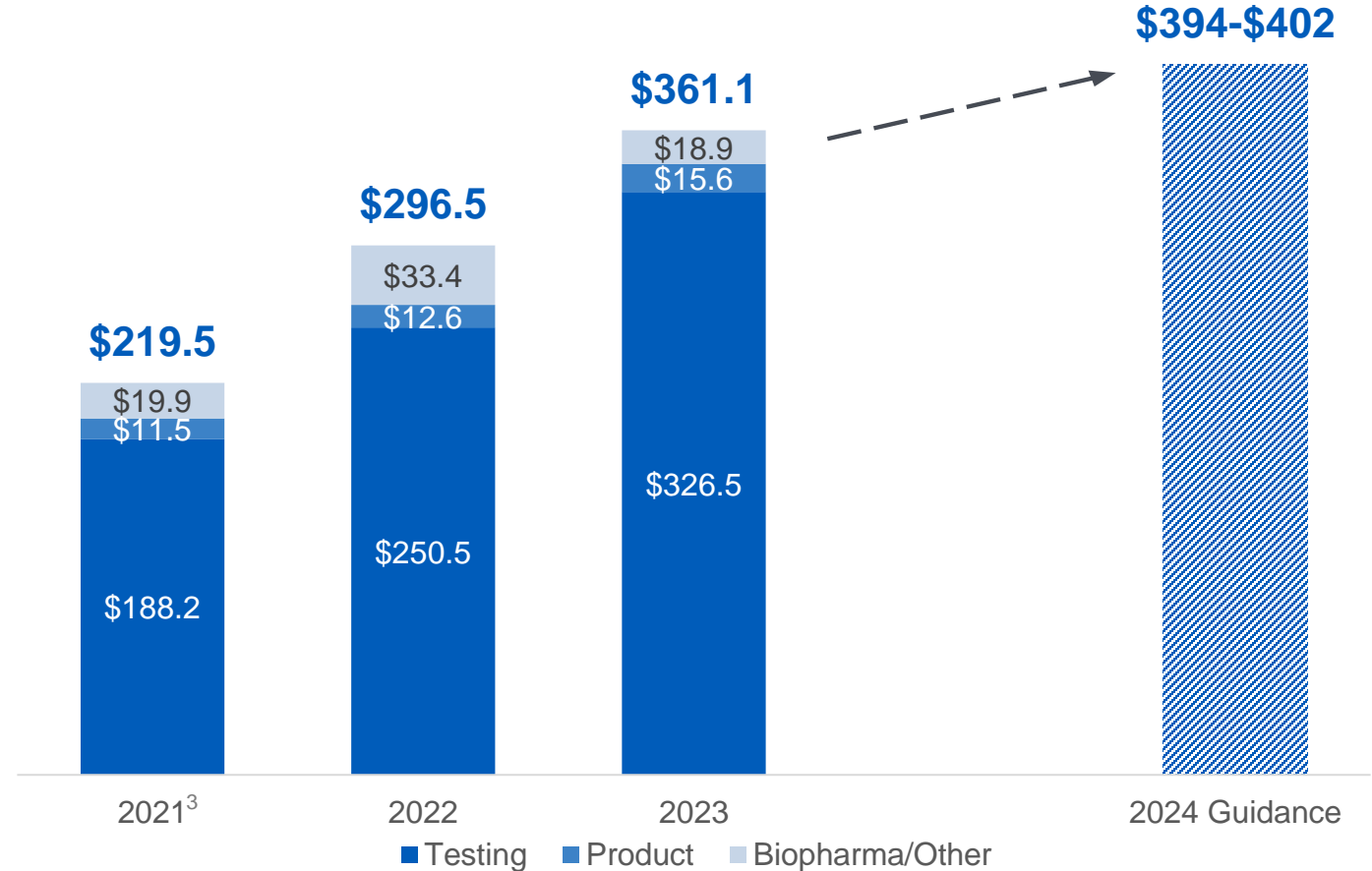


1. Ending balance of cash, cash equivalents and short-term investments, excluding restricted cash, in millions, as of December 31, 2023

2. Guidance as of February 22, 2024; excludes the impact of potential M&A and any benefit from acquired cash related to the acquisition of C2i Genomics

2024 revenue guidance of \$394M to \$402M

- Expect product and testing revenue growth of 13% to 15%
- Anticipate biopharma and other revenue to be down ~50%



1. Testing, Product and Biopharma and other revenue rounded and summarized as presented in millions

2. Guidance and currency rates are as of February 22, 2024; guidance inclusion after February 22, 2024 here should not be considered a reiteration of guidance

3. 2021 included \$4M JNJ milestone

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Q4 2023

Reconciliation of Non-GAAP Financial Measures

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other (4)	
Three Months Ended December 31, 2023					
Total revenue	\$ 98,199	\$ —	\$ —	\$ —	\$ 98,199
Cost of testing revenue	24,105	—	—	—	24,105
Cost of product revenue	1,753	—	—	—	1,753
Cost of biopharmaceutical and other revenue	3,518	—	—	—	3,518
Intangible asset amortization (2)	4,035	—	4,035	—	—
Gross margin \$	64,788	—	4,035	—	68,823
Gross margin %	66 %	—	—	—	70 %
Research and development	18,673	—	—	—	18,673
Selling and marketing	25,260	294	—	—	24,966
General and administrative	23,795	1,867	—	—	21,928
Impairment of long-lived assets	32,039	—	—	32,039	—
Intangible asset amortization	528	—	528	—	—
Total operating expenses excluding cost of revenue (3)	100,295	2,161	528	32,039	65,567
Income (loss) from operations	\$ (35,507)	\$ 2,161	\$ 4,563	\$ 32,039	\$ 3,256

1. Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of transaction related expenses associated with the acquisition of C2i Genomics and post-combination compensation expenses associated with the acquisition of HalioDx.
2. Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.
3. Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$29.4 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.0 million).
4. Includes \$32.0 million expense related to the impairment charge associated with HalioDx developed technology, customer relationships and customer backlog finite-lived intangible assets

Q3 2023

Reconciliation of Non-GAAP Financial Measures

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other (4)	
Three Months Ended September 30, 2023					
Total revenue	\$ 90,108	\$ —	\$ —	\$ —	\$ 90,108
Cost of testing revenue	21,827	—	—	—	21,827
Cost of product revenue	2,436	—	—	—	2,436
Cost of biopharmaceutical and other revenue	3,347	26	—	—	3,321
Intangible asset amortization (2)	4,811	—	4,811	—	—
Gross margin \$	57,687	26	4,811	—	62,524
Gross margin %	64 %				69 %
Research and development	13,322	17	—	—	13,305
Selling and marketing	24,344	537	—	—	23,807
General and administrative	16,334	(4,294)	—	—	20,628
Impairment of long-lived assets	34,900	—	—	34,900	—
Intangible asset amortization	526	—	526	—	—
Total operating expenses excluding cost of revenue (3)	89,426	(3,740)	526	34,900	57,740
Income (loss) from operations	\$ (31,739)	\$ (3,714)	\$ 5,337	\$ 34,900	\$ 4,784

1. Includes transaction related expenses as well as post-combination compensation expenses, adjustments consist primarily of remeasurement of contingent consideration related to our adoption of a multi-platform IVD strategy and post-combination compensation expenses associated with the acquisition of HaliuDx.
2. Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.
3. Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$27.6 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.8 million).
4. Includes \$34.9 million related to nCounter license impairment related to the company's decision to move to a multi-platform strategy for its IVD tests.

Q2 2023

Reconciliation of Non-GAAP Financial Measures

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other (4)	
Three Months Ended June 30, 2023					
Total revenue	\$ 90,322	\$ —	\$ —	\$ —	\$ 90,322
Cost of testing revenue	23,333	—	—	—	23,333
Cost of product revenue	2,315	—	—	—	2,315
Cost of biopharmaceutical and other revenue	4,040	25	—	—	4,015
Intangible asset amortization (2)	4,814	—	4,814	—	—
Gross margin \$	55,820	25	4,814	—	60,659
Gross margin %	62 %				67 %
Research and development	12,541	17	—	—	12,524
Selling and marketing	25,756	889	—	—	24,867
General and administrative	25,047	1,720	—	1,437	21,890
Impairment of long-lived assets	—	—	—	—	—
Intangible asset amortization	527	—	527	—	—
Total operating expenses excluding cost of revenue (3)	63,871	2,626	527	1,437	59,281
Income (loss) from operations	\$ (8,051)	\$ 2,651	\$ 5,341	\$ 1,437	\$ 1,378

1. Includes transaction related expenses as well as post-combination compensation expenses, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HalioDx.

2. Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3. Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$29.7 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.8 million).

4. Includes \$1.4 million related to the departure of the former executive chair.

Q1 2023

Reconciliation of Non-GAAP Financial Measures

(Unaudited)
(In thousands of dollars)

	GAAP	Identified Expenses			Total Non-GAAP Measure
		Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other (4)	
Three Months Ended March 31, 2023					
Total revenue	\$ 82,422	\$ —	\$ —	\$ —	\$ 82,422
Cost of testing revenue	19,648	83	—	—	19,565
Cost of product revenue	2,162	—	—	—	2,162
Cost of biopharmaceutical and other revenue	4,419	43	—	—	4,376
Intangible asset amortization (2)	4,804	—	4,804	—	—
Gross margin \$	51,389	126	4,804	—	56,319
Gross margin %	62 %				68 %
Research and development	12,769	24	—	—	12,745
Selling and marketing	26,130	890	—	—	25,240
General and administrative	21,053	1,036	—	(66)	20,083
Impairment of long-lived assets	1,410	—	—	1,410	—
Intangible asset amortization	525	—	525	—	—
Total operating expenses excluding cost of revenue (3)	61,887	1,950	525	1,344	58,068
Loss from operations	\$ (10,498)	\$ 2,076	\$ 5,329	\$ 1,344	\$ (1,749)

1. Includes transaction related expenses as well as post-combination compensation expenses, adjustments consist primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.

2. Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3. Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$26.2 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.8 million).

4. Includes impairment charge associated with Richmond lease obligation.

Q4 2022

Reconciliation of Non-GAAP Financial Measures

(Unaudited)
(In thousands of dollars)

	Identified Expenses				Total Non-GAAP Measure
	GAAP	Acquisition Related Expenses (1)	Intangible Assets Amortization Expense	Other	
Three Months Ended December 31, 2022					
Total revenue	\$ 80,297	\$ —	\$ —	\$ —	\$ 80,297
Cost of testing revenue	19,394	50	—	—	19,344
Cost of product revenue	2,618	—	—	—	2,618
Cost of biopharmaceutical and other revenue	4,819	64	—	—	4,755
Intangible asset amortization (2)	4,747	—	4,747	—	—
Gross margin \$	48,719	114	4,747	—	53,580
Gross margin %	61 %				67 %
Research and development	11,287	232	—	—	11,055
Selling and marketing	24,127	917	—	—	23,210
General and administrative	18,208	1,368	—	—	16,840
Impairment of long-lived assets	—	—	—	—	—
Intangible asset amortization	517	—	517	—	—
Total operating expenses excluding cost of revenue (3)	54,139	2,517	517	—	51,105
Income (loss) from operations	\$ (5,420)	\$ 2,631	\$ 5,264	\$ —	\$ 2,475

1. Includes transaction related expenses as well as post-combination compensation expenses consisting primarily of post-combination compensation expenses associated with the acquisition of HaliuDx.

2. Includes only amortization of intangible assets identified as developed technology assets through purchase accounting transactions, which otherwise would have been allocated to cost of revenue.

3. Includes only amortization of intangible assets, which otherwise would have been allocated to research and development, selling and marketing or general and administrative expense and excludes the cost of revenue (\$26.8 million) and the amortization of intangible assets which would have been allocated to the cost of revenue (\$4.7 million).