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Veracyte Announces Anthem Coverage for the Afirma® Gene Expression Classifier for Use in Thyroid Cancer Diagnosis

-- Every Major Health Plan in the U.S. Now Covers the Company's Genomic Test --

SOUTH SAN FRANCISCO, Calif., May 18, 2017 /PRNewswire/ -- Veracyte, Inc. (NASDAQ: VCYT), a genomic diagnostics company focused on reducing unnecessary surgeries and healthcare costs by resolving diagnostic uncertainty, today announced that Anthem, Inc., an independent Blues plan and one of the nation's largest health benefits companies, has issued a positive coverage policy for Veracyte's Afirma Gene Expression Classifier (GEC) for use in thyroid cancer diagnosis. The policy renders the genomic test a medically necessary benefit for Anthem's approximately 40 million members, effective immediately. The Afirma GEC is the only genomic test for use in thyroid cancer diagnosis to receive such a designation in the plan's new coverage policy.

The Afirma GEC is used to identify patients with benign thyroid nodules among those whose fine needle aspiration (FNA) biopsy results are indeterminate following traditional cytopathology review, so that they may avoid an unnecessary diagnostic surgery. The new policy brings the total number of covered lives for the genomic test to more than 260 million, including over 110 million Blues plan members. The Afirma GEC is now covered by Blues plans in 46 of the nation's 50 states.

"We are delighted that Anthem's members will now have access to the Afirma test as a covered benefit," said Bonnie Anderson, Veracyte's chief executive officer and chairman. "With this coverage decision, every major health plan in the United States now covers Afirma, which we estimate has helped save tens of thousands of patients from unnecessary surgery since its introduction in 2011. This is a significant corporate milestone for us, as Afirma is one of the only tests in the genomic diagnostics sector to achieve such broad coverage."

Each year in the United States, more than 525,000 fine needle aspiration biopsies are performed to assess patients with potentially cancerous thyroid nodules. Up to 30 percent of the results are indeterminate (not clearly benign or malignant) and physicians have traditionally recommended thyroid surgery for a more definitive diagnosis. Following surgery, however, 70 to 80 percent of patients' nodules are diagnosed as benign, meaning the surgery was unnecessary. Such surgery is invasive, costly and often leads to the need for lifelong daily thyroid hormone replacement drugs.

The Afirma Gene Expression Classifier has become a new standard of care in thyroid cancer diagnosis, where it is used to identify patients with benign thyroid nodules among those with indeterminate cytopathology results in order to preserve the thyroid. The Afirma Genomic Sequencing Classifier (GSC), introduced in May 2017, is the next-generation version of the Afirma GEC and combines RNA sequencing and machine learning for enhanced performance. Clinical data demonstrate that the enhanced test maintains the GEC's high sensitivity, while increasing its specificity, to enable significantly more patients to avoid unnecessary surgery as part of thyroid cancer diagnosis.

About Veracyte
Veracyte (NASDAQ: VCYT) is a leading genomic diagnostics company that is fundamentally improving patient care by resolving diagnostic uncertainty with evidence that is trustworthy and actionable. The company's products uniquely combine genomic technology, clinical science and machine learning to provide answers that give physicians and patients a clear path forward without risky, costly surgery that is often unnecessary. Since its founding in 2008, Veracyte has commercialized three genomic tests, which are transforming the diagnosis of thyroid cancer, lung cancer and idiopathic pulmonary fibrosis and collectively target a $2 billion market opportunity. 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" 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, our estimate of the number of patients who have avoided unnecessary surgery, our beliefs with respect to coverage levels for our test, our belief that our test is becoming the standard of care, and our beliefs regarding the significance of the coverage decision to our business and business strategy. 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: demand for our tests, the applicability of clinical results to actual outcomes; laws and regulations applicable to our business, including potential regulation by the Food and Drug Administration or other regulatory bodies; the size of the market opportunity for our products; our ability to successfully achieve and maintain adoption of and reimbursement for our products; the amount by which use of our products are able to reduce invasive procedures and misdiagnosis, and reduce healthcare costs; the occurrence and outcomes of clinical studies; the timing and publication of clinical study results; 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, 2017. These forward-looking statements speak only as of the date hereof and Veracyte specifically disclaims any obligation to update these forward-looking statements.