INVITAE

From genetics, Health

First Quarter 2023 Financial Results
05.09.2023

Safe harbor statement

This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the company's mission; the company's beliefs regarding the potential of its business, and its business priorities and initiatives and the potential benefits thereof; the company's future financial and operating results, and the drivers of future financial results; the company's focus, strategy, roadmap and product pipeline; and the company's financial guidance for 2023. Forward-looking statements are subject to risks and uncertainties that 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: the ability of the company to successfully execute its strategic business realignment and achieve the intended benefits thereof on the expected timeframe or at all; unforeseen or greater than expected costs associated with the strategic business realignment; the risk that the disruption that may result from the realignment may harm the company's business, market share or its relationship with customers or potential customers; the impact of inflation and the current economic environment on the company's business; the company's ability to grow its business in a cost-efficient manner; the company's history of losses; the company's ability to maintain important customer relationships; the company's ability to compete; the company's failure to manage growth effectively; the company's need to scale its infrastructure in advance of demand for its tests and to increase demand for its tests; the risk that the company may not obtain or maintain sufficient levels of reimbursement for its tests; the applicability of clinical results to actual outcomes; risks associated with litigation; the company's ability to use rapidly changing genetic data to interpret test results accurately and consistently; laws and regulations applicable to the company's business; and the other risks set forth in the reports filed by the company with the SEC, including its Annual Report on Form 10-K for the year ended December 31, 2022. These forward-looking statements speak only as of the date hereof, and Invitae Corporation disclaims any obligation to update these forward-looking statements.

Non-GAAP financial measurements

To supplement Invitae's consolidated financial statements prepared in accordance with generally accepted accounting principles in the United States (GAAP), the company is providing several non-GAAP measures. These non-GAAP financial measures exclude certain items that are required by GAAP. In addition, these non-GAAP measures are not based on any standardized methodology prescribed by GAAP and are not necessarily comparable to similarly-titled measures presented by other companies. Management believes these non-GAAP financial measures are useful to management and investors in evaluating the company's ongoing operating results and trends. Management uses such non-GAAP information to manage the company's business and monitor its performance.

Other companies, including companies in the same industry, may not use the same non-GAAP measures or may calculate these metrics in a different manner than management or may use other financial measures to evaluate their performance, all of which could reduce the usefulness of these non-GAAP measures as comparative measures. Because of these limitations, the company's non-GAAP financial measures should not be considered in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Investors are encouraged to review the GAAP to non-GAAP reconciliations provided in this presentation and on the company's website.

In addition, this presentation includes Invitae's non-GAAP gross margin and cash burn guidance, non-GAAP measures used to describe Invitae's expected performance. The company has not presented reconciliations of these non-GAAP measures to the most comparable GAAP financial measures, because the reconciliations could not be prepared without unreasonable effort. The information necessary to prepare the reconciliations is not available on a forward-looking basis and cannot be accurately predicted. The unavailable information could have a significant impact on the calculation of the comparable GAAP financial measure.

Agenda

- Q1’23 and recent highlights
- Growth catalysts by clinical areas
- PCM clinical updates and plans
- Q1’23 financials & key metrics
- 2023 financial guidance

Q1’23 and recent highlights

Financial

- **Q1 revenue** of $117.4M, a 5% decrease from Q1 2022 due to exited business and geographies; **Pro forma[1] year-over-year revenue growth was ~10%**
- Continued **improvements** on:
  - GM
  - Opex
  - Ongoing cash burn
- **Reiterates key 2023** financial guidance **targets**
- **$389M cash** on balance sheet[2]

Operational

- **Multiple growth and corporate initiatives** taking place, setting the stage for the next phase of execution
  - PCM publication in ***Nature*, validating the needs for MRD testing**
  - **~3.9M cumulative patients** served, of which **over 63%** are available for data sharing
  - Partnership with Deerfield to advance genetics-based **drug discovery and development in rare disease**
  - Continued **revenue cycle management** and **working capital** improvements

Note:
1. Pro forma calculation removes approximately $17 million of revenue from first quarter 2022 relating to exited businesses and geographies
2. Includes cash, cash equivalents, restricted cash & marketable securities as of March 31, 2023

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Growth catalysts

Oncology

Near-term

- Call point expansions
- Community oncology settings
- Enhance PCM FFS business through dedicated sales team

Medium-term ongoing efforts

- Continued guideline expansion
- PCM studies to help with adoption
- Portfolio synergies between hereditary cancer testing and monitoring

Growth catalysts

Rare disease/ Other

- Pediatric genetics
- Rare cardiac conditions
- Neurodevelopmental disorders

Women's Health

- Carrier screening; continued acceleration based on product enhancements
- Sales productivity
- Industry consolidation

Data/ Patient Network

- New product (linkable genomics)
- New partnerships

PCM Clinical Update and Plans

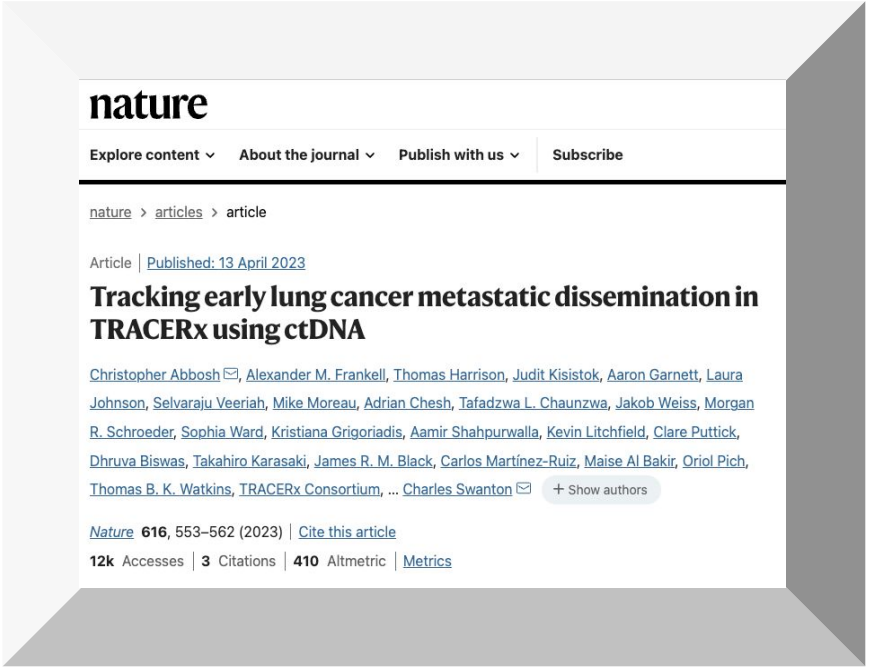
Somatic Oncology - Scientific Leadership

Robert Daber, Ph.D.

Chief Science Officer

- Helped develop PCM technology
- Co-author on *Nature* study highlighting TRACERx collaboration with PCM
- Founder of Genosity, which was acquired by Invitae
- VP, BioReference/GeneDx
- Board-certified geneticist with expertise in genomics and building molecular Dx labs
- Ph.D. in biochemistry and molecular biophysics from the UPenn School of Medicine
- Fellow at the Children's Hospital of Philadelphia

TRACERx publication in *Nature*



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Article | Published: 13 April 2023

Tracking early lung cancer metastatic dissemination in TRACERx using ctDNA

Christopher Abbosh, Alexander M. Frankell, Thomas Harrison, Judit Kisistok, Aaron Garnett, Laura Johnson, Selvaraju Veeriah, Mike Moreau, Adrian Chesh, Tafadzwa L. Chaunzwa, Jakob Weiss, Morgan R. Schroeder, Sophia Ward, Kristiana Grigoriadis, Aamir Shahpurwalla, Kevin Litchfield, Clare Puttick, Dhruva Biswas, Takahiro Karasaki, James R. M. Black, Carlos Martínez-Ruiz, Maise Al Bakir, Oriol Pich, Thomas B. K. Watkins, TRACERx Consortium, ... Charles Swanton + Show authors

Nature **616**, 553–562 (2023) | Cite this article

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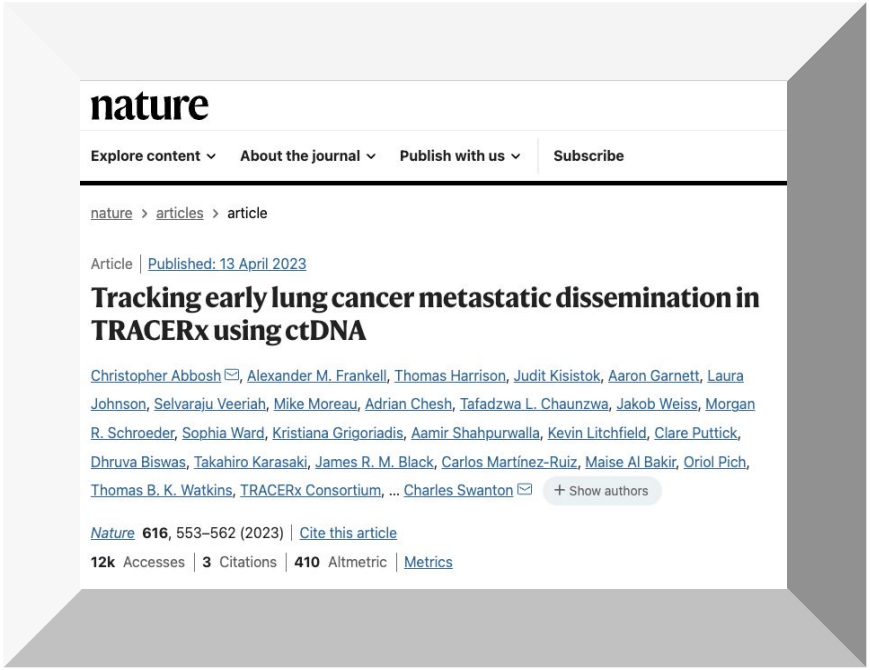
Study Background

- Collaboration with Dr. Charles Swanton and **UCL**
- 197 pts with **stage I-III NSCLC** - 5 year follow up
- 1st use of Invitae PCM technology (~200 variants) to **correlate clinical outcomes** with ctDNA presence
- ctDNA detection via PCM is a sensitive tool for both **prognosis** and early **recurrence detection**
- Current **PCM LDT of up to 50 variants leverages the same methodologies**
- **Sensitivity and specificity** of >99.9% at 0.008% for 50-variant panel, **largely consistent with internal findings**

TRACERx publication in *Nature*



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Key Results

- **Landmark** analysis on 108 patients:
  - 51 relapsed cases, **ctDNA was detected in ~50%**
  - **PPV of 93% and NPV of 68%**
  - **Longitudinal surveillance** showed improved results
  - **Median recurrence detection was more than 7 months**
  - ctDNA was detected in relapsing patients **prior to standard imaging by a median time of ~4 months**
- **Clinical** sensitivity (70 patients) and specificity (61 patients):
  - **Specificity of 95%; or 96.7%** after removing a patient with known anomalies
  - **Minimum sensitivity of 84%.** Additional filtering of qualifying samples yields **sensitivity of 93.6%**

Key takeaways of TRACERx

Performance

Showed **equivalent if not better analytical performance** vs. prior technologies with this patient population

Validation

Validated **the need for MRD assays** that create a data-driven treatment process for cancer patients and physicians

Value

PCM technology - **prognostic value** as well as **early detection** of residual disease and cancer recurrence

PCM studies and upcoming plan

SABCS presentation Dec 2022

Nature publication April 2023

Technical validation study submitted April 2023

Drive adoption and volume

Fee for service
Research collaborations

Enhance and optimize our clinical offering

Optimize PCM studies

Studies in different cancer types - lung, CRC, breast, ovarian, etc.

Potentially accelerate read-out timelines

Q1 financials & key metrics

Revenue breakdown

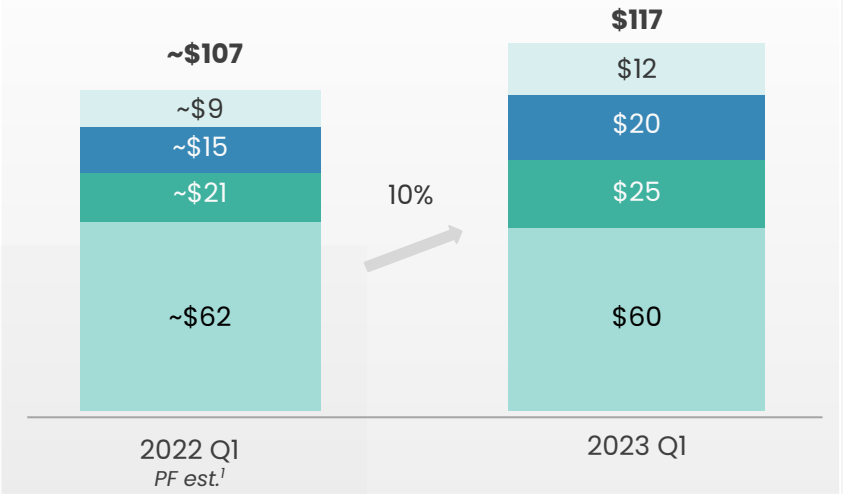
(in US$ millions)	**2023 Q1**	**2022 Q1**	**2022 Q1 PF[1]**	**2022 Q4 PF[1]**
Oncology	$60	$72	~$62	~$64
Women's health	$25	$25	~$21	~$19
Rare Dx	$20	$16	~$15	~$16
Data/ patient network	$12	$11	~$9	~$12
Total revenue	**$117**	**$124**	**~$107**	**~$112**

Notes
1. Excludes exited businesses and geographies
*Numbers may not sum due to rounding

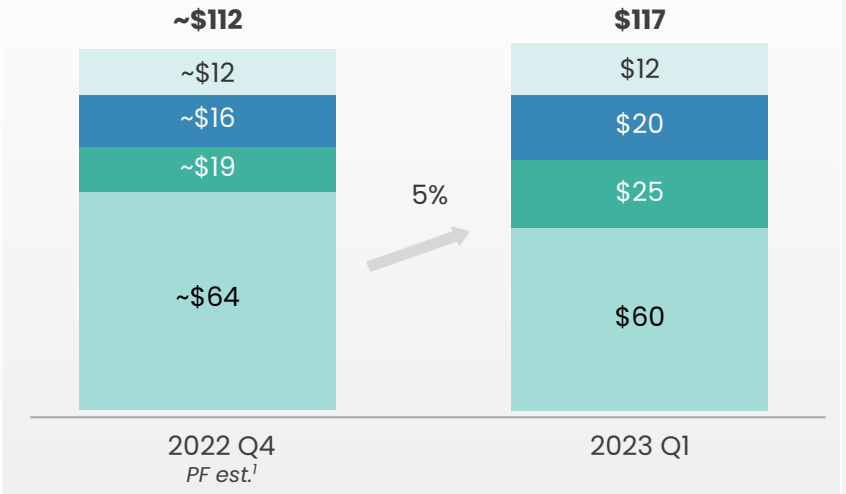
Revenue growth – pro forma basis

(in US$ millions)

YoY growth on track to guidance



QoQ trend aligns with seasonality



Data / Patient Network | Women's health | Rare diseases / Other | Oncology

Notes
1. Excludes exited businesses and geographies
*Numbers may not sum due to rounding

Q1’23 financial highlights

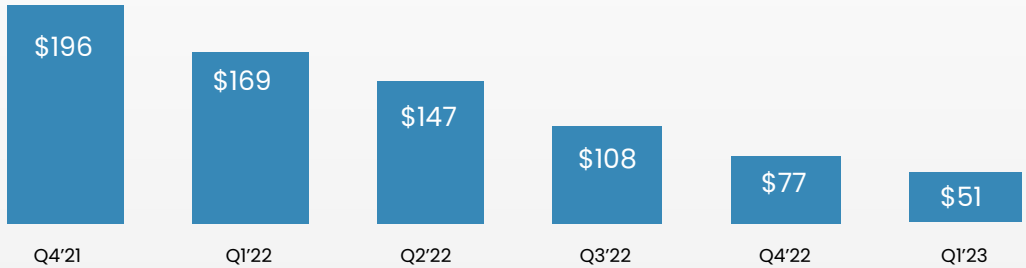
in US$ millions except for percentage and per share data	Q1 2023 GAAP	Q1 2023 Non-GAAP[1]	Q1 2022 GAAP	Q1 2022 Non-GAAP[1]
Revenue	$117	$117	$124	$124
Gross margin%	*24.6%*	*47.9%*	*21.5%*	*36.6%*
R&D	$62	$47	$128	$101
SG&A	$90	$86	$112	$108
Restructuring & other	$53	-	-	-
OpEx % of revenue	*174%*	*113%*	*194%*	*169%*
Net loss per share	($0.77)	($0.37)	($0.80)	($0.78)
Cash, cash equivalents, restricted cash & marketable securities	$389	$389	$885	$885

Notes
1. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix.
*Numbers may not sum due to rounding
Trended 8 quarter view at ir.invitae.com

Cash burn[1] trend

($ in millions)	Q4'21	Q1'22	Q2'22	Q3'22[2]	Q4'22[3]	Q1'23[4]
Change in cash/ investments[5]	$196	$169	$147	$142	$42	$172

Ongoing cash burn



1. Ongoing cash burn includes cash, cash equivalents, marketable securities, and restricted cash and excludes certain items listed below.
2. Cash items in Q3'22: outflow of $43.2 million related to restructuring-related cash payments and acquisition-related payments.
3. Cash items in Q4'22: outflow of $9.3 million related to realignment, $0.1 million acquisition-related payments, and an inflow of $44.5 million related to the selected assets sale of the RUO kitted solutions.
4. Cash items in Q1'23: outflows of $135.0 million repayment of debt and $8.1 million of prepayment fees. Q1'23 benefited from accounts receivable reductions of ~$13 million associated with the realignment of the previous Archer business.
5. Refer to appendix on net change in cash, cash equivalents, restricted cash, and net changes in investments

Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix
*Drawings not to scale. Numbers may not sum due to rounding

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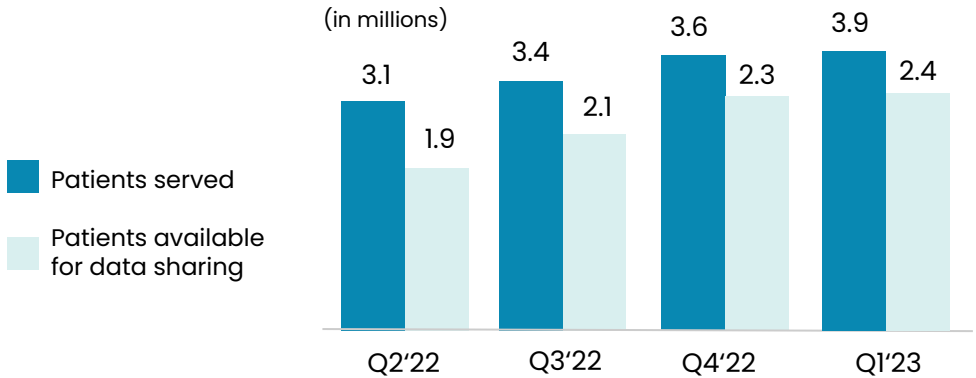
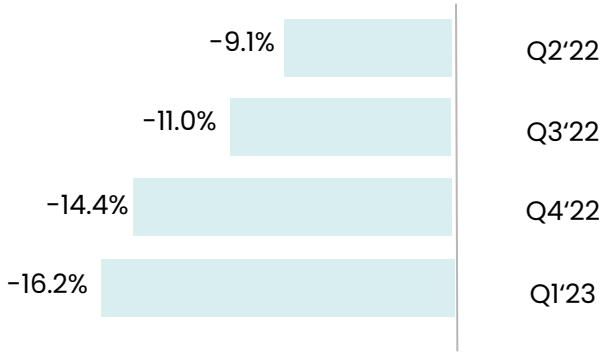
Key metrics

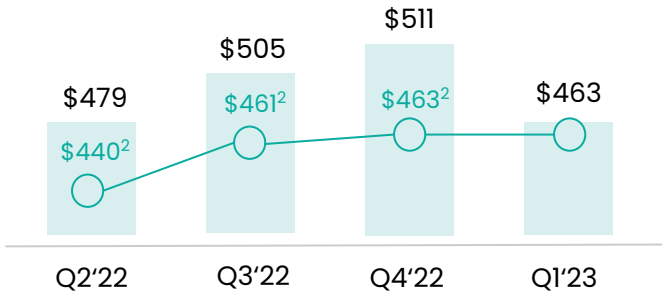
Patients



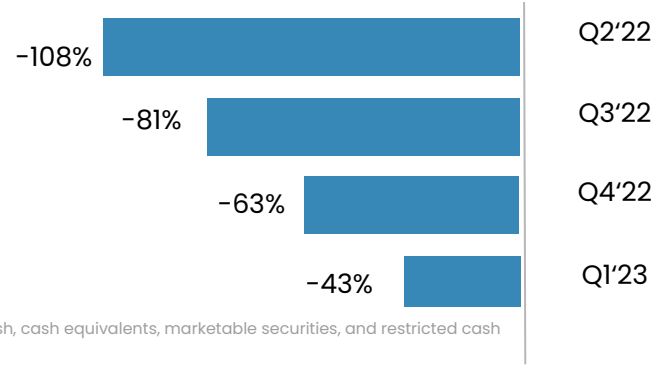
Variable Cost Productivity



Revenue / Patient



Ongoing cash burn[1] as a % of revenue



Notes:

1. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix. Ongoing cash burn includes cash, cash equivalents, marketable securities, and restricted cash and excludes certain items. See slide 18 for details.
2. Revenue / patient excluding kits business revenue

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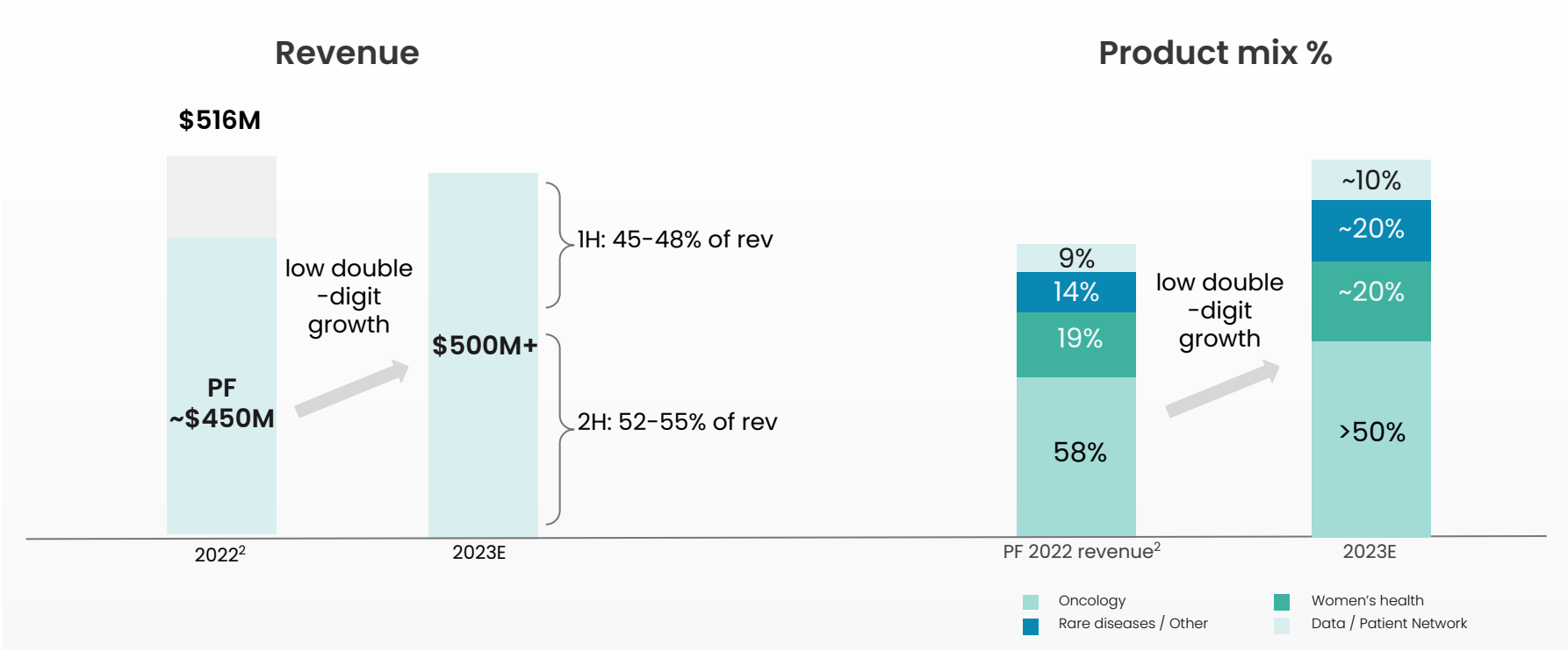
*Drawings not to scale. Numbers may not sum due to rounding

2023 financial guidance[1]



1. Based on Company estimates. May not sum due to rounding.
2. 2022 pro forma revenue represents an annualized run rate of Q4'22 revenue that excludes all exited revenue due to realignment

*Drawings not to scale

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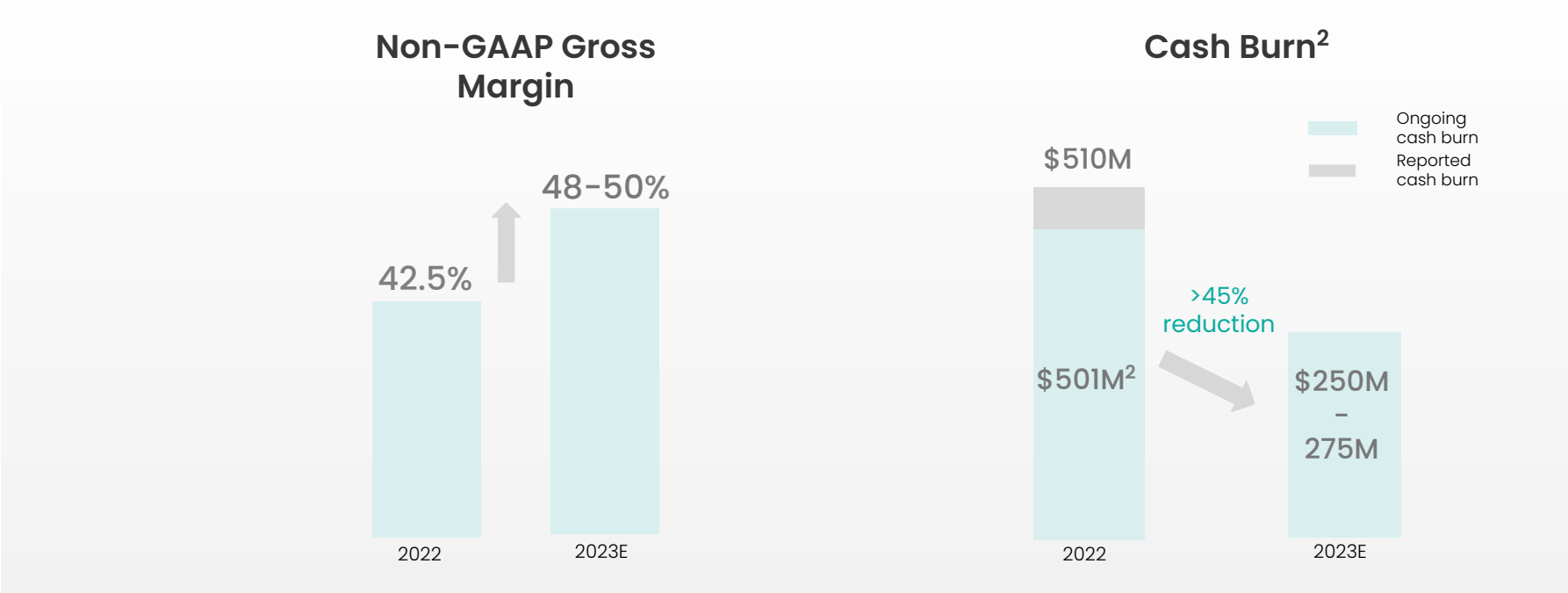
2023 financial guidance[1]



1. Based on Company estimates. May not sum due to rounding.
2. Includes cash, cash equivalents, marketable securities, and restricted cash. Non-GAAP measures. Refer to slide 18 for ongoing cash burn in 2022

*Drawings not to scale

Key Takeaways

- **Revenue** expected to **grow by low-double-digit** on a pro forma[1] basis
- **Growth catalysts** exist in each clinical area
- Non-GAAP **GM expansion** and **cash burn reduction**
- **Revenue cycle management** and **working capital improvement**
- Strong germline oncology franchise and emerging somatic offerings to offer potential **significant upside** over the longer term
- Recent transactions **addressed substantially all near-term debt and improved balance sheet**
- **Cash balance of $389M**[2] with additional **secured capacity** available

Note:
1. Excludes exited businesses and geographies
2. Includes cash, cash equivalents, restricted cash & marketable securities as of March 31, 2023

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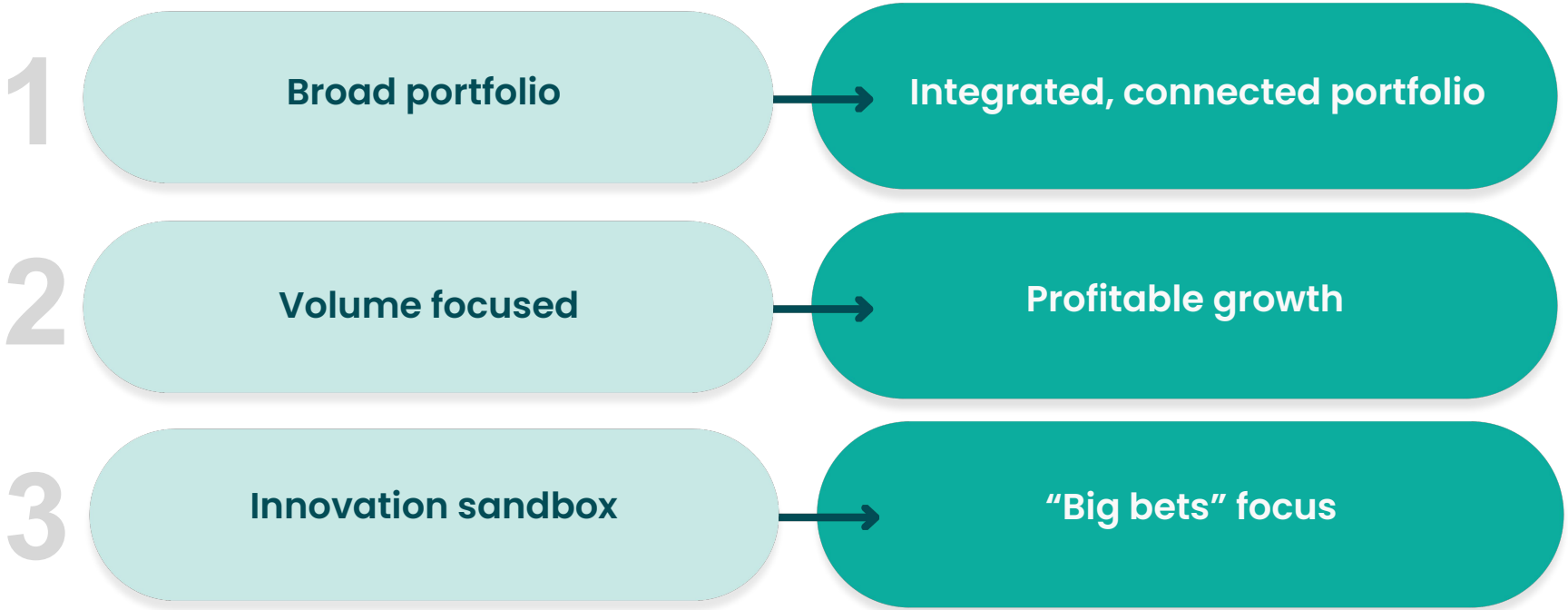
Same mission, new path



Q&A

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Appendix

Reported and pro forma[1] revenue – Q1'22 to Q4'22

(in US$ millions)	Q1'22	Q1'22 PF[1]	Q2'22	Q2'22 PF[1]	Q3'22	Q3'22 PF[1]	Q4'22	Q4'22 PF[1]
Oncology	$72	~$62	$81	~$69	$79	~$67	$76	~$64
Women's health	$25	~$21	$27	~$23	$25	~$22	$20	~$19
Rare Dx	$16	~$15	$17	~$17	$17	~$16	$16	~$16
Data/ patient network	$11	~$9	$12	~$10	$13	~$11	$11	~$12
Total revenue	**$124**	**~$107**	**$137**	**~$119**	**$134**	**~$116**	**$122**	**~$112**

Notes
1. Excludes exited businesses and geographies
*Numbers may not sum due to rounding

Oncology revenue breakdowns

Reported Oncology revenue						
($ in millions)	Q1'22	Q2'22	Q3'22	Q4'22	**2022**	Q1'23
Total oncology	$72	$81	$79	$76	**$308**	$60

Pro forma[1] Oncology revenue with breakdowns						
($ in millions)	Q1'22	Q2'22	Q3'22	Q4'22	**2022**	Q1'23
Hereditary cancer testing	~$56	~$61	~$60	~$59	**~$236**	$57
Fee-for-service	$6	$9	$7	$5	**$27**	$3
Total oncology	~$62	~$69	~$67	~$64	**~$263**	$60

Notes
1. Excludes exited businesses and geographies
*Numbers may not sum due to rounding

Cost of revenue Q1 2023 GAAP to non-GAAP reconciliation

Reconciliation of GAAP to Non-GAAP Cost of Revenue
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Cost of revenue	$ 88,442	$ 97,116
Amortization of acquired intangible assets	(26,950)	(18,000)
Acquisition-related stock-based compensation	(80)	(132)
Acquisition-related post-combination expense	—	(504)
Restructuring-related retention bonuses	(88)	—
Inventory and prepaid write-offs	(149)	—
Non-GAAP cost of revenue	$ 61,175	$ 78,480

Notes:
Trended 8 quarter view at ir.invitae.com

Gross profit Q1 2023 GAAP to non-GAAP reconciliation

Reconciliation of GAAP to Non-GAAP Gross Profit
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Revenue	$ 117,356	$ 123,691
Cost of revenue	88,442	97,116
Gross profit	28,914	26,575
Amortization of acquired intangible assets	26,950	18,000
Acquisition-related stock-based compensation	80	132
Acquisition-related post-combination expense	—	504
Restructuring-related retention bonuses	88	—
Inventory and prepaid write-offs	149	—
Non-GAAP gross profit	$ 56,181	$ 45,211

Notes:
Trended 8 quarter view at ir.invitae.com

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Operating expense Q1 2023 GAAP to non-GAAP reconciliation

Reconciliation of Operating Expenses to Non-GAAP Operating Expenses
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Research and development	$ 61,978	$ 128,236
Selling and marketing	44,510	60,144
General and administrative	45,241	51,428
Restructuring and other costs	52,556	—
Operating expenses	204,285	239,808
Restructuring and other costs	(52,556)	—
Change in fair value of contingent consideration	—	(154)
Amortization of acquired intangible assets	(1,659)	(2,154)
Acquisition-related stock-based compensation	(14,986)	(25,924)
Acquisition-related post-combination expense	(842)	(2,581)
Restructuring-related retention bonuses	(1,379)	—
Restructuring-related accelerated depreciation	(184)	—
Non-GAAP operating expenses	$ 132,679	$ 208,995

Notes:
Trended 8 quarter view at ir.invitae.com

Net loss Q1 2023 GAAP to non-GAAP reconciliation

Reconciliation of Net Loss to Non-GAAP Net Loss and Non-GAAP Net Loss Per Share
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31,	
	2023	2022
Net loss	$ (192,183)	$ (181,859)
Restructuring and other costs	52,556	—
Change in fair value of contingent consideration	—	154
Change in fair value of acquisition-related assets and liabilities	(218)	(10,003)
Amortization of acquired intangible assets	28,609	20,154
Acquisition-related stock-based compensation	15,066	26,056
Acquisition-related post-combination expense	842	3,085
Restructuring-related retention bonuses	1,467	—
Restructuring-related accelerated depreciation	184	—
Inventory and prepaid write-offs	149	—
Acquisition-related income tax benefit	(170)	(35,000)
Non-GAAP net loss	$ (93,698)	$ (177,413)
Net loss per share, basic and diluted	$ (0.77)	$ (0.80)
Non-GAAP net loss per share, basic and diluted	$ (0.37)	$ (0.78)
Shares used in computing net loss per share, basic and diluted	249,907	228,470

Notes:
Trended 8 quarter view at ir.invitae.com

Cash, cash equivalents, restricted cash and marketable securities totaled $389 million on March 31, 2023

Reconciliation of Net Decrease in Cash, Cash Equivalents and Restricted Cash to Cash Burn
(in thousands)
(unaudited)

	Three Months Ended March 31, 2023
Net cash used in operating activities	$ (34,398)
Net cash provided by investing activities	73,878
Net cash used in by financing activities	(135,768)
Net decrease in cash, cash equivalents and restricted cash	(96,288)
Adjustments:	
Net changes in investments	(75,202)
Proceeds from issuance of Series B convertible senior secured notes due 2028, net of issuance costs	(22,435)
Cash burn	$ (193,925)

• Cash burn for the three months ended March 31, 2023 includes $135.0 million repayment of debt, $8.1 million of prepayment fees, $3.7 million in restructuring-related cash payments, and $1.5 million of acquisition-related payments.

Notes:
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