



From genetics, health

Second Quarter 2021 Financial Results

08 | 03 | 21



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 preliminary financial results, including preliminary average cost per billable test, gross profit, total operating expense, net loss and net loss per share, and the line items denoted as preliminary; the company's beliefs regarding achievement of milestones and business objectives; the company's belief regarding the value and leverage of its global, diversified business; the company's future results and targets; the company's beliefs regarding its ability to deliver sustained growth and the drivers of its growth; the benefits and value of customer relationships and the information the company provides; the company's beliefs regarding its ability to execute its business strategy; and the benefits and importance of the company's acquisitions and collaborations. 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 completion of the quarterly closing process, including the finalization of milestone-related adjustments and the nature and magnitude thereof; the company's expectations regarding the ability to meet business milestones; the company's beliefs regarding the impact of COVID-19 on the company, and the effectiveness of the efforts it has taken or may take in the future in response thereto; the company's ability to continue to grow its business, including internationally; the 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 company's ability to obtain regulatory approval for its tests; the company's failure to successfully integrate or fully realize the anticipated benefits of acquired businesses; risks associated with litigation; the company's ability to use rapidly changing genetic data to interpret test results accurately and consistently; the applicability of clinical research results to actual outcomes; the success of collaborations; security breaches, loss of data and other disruptions; 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, 2020 and Quarterly Report on Form 10-Q for the quarter ended March 31, 2021. 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, including non-GAAP gross profit, non-GAAP cost of revenue, non-GAAP operating expense, including non-GAAP research and development, non-GAAP selling and marketing, non-GAAP general and administrative and non-GAAP other income (expense), net, as well as non-GAAP net loss and non-GAAP net loss per share and non-GAAP cash burn. These non-GAAP financial 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 investors in evaluating the company's ongoing operating results and trends.

Management is excluding from some or all of its non-GAAP operating results (1) amortization of acquired intangible assets, (2) acquisition-related stock-based compensation, (3) post-combination expense related to the acceleration of equity grants or bonus payments in connection with acquisitions, (4) adjustments to the fair value of acquisition-related assets and/or liabilities, including contingent consideration and (5) acquisition-related income tax benefits. These non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact on the company's reported financial results. Management accounts for this limitation by analyzing results on a GAAP basis as well as a non-GAAP basis and also by providing GAAP measures in the company's public disclosures.

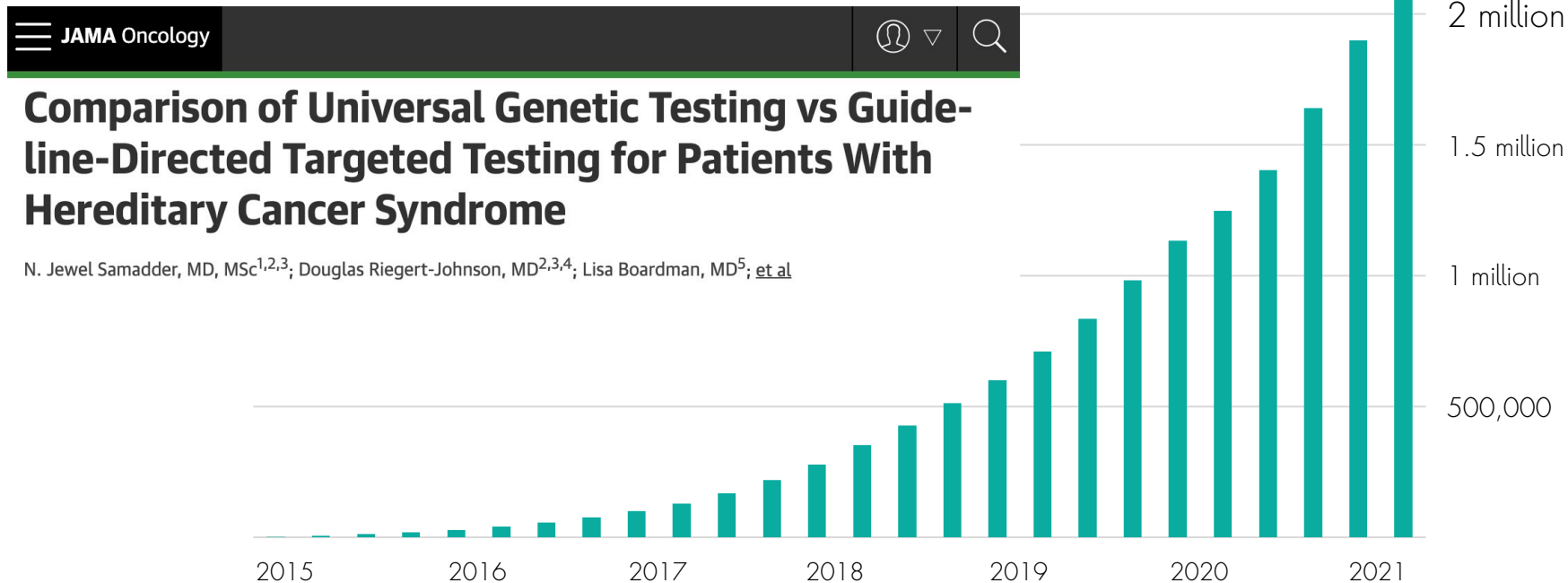
Cash burn excludes (1) changes in marketable securities, (2) cash received from equity financings, and (3) cash received from exercises of warrants. Management believes cash burn is a liquidity measure that provides useful information to management and investors about the amount of cash consumed by the operations of the business. A limitation of using this non-GAAP measure is that cash burn does not represent the total change in cash, cash equivalents and restricted cash for the period because it excludes cash provided by or used for other operating, investing or financing activities. Management accounts for this limitation by providing information about the company's operating, investing and financing activities in the statements of cash flows in the consolidated financial statements in the company's most recent Quarterly Report on Form 10-Q and Annual Report on Form 10-K and by presenting net cash provided by (used in) operating, investing and financing activities as well as the net increase or decrease in cash, cash equivalents and restricted cash in its reconciliation of cash burn.

In addition, 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 non-GAAP reconciliations provided in the tables below. As noted elsewhere, certain GAAP results are preliminary and subject to change.



More than 2 million patients served

Cumulative Volume



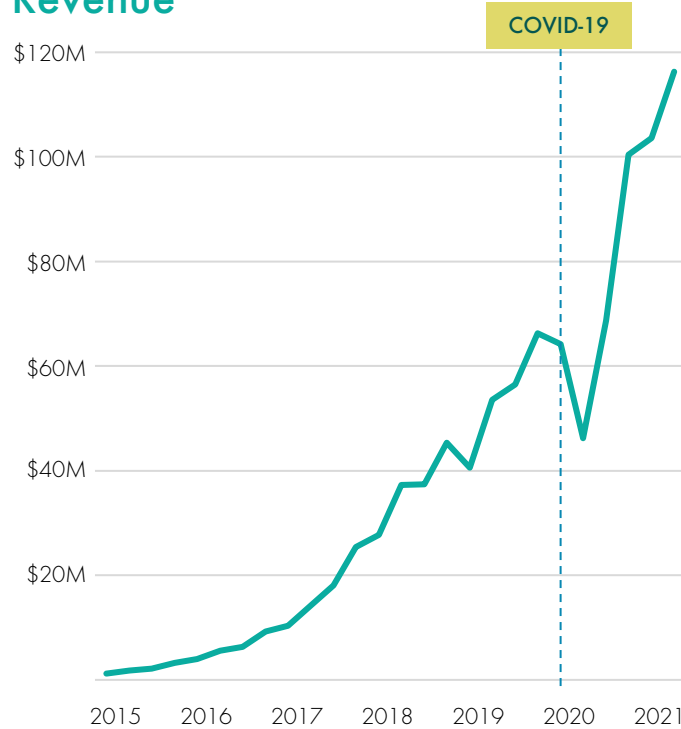
Comparison of Universal Genetic Testing vs Guideline-Directed Targeted Testing for Patients With Hereditary Cancer Syndrome

N. Jewel Samadder, MD, MSc^{1,2,3}; Douglas Riegert-Johnson, MD^{2,3,4}; Lisa Boardman, MD⁵; [et al](#)

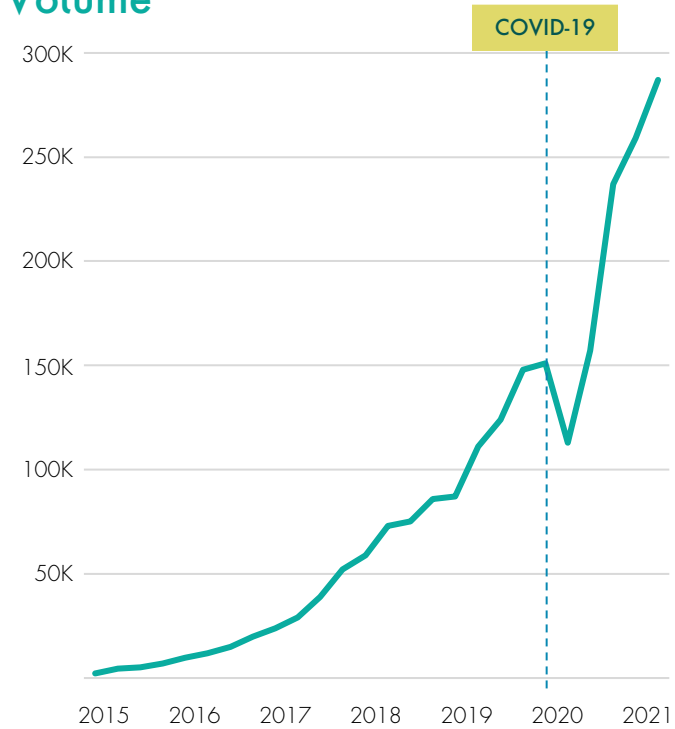


Consistent execution as we scale

Revenue*



Volume*



Roxi Wen, chief financial officer of Invitae



- Decades of success as a senior financial executive scaling global technology and medical technology companies
- Former CFO of Mozilla Corporation, overseeing financial, M&A, business development, data and analytics, IT and engineering operations, workplace resources and sustainability
- Served in CFO roles at Elo Touch Solutions and a number of other private equity investments, and General Electric Critical Power following experience driving capital market and business finance efforts at Medtronic
- CFA charterholder, and MBA from the University of Minnesota



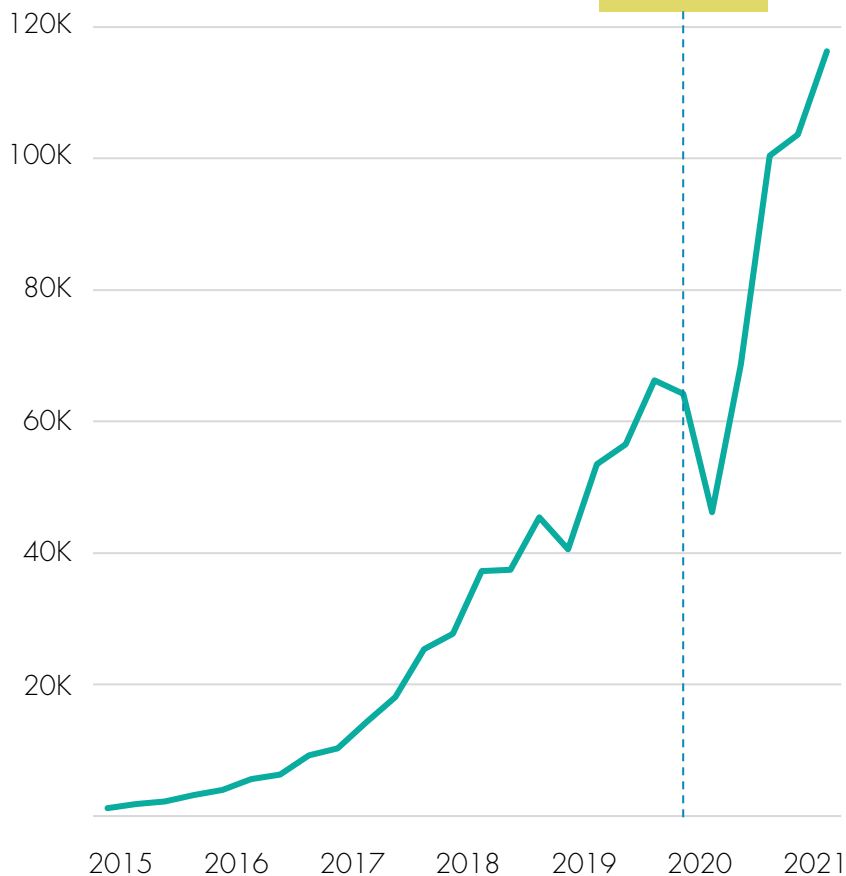
Q2 2021 Financials



Generated revenue of \$116.3 million in Q2 2021

Representing a 152% increase from \$46.2 million in Q2 2020

Revenue*



*Depicts quarterly results



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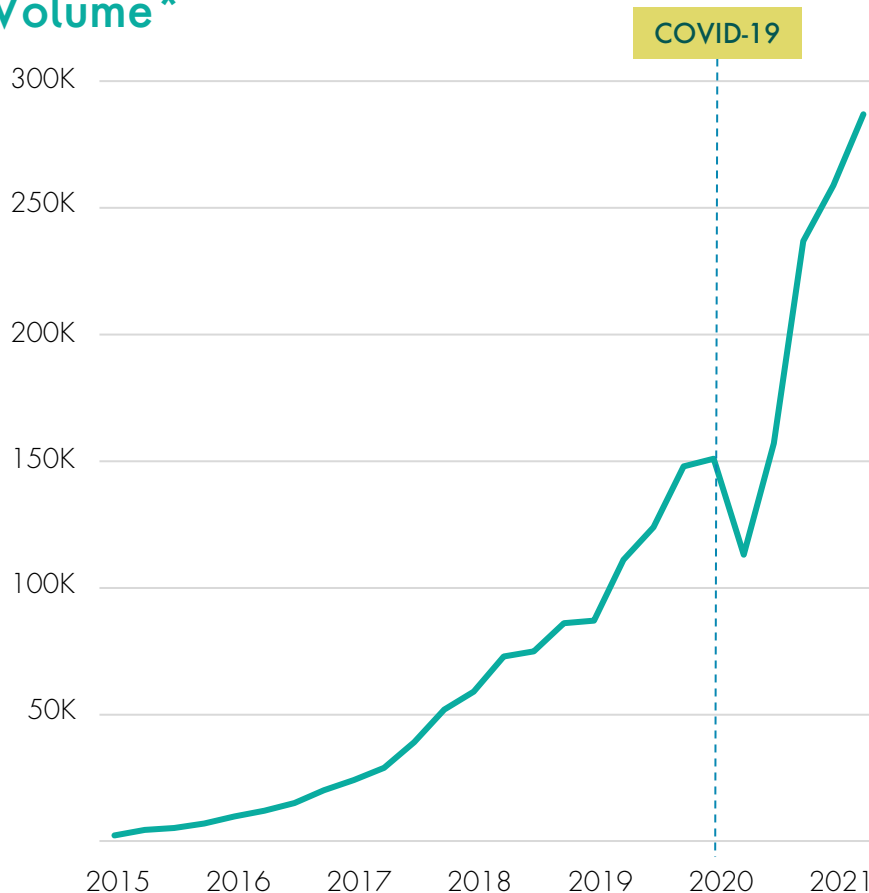
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Billable volume of 287,000 in Q2 2021

Representing a 154% increase
from 113,000 in Q2 2020

International volume increased
to nearly 19% of total billable
volume for the quarter

Volume*



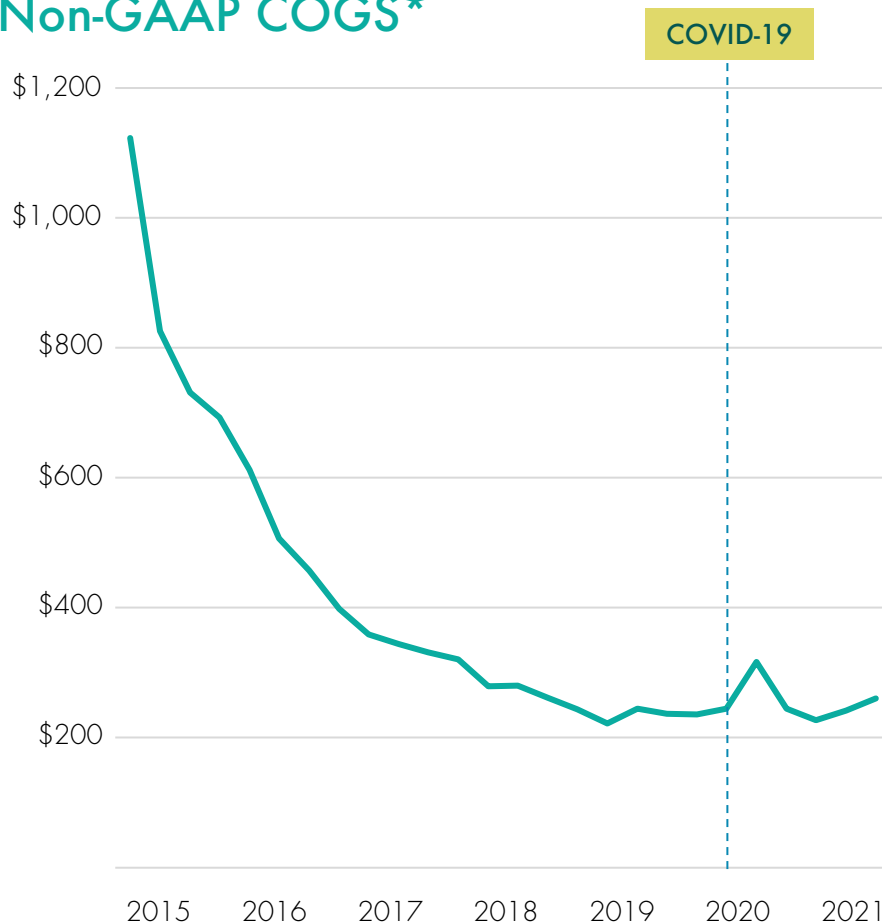
Reported preliminary average cost per unit of \$317 for Q2 2021

Non-GAAP average cost per unit of \$261

ASP of \$388

Preliminary GAAP gross margin of 22%; non-GAAP gross margin of 35%

Non-GAAP COGS*

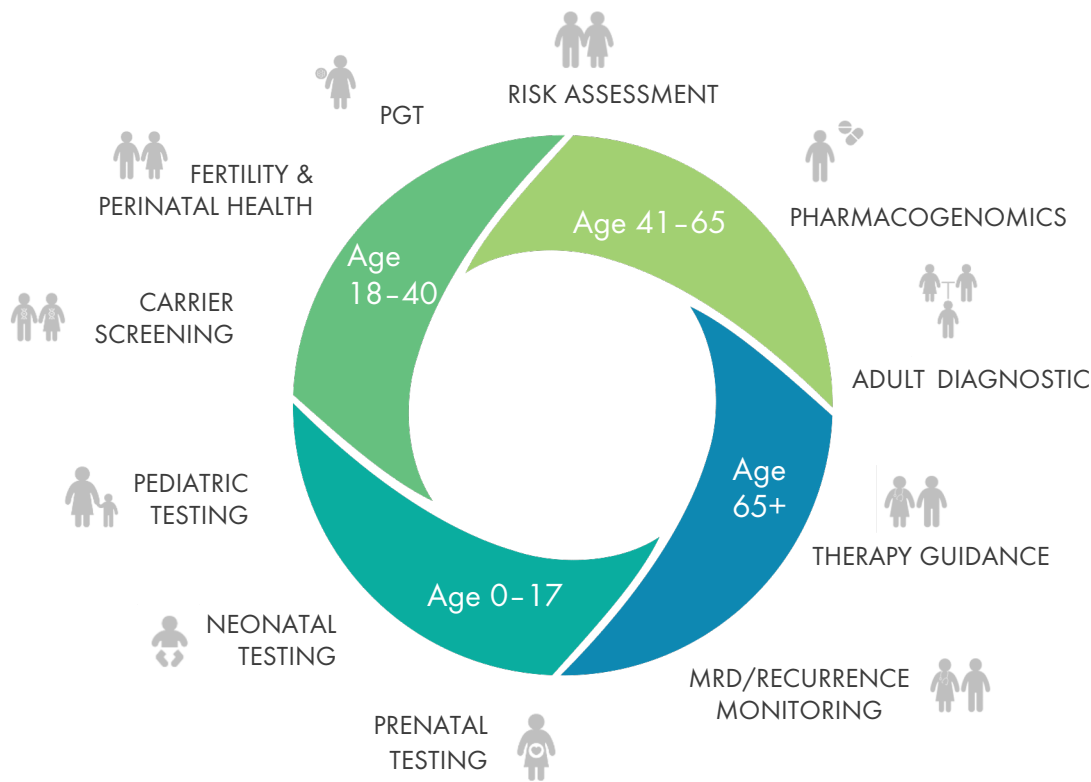


*Depicts quarterly results; see reconciliation for GAAP to non-GAAP in Appendix

Continued investments, strong cash position to fuel the business

- Preliminary operating expense, excluding cost of revenue, was \$159.3 million
 - Non-GAAP operating expense** was \$198.2 million
- Preliminary net loss* was \$129.0 million, or \$0.64 net loss per share
 - Non-GAAP net loss** was \$170.8 million, or \$0.85 non-GAAP net loss per share
- Cash totaled \$1.54 billion at June 30, 2021
 - Cash burn was \$256.8 million for the quarter
 - Excluding acquisition & associated expenses, cash burn for the quarter would have been \$136.7 million

A menu that delivers answers in all stages of life



Platform addresses large, durable U.S. markets*

**\$26
billion**

Total opportunity for
genetic testing
ages 0-17

- Newborn Screening
- Developmental Delay
- Diagnosis/ Prognosis

**\$5
billion**

Total opportunity for
genetic testing
ages 18-40

- Conception
- Assisted Repro/IVF
- Pregnancy/ Perinatal

**\$60
billion**

Total opportunity for
genetic testing
ages 41-65

- Risk/Screening
- Familial Risk
- Diagnostic

**\$63
billion**

Total opportunity for
genetic testing
ages 65+

- Screening/ Germline
- Oncology Therapy Selection
- MRD/Recurrence Monitoring

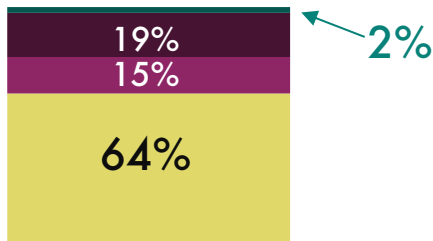
Evolution of the platform



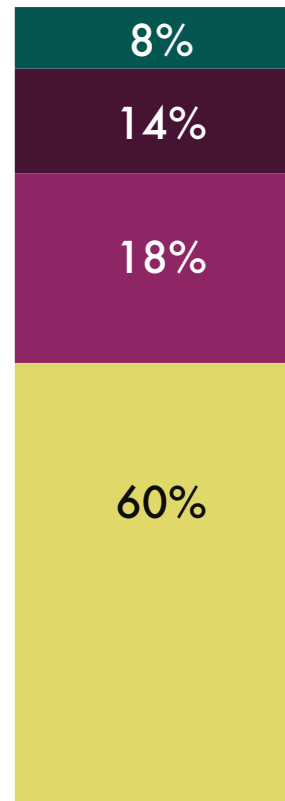
Evolution of the platform



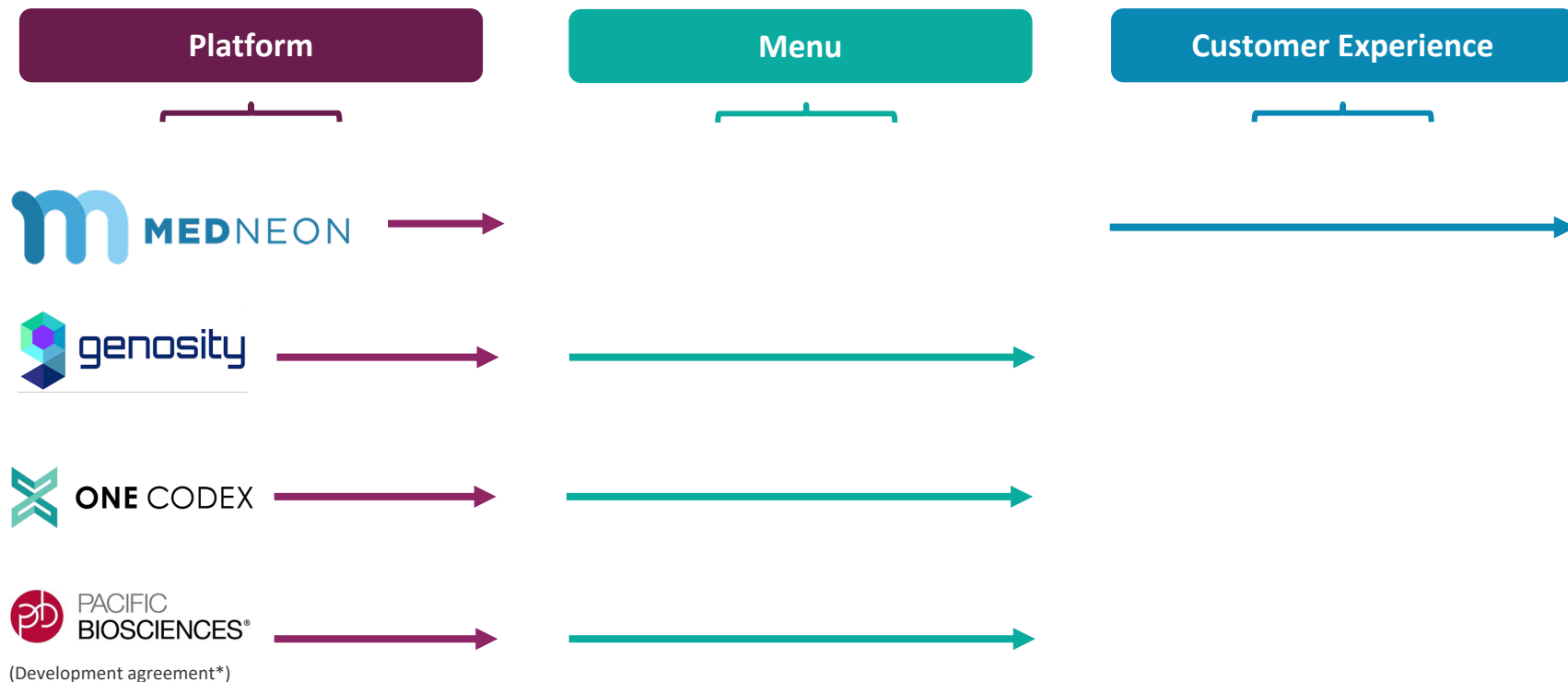
Q2 2018 Revenue



Q2 2021 Revenue



Investing to build a world-class platform



Right time, right plan, right team

Disruptive approach
transforming genetics into
better health

Broad platform that drives
better outcomes for all

Proven leader delivering
high growth and
industry impact



Q&A



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Appendix



Cost of revenue Q2 2021 GAAP to non-GAAP reconciliation

Preliminary average cost
per unit of \$317 for Q2
2021

Non-GAAP of \$261 for
the quarter

(in thousands)	Q2 2021	Q2 2020
Cost of revenue*	\$91,161	\$42,952
Amortization of acquired intangible assets	(11,323)	(4,757)
Acquisition-related stock-based compensation*	(3,136)	-
Fair value adjustments to acquisition-related assets	(1,574)	-
Non-GAAP cost of revenue	\$75,128	\$38,195

*Amounts are preliminary and subject to change as we finalize acquisition-related adjustments. These adjustments will be incorporated in Invitae's Form 10-Q to be filed with the SEC on or before August 9, 2021.

Gross profit Q2 2021 GAAP to non-GAAP reconciliation

Preliminary gross profit of
\$25.2 million

Non-GAAP gross profit of
\$41.2 million

(in thousands)	Q2 2021	Q2 2020
Revenue	\$116,312	\$46,191
Cost of revenue*	91,161	42,952
Gross profit*	25,151	3,239
Amortization of acquired intangible assets	11,323	4,757
Acquisition-related stock-based compensation*	3,136	-
Fair value adjustments to acquisition-related assets	1,574	-
Non-GAAP gross profit	\$41,184	\$7,996

* Amounts are preliminary and subject to change as we finalize acquisition-related adjustments. These adjustments will be incorporated in Invitae's Form 10-Q to be filed with the SEC on or before August 9, 2021.

Operating expense Q1 2021 GAAP to non-GAAP reconciliation

Preliminary operating expense, which excludes cost of revenue, was \$159.3 million

Total non-GAAP operating expense was \$198.2 million for the quarter

(in thousands)	Q2 2021	Q2 2020
Research and development*	\$116,893	\$74,963
Selling and marketing*	58,584	39,520
General and administrative*	55,370	26,006
Change in fair value of contingent consideration*	(71,547)	4,832
Operating expense*	159,300	145,321
Amortization of acquired intangible assets	(2,215)	(903)
Acquisition-related stock-based compensation*	(29,437)	(33,383)
Acquisition-related post-combination expense	(1,000)	(500)
Change in fair value of contingent consideration*	71,547	(4,832)
Non-GAAP operating expense	\$198,195	\$105,703

*Amounts are preliminary and subject to change as we finalize acquisition-related adjustments. These adjustments will be incorporated in Invitae's Form 10-Q to be filed with the SEC on or before August 9, 2021.



Net loss Q2 2021 GAAP to non-GAAP reconciliation

(in thousands)	Q2 2021	Q2 2020
Net loss*	\$(128,972)	\$(166,403)
Amortization of acquired intangible assets	13,538	5,660
Acquisition-related stock-based compensation*	32,573	33,383
Acquisition-related post-combination expense	1,000	500
Fair value adjustments to acquisition-related assets and liabilities	(800)	-
Change in fair value of contingent consideration*	(71,547)	4,832
Acquisition-related income tax benefit	(16,560)	(2,600)
Non-GAAP net loss	\$(170,768)	\$(124,628)

*Amounts are preliminary and subject to change as we finalize acquisition-related adjustments. These adjustments will be incorporated in Invitae's Form 10-Q to be filed with the SEC on or before August 9, 2021.

Cash¹ totaled \$1.54 billion at June 30, 2021

Cash burn of \$256.8 million for the quarter

Excluding acquisition & associated expenses, cash burn for the quarter would have been \$136.7 million

(in thousands)	Q2 2021
Net cash used in operating activities	\$(129,826)
Net cash provided by (used in) investing activities	(80,701)
Net cash provided by financing activities	1,124,054
Net increase in cash, cash equivalents and restricted cash	913,527
Adjustments:	
Net changes in investments	(52,975)
Proceeds from public offering of common stock, net of issuance costs	-
Proceeds from issuance of convertible senior notes, net	(1,116,850)
Proceeds from exercises of warrants	(452)
Cash burn*	\$(256,750)

*Cash burn for the three months ended June 30, 2021 includes \$120.1 million of cash paid for acquisitions, primarily related to the cash paid to acquire Genosity