



The Transplant Company™

Focused on improving care across the entire
transplant patient journey

Earnings Presentation
Q4 and FY 2022

Leslie M, Kidney Transplant Recipient



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Q4 Financial and Operational Highlights



Balance Sheet

\$293M Cash & Equivalents and Marketable Securities
\$7m Net cash provided by operating activities
Authorized \$50M Share Buyback



Revenue

\$82.4M
Up 4% y/y
\$65.4M Testing Services
\$8.6M Products
\$8.4M Digital and Patient Solutions



Volume Growth

47,700 Tests

Up 2% sequentially and 14% y/y



Gross Margin

64% GAAP

67% Adjusted¹
73% Testing Services¹
54% Products¹
34% Digital and Patient Solutions¹



Profitability^{1,2}

Net Loss (\$18.3M)

Adjusted EBITDA (\$3.7M)



CareDx®

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2023 Focus On The Three C's - Catalysts, Coverage, Collections



Pipeline **Catalysts**

Drive Leadership
into Solid Organ
Transplants



Increasing **Coverage**

Leverage Best in
Class Data and
Clinical Utility and
Guidelines



Improving **Collections**

Infrastructure Built
to Address Prior
Authorizations and
Denials/Appeals

Key Pipeline Catalysts

Urine Tests

- ✓ **Proven stable platform**
- ✓ **Differentiated utility**
- ✓ **Robust validation**
- ✓ **Clinical value**



Signature has not changed since discovery and *NEJM*. Other unstable approaches need to modify algorithm to fit current data

Rejection + BK Nephropathy

Clinical validation in multiple publications with *NEJM* as cornerstone

Complete solution for TCMR; early detection probability/ BKVN assessment

Immune Status Gene-Expression

- ✓ **Proven platform**
- ✓ **Differentiated utility**
- ✓ **Robust validations**
- ✓ **Clinical value**



Built upon proven FDA cleared transplant gene-expression platform

Quantified result (versus yes/no) enables longitudinal use

Validated in multiple peer-reviewed publications

Results replicated in two independent large multi-center studies



Source: Publications and data on file.

Artificial Intelligence (AI) Core Part of Pipeline Development

AlloView Adds Another Layer of Utility to AlloSure Surveillance



Prognostic algorithm



Incorporates



Predictive algorithm

Strong Payor Coverage is Core Part of the Business Model

	Launch	Patient Coverage		Total
		CMS	Commercial (inc. MA)	Current Coverage
Strong Payor Coverage*				
AlloMap Heart	2005	~25%	>50%	>75%
AlloSure Kidney	2017	~60%	>10%	>70%
Early in Coverage Cycle*				
AlloSure Heart	2020	~25%	1-5%	~25-30%
AlloSure Lung	2021	NA**	1-5%	~1-5%
Upcoming Catalysts				
AlloMap Kidney	Pipeline	NA***	NA	NA
UroMap	Pipeline	NA***	NA	NA

Major Payor Coverage Opportunity in Heart: ISHLT Guidelines

AlloMap Heart

- ✓ Earlier use from 6 months to 2 months
- ✓ Surveillance part of standard/routine testing
- ✓ Recognition of clinical studies

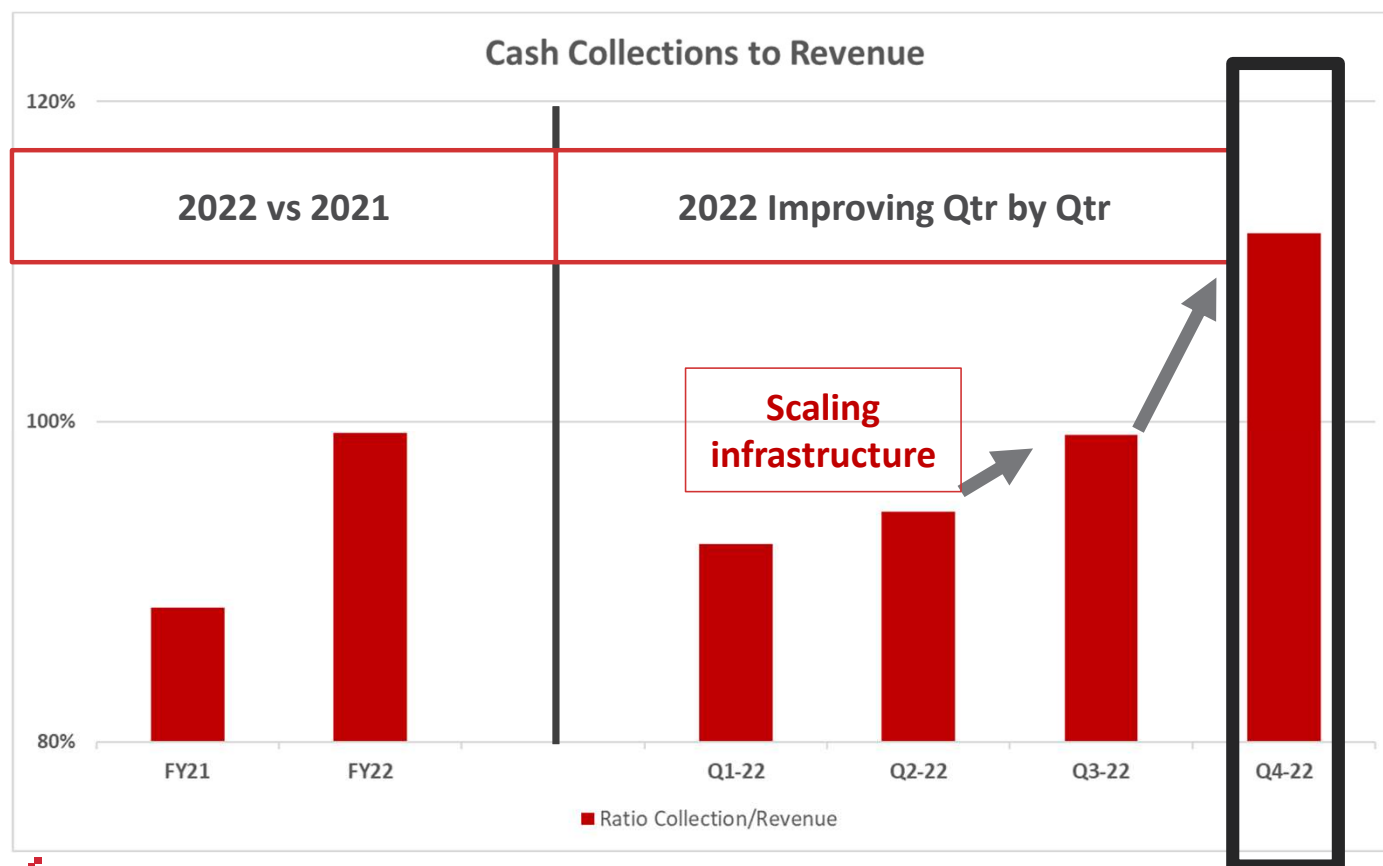
AlloSure Heart

- ✓ New technology recognition
- ✓ Surveillance part of standard/routine testing

HeartCare

- ✓ Benefits vs biopsies
- ✓ Examples during COVID and beyond

Record Cash Collection in Q4 2022



H1 2022
Investments in
infrastructure scale
are starting to show
in the cash ramp
collected especially
in Q4 2022

Driving Leadership in the Ecosystem Building Blocks

Leadership across the patient journey

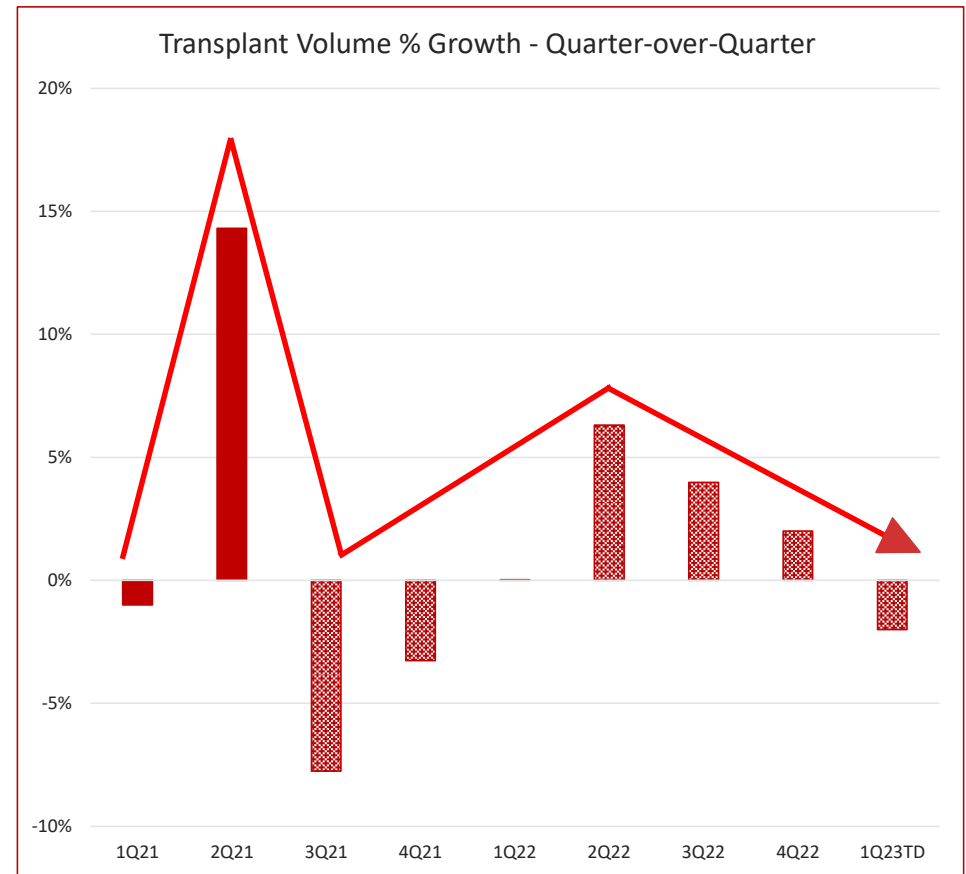
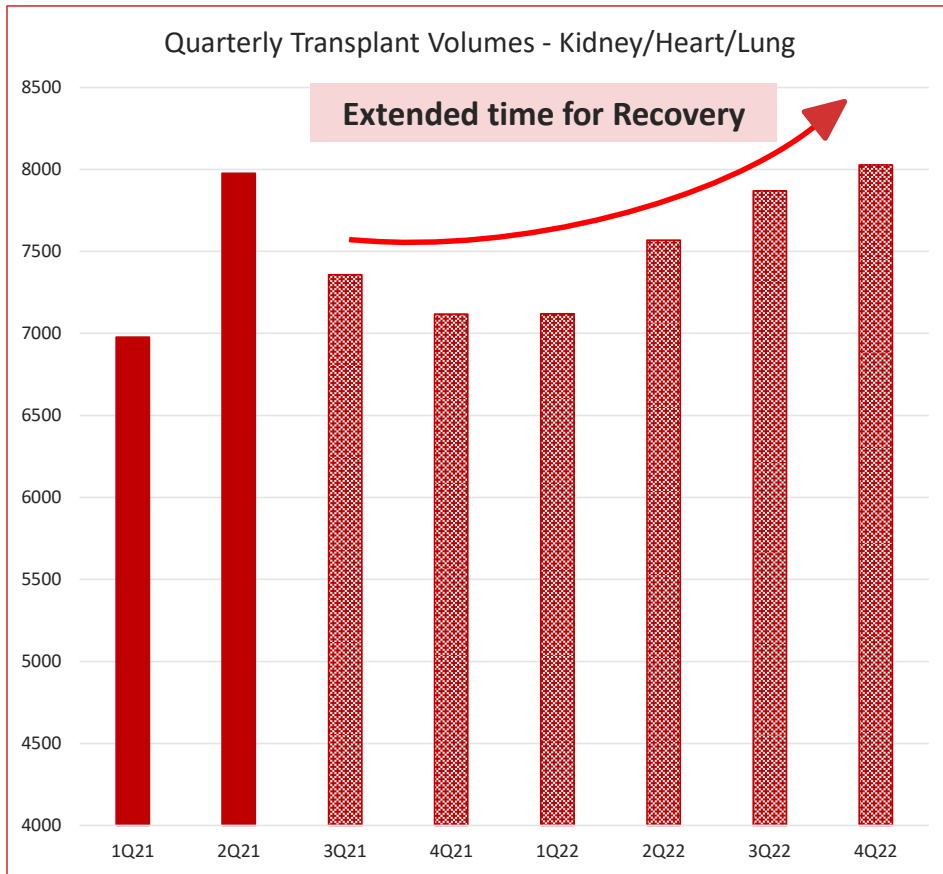
Post Transplant Biomarkers ¹ 	Medication Discharge ² 	Quality & Analytics ³ 	Transplant focused App ⁴ 	NGS HLA Typing ⁵ 	Electronic Medical Records ⁶ 	Transplant Patient Referrals ⁷ 
CareDx is #1	CareDx is #1	CareDx is #1	CareDx is #1	CareDx is #1	CareDx is #2	CareDx is #2
>100K Patients Served	>90 SOT Tx Centers	>45 Tx Centers	>65K Patient Downloads	Highest NGS Typing Revenue	>90 Tx Centers	>70K Patient Referrals

Over 100,000 transplant patients have received a CareDx post-transplant surveillance test

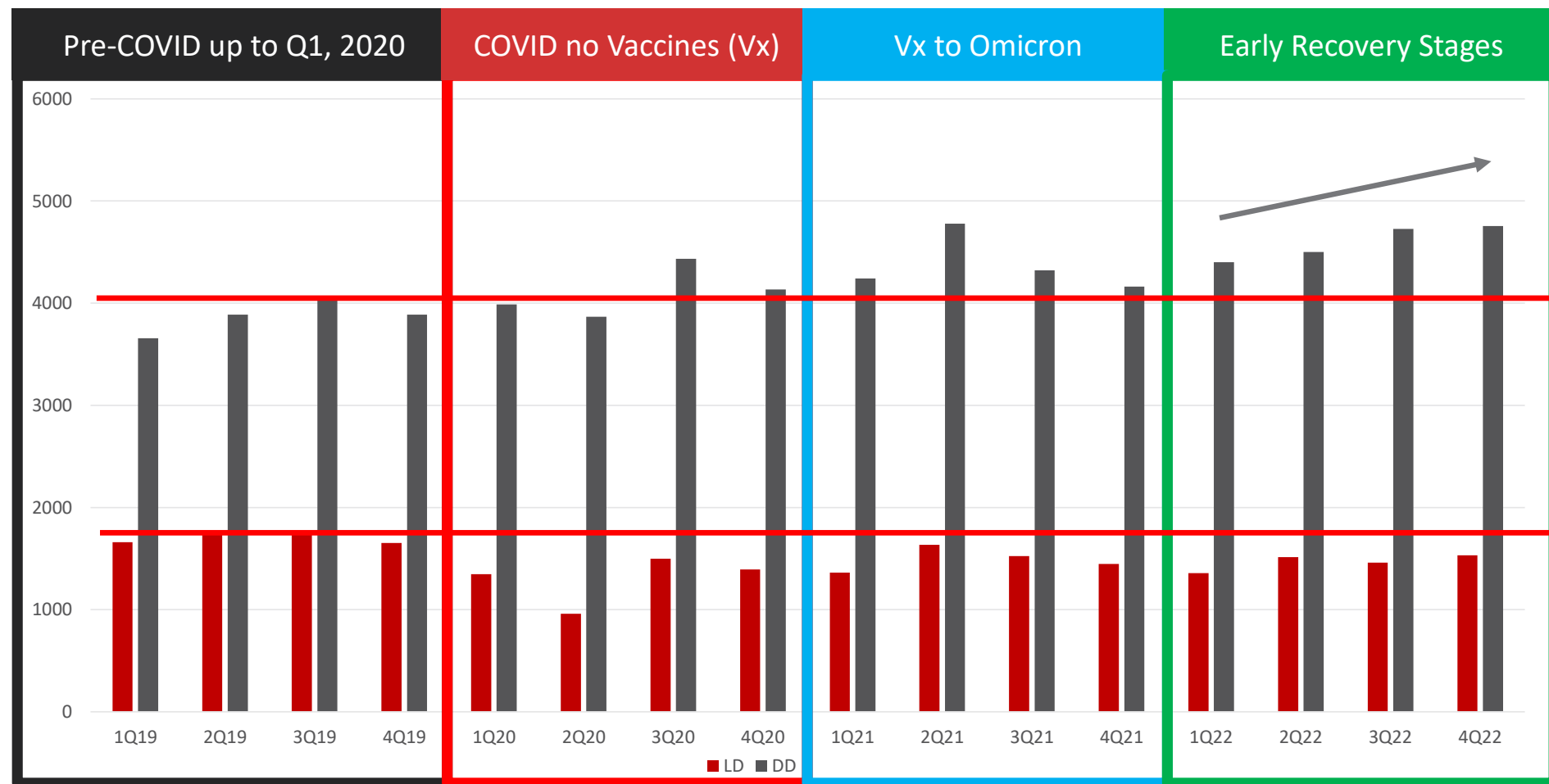


1. 100K patients with CareDx biomarkers; 2. Based on number of centers with MAP; 3. Based on number of centers using XYN; 4. Based on number of downloads; 5. Data on file based on NGS revenue; 6. Based on number of centers with TransChart and OTTR EMRs; 7. Based on number of referrals in the system.

COVID Impacted Recent Market Volume Trends



Kidney Transplant Recovery Driven by Deceased Donors



Potential for Transplant Volume Expected to Double in 5-10 Years*

Return to historical high single digit growth post COVID

Incremental
Drivers of
Market
Growth in 5
Years+

1

Increased use of **high-risk organs**

2

Increased and expanded use of organs through **perfusion and improved transport**

3

Increased transplantation and post-transplant monitoring from the **Advancing American Kidney Health Initiative** across Tx

4

Rebound in **living donors** which is still below pre-COVID levels in kidney

5

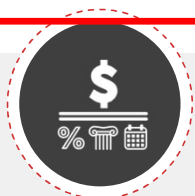
New organ supply from **xenotransplantation and re-cellularized organs**

2023 Revenue Guidance of \$328-\$338 Million*

2023 Guidance Assumptions

1. No contribution from catalysts
2. No new major payor coverage
3. No change in reimbursement on paid tests of ~\$2,500
4. Low teens Testing Services volume growth
5. Low double-digit decline in overall ASP

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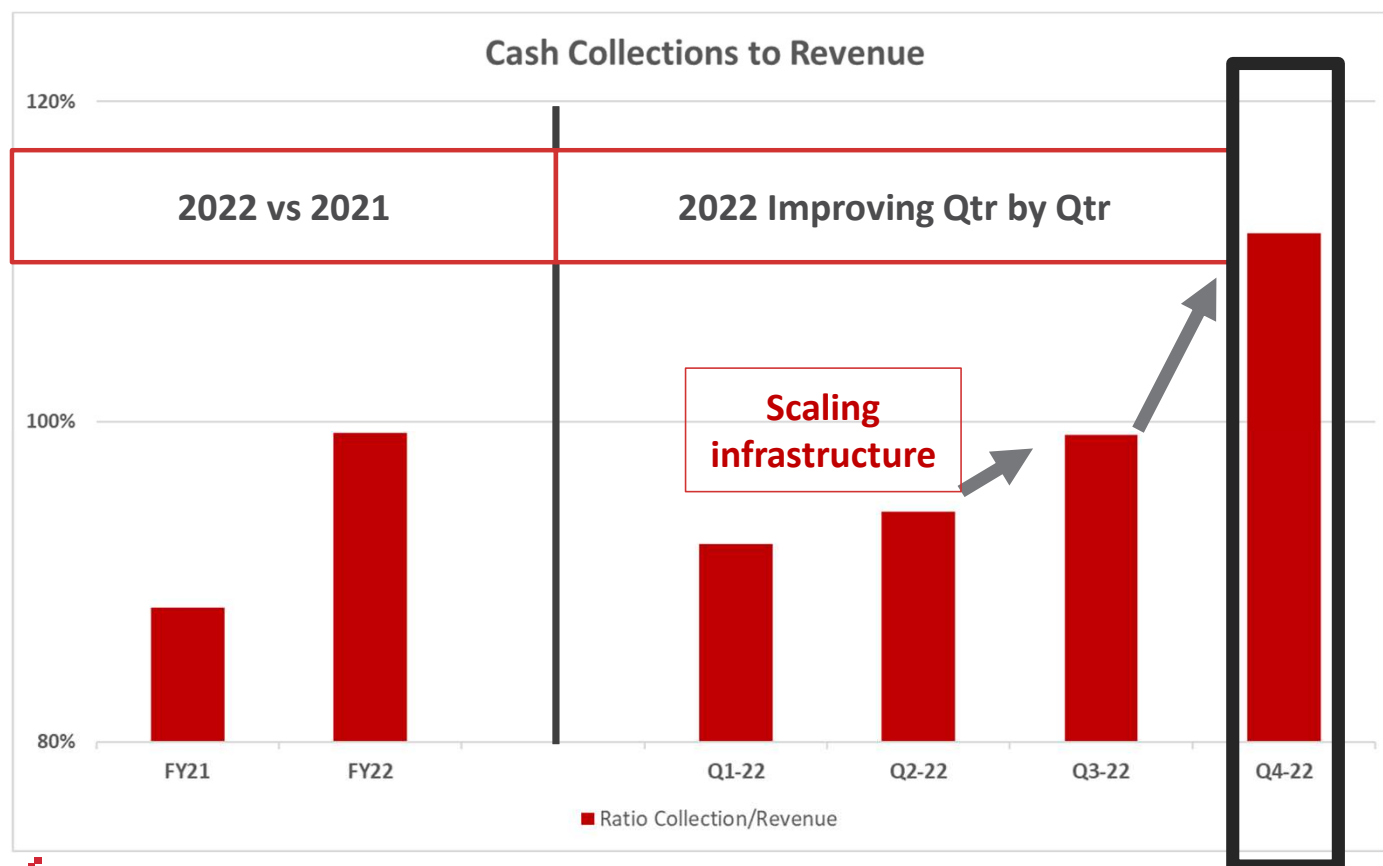
Adjusted EBITDA (\$3.7M)



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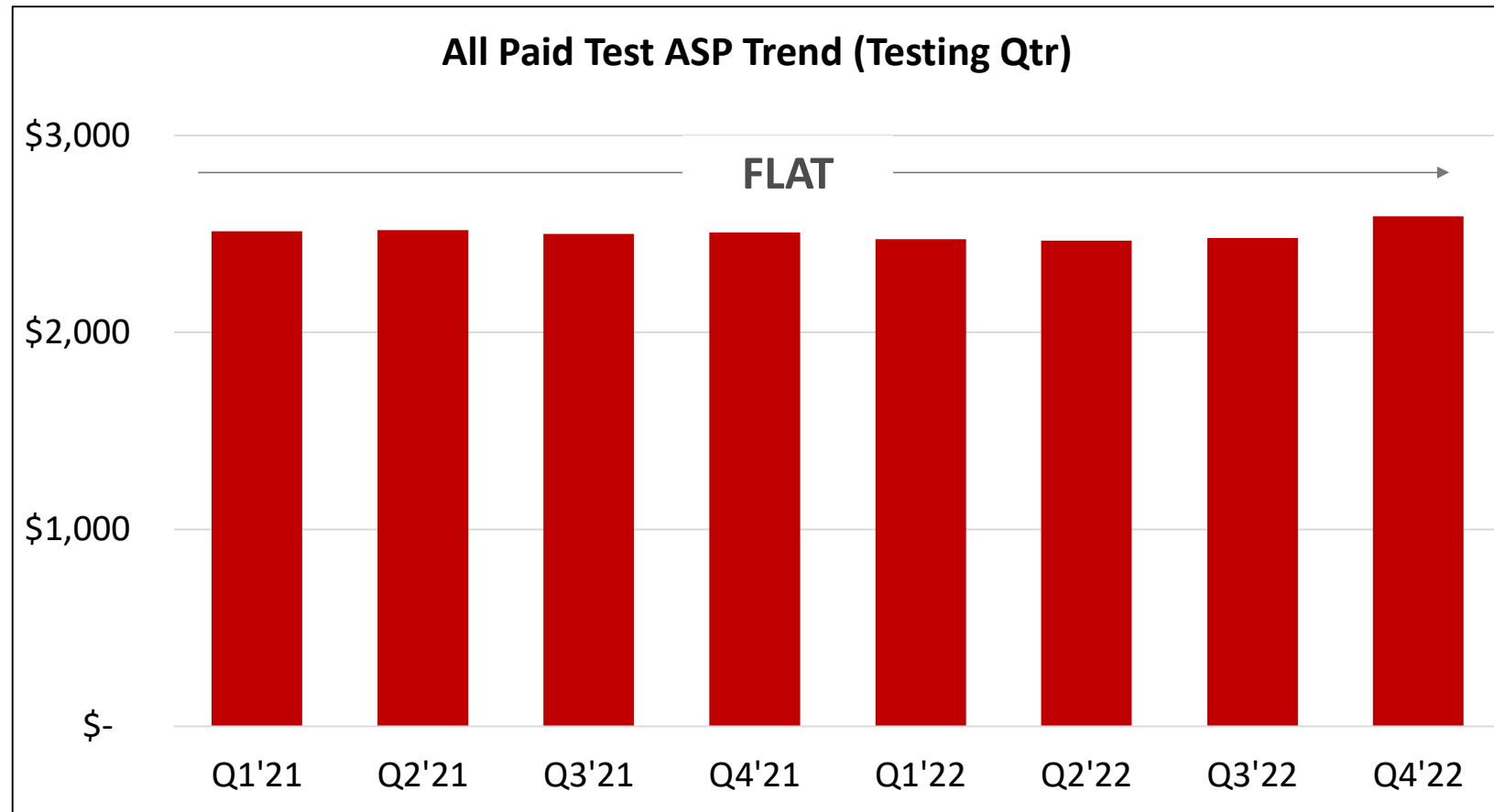


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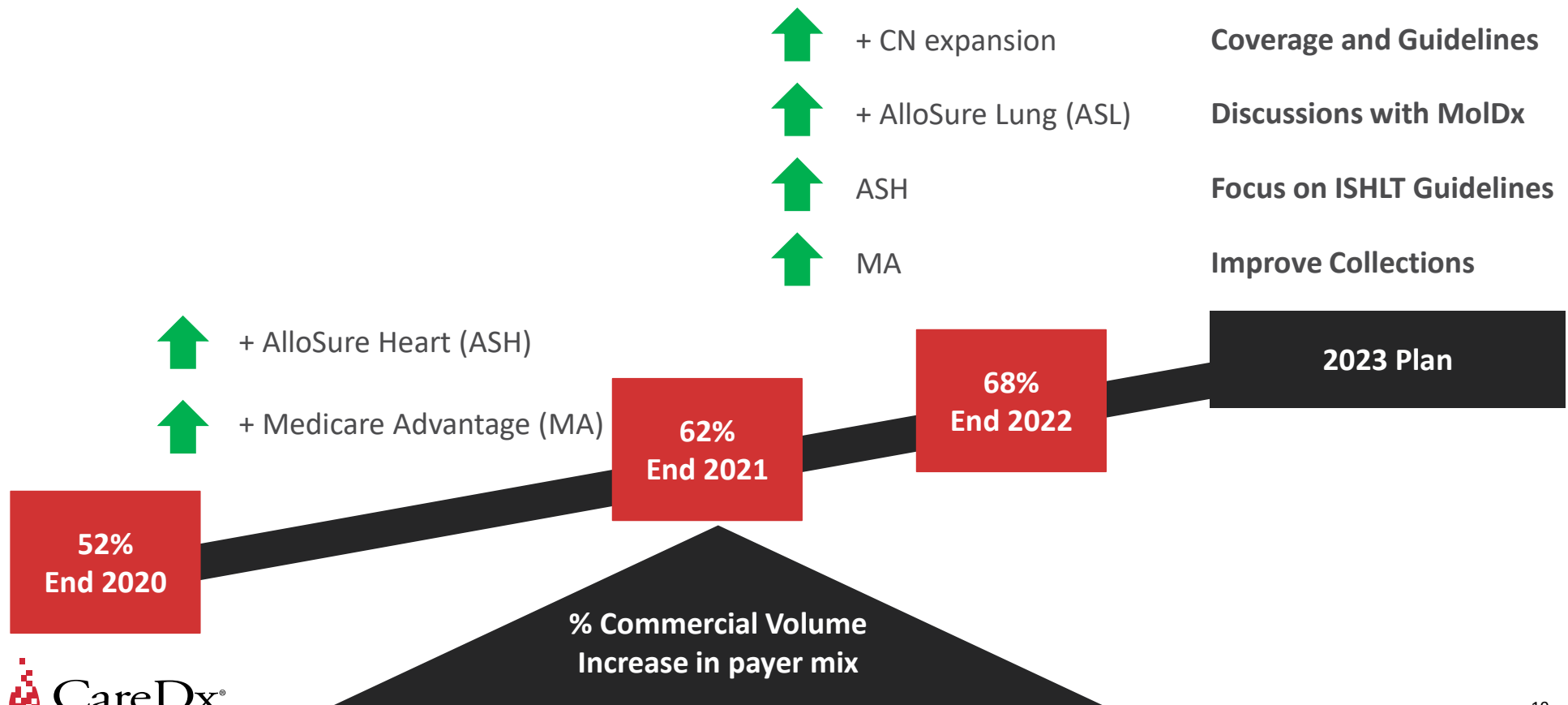
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Testing Services – ASP has not changed on Reimbursed Tests

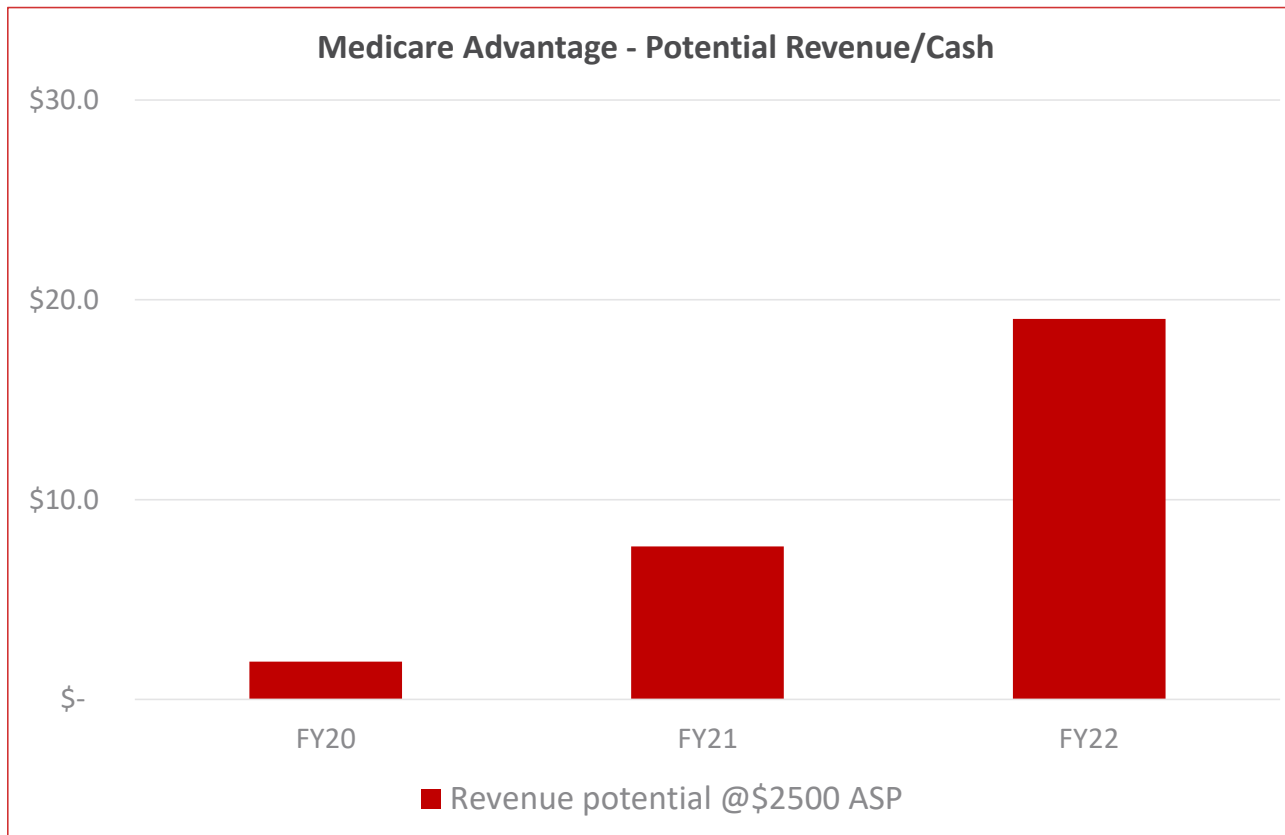


Testing Services Payor Strategy to Increase Reimbursement

Situation: Increasing mix of Commercial Patients from New Launches Strategy



Opportunity of >\$20M Through Collections for Medicare Advantage Claims



**Medicare Advantage
Claims Opportunity
(unpaid claims) as
Collections Improve. No
Coverage Needed.**

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Appendix

Reconciliation of Non-GAAP Gross Margin

in Millions (except %)	FY 2018	FY 2019	FY 2020	FY 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
Revenue	76.6	127.1	192.2	296.4	79.2	79.4	80.6	79.4	82.4	321.8
GAAP Cost of Revenue	33.0	45.5	63.1	97.4	27.0	26.9	27.5	28.3	29.5	112.2
GAAP Gross Profit	43.6	81.6	129.1	199.0	52.2	52.5	53.1	51.1	52.9	209.6
GAAP Gross Margin %	57%	64%	67%	67%	66%	66%	66%	64%	64%	65%
Non-GAAP Expense:										
Stock-based compensation expense	(0.8)	(2.2)	(2.3)	(3.7)	(0.9)	(0.4)	(1.4)	(1.1)	(1.2)	(4.0)
Acquisition related amortization of purchased intangibles	(2.2)	(2.4)	(3.3)	(3.9)	(1.0)	(1.0)	(1.0)	(1.0)	(1.0)	(4.0)
Non-GAAP Cost of Revenue	30.0	40.9	57.5	89.8	25.0	25.5	25.2	26.2	27.3	104.3
Non-GAAP Gross Profit	46.6	86.3	134.7	206.6	54.2	53.9	55.5	53.1	55.1	217.5
Non-GAAP Gross Margin %	61%	68%	70%	70%	68%	68%	69%	67%	67%	68%

Reconciliation of Adjusted EBITDA

in Millions	FY 2018	FY 2019	FY 2020	FY 2021	Q4 2021	Q1 2022	Q2 2022	Q3 2022	Q4 2022	FY 2022
GAAP Net Loss	(46.8)	(22.0)	(18.7)	(30.7)	(16.2)	(19.6)	(21.7)	(16.9)	(18.3)	(76.6)
Stock-based compensation expense	7.1	22.4	23.4	36.1	9.5	10.6	12.6	11.2	12.1	46.6
Impairments & Write-downs	-	0.2	-	2.4	2.4	-	-	0.8	-	0.8
Unrealized gain on investments	-	-	-	1.7	1.6	0.5	(0.0)	(0.3)	1.0	1.2
Acquisition related amortization of purchased intangibles	3.0	3.6	4.8	5.8	1.6	1.6	1.5	1.5	1.5	6.2
Acquisition related amortization of inventory valuation adjustment	0.3	-	-	-	-	-	-	-	-	-
Acquisition related fees and expenses	-	0.7	0.1	1.1	0.3	0.1	0.2	0.1	0.2	0.6
Change in estimated fair value of contingent consideration	1.0	0.2	0.3	(0.6)	(0.6)	0.1	0.5	0.3	(0.1)	0.7
Change in estimated fair value of warrant & derivative liabilities	23.0	(0.3)	1.5	(0.1)	(0.1)	0.0	(0.0)	(0.0)	0.0	0.0
Amortization of debt discount	2.1	-	-	-	-	-	-	-	-	-
Debt extinguishment	3.0	-	-	-	-	-	-	-	-	-
Loss on conversion from debt to equity	2.8	-	-	-	-	-	-	-	-	-
Accretion of liability	-	0.3	0.4	0.3	0.1	0.0	0.0	0.0	0.0	0.0
Tax effect related to amortization of purchased intangibles	(0.8)	(0.5)	(0.5)	(0.5)	(0.1)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)
Non-GAAP Net Income (Loss)	(5.3)	4.6	11.3	15.5	(1.5)	(6.8)	(7.0)	(3.4)	(3.7)	(20.9)
Interest income	1.6	(1.0)	(0.3)	(0.1)	(0.0)	(0.2)	(0.5)	(1.2)	(1.9)	(3.8)
Income tax benefit	(0.6)	(1.5)	(0.5)	(0.9)	(0.8)	0.1	0.1	0.4	0.3	0.8
Depreciation expense	1.2	1.6	1.9	2.7	0.9	1.0	1.2	1.5	1.7	5.2
Other expense, net	0.2	0.4	(4.4)	0.6	0.1	0.3	0.5	0.3	(0.1)	1.0
Net loss attributable to noncontrolling interest	(0.0)	-	-	-	-	-	-	-	-	-
Adjusted EBITDA	(3.0)	4.2	8.0	17.8	(1.4)	(5.6)	(5.7)	(2.5)	(3.7)	(17.5)