



INVITAE

# From genetics, Health

First Quarter 2022 Financial Results  
5.3.2022

# 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 vision and business model; the company's future financial and operating results; the company's expectations regarding future growth, reduction in burn rate and cash runway; and the company's expectations regarding being operating cash flow positive, including steps to achieve the goal and the timing thereof. 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 company's ability to successfully alter its course in response to events; the success of company's efforts to achieve operational efficiency and sustainable operating cash flows, and decrease cash burn; 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 impact of inflation; the company's ability to continue to grow its business, including internationally; 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 company's ability to obtain regulatory approval for its tests; the applicability of clinical results to actual outcomes; 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 timing of product launches and/or approvals; 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, 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.

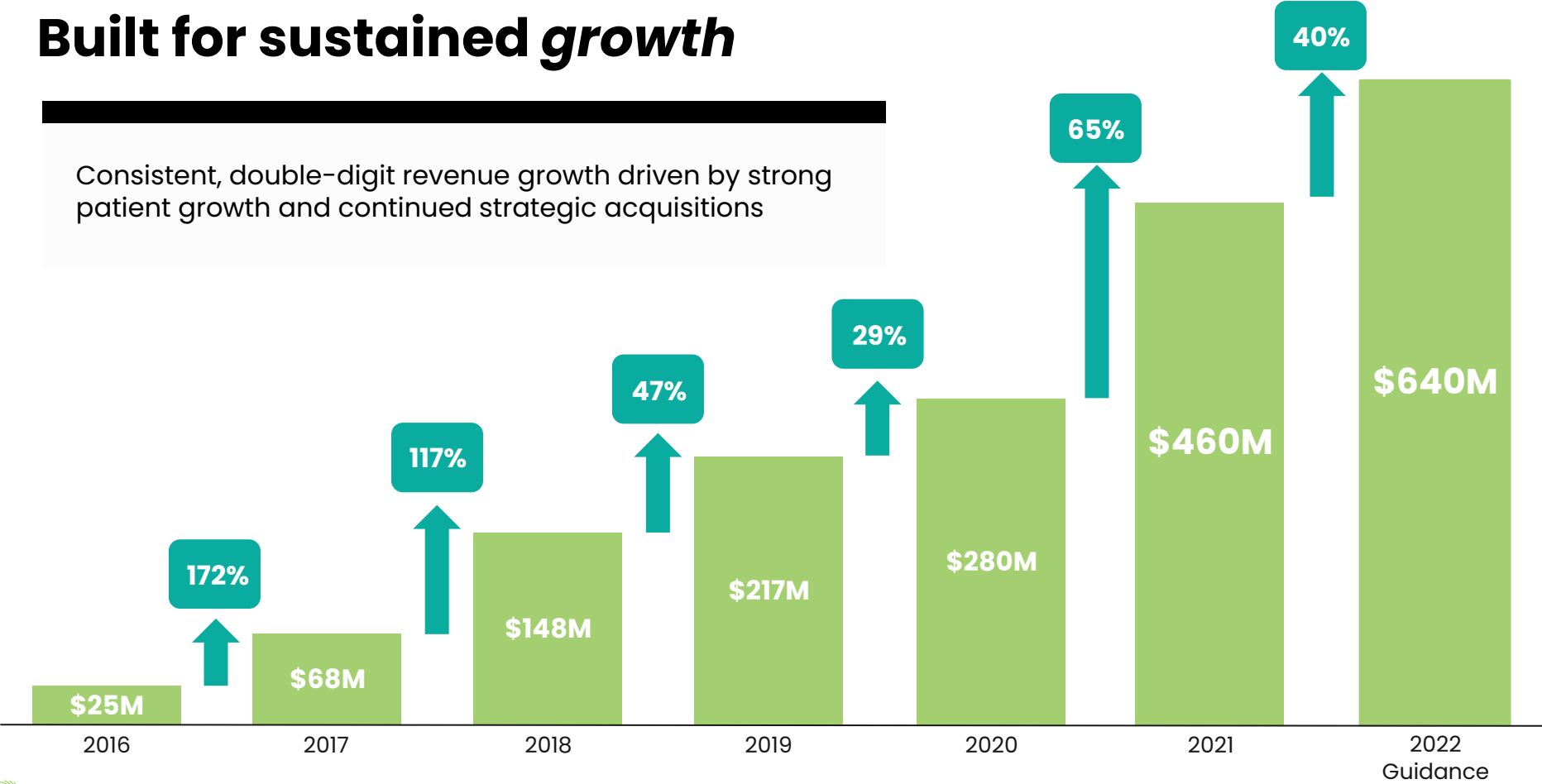
Cash burn excludes changes in marketable securities. Management believes cash burn is a liquidity measure that provides useful information to management and investors about the amount of cash consumed by the operations of the business. A limitation of using this non-GAAP measure is that cash burn does 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 presented.







# Built for sustained *growth*

Consistent, double-digit revenue growth driven by strong patient growth and continued strategic acquisitions



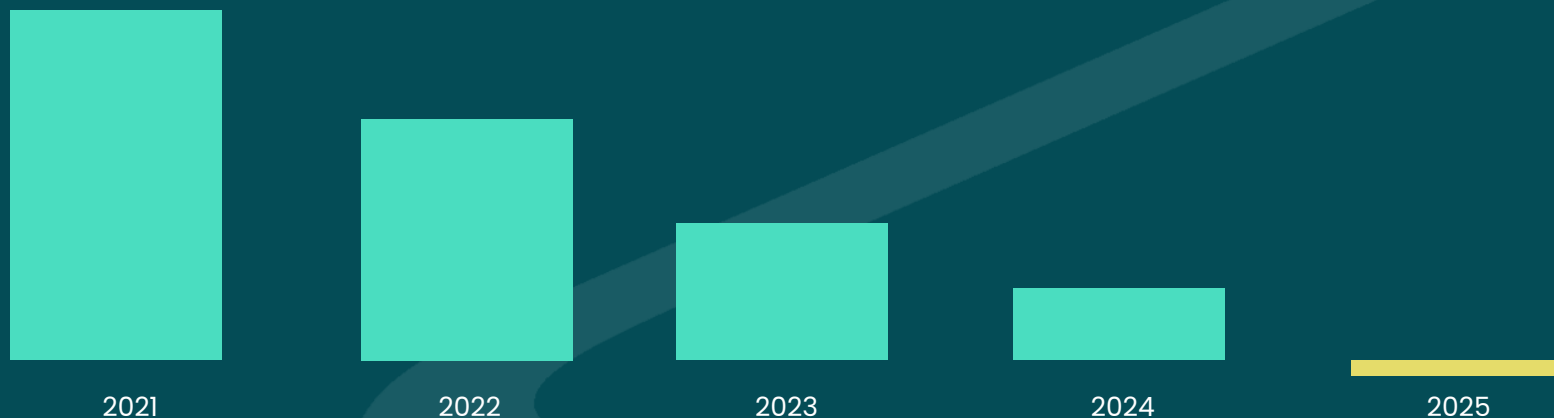
# Robust product pipeline fuels growth

	Oncology 	Women's health 	Rare diseases/ Other 	Data / Services 
Existing Products	<ul style="list-style-type: none"> <li>• Hereditary cancer</li> <li>• RUO &amp; IVD kits</li> </ul>	<ul style="list-style-type: none"> <li>• Carrier</li> <li>• NIPS</li> <li>• POC</li> <li>• IVF</li> </ul>	<ul style="list-style-type: none"> <li>• Pediatric and rare Dx</li> <li>• Exome</li> <li>• PGx + YouScript</li> </ul>	<ul style="list-style-type: none"> <li>• Patient identification</li> <li>• Gia</li> <li>• Ciitizen patient network</li> </ul>
New Products	<ul style="list-style-type: none"> <li>• RNA, Fibroblast</li> <li>• PCM</li> <li>• Risk assessment</li> <li>• Urology</li> <li>• Therapy selection</li> </ul>	<ul style="list-style-type: none"> <li>• Carrier expansion</li> <li>• Workflow, tools</li> <li>• Fertility</li> </ul>	<ul style="list-style-type: none"> <li>• Peds NDD</li> <li>• Ophthalmology</li> <li>• PGx expansion</li> <li>• Exome-Genome</li> </ul>	<ul style="list-style-type: none"> <li>• Gia expansion</li> <li>• Patient network</li> <li>• Invitae Digital Health</li> </ul>



# Accelerate burn reduction, build the future of medicine

Reaching positive operating cash flow by 2025



\*Based on 2022 Company estimate.



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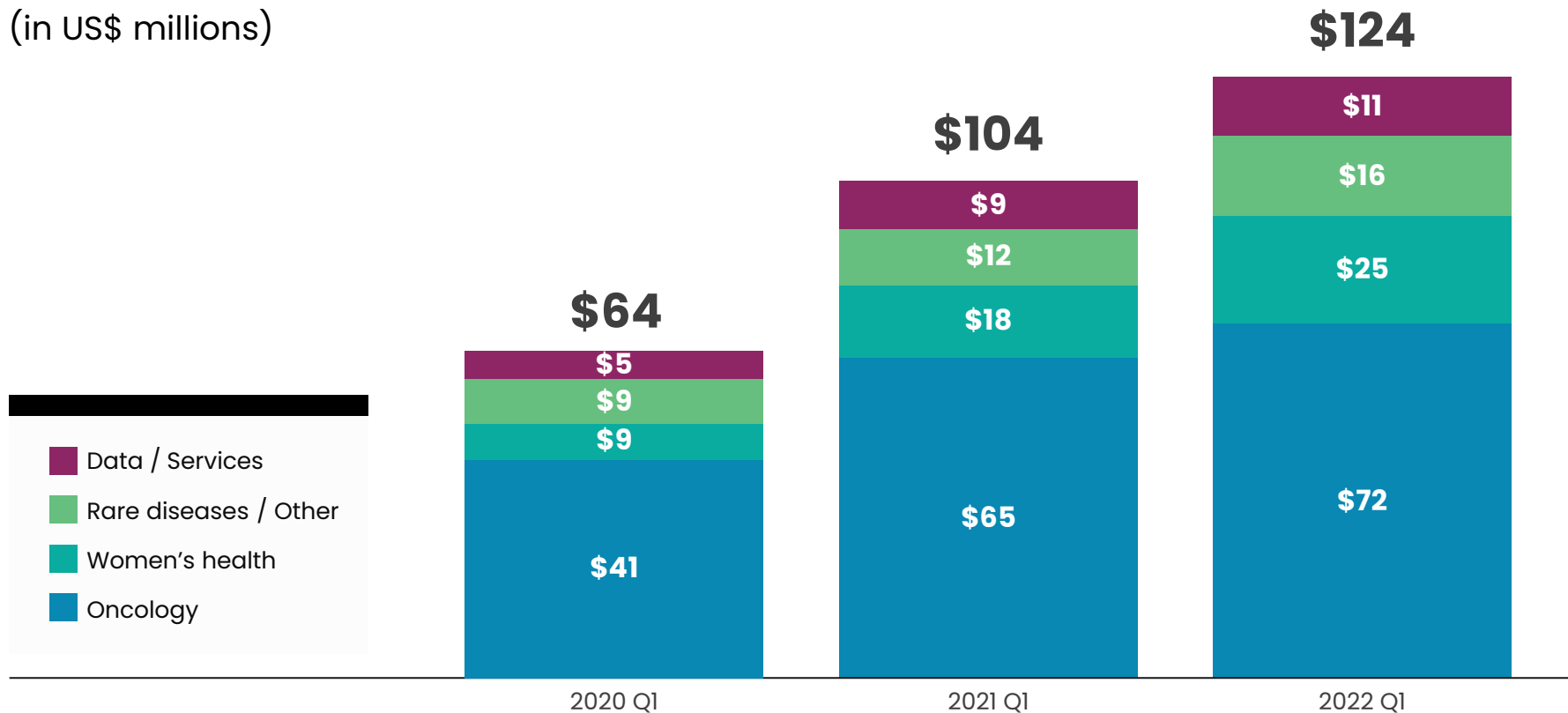
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# Q1 financials



# Platform revenue breakdown – Q1

(in US\$ millions)





# Continued investments, declining burn, strong cash position to fuel the business

	Q1 2022		Q1 2021	
in US\$ millions except for net loss per share	GAAP	Non-GAAP*	GAAP	Non-GAAP*
<b>Revenue</b>	\$124	\$124	\$104	\$104
Gross margin%	21.5%	36.6%	27.1%	39.1%
<b>R&amp;D</b>	\$128	\$101	\$80	\$69
<b>SG&amp;A***</b>	\$112	\$108	\$60	\$86
OpEx % of revenue	194%	169%	136%	150%
<b>Net loss per share</b>	(\$0.80)	(\$0.78)	(\$0.56)	(\$0.63)
<b>Cash burn</b>		\$169		\$112
<b>Cash &amp; marketable securities**</b>	\$885	\$885	\$682	\$682

\*Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix

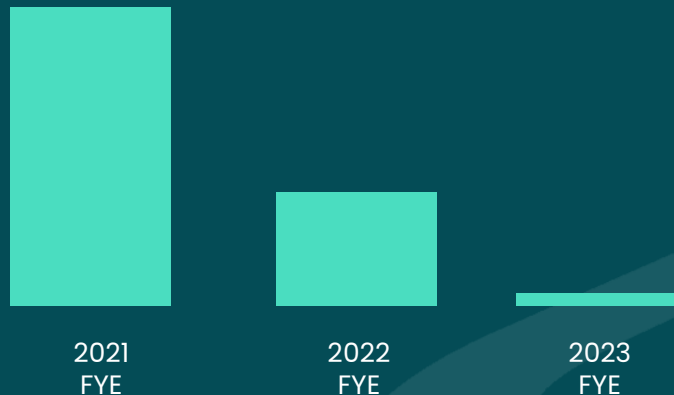
\*\*Includes cash, cash equivalents, restricted cash, and marketable securities

\*\*\*GAAP includes change in fair value of contingent consideration



# Extend our cash runway

## Cash Projection



- Industry-leading growth
- Gross margin expansion
- Operating leverage
- Portfolio optimization

\*Based on 2022 Company estimate. Cash number includes cash, cash equivalents, and marketable securities



# Key business drivers and financial metrics

## Portfolio growth

### Channel

- Active accounts
- Active partners

### Access

- Patient growth
- # of patients available for data sharing

### Economics

- Revenue / patient
- New product vitality

## Operational excellence

### Margin

- Gross margin
- Variable cost productivity

### Leverage

- OpEx % of revenue
- Operating cash flow % of revenue

## Strategic investment

- R&D % of revenue
- Capital for M&A



# Portfolio growth

## Active Accounts

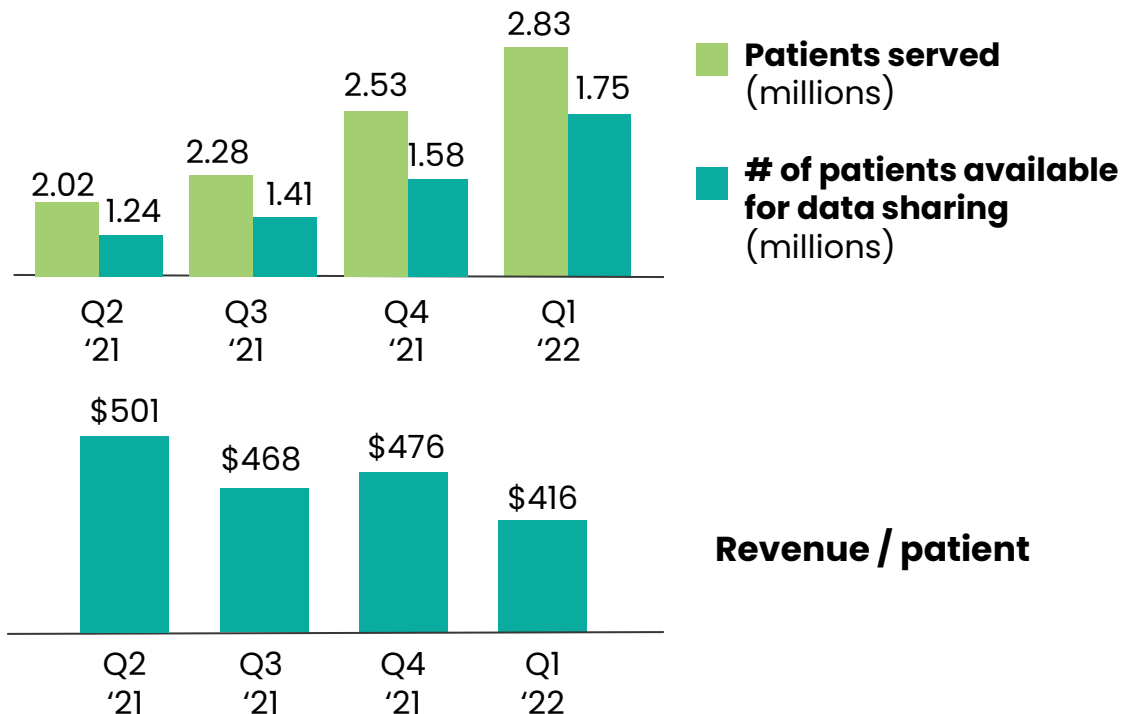
2021 Q2	16,194
2021 Q3	17,402
2021 Q4	18,458
2022 Q1	19,436

## Active Partners

2021 Q2	153
2021 Q3	169
2021 Q4	178
2022 Q1	206

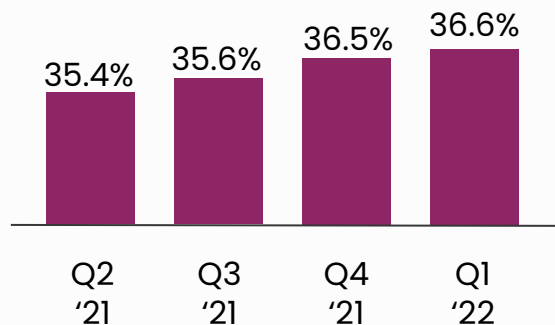
## New Product Vitality

2021 Q2	66%
2021 Q3	68%
2021 Q4	57%
2022 Q1	50%

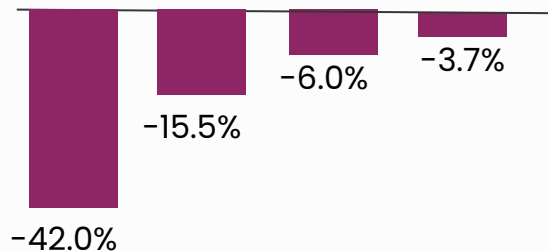


# Operational excellence

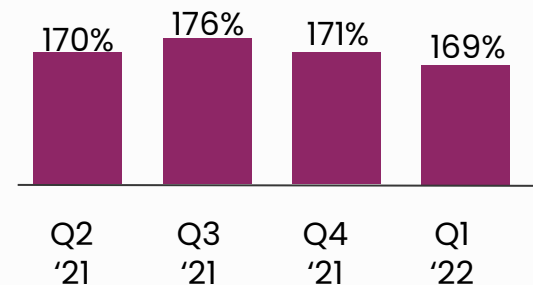
## Non-GAAP Gross Margin\*



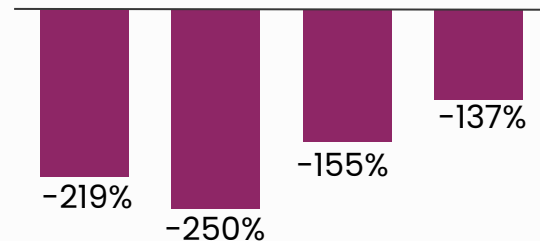
## Variable Cost Productivity



## Non-GAAP OpEx\* % of Revenue

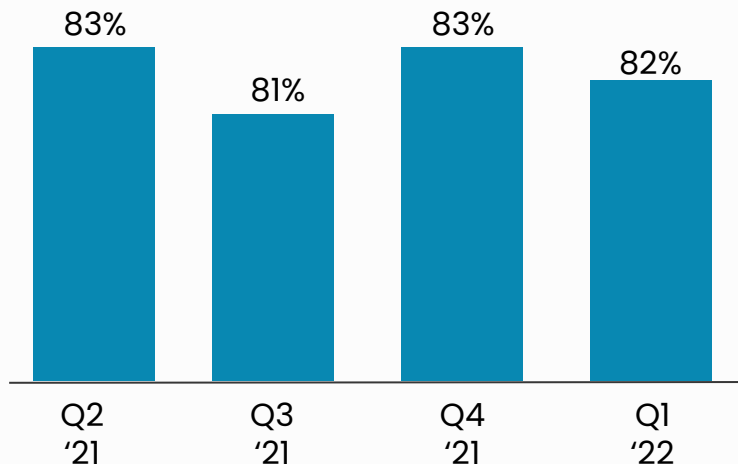


## Cash Burn % of Rev

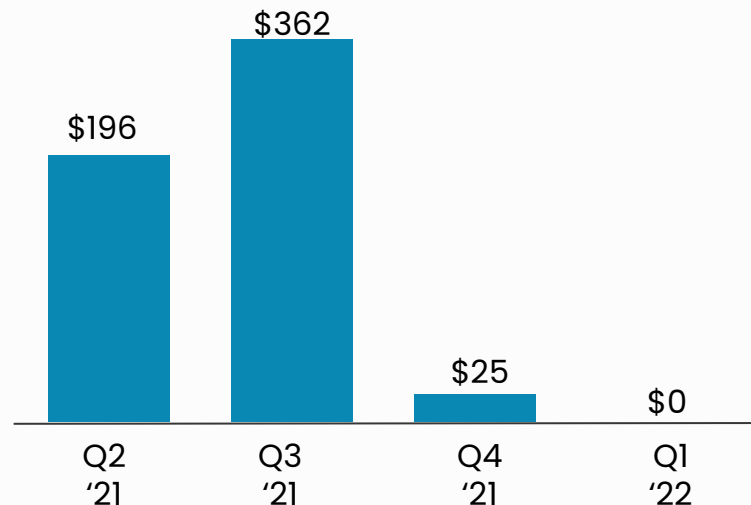


# Strategic investment

**Non-GAAP R&D\* % of Revenue**



**Capital used for M&A  
(millions)**



# 2022 annual guidance

## REVENUE

40%

*YoY Growth*

\$640M+

Annual Revenue

## Non-GAAP\* GROSS MARGIN

42-45%

45%+

Year-end Run Rate

## CASH BURN\*\*

\$600M  
-\$650M

\$200M+

Reduction in  
Cash Burn\*



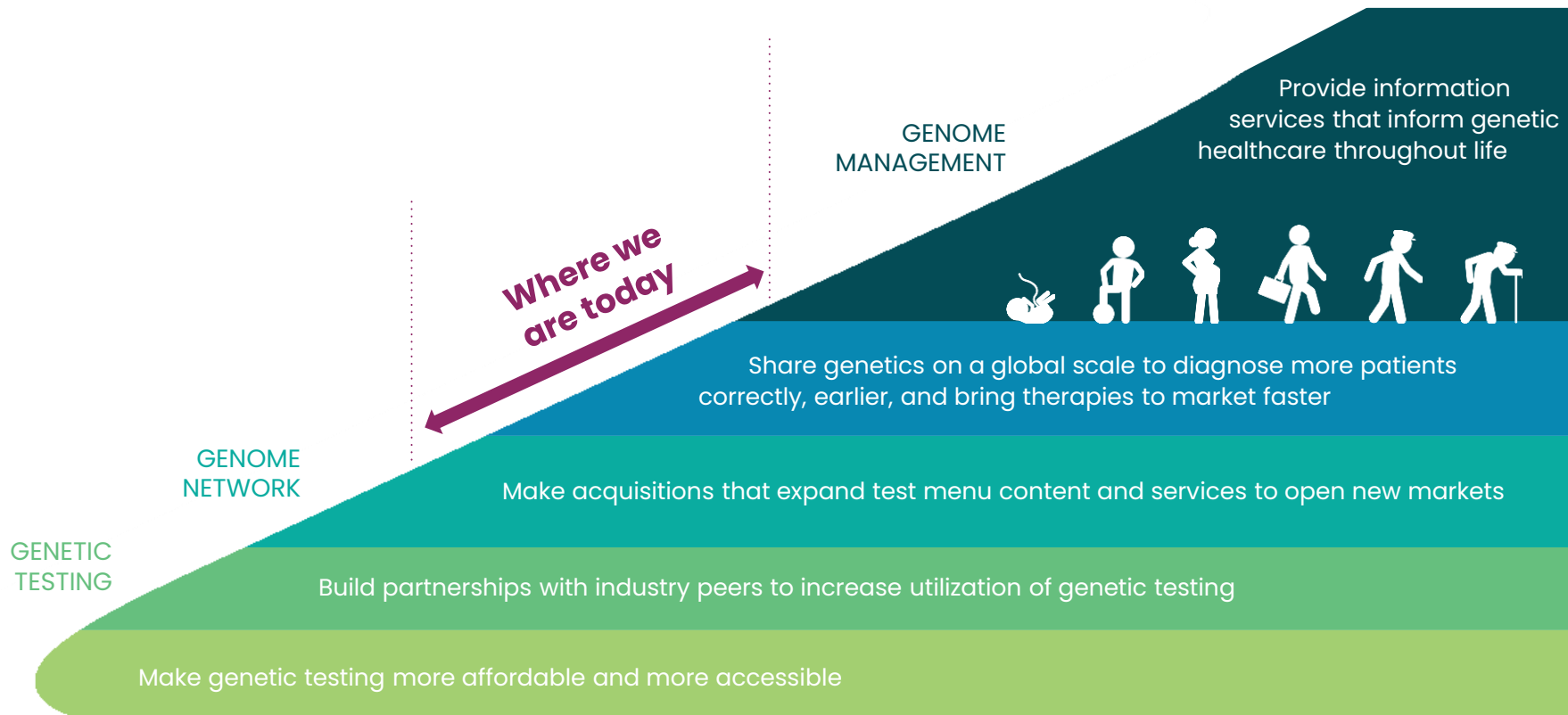
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\*Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix

\*\*Cash burn target including acquisition related expenses

# Evolution of the platform





# Q&A



# Appendix



# Cost of revenue Q1 2022 GAAP to non-GAAP reconciliation

- Cost of revenue of \$97.1 million
- Non-GAAP cost of revenue of \$78.5 million

(in thousands)	Q1 2022	Q1 2021
Cost of revenue	\$97,116	\$75,491
Amortization of acquired intangible assets	(18,000)	(9,833)
Acquisition-related stock-based compensation	(132)	(934)
Acquisition-related post-combination expense	(504)	–
Fair value adjustments to acquisition-related assets	–	(1,574)
Non-GAAP cost of revenue	\$78,480	\$63,150



# Gross profit Q1 2022 GAAP to non-GAAP reconciliation

- Gross profit of \$26.6 million
- Non-GAAP gross profit of \$45.2 million

(in thousands)	Q1 2022	Q1 2021
Revenue	\$123,691	\$103,621
Cost of revenue	97,116	75,491
Gross profit	26,575	28,130
Amortization of acquired intangible assets	18,000	9,833
Acquisition-related stock-based compensation	132	934
Acquisition-related post-combination expense	504	–
Fair value adjustments to acquisition-related assets	–	1,574
Non-GAAP gross profit	\$45,211	\$40,471



# Operating expense Q1 2022 GAAP to non-GAAP reconciliation

- Operating expense, which excludes cost of revenue, was \$239.8 million
- Total non-GAAP operating expense was \$209.0 million for the quarter

(in thousands)	Q1 2022	Q1 2021
Research and development	\$128,236	\$80,358
Selling and marketing	60,144	51,240
General and administrative	51,274	72,517
Change in fair value of contingent consideration	154	(63,621)
Operating expense	239,808	140,494
Amortization of acquired intangible assets	(2,154)	(2,222)
Acquisition-related stock-based compensation	(25,924)	(42,680)
Acquisition-related post-combination expense	(2,581)	(3,842)
Fair value adjustments to acquisition-related liabilities	(154)	(63,621)
Non-GAAP operating expense	\$208,995	\$155,371



# Net loss Q1 2022 GAAP to non-GAAP reconciliation

(in thousands)	Q1 2022	Q1 2021
Net loss	\$(181,859)	\$(109,492)
Amortization of acquired intangible assets	20,154	12,055
Acquisition-related stock-based compensation	26,056	43,614
Acquisition-related post-combination expense	3,085	3,842
Fair value adjustments to acquisition-related assets and liabilities	(9,849)	(65,425)
Acquisition-related income tax benefit	(35,000)	(6,800)
Non-GAAP net loss	\$(177,413)	\$(122,206)



# Cash\* totaled \$885 million at March 31, 2022

- Cash burn of \$169.3 million for the quarter

(in thousands)	Q1 2022
Net cash used in operating activities	\$(147,543)
Net cash used in investing activities	(449,456)
Net cash used in financing activities	(920)
Net decrease in cash, cash equivalents and restricted cash	(597,919)
Adjustments:	
Net changes in investments	428,608
Cash burn**	\$(169,311)

\*Consists of cash, cash equivalents, restricted cash and marketable securities





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