



INVITAE

From genetics, Health

Second Quarter 2022 Financial Results
8.9.2022

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 progress toward operational excellence; the expected impact, benefits, parameters, details and timing of the company's strategic business realignment or various aspects thereof; the company's beliefs regarding the potential of its business, and its business priorities; the company's future financial and operating results, including estimated annual cost savings, cash runway, guidance for 2022 and beyond, and the drivers of future financial results; the company's beliefs regarding its business and roadmap going forward; the company's focus for the remainder of 2022; and the company's expectations regarding its genome management platform and the benefits 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 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 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 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 company's ability to obtain regulatory approval 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; the applicability of clinical research results to actual outcomes; the timing of product launches and/or approvals; the success of collaborations; 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 Quarterly Report on Form 10-Q for the quarter ended March 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 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.

Agenda

Organizational Update

Q2 Financials and 2022 Guidance

Q2 Key Metrics



Organizational update

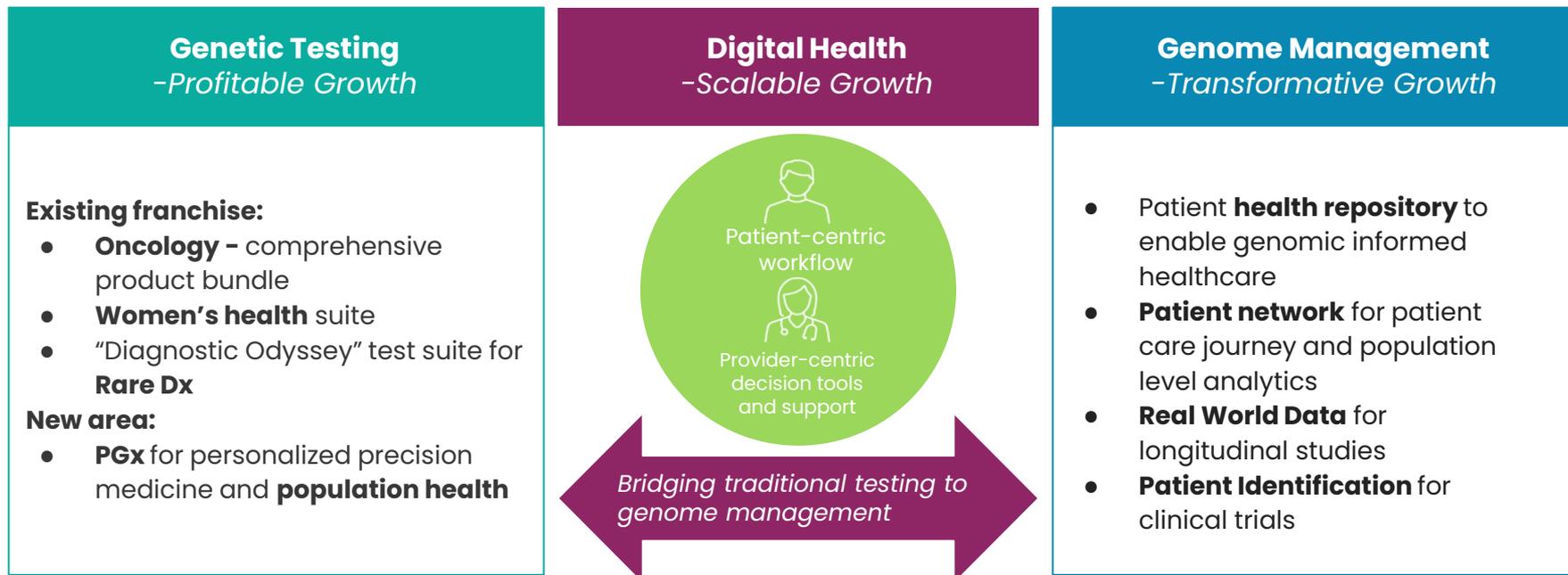
Compelling value proposition and growth potential

Extending cash runway to end of 2024 through realignment plan

Continuing improvement in key metrics, both in Q2 and on TTM basis

Executing toward optimal position to manage longer-term liabilities

Strategic focus – align capital allocation to growth objectives



Strategic focus – selected highlights

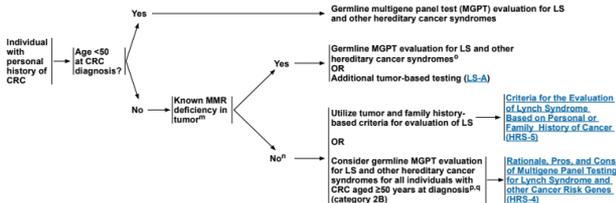
Guideline expansion



National Comprehensive Cancer Network
**NCCN Guidelines Version 1.2022
 Lynch Syndrome**

[NCCN Guidelines Index](#)
[Table of Contents](#)
[Discussion](#)

CRITERIA FOR EVALUATION OF LYNCH SYNDROME AND OTHER CANCER RISK GENES AMONG INDIVIDUALS WITH A PERSONAL HISTORY OF COLORECTAL CANCER



^m Pursuing a strategy of screening for LS and other cancer risk genes may be favored when the family history of cancer includes both LS-associated and non-LS-associated cancers.
ⁿ A person without a known MMR deficiency may still warrant additional genetic evaluation based on personal and family history.
^o Biallelic MUTYH gene mutations have been shown to lead to dMMR tumors; therefore, MUTYH should be included in the testing at a minimum with consideration of other base-excision repair genes (NTHL1) and DNA-polymerase genes (POLD1 and POLD2), which have the potential to also lead to biallelic somatic MMR gene inactivation (Morak M, et al. Eur J Hum Genet 2014;22:1334-1337).
^p Pritchard K, et al. JAMA Oncol 2017;3:466-471.
^q Yurgelun M, et al. J Clin Oncol 2017;35:1086-1095.

Note: All recommendations are category 2A unless otherwise indicated.
 Clinical Trials: NCCN believes that the best management of any patient with cancer is in a clinical trial. Participation in clinical trials is especially encouraged.

Provider decision support

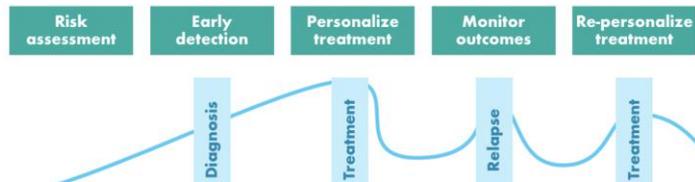
Meet Gia

Our virtual Genetic Information /
 A HIPAA-compliant clinical chatbot, conversations with patients, including automatic delivery of results.

[Learn more](#)



Oncology platform



Patient data network

Worldwide Clinical Trials Enters Into a Strategic Collaboration With Invitae to Accelerate Clinical Trials for Rare Disease Patients

CRO gains access to genetic testing data, aims to improve global research with enhanced data insights and faster patient recruitment for rare disease studies

July 12, 2022 08:20 AM Eastern Daylight Time

RESEARCH TRIANGLE PARK, N.C.—(BUSINESS WIRE)—Worldwide Clinical Trials, Inc. (Worldwide), the industry's leading global, midsize, full-service contract research organization (CRO), today announced its strategic partnership with Invitae, a leading medical genetics company. The partnership makes Worldwide the first CRO to use Invitae's Explorer tool – part of its real-world data platform that enables access to aggregated genetic testing results.



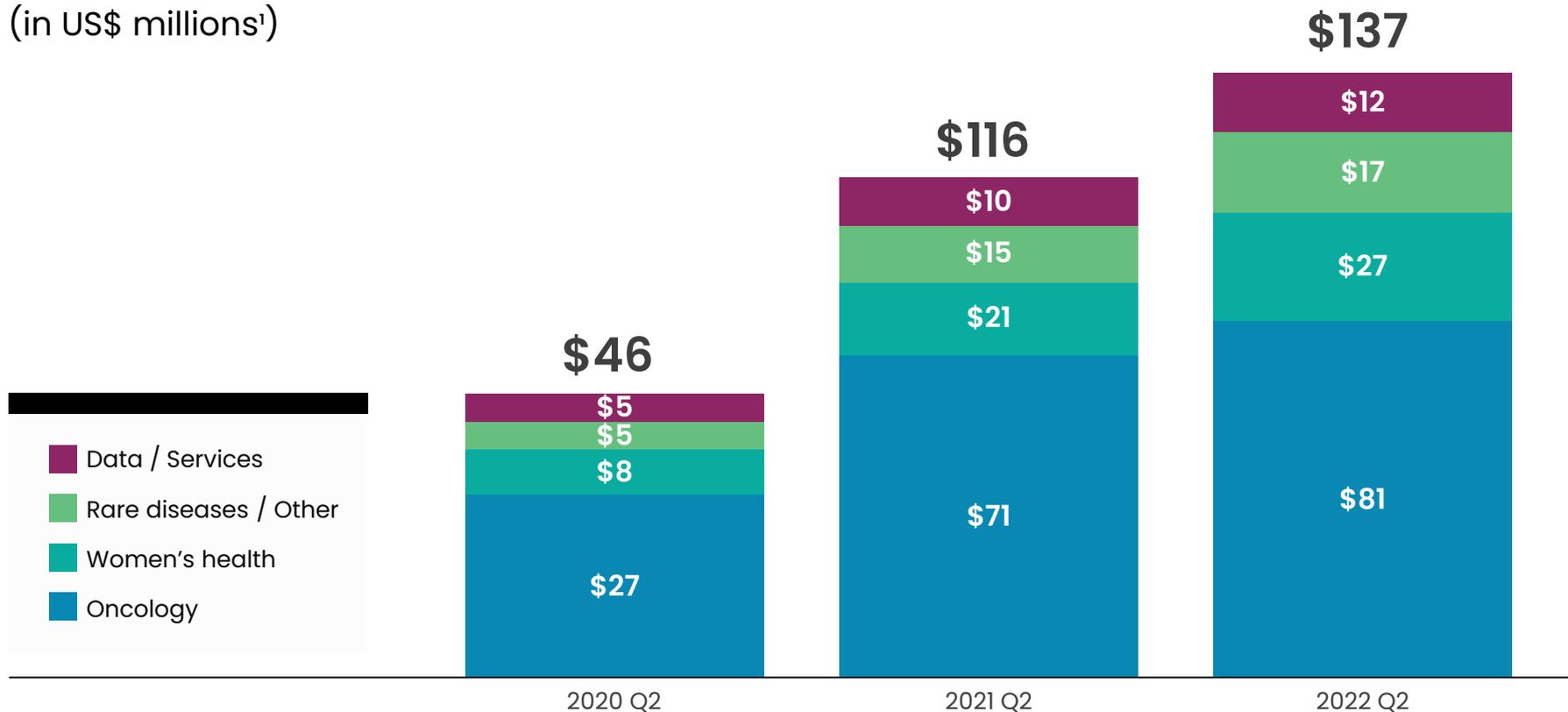
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Q2 financials

Platform revenue breakdown – Q2

(in US\$ millions¹)



Q2'22 YoY performance

Materializing margin improvements and cash burn reduction

	Q2 2022		Q2 2021	
in US\$ millions except for net (loss) income per share	GAAP	Non-GAAP ¹	GAAP	Non-GAAP ¹
Revenue	\$137	\$137	\$116	\$116
<i>Gross margin%</i>	19.2%	40.1%	23.2%	35.4%
R&D	\$115	\$89	\$106	\$96
SG&A	\$116	\$111	\$95	\$102
<i>OpEx % of revenue²</i>	1,864%	146%	(87%)	170%
Net (loss) income per share, basic	(\$10.87)	(\$0.68)	\$0.66	(\$0.84)
Cash, cash equivalents, restricted cash & marketable securities	\$737	\$737	\$1,540	\$1,540

Notes

1. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix
2. GAAP includes change in fair value of contingent consideration and asset impairment



Key business drivers and 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 Q3	17,402
2021 Q4	18,458
2022 Q1	19,436
2022 Q2	20,217

Active Partners

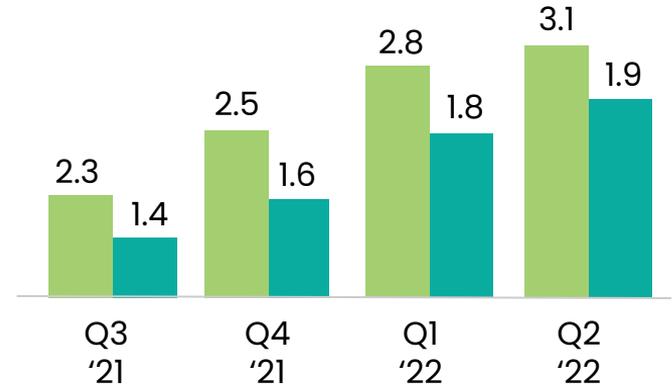
2021 Q3	169
2021 Q4	178
2022 Q1	206
2022 Q2	232

New Product Vitality

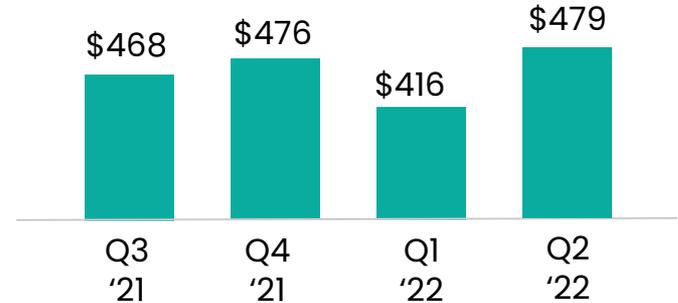
2021 Q3	68%
2021 Q4	57%
2022 Q1	50%
2022 Q2	50%

■ **Patients served**
(millions)

■ **# of patients available
for data sharing**
(millions)

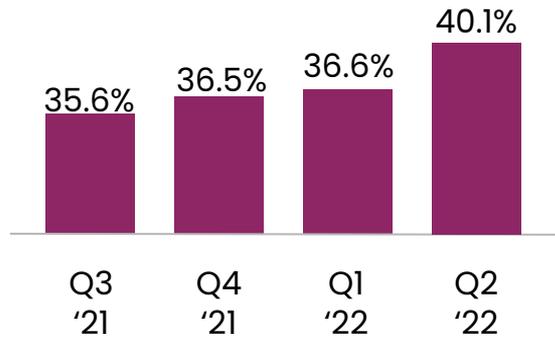


Revenue / patient

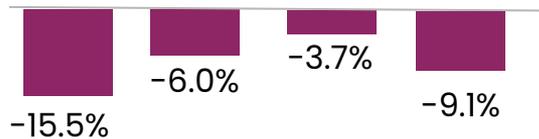


Operational excellence

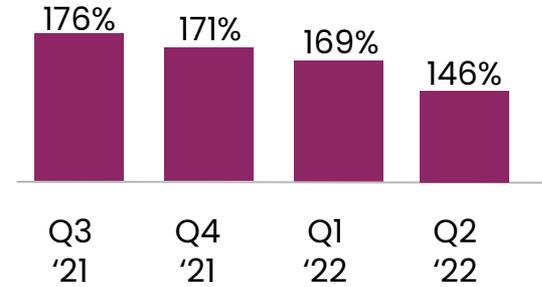
Non-GAAP Gross Margin¹



Variable Cost Productivity



Non-GAAP OpEx¹ % of Revenue



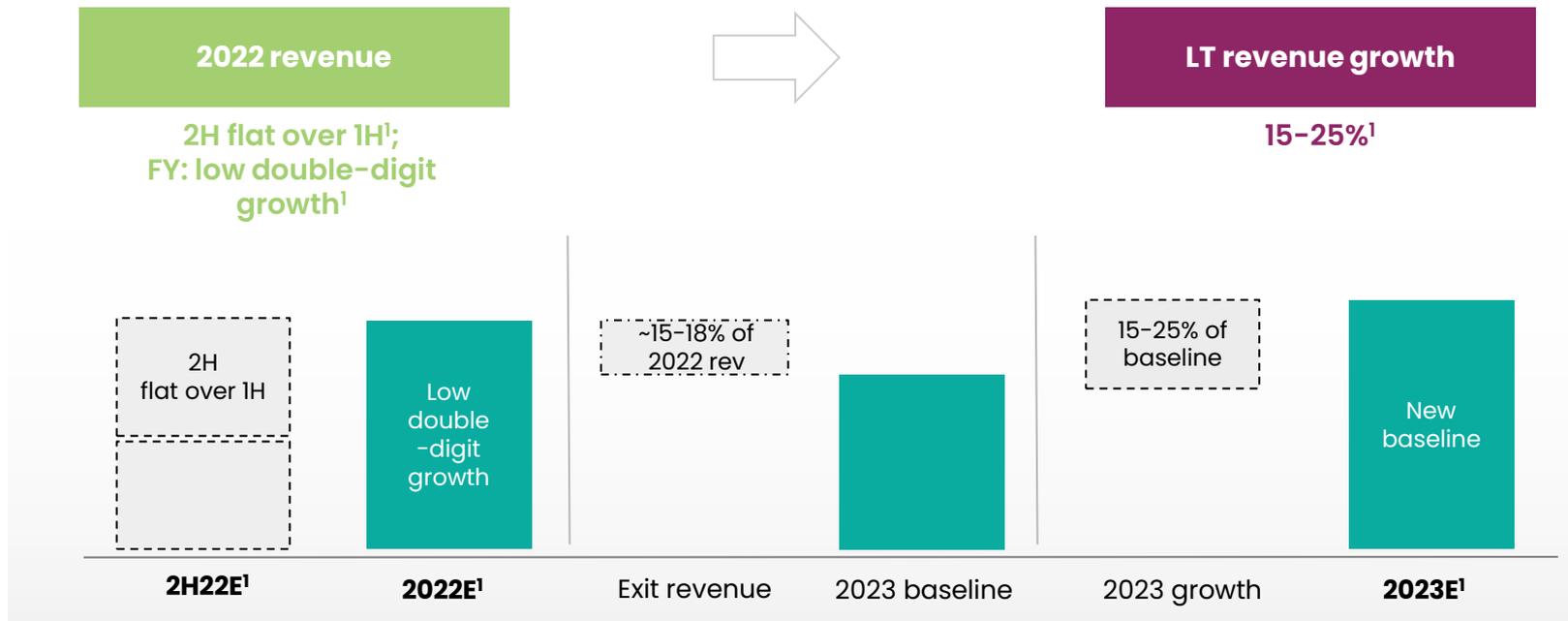
Cash Burn¹ % of Rev



Notes:
1.

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

Financial guidance – revenue



Notes:

1.

Based on Company estimates

*Drawings not to scale

Financial guidance – non-GAAP gross margin²

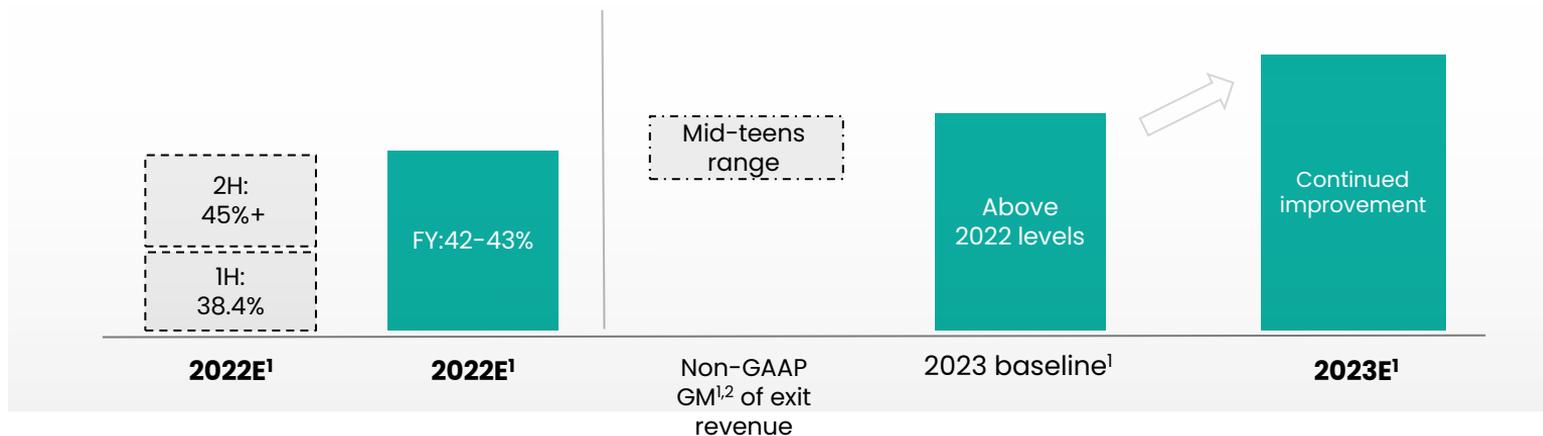
2022 non-GAAP gross margin²

42–43%¹



LT non-GAAP gross margin²

50%+¹



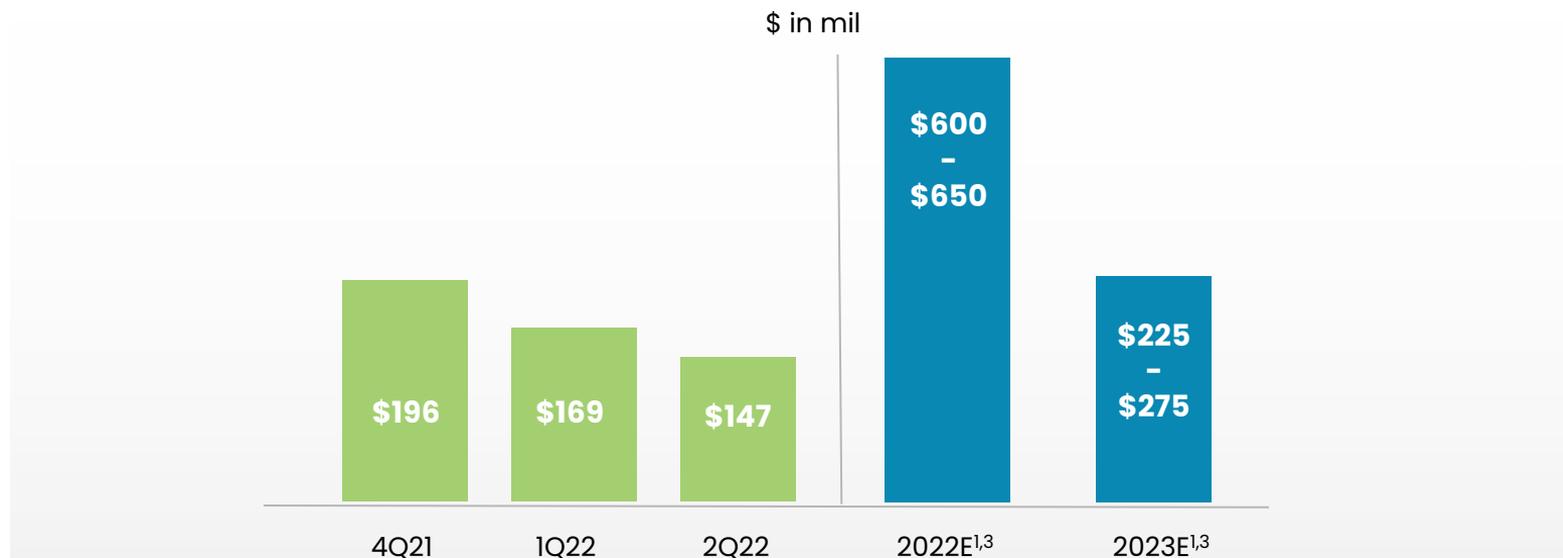
Notes:

1. Based on Company estimates
2. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix
*Drawings not to scale

Financial guidance – cash burn²

Cash Burn²

2022E: \$600–650M^{1,3}
2023E: \$225–275M^{1,3}



Notes:

1. Based on Company estimates
2. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix
3. 2022 figure includes an estimated up to \$75 million business realignment-related cash expense; 2023 figure includes an estimated up to \$25 million business realignment-related cash expense
*Drawings not to scale

Q&A



Key takeaways

- Leading genetic testing provider with **great assets and capabilities** in a high-growth space
- Broad, synergistic product portfolio targeting **significant market opportunities**
- Further **market expansion** based on recent developments such as NCCN new **CRC** guidelines and legislation supporting **PGx** adoption
- Continued traction in **digital offerings**, leveraging trusting relationships with almost **2 million patients**
- **Trailing-12-month improvements** in key metrics focusing on non-GAAP gross margin, operating expense, and cash management
- Extends **cash runway to end of 2024** through realignment plan



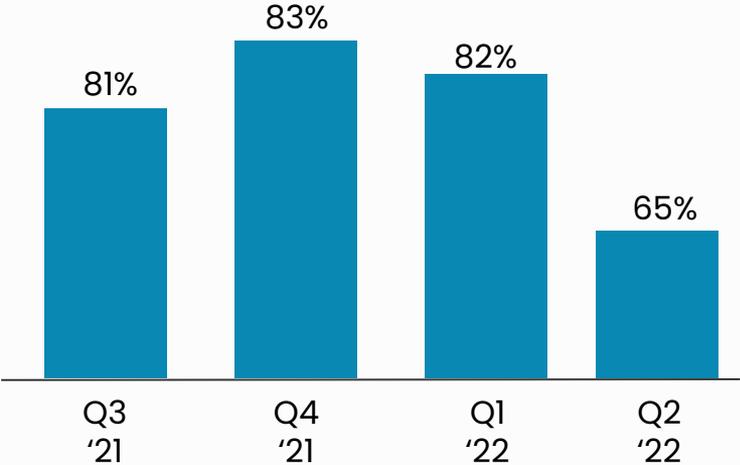


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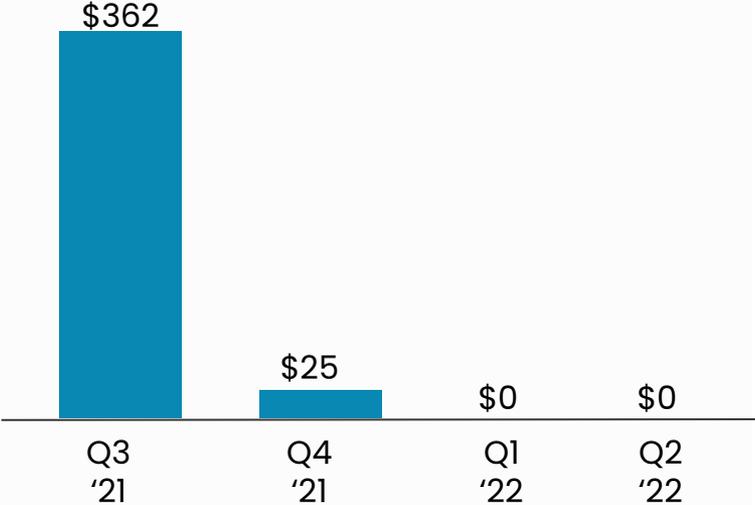
Appendix

Strategic investment

Non-GAAP R&D¹ % of Revenue



Capital used for M&A (millions)



Notes:
1. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix

Selected financial metrics – Q3'21–Q2'22

(\$ in mil)	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Revenue	\$136	\$124	\$126	\$114
GAAP gross margin	19.2%	21.5%	23.8%	23.3%
Non-GAAP gross margin ¹	40.1%	36.6%	36.5%	35.6%
GAAP research and development	84.3%	103.7%	104.5%	85.2%
Non-GAAP research and development ¹	65.0%	81.9%	83.2%	81.2%
GAAP operating expenses	1,864%	193.9%	193.9%	192.3%
Non-GAAP operating expenses ¹	146.5%	169.0%	171.0%	176.4%
Cash, cash equivalents, restricted cash, and marketable securities	\$737	\$885	\$1,056	\$1,252
Cash Burn ¹	\$(147)	\$(169)	\$(196)	\$(286)

Notes:

1.

Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix Trended 8 quarter view at ir.invitae.com



Cost of revenue Q2 2022 GAAP to non-GAAP reconciliation

- Cost of revenue of \$110.3 million
- Non-GAAP cost of revenue of \$81.9 million

(in thousands)	Q2 2022	Q2 2021
Cost of revenue	\$110,340	\$89,331
Amortization of acquired intangible assets	(27,907)	(11,323)
Acquisition-related stock-based compensation	(147)	(1,306)
Acquisition-related post-combination expense	(387)	–
Fair value adjustments to acquisition-related assets	–	(1,574)
Non-GAAP cost of revenue	\$81,899	\$75,128

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



Gross profit Q2 2022 GAAP to non-GAAP reconciliation

- Gross profit of \$26.3 million
- Non-GAAP gross profit of \$54.7 million

(in thousands)	Q2 2022	Q2 2021
Revenue	\$136,622	\$116,312
Cost of revenue	110,340	89,331
Gross profit	26,282	26,981
Amortization of acquired intangible assets	27,907	11,323
Acquisition-related stock-based compensation	147	1,306
Acquisition-related post-combination expense	387	–
Fair value adjustments to acquisition-related assets	–	1,574
Non-GAAP gross profit	\$54,723	\$41,184

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



Operating expense Q2 2022 GAAP to non-GAAP reconciliation

- Operating expense, which excludes cost of revenue, was \$2.5 billion
- Total non-GAAP operating expense was \$200.1 million for the quarter

(in thousands)	Q2 2022	Q2 2021
Research and development	\$115,146	\$106,454
Selling and marketing	62,749	56,964
General and administrative	52,858	38,303
Asset impairment	2,317,864	-
Change in fair value of contingent consideration	(2,004)	(303,349)
Operating expense	2,546,613	(101,628)
Amortization of acquired intangible assets	(2,124)	(2,215)
Acquisition-related stock-based compensation	(25,886)	(311)
Acquisition-related post-combination expense	(2,643)	(1,001)
Asset impairment	(2,317,864)	-
Fair value adjustments to acquisition-related liabilities	2,004	303,349
Non-GAAP operating expense	\$200,100	\$198,194

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



Net (loss) income Q2 2022 GAAP to non-GAAP reconciliation

(in thousands)	Q2 2022	Q2 2021
Net (loss) income	\$(2,523,461)	\$133,786
Amortization of acquired intangible assets	30,031	13,538
Acquisition-related stock-based compensation	26,033	1,617
Acquisition-related post-combination expense	3,030	1,001
Fair value adjustments to acquisition-related assets and liabilities	(8,194)	(304,149)
Asset impairment	2,317,864	-
Acquisition-related income tax benefit	(3,805)	(17,287)
Non-GAAP net loss	\$(158,502)	\$(171,494)

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



Cash, cash equivalents, restricted cash and marketable securities totaled ~\$737 million at June 30, 2022

- Cash burn of \$147.0 million for the quarter

(in thousands)	Q2 2022	Q2 2021
Net cash provided by (used in) operating activities	\$(134,689)	\$(129,325)
Net cash (used in) provided by investing activities	108,965	(80,701)
Net cash (used in) provided by financing activities	3,770	1,123,553
Net increase (decrease) in cash, cash equivalents and restricted cash	(21,954)	913,527
Adjustments:		
Net changes in investments	(125,087)	(51,475)
Proceeds from issuance of convertible senior notes, net	-	(1,116,850)
Proceeds from exercises of warrants	-	(452)
Cash burn	\$(147,041)	\$(255,250)

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





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