

Natera, Inc.

Investor presentation

January 2020

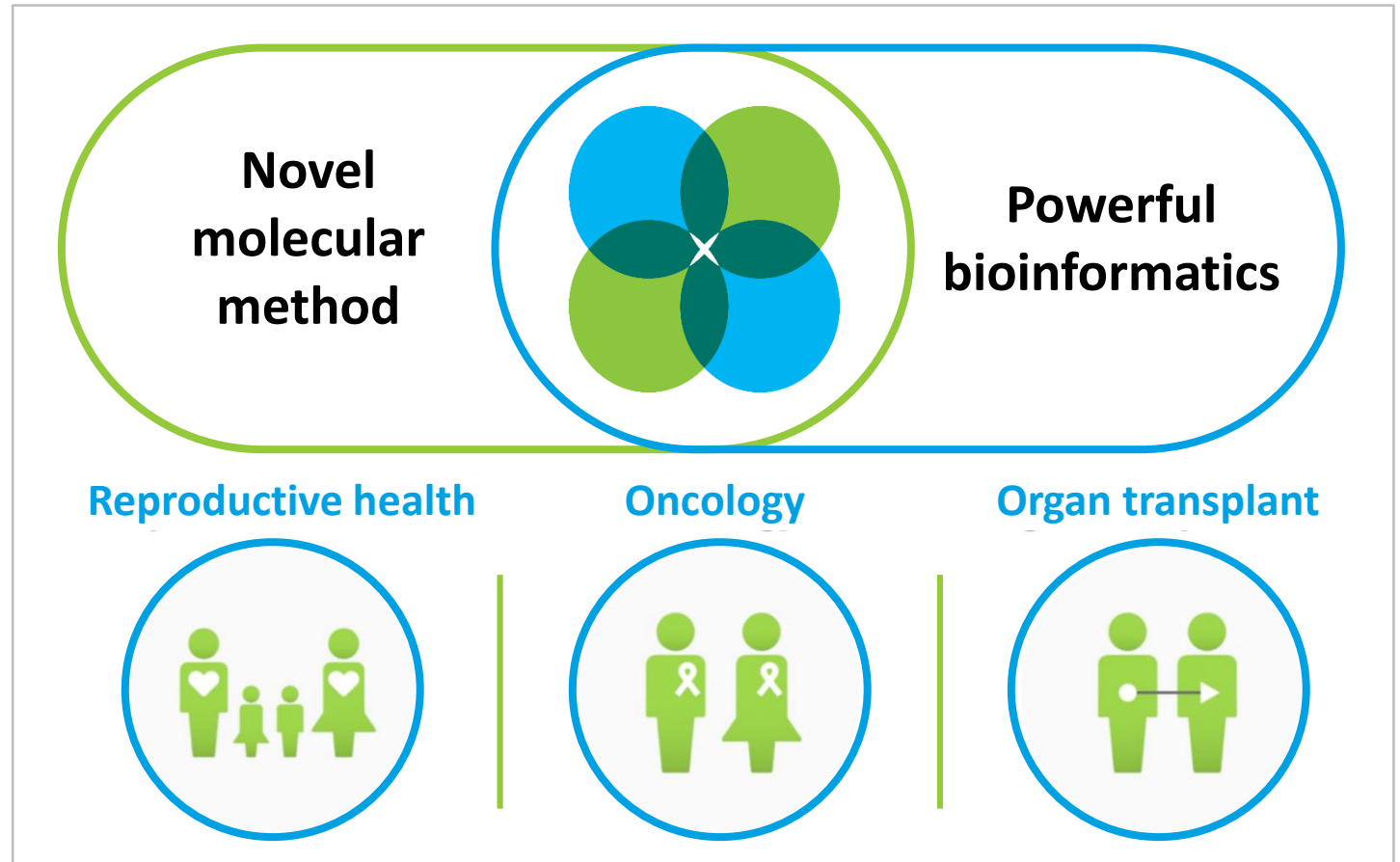


Well positioned for a strong 2020

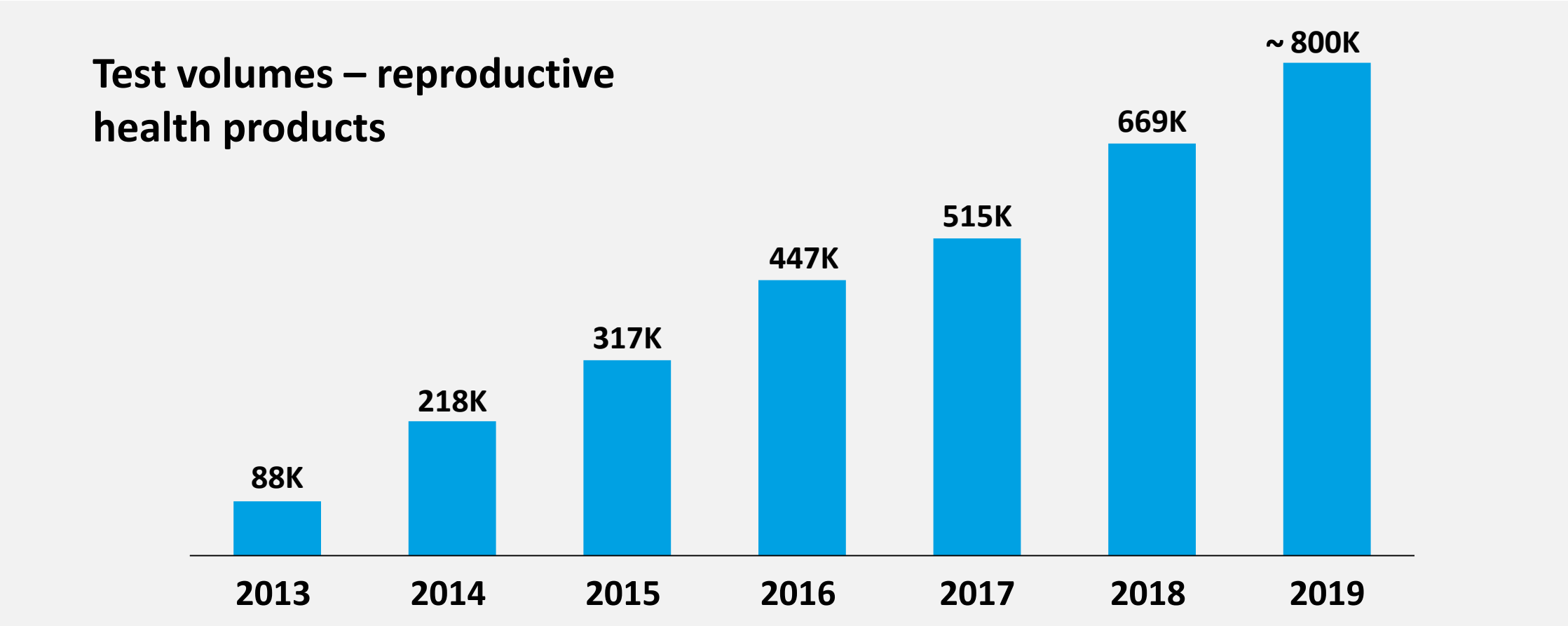
- ~800,000 tests processed in 2019: 20% growth vs 2018, very strong Q4
- Outperformed 2019 pharma contracted value goal: \$55 million in TCV vs. 2019 goal of \$40 - \$50 million
- Received final Local Coverage Decision for Prospera; final pricing expected in mid-Q1
- Extended leadership in colorectal cancer: 8 new oncology patents issued or allowed, signed multiple CRC trials, launching BESPOKE trial
- Hired Eric Evans as CSO, co-founder/CSO of Counsyl

Natera's technology designed to analyze cell-free DNA

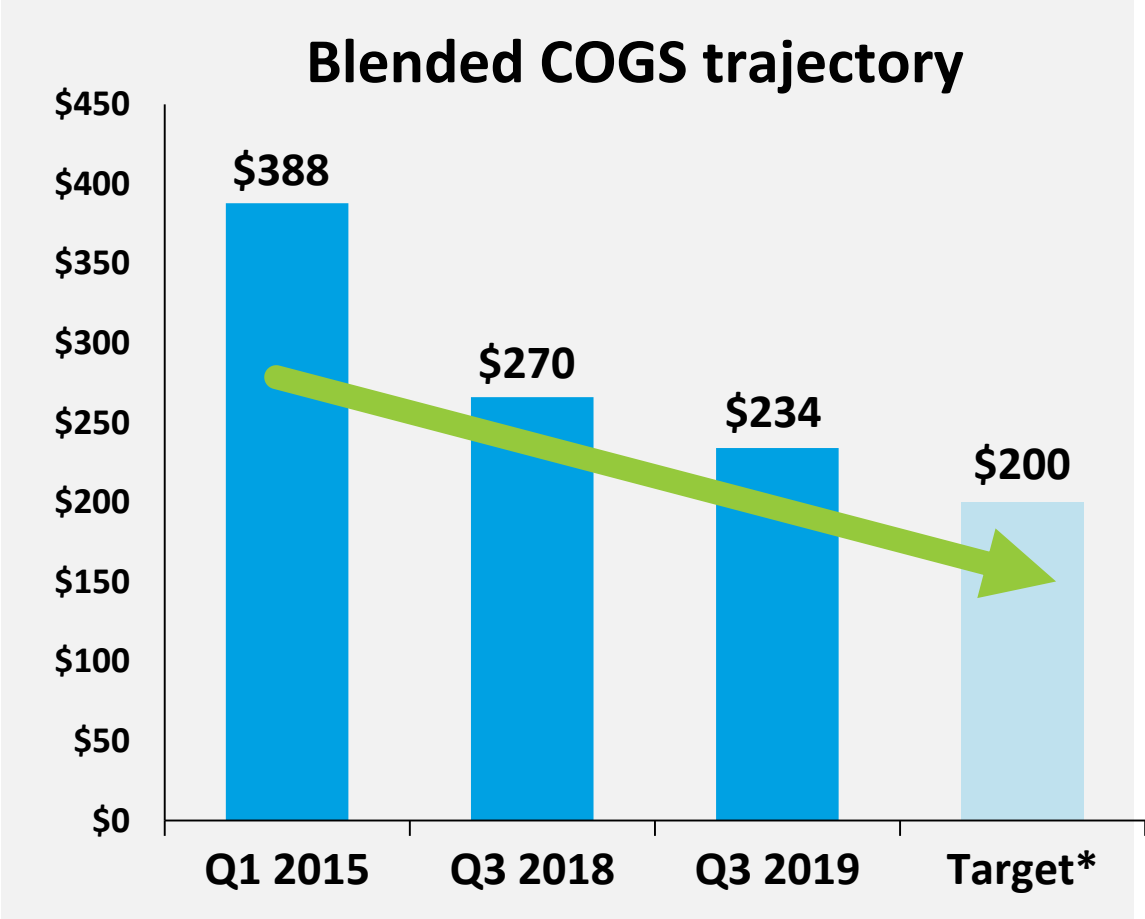
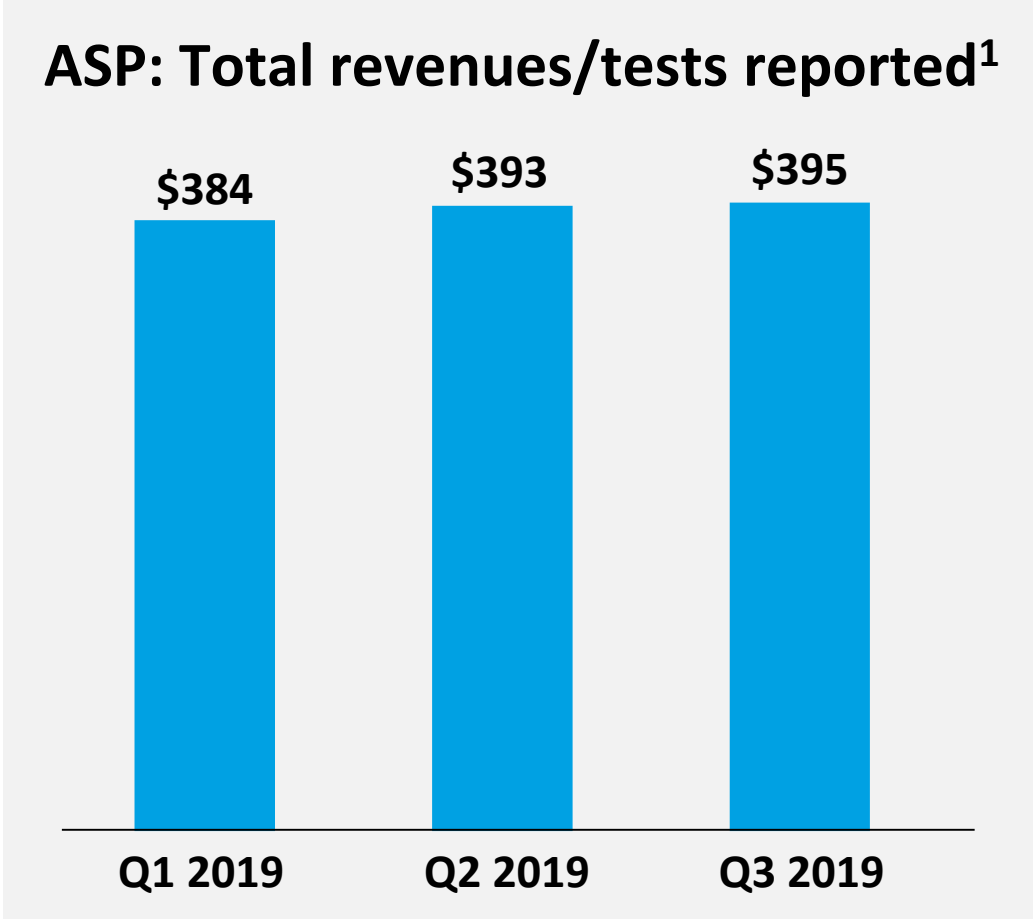
- 10+ years of experience with cell-free DNA
- >2 million tests performed
- Single molecule sensitivity in a tube of blood



Leadership position in reproductive health



Average selling prices and COGS momentum

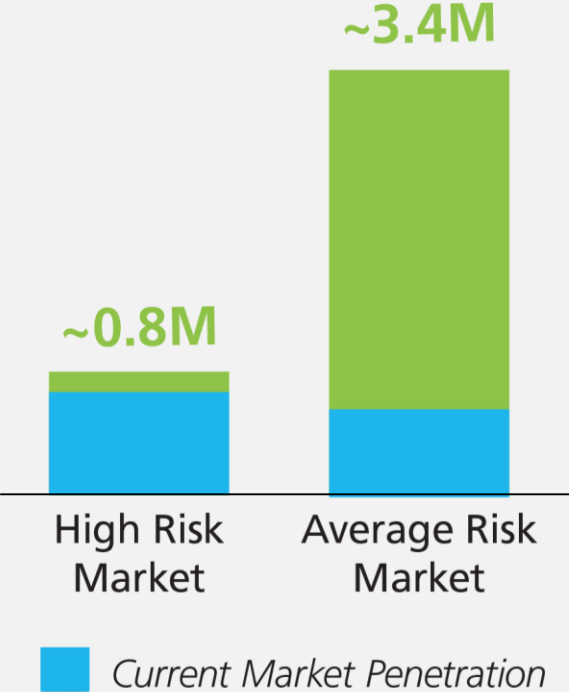


1. ASP calculation excludes revenue recognition from Qiagen, FMI, and BGI partnerships, and certain non-recurring items
* Target COGS estimate based on currently funded and active R&D projects
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Average risk NIPT adoption opportunity

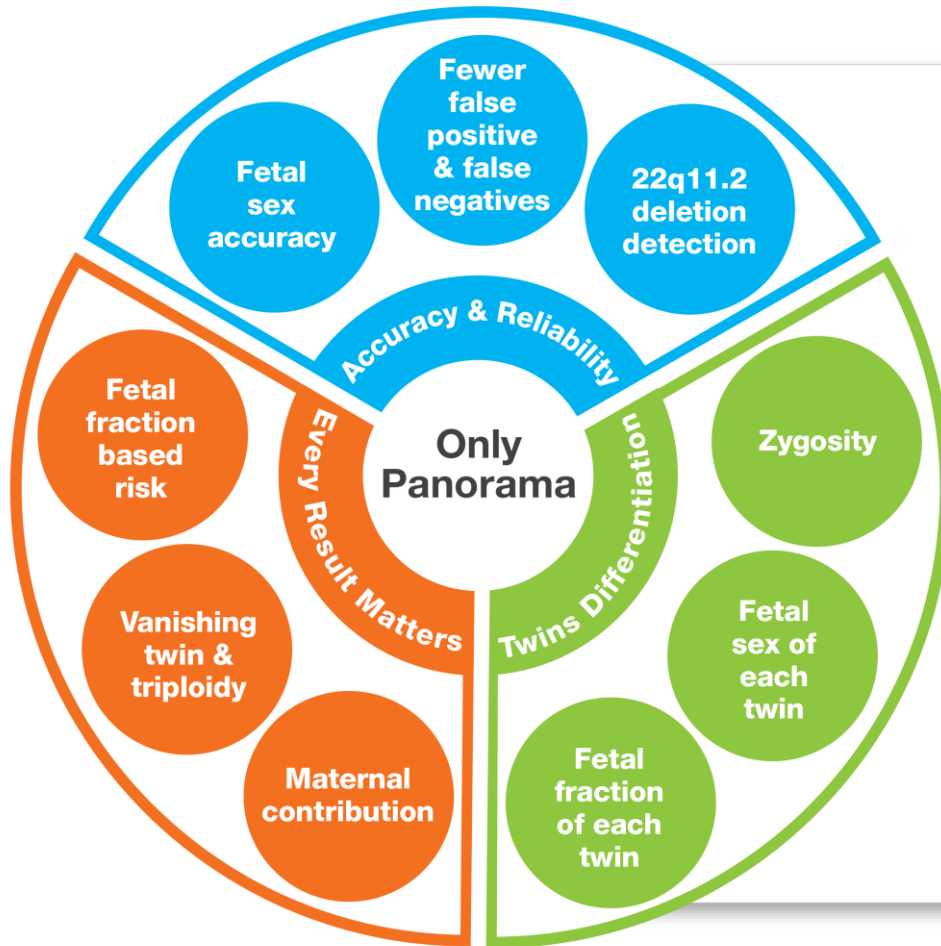
4.2 million pregnancies in U.S.



SMART trial reading out in 2020

- Largest NIPT prospective trial of 20,000 patients with full clinical follow-up
- Expected publication in a leading journal
- Extends Natera’s clinical evidence leadership

Panorama's technical leadership continues to grow



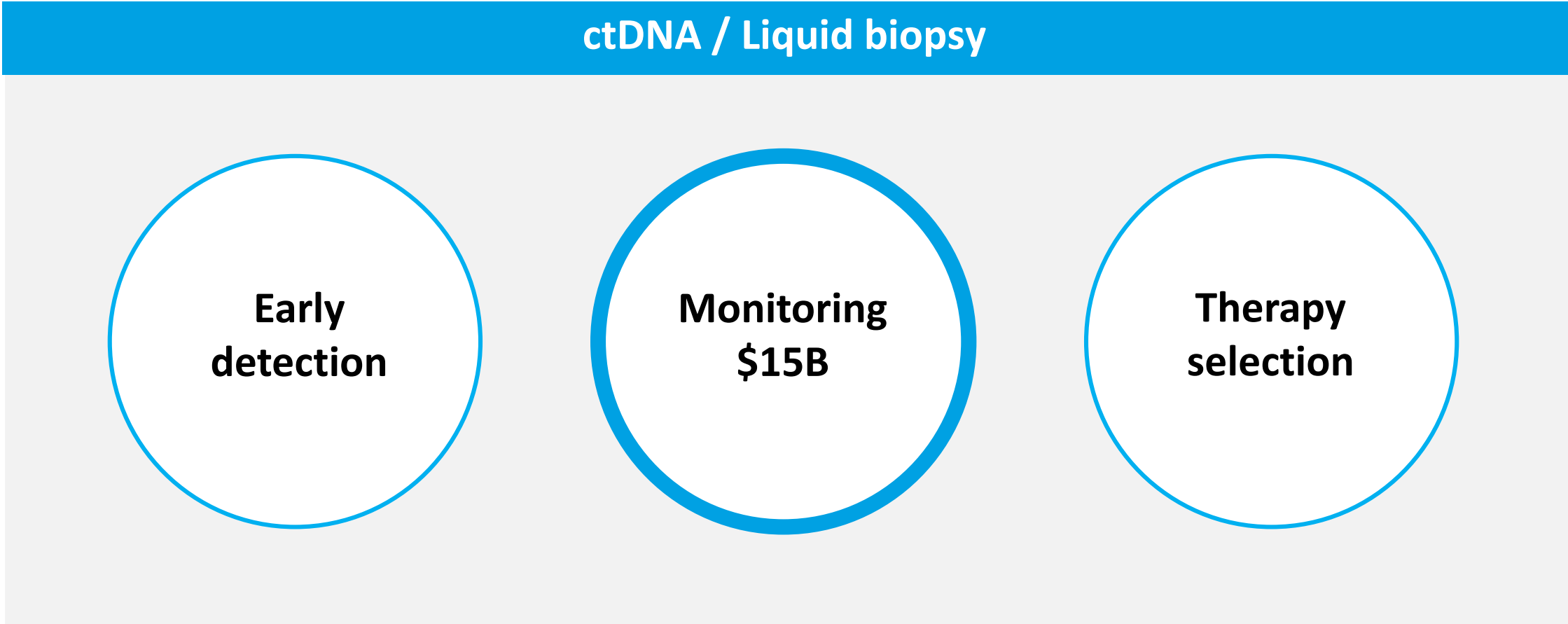
Number of peer reviewed publications (NIPT)*

patients studied

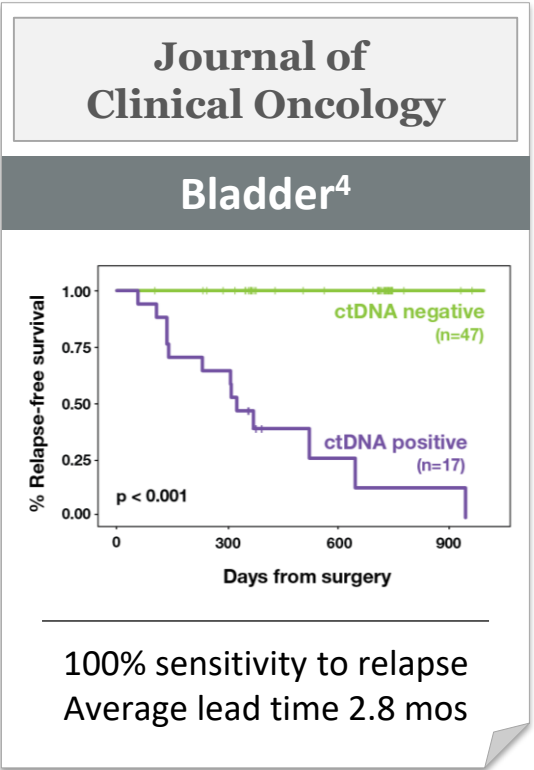
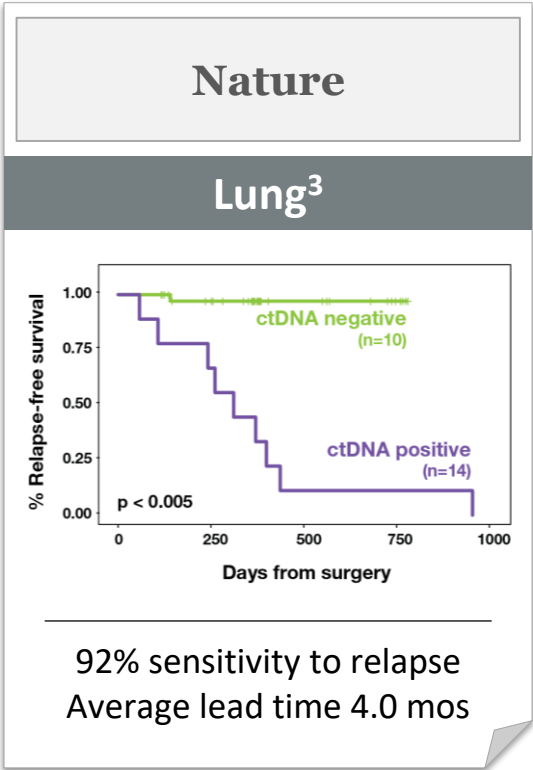
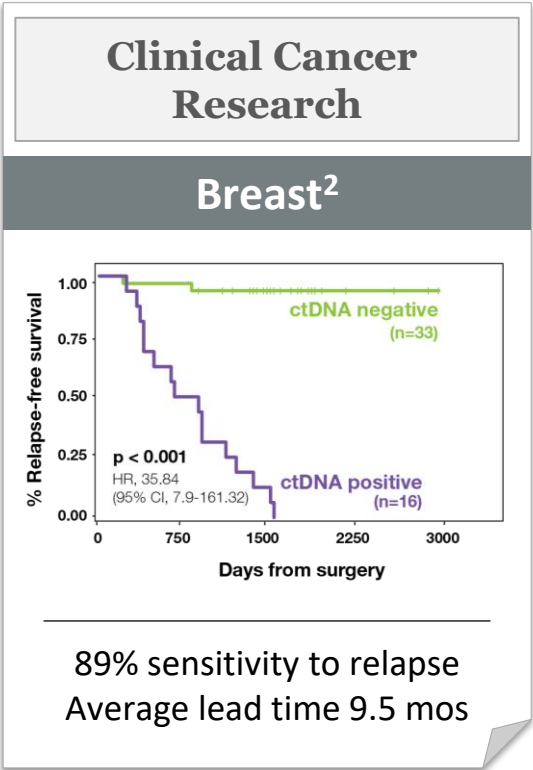
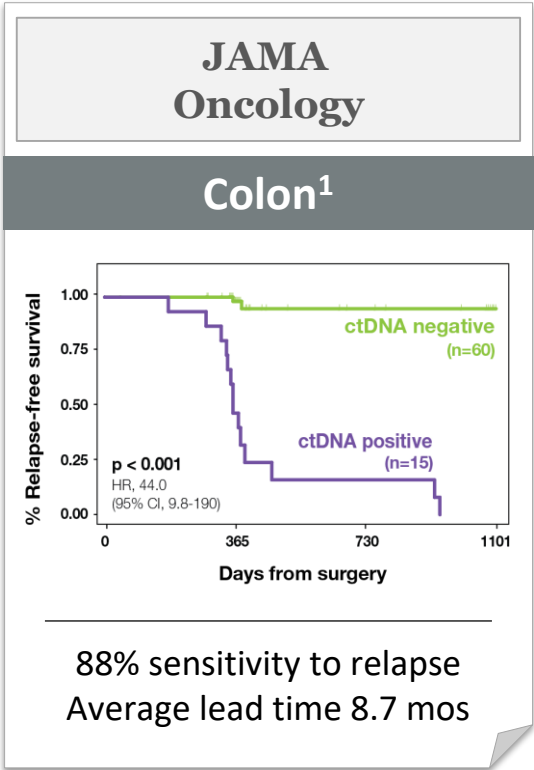
Company	Number of peer reviewed publications (NIPT)*	# patients studied
Natera	20	1,210,873
Roche	14	25,963
Illumina	13	232,504
SQNM/LC	12	347,765
Myriad	3	145,360
Invitae	0	-
Progenity	0	-

*Peer-reviewed publications with company co-authors
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Oncology MRD market opportunity



Signatera validated across multiple tumor types



Positive Signatera result, without further treatment, has predicted relapse with overall PPV > 98%¹⁻⁴

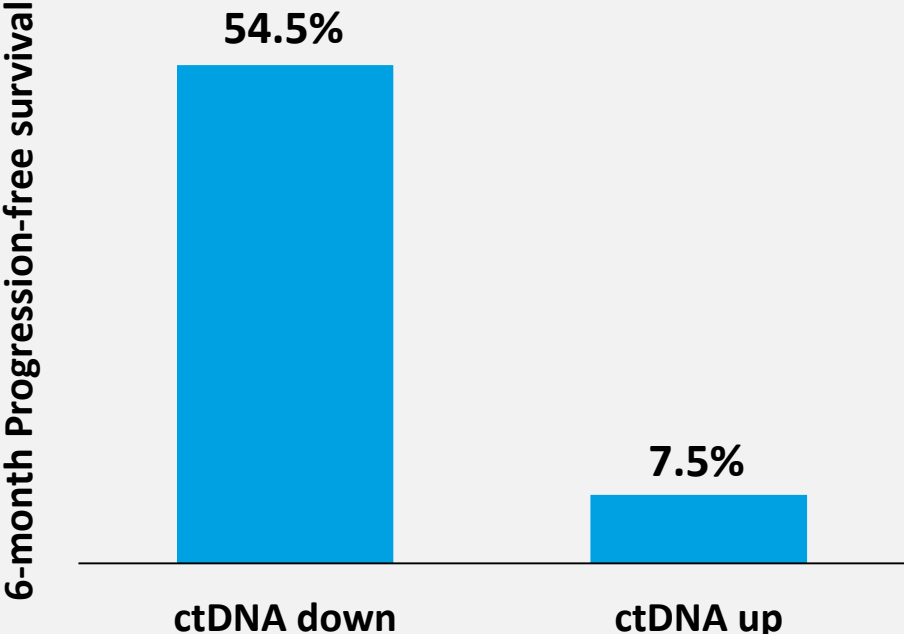
1. Reinert T, Henriksen TV, Christensen E, et al. [AMA Oncol. 2019. doi:10.1001/jamaoncol.2019.0528. 2. Coombes RC, Page K, Salari R, et al. Clin Cancer Res. 2019. doi: 10.1158/1078-0432.CCR-18-3663. 3. Abbosh C, Birkbak NJ, Wilson GA, et al. Phylogenetic ctDNA analysis depicts early-stage lung cancer evolution. Nature. 2017;545:446-451. 4. Christensen E, Birkensamp-Demtroder K, Sethi H, et al. J Clin Oncol. 2019. doi: 10.1200/JCO.18.02052.



Signatera also validated to assess treatment response

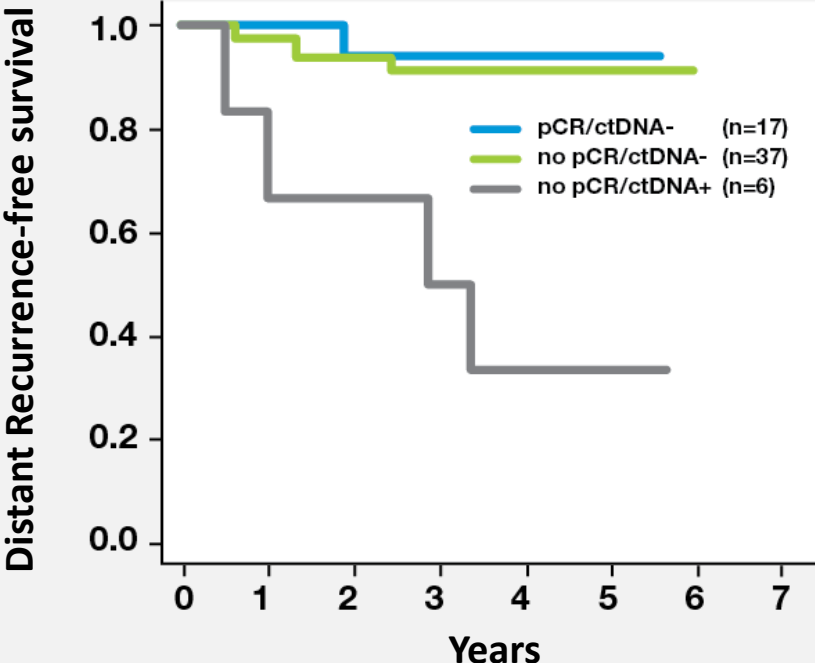
Immunotherapy response

Accurately predicted by Signatera after just 6 weeks of treatment (INSPIRE)¹



Neoadjuvant response

Accurately predicted by Signatera even before surgery (ISPY-2)²



1. PMCC ESMO: Yang C, Lafolla MAJ, Dashner S, et al. ESMO. Barcelona, Spain. September 27-October 1, 2019.
2. ISPY-2 SABCS: Magbanua MJM, Brown-Swigart L, Hirst GL, et al. SABCS. San Antonio, Texas, December 10-14, 2019



Key commercial channels



Direct channel **Clinical**

Direct channel **Pharma**



Presence
 100K+ clinical patients/yr
 50+ active pharma partners

Hiring oncology field force

Pharma BD reps

1 million+ genetic tests in 2018 in China

Near-term goal
 Biopharma Launch in 2020

Final LCD for colorectal cancer

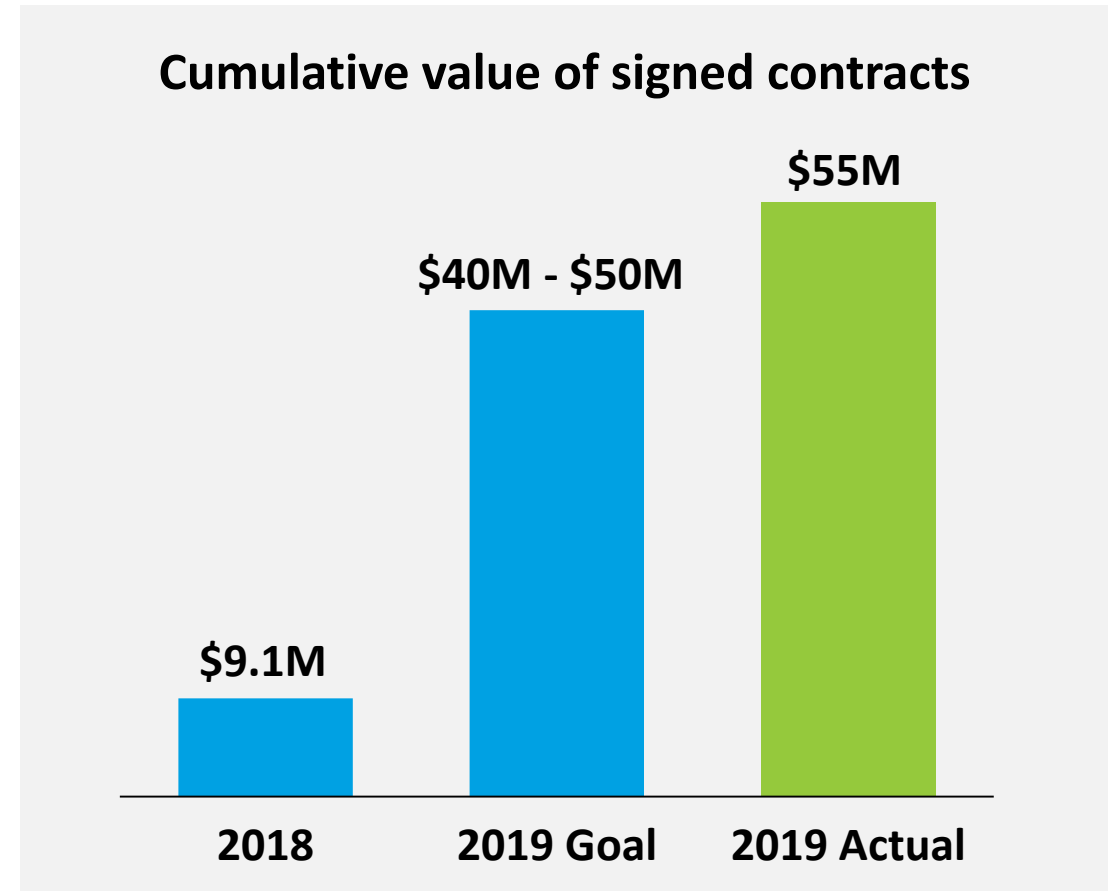
Grow contracted value and revenue

Launch in 2020



2019 pharma total contracted value goal achieved

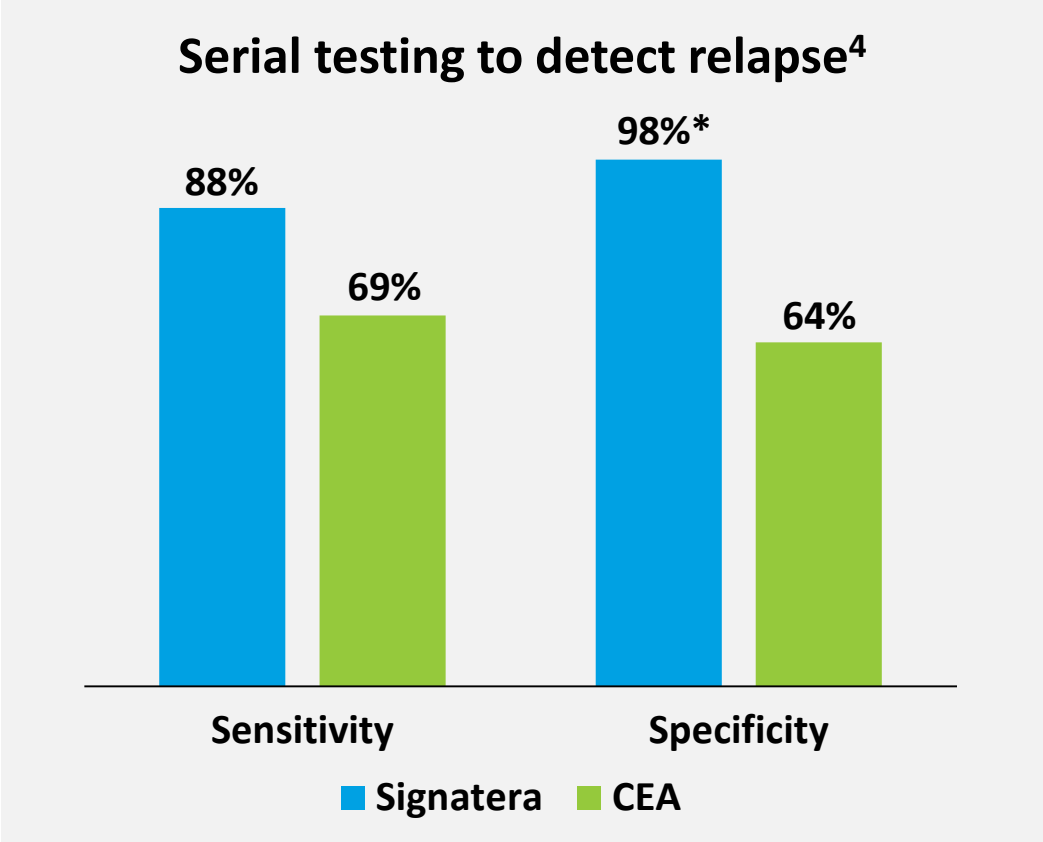
- >50 Pharma deals signed to date
- Multiple prospective studies in CRC, NSCLC, pancreatic
- Two key benefits for pharma:
 1. **Study enrichment:**
treating only MRD-positive patients, for higher drug efficacy
 2. **Early endpoint:**
observing MRD clearance, for faster study results



Commercial launch in colorectal cancer

Signatera detects recurrence earlier than CT imaging ¹	
Average lead time vs CT	8.7 months
Maximum lead time vs CT	16.5 months

- Est. opportunity ~1 million tests annually
- Over 85% of relapses caught **too late** for curative surgery^{1,2}



*Patient-level specificity 98%; test-level specificity 99.7%³

1. Purandare NC, et al. The Indian journal of radiology & imaging. 2010;20(4):284-288. 2. Lapointe L. Laboratory, Advance Healthcare Network. 2016;25(9):14.
3. Natera – data on file. 4. Reinert T, et al. JAMA Oncol. 2019. doi:10.1001/jamaoncol.2019.0528.
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Leadership in CRC data and clinical development

Clinical validation study: JAMA Oncology (Reinert et al, 2019)

130 patients, 829 plasma samples. Relapse detected up to 16.5 months earlier (avg 8.7 months earlier) than standard imaging and CEA

BESPOKE CRC trial

- Sponsored by Natera
- Prospective, non-randomized
- 1,000 Stage II-III CRC patients tested with Signatera
- Real-world study of MRD-guided treatment following the Medicare LCD

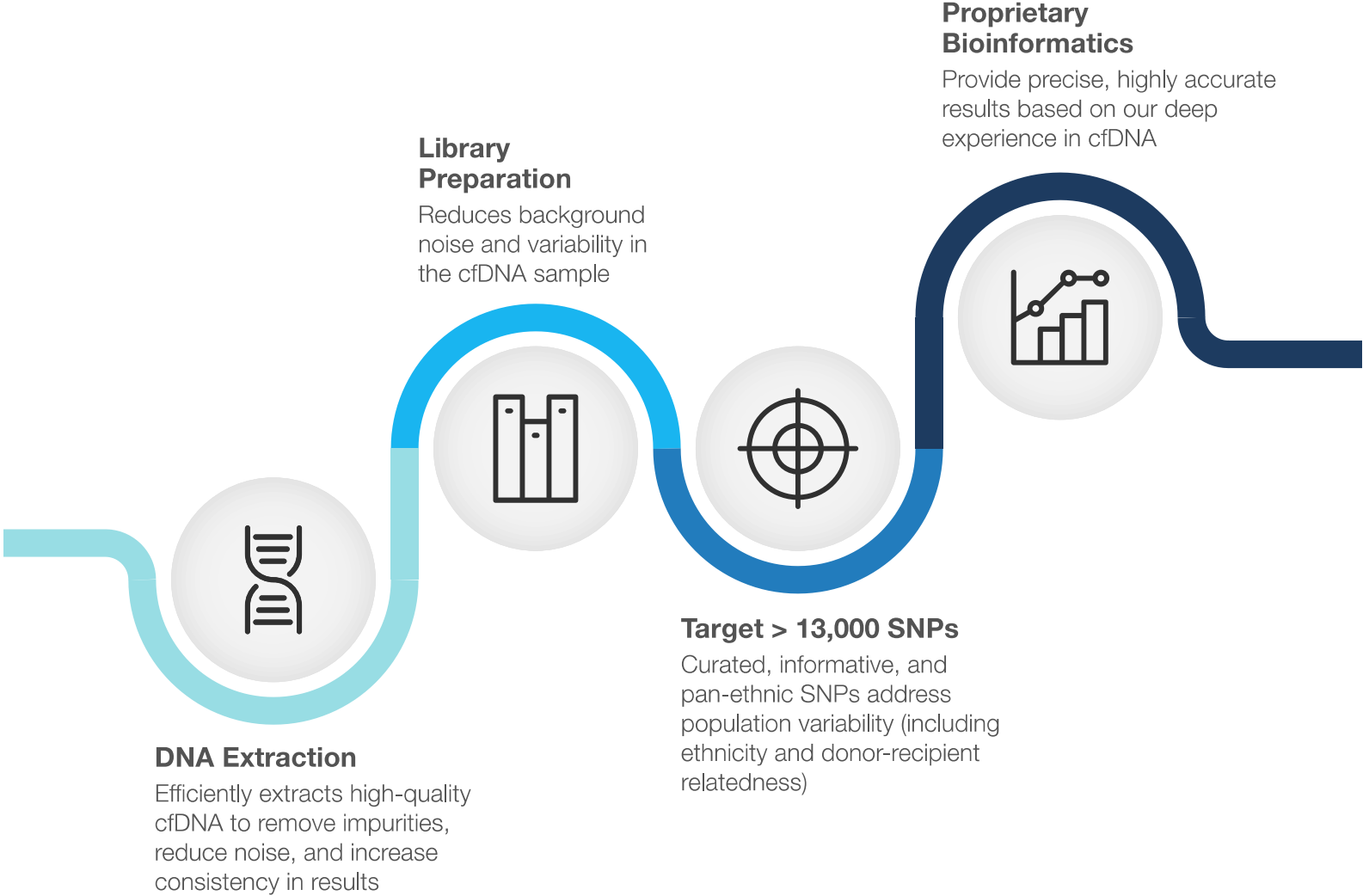
CIRCULATE-IDEA trial Japan

- Sponsored by NCC Japan
- Prospective, randomized
- 1,500 Stage II-III colon cancer patients tested with Signatera
- Treatment de-escalation for MRD-negative patients, and escalation for MRD-positive patients

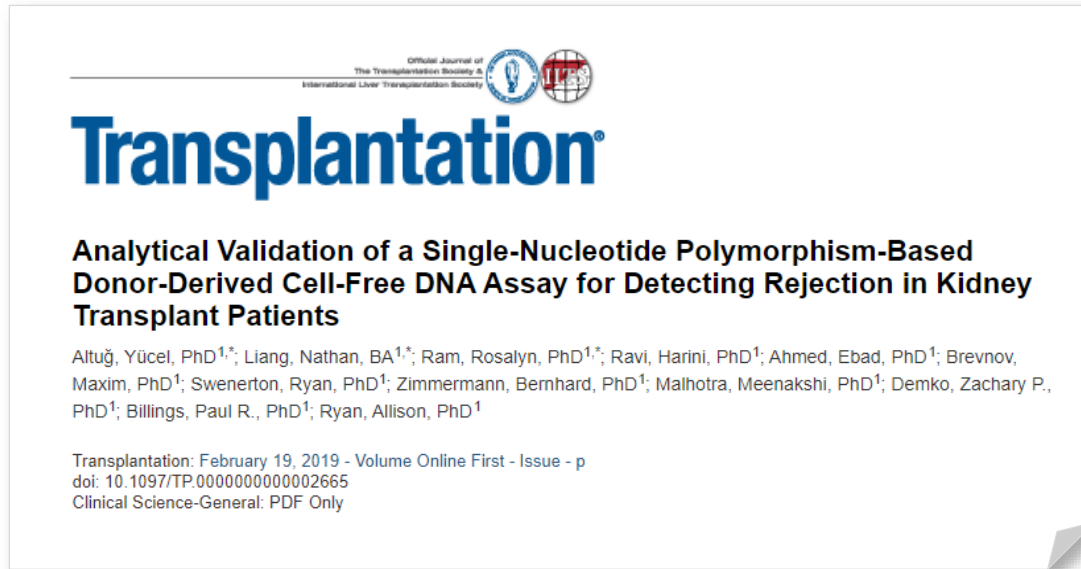
COLUMBIA-2 trial

- Sponsored by AstraZeneca
- Prospective, randomized platform clinical study
- Stage II-III microsatellite stable CRC patients tested with Signatera after surgery
- MRD-positive patients receive adjuvant chemo +/- novel treatments
- ctDNA clearance after 6 months of treatment, as measured by Signatera, used as primary endpoint

Refined workflow for high performance results



Experience translates to superior **analytical** performance



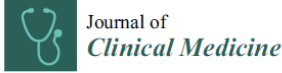

- Up to 2.3x less variability across runs than existing data
- Up to 5x less variability within runs than existing data

	Natera ¹	Other Commercial Assay ²
More SNPs targeted & analyzed ¹	~ 13,000	266
Precision within run 5x better ¹ <i>Coefficient of Variation</i>	1.85%	9.2%
Precision across runs 2.3x better ¹ <i>Coefficient of Variation</i>	1.9%	4.5%
Only assay with evaluated performance in related and unrelated donors	YES	NO

1. Altug, et al. Transplantation. 2019, doi: 10.1097/TP.0000000000002665

2. Grskovic et al. J Mol Diagn. 2016;18(6):890-902.

Core technology drives **clinical** performance

Article

Optimizing Detection of Kidney Transplant Injury by Assessment of Donor-Derived Cell-Free DNA via Massively Multiplex PCR

Tara K. Sigdel ^{1,†}, Felipe Acosta Archila ^{2,†}, Tudor Constantin ^{2,†,‡}, Sarah A. Prins ^{2,†}, Juliane Liberto ¹, Izabella Damm ¹, Parhom Towfighi ¹, Samantha Navarro ², Eser Kirkizlar ², Zachary P. Demko ², Allison Ryan ², Styrmir Sigurjonsson ², Reuben D. Sarwal ¹, Szu-Chuan Hseish ¹, Chitranon Chan-On ¹, Bernhard Zimmermann ², Paul R. Billings ², Solomon Moshkevich ² and Minnie M. Sarwal ^{1,*}

- More sensitive and specific than serum creatinine
- Assessed all types of rejection, including TCMR
- First published dd-cfDNA assay to identify subclinical rejection

	Natera ¹	Other Commercial Assay ²
Largest published renal transplant dd-cfDNA validation study ²	217	107
Highest reported overall sensitivity ² <i>ABMR and TCMR</i>	89%	59%
Highest reported performance to assess T-cell mediated rejection ² <i>Sensitivity</i>	100%	27%
First, only test to identify subclinical rejection ² <i>Sensitivity</i>	92%	NA

1 Sigdel TK, et al. J. Clin. Med. 2019, 8, 19.

2 . Bloom RD, et al. J Am Soc Nephrol. 2017 Jul;28(7):2221-2232.

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Second prospective trial launching for Prospera



- Clinical study with Dr. Phil Halloran, One Lambda, and a network of leading transplant centers
- A prospective, multi-center trial (approx. 15 sites) that will study Prospera, Molecular Microscope, and DSA
- Will generate key insights into the benefits of monitoring patients with a full suite of molecular testing
- Enrollment to begin this year

Transplant: Final local coverage decision received

- Final pricing expected mid Q1
- Full Commercial launch expected mid Q1
- Strong transplant – focused commercial team in place

**FUTURE Local Coverage Determination (LCD):
MolDX: Prospera™ (L38041)**

LCD Information

Document Information

Future Effective

LCD ID
L38041

LCD Title
MolDX: Prospera™

Proposed LCD in Comment Period
N/A

Source Proposed LCD
[DL38041](#)

Original Effective Date
For services performed on or after 02/03/2020

Revision Effective Date
N/A

Revision Ending Date
N/A

Retirement Date
N/A

Notice Period Start Date
12/19/2019

Near term investments to enable rapid growth

Reproductive health

- Commercial leadership position
- Product enhancements
- COGS reductions:
 - Algorithm improvements
 - Automation
 - Alternative sequencing platforms

Oncology

- Build direct commercial channel to launch colorectal cancer test
- Support BGI product development and launch
- Support Foundation Medicine development and launch
- Clinical trials to support additional CMS submissions

Organ transplant

- Direct sales and marketing channel
- Product line extensions
- Registry trial launch

Conceive. Deliver. Thrive.

