

# The Allo-Transplantation Company

Focused on better outcomes  
through personalized  
transplant surveillance

May 2021

**Allo-transplant** (allo- meaning "other" in Greek) is the transplantation of cells, tissues or organs to a recipient from a genetically non-identical donor of the same species



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## Our Vision

The leading partner for the transplant ecosystem

## Our Mission

We are committed to improving long-term outcomes by providing innovative solutions throughout the entire transplant patient journey



# Q1 2021 Highlights

## Operational

**> 7,000** RemoTraC Patients

**> 60** AlloSure Named Protocol Centers

**Launched** AlloSure Heart (multi-modality) offering

**Connected** >20K dialysis referrals to centers

**Presented** >AlloCell data at TCT 2021<sup>1</sup>

## Financial

**> \$265M** Annual Revenue Run Rate

**76%** 2021 YoY Revenue Growth

**70%** Non-GAAP Gross Margin\*

**11%** Adjusted EBITDA Margin\*

**\$374.3M** Cash, Cash equivalents, marketable securities

*\*Non-GAAP measures shown have been adjusted for certain items that are described in the Appendix*  
1- 2021 Meeting of the American Society of Transplantation & Cellular Therapy (ASTCT)<sub>4</sub>

# Platform in Transplantation with Growth Accelerators in Place

Industry  
Leading  
Products & Services



Leading Medical  
Reimbursement



Strong  
Clinical  
Data



Robust  
End-stage  
Pipeline

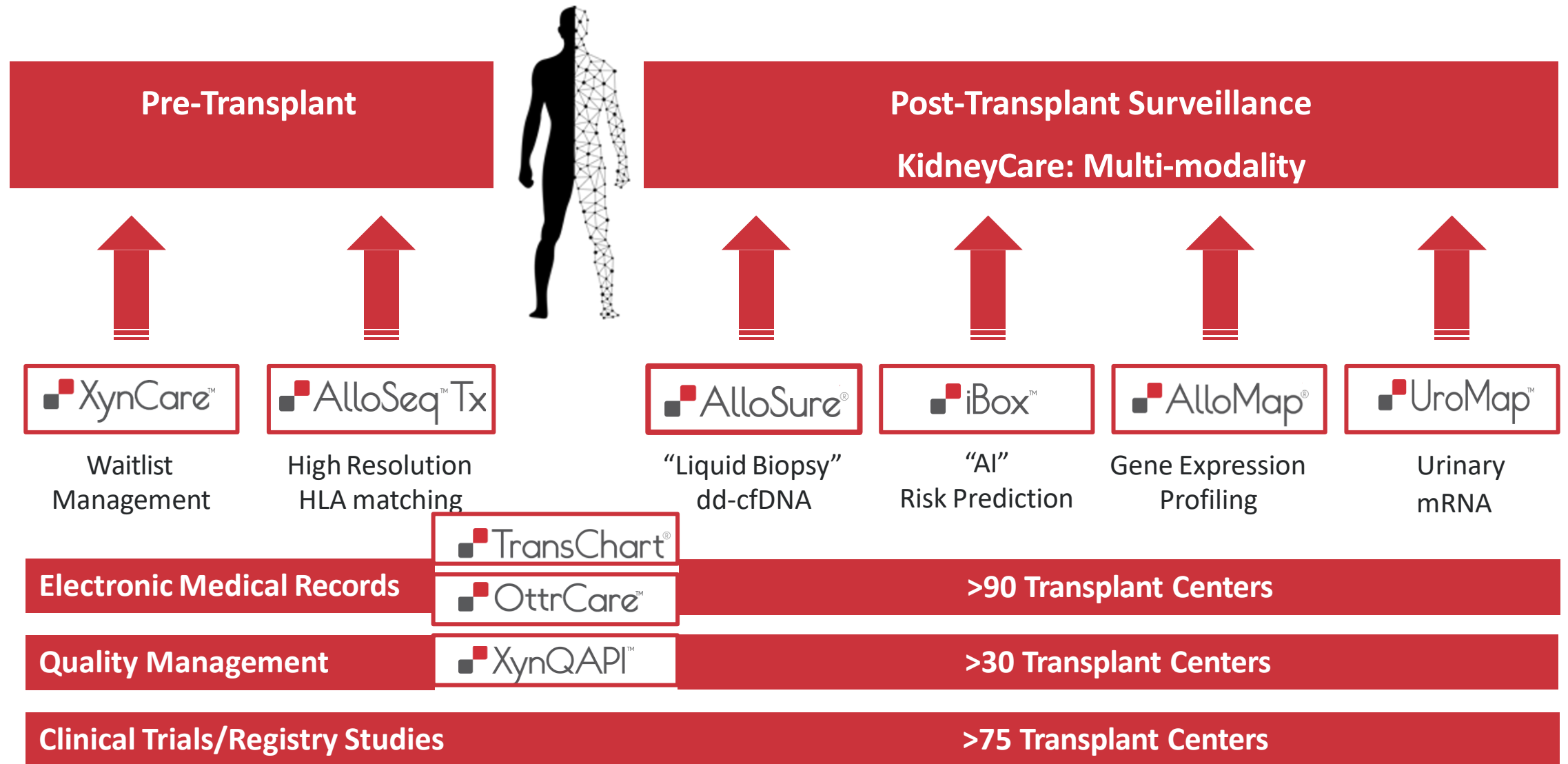


Strong  
Financial  
Position



Expanding **\$12B+** market opportunity

# Multiple Touchpoints Along Patient Journey



# CareDx's Growth Story

## Single Product



### Heart Transplant

- Gene Expression Profiling

## Multi-Product



### Solid Organ Transplant

- Surveillance schedule
- Multi-modality Testing
- US Transplant Centers

## Platform



### All Transplant

- Services, Products & Digital
- Global Medical Institutions
- Ecosystem Partnerships
- Patient Engagement

# Leveraging Business Development to Establish Leadership in Transplantation

## Acquisitions



First  
dd-cfDNA  
technology in  
transplant



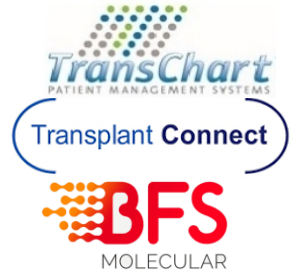
Pre-transplant  
HLA testing &  
international  
expansion



First HLA target  
capture  
sequencing  
technology



Entry into  
digital  
transplant  
tools



2014

2015

2016

2017

2018

2019

2020

2021

## Partnerships / Collaborations



First  
dd-cfDNA  
technology in  
transplant



Global rights to  
NGS products in  
bone marrow &  
solid organ  
transplant



First  
validated  
transplant AI  
as part of iBox



Expansion  
of multi-  
modality  
offerings with  
HistoMap &  
UroMap






Transplant  
specific,  
metagenomic  
infectious  
disease testing





# CareDx is the Leading Partner Across US Transplant Centers

	 KIDNEY	 HEART	 OTHER ORGANS
Deep Center Penetration	70%+ Centers Using AlloSure	90%+ Centers Using AlloMap	20+ Centers Using AlloSure Lung
Clinical Partnerships	70+ KOAR/OKRA Centers	60+ SHORE Centers	20+ Investigator Initiated Trials
Leadership Indicators	>60 Named Center Protocols	50% Newly Transplanted Patients	High Impact Publications

Note: Center penetration based on UNOS listed transplant centers as of Q1 2021; does not include non-transplant hospitals.

## Home Based Blood Draws for Full Blood Workup/Surveillance



Transplant  
Centers

Broad  
interest

> 150  
Centers



Patient  
Consent

Rapid  
uptake

> 6K  
Patients



Patient Care  
Manager

Accelerated  
structure

40+ Hired  
in 3 Weeks



Mobile  
Network

Created national  
phlebotomy

>10K in  
Network



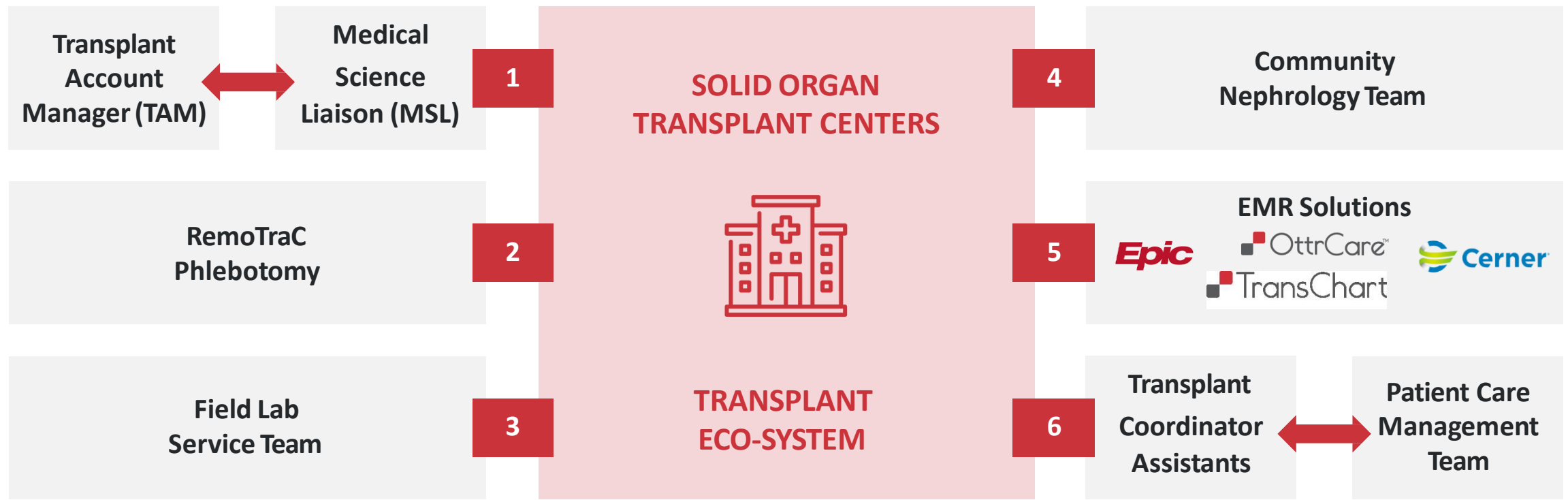
Field Lab  
Support

Established customer  
excellence group

Combined  
Patient Facing  
Employees

# Building a MOAT Around Each Center

**“We are 100% Transplant Focused. Always.”**



# Latest Innovation Transplant Care: Multi-Modality Surveillance

## Latest Innovation



**Donor-derived Cell-free DNA  
(dd-cfDNA)**

### Graft Injury

- 95% NPV
- 89% PPV ABMR (AS+DSA)
- Only dd-cfDNA to discriminate ambiguous rejections



**Machine learning  
Transplant Data Analytics**

### Graft Prognosis

- Validated Prognostic algorithm
- Published validation cohort (>7k patients)



**Gene Expression  
Profiling (GEP)**

### Immune Activity

- Leveraged FDA cleared panel
- Dynamic gene expression approach

## Recent Additions



### Gene Expression/Urine

- Developed by Cornell
- Gene expression for acute cellular rejection



### Gene Expression/Tissue

- Developed by Banff
- Identify rejection in tissue
- Improved workflow, reproducible



### Metagenomic ID Testing

- Developed w/ IDbyDNA
- >100 pathogens and their drug resistance profiles



# Strategic Investments in Clinical Development

## Large Multi-Center Clinical Studies

Start	Name	Impact	Centers	Patients	Samples
2020	c19txr	Long-term <b>COVID</b> Transplant Outcomes	>30	>2,000*	N/A
2019	OKRA	Long-term <b>Kidney</b> Transplant Outcomes	>50	>1,500	>8,000
2018	SHORE	Long-term <b>Heart</b> Transplant Outcomes	>50	>3,200	>8,000
2018	K-OAR	Long-term <b>Kidney</b> Transplant Outcomes	>50	>1,500	>8,000
2015	DART	Validation AlloSure <b>Kidney</b> Transplant	14	400	2,100

## Investigator Initiated Trial Program

> 40

Transplant Centers



COLUMBIA UNIVERSITY  
MEDICAL CENTER



## Grant Support incl. Societies

> 40

Transplant  
Investigators



\* Expected final enrollment





## Provider Solutions



### AITraC

Clinical Decision Support



### Ottr 3.x

Electronic Medical Records



### XynQAPI

Quality Management



### XynCare

Waitlist Management



### AlloCare

Patient Engagement App



### "Tracy"

Virtual Transplant Assistant

## Transplant Data Platform

Foundational functionality for data exploration and insights creation

## Digital Offerings: Transplant EMR & Patient App

Support EMR integration and testing protocol adherence

Transplant dedicated EMR based on Cerner platform

Growth from OttrSAAS, Ottr Bone Marrow and Cerner/VA implementation

Leading Transplant Patient Engagement

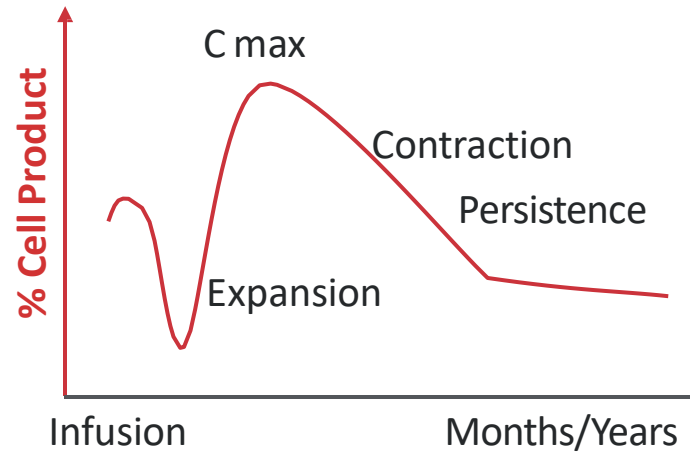


# New: Surveillance for Engineered and Non-Engineered Allogeneic Cell Therapy

## Cell Therapy Patient Monitoring



- Monitors pharmacokinetics and persistence of allogeneic cells
- Five years in-house development and experience with technology



- Measures the amount of cell product relative to patient cells
- High sensitivity and reproducibility with minimal DNA amount
- Fast lab turn-around time
- Based on analytically and clinically validated workflow

## Cell Therapy Addressable market

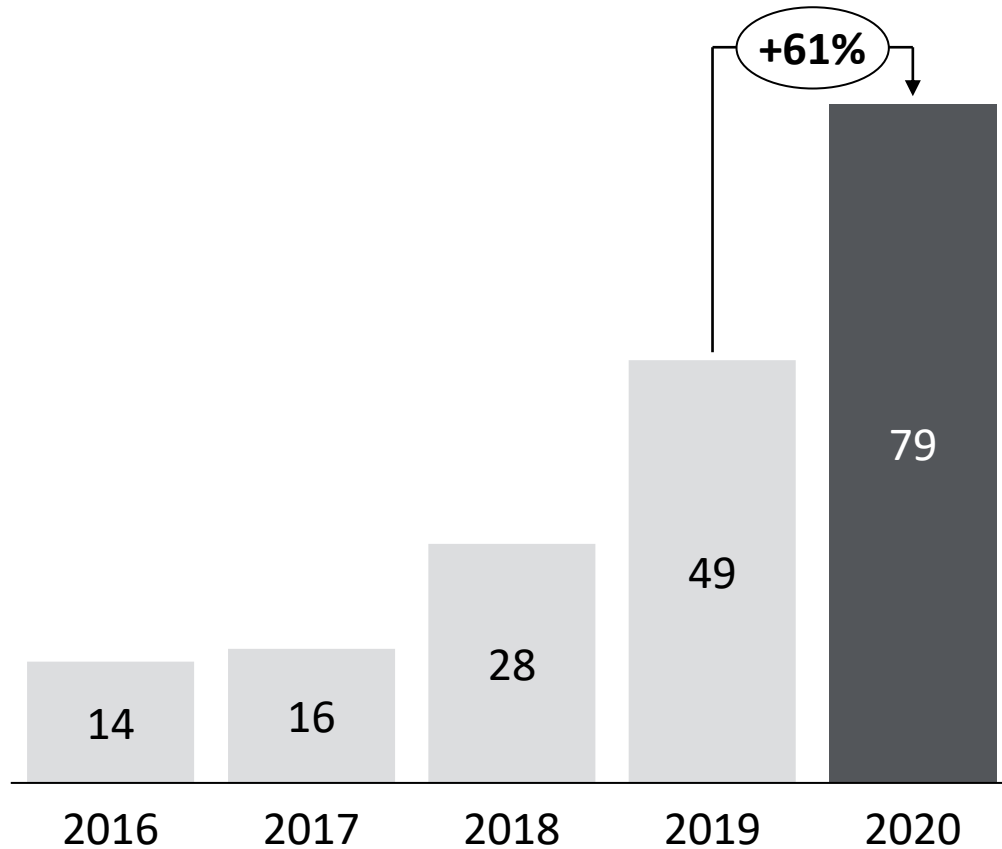
**\$5.5B+**

- **> 300,000 patients...**
- **...receiving ~1.2 treatments annually...**
- **...with ~7 tests per treatment**

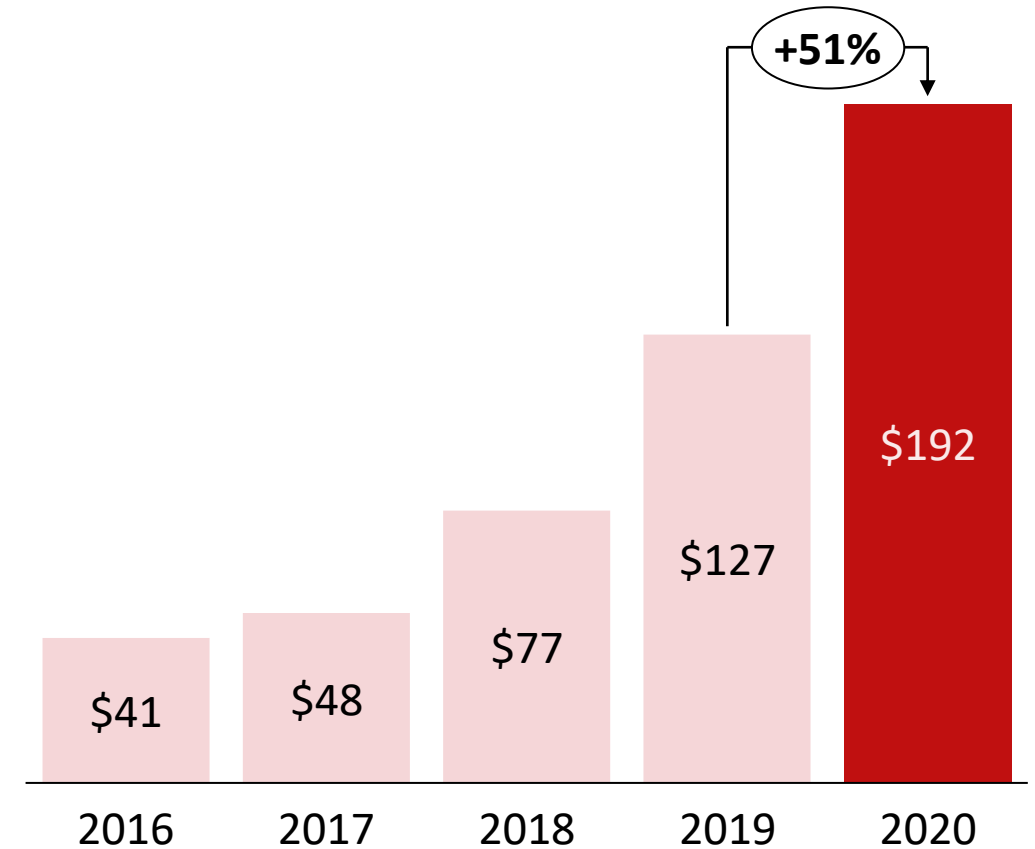
Note: Cell Therapy addressable markets assumes ~180,000 hematological cancer patients, 160,000 solid tumor patients (10% penetration), and reimbursement set at current AlloSure levels; excludes upside from clinical trial partnerships.

# Record Growth in FY 2020

**Testing Services Patient Results \***  
(FYE-December; in Thousands)



**Total Revenue**  
(FYE-December; in Millions)



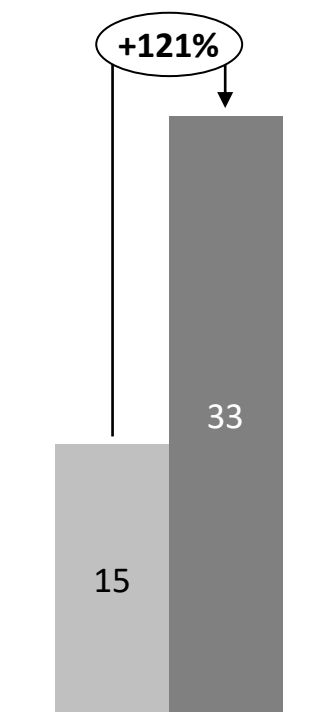
\* AlloSure and AlloMap

# Continued Momentum in Q1 2021

## Q1 Performance

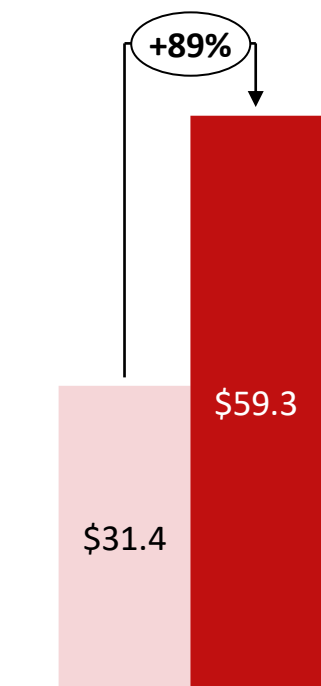
(Patient Results in Thousands; Revenue in Millions)

2020  
2021

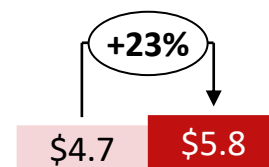


Testing Services  
Patient Results \*

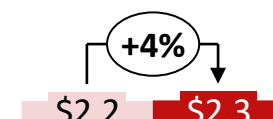
2020  
2021



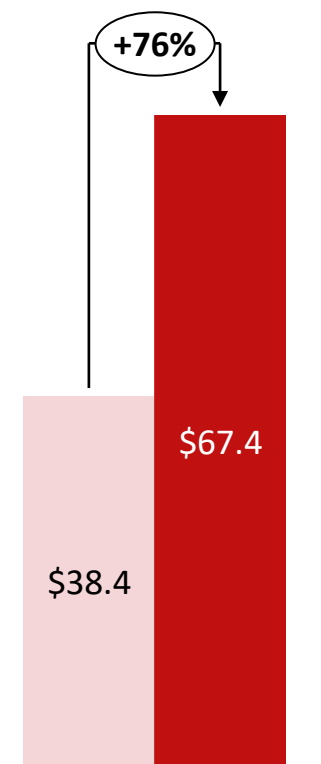
Testing Services



Products



Digital & Other

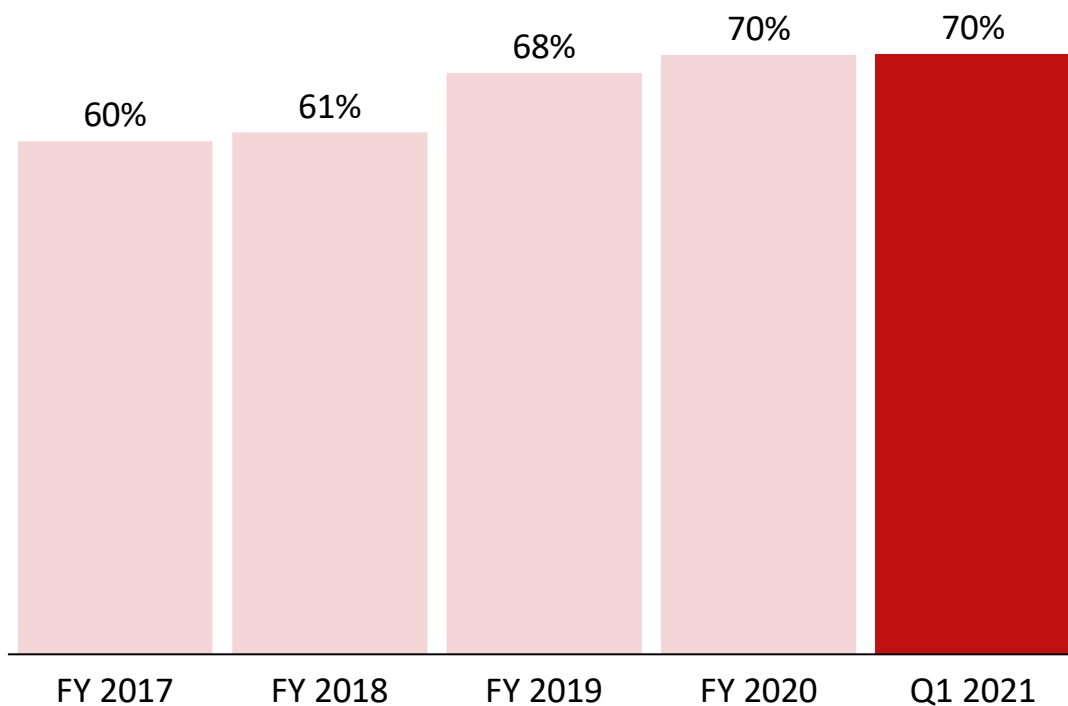


Total

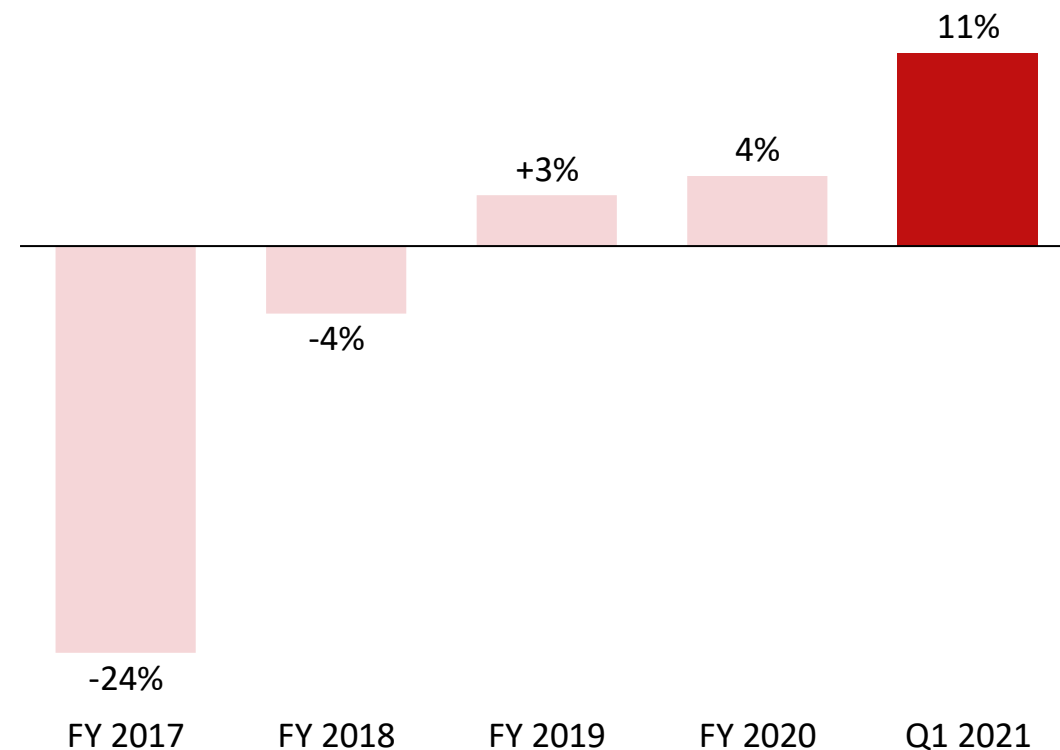
\* AlloSure and AlloMap

# Significant Margin Improvement Since AlloSure Launch

**Non-GAAP Gross Margin\***  
(% of Revenue)



**Adjusted EBITDA Margin\***  
(% of Revenue)

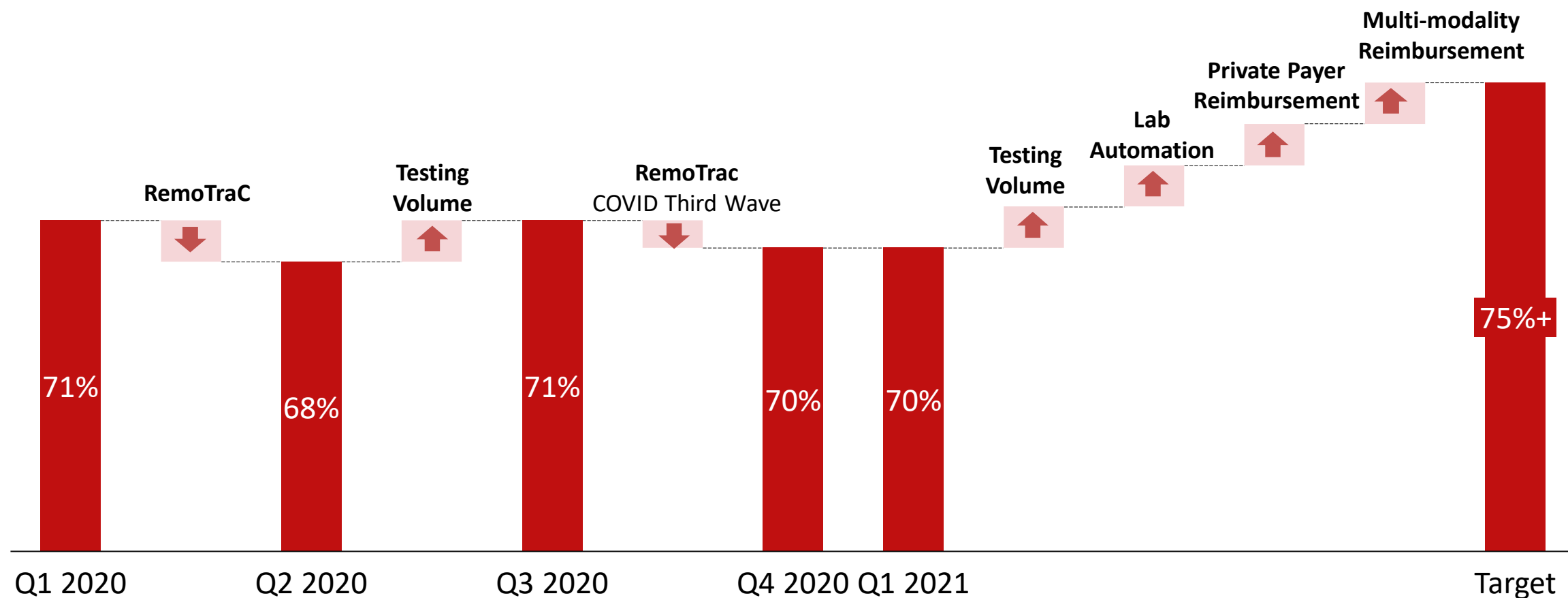


*\*Non-GAAP measures shown have been adjusted for certain items that are described in the Appendix*



# Pathway to Future Gross Margin Improvement

Non-GAAP Gross Margin\*  
(% of Revenue)



\*Non-GAAP measures shown have been adjusted for certain items that are described in the Appendix

# Upcoming Growth Drivers Across Segments



## Testing Services



- Patient Penetration
- Community Nephrology



- Pharma Partnerships



## Transplant Products



- Global Launches



## Digital Business



- Support Testing Services
- Start VA Roll-out



- Launch Patient Engagement/App



# Appendix

# Reconciliation of Non-GAAP Gross Margin

in Millions (except %)	FY 2018	FY 2019	FY 2020	Q1 2021
<b>Revenue</b>	<b>76.6</b>	<b>127.1</b>	<b>192.2</b>	<b>67.4</b>
<b>GAAP Cost of Revenue</b>	<b>33.0</b>	<b>45.5</b>	<b>63.1</b>	<b>21.6</b>
Stock-based compensation expense	(0.8)	(2.2)	(2.3)	(0.6)
Acquisition related amortization of purchased intangibles	(2.2)	(2.4)	(3.3)	(0.9)
<b>Non-GAAP Cost of Revenue</b>	<b>30.0</b>	<b>40.9</b>	<b>57.5</b>	<b>20.1</b>
<b>Non-GAAP Gross Profit</b>	<b>46.6</b>	<b>86.2</b>	<b>134.7</b>	<b>47.3</b>
<b><i>Non-GAAP Gross Margin %</i></b>	<b><i>61%</i></b>	<b><i>68%</i></b>	<b><i>70%</i></b>	<b><i>70%</i></b>



# Reconciliation of Adjusted EBITDA

in Millions	FY 2018	FY 2019	FY 2020	Q1 2021
<b>GAAP Net Loss</b>	<b>(46.8)</b>	<b>(22.0)</b>	<b>(18.7)</b>	<b>(0.7)</b>
Stock-based compensation expense	7.1	22.4	23.4	6.5
Acquisition related amortization of purchased intangibles	3.0	3.6	4.8	1.3
Acquisition related amortization of inventory valuation adjustment	0.3	-	-	-
Acquisition related fees and expenses	-	0.7	0.1	0.2
Change in estimated fair value of contingent consideration	1.0	0.2	0.3	(0.0)
Change in estimated fair value of warrant & derivative liabilities	23.0	(0.3)	1.5	(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	0.1
Tax effect related to amortization of purchased intangibles	(0.8)	(0.5)	(0.5)	(0.1)
Impairment	-	0.2	-	-
<b>Non-GAAP Net Income (Loss)</b>	<b>(5.3)</b>	<b>4.6</b>	<b>11.3</b>	<b>7.2</b>
Interest income	1.6	(1.0)	(0.3)	(0.1)
Income tax benefit	(0.6)	(1.5)	(0.5)	(0.1)
Depreciation expense	1.2	1.6	1.9	0.6
Other expense, net	0.2	0.4	(4.4)	0.2
Net loss attributable to noncontrolling interest	(0.0)	-	-	-
<b>Adjusted EBITDA</b>	<b>(3.0)</b>	<b>4.2</b>	<b>8.0</b>	<b>7.7</b>