UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d)
of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): July 16, 2022

Invitae Corporation
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-36847
(Commission
File Number)

27-1701898
(I.R.S. Employer
Identification No.)

1400 16th Street,
San Francisco, California
(Address of principal executive offices)

(415) 374-7782
(Registrant’s telephone number, including area code)

N/A
(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<table>
<thead>
<tr>
<th>Title of each class</th>
<th>Trading symbol(s)</th>
<th>Name of each exchange on which registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Common Stock, $0.0001 par value per share</td>
<td>NVTA</td>
<td>The New York Stock Exchange LLC</td>
</tr>
</tbody>
</table>

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§ 230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐
**Item 2.02  Results of Operations and Financial Condition.**

On July 18, 2022, Invitae Corporation (the “Company”) issued a press release announcing certain preliminary financial results for its fiscal quarter ended June 30, 2022 (the “Press Release”). The full text of the Press Release is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

The information in Item 2.02 of this Current Report on Form 8-K, including Exhibit 99.1, shall not be deemed to be filed for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”), or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act of 1933 or the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

**Item 2.05  Costs Associated with Exit or Disposal Activities.**

On July 18, 2022, the Company announced plans to strategically realign its operations and implement cost reduction programs to prioritize its core genome sequencing and genome management platforms, which realignment plan was approved by the Board of Directors of the Company on July 16, 2022. The Company plans to streamline its product portfolio to focus on its core testing business and programs that drive near-term cost of goods sold reductions, with the goals of accelerating the company’s path to positive operating cash flow and completing its genome management platform. The realignment plan will result in a reduction of more than 1,000 employees. As part of the realignment plan, the Company intends to streamline its international operations by focusing its international operations to fewer than a dozen countries and exiting certain territories and countries where the Company’s business is less developed. The realignment plan is expected to result in approximately $326 million in annualized cash savings, which is expected to be fully realized by 2023. The Company currently expects that the realignment plan will be completed by June 30, 2023. The Company currently estimates it will incur cash charges of approximately $75-100 million related to the realignment plan, in addition to non-cash charges which it is currently not able to estimate.

**Item 7.01  Regulation FD Disclosure.**

On July 18, 2022, the Company used an investor presentation on a conference call with investors. The investor presentation and the script of the conference call are furnished as Exhibits 99.2 and 99.3, respectively, to this Current Report on Form 8-K.

The information in Item 7.01 of this Current Report on Form 8-K, including Exhibits 99.2 and 99.3, shall not be deemed to be filed for purposes of Section 18 of the Exchange Act, or otherwise subject to the liability of that section, and shall not be incorporated by reference into any registration statement or other document filed under the Securities Act or the Exchange Act, except as shall be expressly set forth by specific reference in any such filing.

**Forward-Looking Statements**

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the expected impact, benefits, costs, parameters, details and timing of the company’s strategic business realignment plan or various aspects thereof; the company’s future financial and operating results, including estimated annual cost savings and the expected timing or realization thereof; the company’s expectations regarding future operating cash flows; 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 plan and achieve the intended benefits thereof on the expected timeframe or at all; unforeseen or greater than expected costs associated with the realignment plan; 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; and the other risks set forth in the company’s 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 the Company disclaims any obligation to update these forward-looking statements.
**Item 9.01  Financial Statements and Exhibits.**

(d) Exhibits

<table>
<thead>
<tr>
<th>Exhibit No.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>99.1</td>
<td>Press Release of Invitae Corporation dated July 18, 2022</td>
</tr>
<tr>
<td>99.2</td>
<td>Investor Presentation dated July 18, 2022</td>
</tr>
<tr>
<td>99.3</td>
<td>Script of July 18, 2022, Conference Call</td>
</tr>
<tr>
<td>104</td>
<td>Cover Page Interactive Data File (embedded within the Inline XBRL document).</td>
</tr>
</tbody>
</table>
Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: July 18, 2022

INVITAE CORPORATION

By: /s/ Thomas R. Brida
Name: Thomas R. Brida
Title: General Counsel
Invitae Announces Strategic Business Realignment to Accelerate Its Path to Positive Cash Flow and Realize Full Potential of Industry-Leading Genetics Testing Platform

— Exiting non-core businesses and geographies to prioritize higher-margin business initiatives —

— Expects to deliver approximately $326 million in non-GAAP annualized cost savings in 2023 —

— Provides preliminary revenue and gross margin ranges for the second quarter of 2022; amends full-year 2022 financial guidance —

— Conference call and webcast today at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time —

SAN FRANCISCO, July 18, 2022 – Invitae (NYSE: NVTA), a leading medical genetics company, today announced a comprehensive plan to realize the full potential of its industry-leading genetics platform. The plan introduces a significant realignment of the company’s operations in support of business lines and geographies that generate sustainable margins, provide the best return to fuel future investment and accelerate the company’s path to positive cash flow. The plan further helps ensure Invitae remains at the forefront of innovation and advancements in genomics by allocating resources towards the company’s core genome sequencing and genome management platforms that have the potential to improve healthcare outcomes.

The operational realignment includes streamlining and cost reduction programs that are expected to deliver approximately $326 million in annualized cost savings to be fully realized by 2023 and extend the company’s cash runway to the end of 2024.

In a separate press release issued earlier today, Invitae announced executive and board-level transitions to lead the company in this next phase and achieve its mission of bringing the power of genetic information to mainstream medicine.

Kenneth D. Knight, Invitae’s CEO, said, “We are at a unique, transitional moment in the rapidly-evolving genomics industry when companies that balance accessible, trusted and cutting-edge genomic information with disciplined operational excellence will be in a far stronger position to thrive and deliver transformative healthcare outcomes. This operational imperative is at the center of the plan we announced today, which will advance several critical objectives and is intended to drive long-term profitable growth. First, our refocused and realigned platform will allocate resources where they should be: at our core, we are a growth-oriented genomic testing platform. Second, aggressive actions to substantially reduce spend over the coming 12-18 months will improve operating leverage and align Invitae’s cost structure with current market dynamics and the broader economy. These adjustments will meaningfully extend our cash runway and accelerate the pursuit of our long-term growth targets and positive cash flow. Most importantly, the plan reaffirms our commitment to leading the way in shaping the future of medicine through powerful genomic tools.”
Mr. Knight continued, “Invitae’s new operating plan has far-reaching and – for many of our dedicated, hard-working team members – difficult implications, and we regret that impact. Invitae is committed to working closely and compassionately with those adversely affected to help ensure as smooth a transition as possible, and we thank everyone on our team for their contributions. As we look to that future, we are as committed as ever to driving forward our mission and advancing the kind of transformative healthcare that is Invitae’s core.”

Operating Plan Overview
At a high level, Invitae will eliminate non-core operations while realigning and sharpening its focus on the portfolio of businesses that generate sustainable margins and deliver returns to fuel future investment. In the testing business, Invitae will shift operational and commercial efforts to accelerate positive cash flow by maintaining robust support of the higher-margin, higher-growth testing opportunities among oncology, women’s health, rare disease and pharmacogenomics. The company also plans to continue its expansion and integration of key digital health-based technologies and services in order to create a differentiated model in genetic health. Longer-term, Invitae remains committed to its genomic management business. The company believes that it holds outsized growth potential and intends to continue to prioritize the tools, partnerships and applications that support the development of genome management as the catalyst for the future of healthcare.

Operating Plan Details

- **Headcount and office/lab space**: The company plans workforce reductions aligned with its newly-streamlined operations. The company is also taking immediate steps to consolidate underutilized office and laboratory space.

- **Portfolio optimization**: The company has conducted a rigorous assessment of its product portfolio as well as the associated research & development and commercial spending. The new plan shifts the focus to programs relevant to the core testing businesses to drive near-term cost of goods sold (COGS) reductions. These programs will speed the pathway to positive cash flow and drive the completion of the genome management platform that places Invitae in the middle of patients, providers and the greater healthcare ecosystem. Initiatives and products that are not attached to the go-forward core priorities have been put on hold or eliminated.

- **Other operating expenses**: The company has performed an extensive review of internal and external costs and how those may align with the new business structure. Through that analysis, additional savings will be generated through the ongoing digitization of workflows, elimination of duplication and streamlined processes across the core platforms and rationalization of technology and external services spend.

- **International business structure**: As part of the plan announced today, the company will shift its focus to serving less than a dozen international geographies where the testing business demonstrates the potential to reach positive cash flow in a shorter duration. The company plans to conduct an orderly exit from territories and countries in which the business is more nascent, focusing on supporting those territories through the transition and allowing those providers and patients sufficient time to shift to alternative resources for their testing needs.

As noted, these changes are expected to deliver approximately $326 million in annual cost savings by the end of 2023 and allow the company to extend its cash runway to the end of 2024. Invitae will operate as a leaner, more focused organization, targeting both a stronger and more profitable testing services business as well as the completion and launch of a genome management platform, which will serve to allow patients, providers, and the entire healthcare ecosystem to utilize genomic information for a lifetime of better personal health decisions and outcomes.
Supporting the growth of the company’s core testing and other commercial efforts remains a priority. The company will continue to drive its commercial efforts to best suit its differentiated platform offerings through a more efficient sales and marketing approach.

**Preliminary Second Quarter Results**

On a preliminary basis, the revenue for the quarter ended June 30, 2022 is approximately $136 million.

GAAP gross margin in the second quarter of 2022 is expected to be 18-19%. Non-GAAP gross margin is estimated to be 39-40%.

Cash, cash equivalents, restricted cash and marketable securities totaled around $737 million on June 30, 2022. Second quarter 2022 cash burn is estimated to be approximately $150 million.

Invitae has not completed preparation of its financial statements for the second quarter. The preliminary, unaudited results presented in this press release are based on current expectations and are subject to change. Actual results may differ materially from those disclosed in this press release.

**Guidance**

Invitae has updated its 2022 annual revenue guidance to reflect the preliminary first half results and the anticipated impacts of the actions announced today, which include the sale or wind down of non-core products and services and the elimination of certain international territories to focus on more profitable revenue streams. Revenue in the near term is anticipated to be flat in the second half of 2022 over the first half, representing a low double-digit growth rate for full year 2022 over 2021 despite the impacts of the strategic realignment. Longer term revenue growth rates are expected to return to between 15% and 25% beyond 2023.

Invitae is maintaining its previous 2022 cash burn guidance of $600-650 million, which includes an estimated $75-100 million to be used for reorganization activities and severance. The company also anticipates its cash burn to be in the range of $225-275 million in 2023, or a $325-425 million reduction from expected 2022 cash burn.

Non-GAAP gross margins are expected to continue to increase for the rest of the year, based on ongoing margin improvement efforts and the current realignment initiatives, to the range of 42-43% for full year 2022.

Non-cash related charges are expected to be recorded in the third quarter of 2022 and in following quarters.

**Webcast and Conference Call Details**

Management will host a conference call and webcast today at 5:00 p.m. Eastern Time / 2:00 p.m. Pacific Time to discuss today’s announcements. To access the conference call, please register at the link below:

https://event.on24.com/wcc/r/3870686/DE684B93E9A64871E619579F0C45867A
Upon registering, each participant will be provided with call details and a conference ID.

The live webcast of the call and slide deck may be accessed here or by visiting the investors section of the company’s website at ir.invitae.com. A replay of the webcast will be available shortly after the conclusion of the call and will be archived on the company’s website.

About Invitae
Invitae Corporation (NYSE: NVTA) is a leading medical genetics company whose mission is to bring comprehensive genetic information into mainstream medicine to improve healthcare for billions of people. Invitae’s goal is to aggregate the world’s genetic tests into a single service with higher quality, faster turnaround time, and lower prices. For more information, visit the company’s website at invitae.com.

Safe Harbor Statements
This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to 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 preliminary financial results for the quarter ended June 30, 2022; 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 what is necessary to succeed in the industry; the company’s focus for the remainder of 2022, and its expectations regarding future operating cash flows; 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: actual results for the quarter ended June 30, 2022; 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 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 economic environment on the company’s business; the company’s ability to grow its business in a cost-effective manner; the company’s history of losses; 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 ability of the company to use rapidly changing genetic data to interpret test results accurately and consistently; laws and regulations applicable to the company’s business; and the other risks set forth in the company’s 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 Measures

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 margin 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 certain items from some or all of its preliminary non-GAAP operating results. These non-GAAP financial measures are limited in value because they exclude certain items that may have a material impact on the 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 also excludes certain items. 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 for historical periods that will be provided on the company’s website in connection with today’s conference call.

Contacts for Invitae:

Investor Relations:
Hoki Luk
ir@invitae.com

Public Relations:
Amy Hadsock
pr@invitae.com
Corporate Update

July 18, 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 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 preliminary financial results for the quarter ended June 30, 2022 and the first half of 2022; 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 what is necessary to succeed in the industry; the company’s focus for the remainder of 2022, and its expectations regarding future operating cash flows; 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: actual results for the quarter ended June 30, 2022; 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.
Preliminary second quarter results

Invitae has not completed preparation of its financial statements for the second quarter. The preliminary results presented in this presentation are based on current expectations and are subject to change. Actual results may differ materially from those disclosed in this presentation.

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 preliminary non-GAAP measures, including non-GAAP gross profit and non-GAAP gross margin, as well as 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, and (3) post-combination expense related to the acceleration of equity grants or bonus payments in connection with acquisitions. 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 investments. 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.
Agenda

Leadership Transition
Organizational Update
Financial Outlook
Business Outlook
Leadership transition

Kenneth D. Knight, CEO

Highlights
- Joined Invitae as COO in June 2020: responsible for driving higher quality revenue initiatives and establishing infrastructure to enable gross margin expansion
- Significant role in designing Invitae’s newly-announced reorganization plan
- Deep, differentiated experience across customer and innovative growth initiatives and operating excellence/cost execution at diversified, large-scale enterprises

Prior Experience
- 2016-2020: VP of Transportation Services, Global Delivery Services, Fulfillment Ops and HR at Amazon.com
- 2012-2016: GM at Caterpillar Inc.
- Prior: 27 years in various roles at General Motors including executive director of global manufacturing engineering and manufacturing general manager
- Since June 2021: Director and audit and finance committee member of Simpson Manufacturing Co (NYSE: SSD)
- Education:
  - B.S in Electrical Engineering from the Georgia Institute of Technology
  - M.B.A from MIT's Sloan School
Organizational update – a realigned and sharpened focus

<table>
<thead>
<tr>
<th>Immediate cost cutting initiatives to achieve ~$326M¹ annualized run-rate savings:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Portfolio optimization – focus on products/geographies with clear positive cash flow pathways</td>
</tr>
<tr>
<td>• Significantly reduce spending – headcount, facility footprint and other OPEX reductions</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Realize full potential of industry-leading genetics testing platform through digital offerings and LT development of genome management:</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Seize high-margin, high-growth testing opportunities</td>
</tr>
<tr>
<td>• Commercialize vital digital tools to bridge a testing business to a healthcare ecosystem, rooted in genetic information</td>
</tr>
<tr>
<td>• Disciplined spending on key initiatives to create transformative, high-margin future growth</td>
</tr>
</tbody>
</table>

Notes: Estimated savings based on Q1’22 operating expenses run rate. Expect to be fully realized in 2023.
Strategic focus – align capital allocation to growth objectives

Genetic Testing – Profitable Growth

Strategies:
Existing franchise:
- Oncology – comprehensive product bundle
- Women’s health suite
- “Diagnostic Odyssey” test suite for Rare Dx
New area:
- PGx for personalized precision medicine and population health

Key metrics: Growth by product, cash flow
Financial goals:
- High-growth with improved gross margin
- Path to positive operating cash flow
- Salesforce productivity
- Opex efficiency

Digital Health – Scalable Growth

Strategies:
- Patient health repository to enable genomic informed healthcare
- Patient network for patient care journey and population level analytics
- Real World Data for longitudinal studies
- Patient identification for clinical trials

Genome Management – Transformative Growth

Key metrics: # of Patients, LTV of a patient
Financial goals:
- Outsize long term growth contribution
- ROI disciplined innovation investment

Bridging traditional testing to genome management
## Cost realignment outline

($ in millions)

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Savings</th>
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<tr>
<td>Headcount and office/lab space reductions</td>
<td>Reduce workforce and consolidate under-utilized office and lab space</td>
<td>~$152</td>
</tr>
<tr>
<td>Portfolio optimization</td>
<td>Exit non-core businesses or products with substantial near term spend and unclear/long path to positive cash flow</td>
<td>~$84</td>
</tr>
<tr>
<td>Other OpEx decrease</td>
<td>Optimize external professional services spend; reassess technology spend and eliminate inefficiencies</td>
<td>~$67</td>
</tr>
<tr>
<td>Consolidate geographic footprint</td>
<td>Narrow to fewer than a dozen countries from more than 100 previously</td>
<td>~$23</td>
</tr>
</tbody>
</table>

**Total:** ~$326

**Notes:**
1. Estimated savings based on Q1’22 operating expenses run rate. Expect to be fully realized in 2023.
2. Business realignment-related cost expense is estimated to be $79-100 million. Non-cash related charges are expected to be recorded in Q3’22 and in following quarters.
# 2Q’22 preliminary results

## Revenue

<table>
<thead>
<tr>
<th>($) in mil</th>
<th>Q1 2022</th>
<th>Q2 2022¹</th>
<th>H1 2022¹</th>
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<tbody>
<tr>
<td>Revenue</td>
<td>$123.7</td>
<td>~$136</td>
<td>~$260</td>
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## Gross Margin and Cash Burn

<table>
<thead>
<tr>
<th>(%)</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022¹</th>
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<tbody>
<tr>
<td>GAAP gross margin</td>
<td>23.8%</td>
<td>21.5%</td>
<td>18–19%</td>
</tr>
<tr>
<td>Non-GAAP gross margin²</td>
<td>36.5%</td>
<td>36.6%</td>
<td>39–40%</td>
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</table>

<table>
<thead>
<tr>
<th>($) in mil</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash, cash equivalents, restricted cash, and marketable securities</td>
<td>$1,055.6</td>
<td>$885.0</td>
<td>~$737</td>
</tr>
<tr>
<td>Cash Burn²</td>
<td>$(195.6)</td>
<td>$(169.3)</td>
<td>~$(150)</td>
</tr>
</tbody>
</table>

Notes:
1. Preliminary, based on Company estimates
2. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix
2Q ‘22 preliminary results and 2022 financial guidance

**Revenue**
2Q: ~$136M\(^1\);
FY: low-double digit growth\(^2\)

<table>
<thead>
<tr>
<th>1H22(^1)</th>
<th>2H22E(^2)</th>
<th>2022E(^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>36.5%</td>
<td>36.6%</td>
<td>Low double - digit growth</td>
</tr>
</tbody>
</table>

**Non-GAAP Gross Margin**
2Q: 39–40%\(^1\)
FY: 42%–43%\(^2\)

**Note:**
1. Preliminary, based on Company estimates
2. Based on Company estimates
3. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in appendix
*Drawings not to scale

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Significant cash burn reduction to extend runway into end of 2024

2Q22 Cash Burn¹  ~$150M
FY Cash Burn¹  2022E: $600–650M³,⁴
               2023E: $225–275M³,⁴
Reorganization annualized savings run-rate  ~$326M⁴

Cash Burn¹ ($ in mil)

<table>
<thead>
<tr>
<th>Year</th>
<th>4Q21</th>
<th>1Q22</th>
<th>2Q22²</th>
<th>2022E³,⁴</th>
<th>2023E³,⁴</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$186</td>
<td>$169</td>
<td>~$150</td>
<td>$600</td>
<td>$225</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>~$650</td>
<td>~$275</td>
</tr>
</tbody>
</table>

Notes:
1. Non-GAAP measures. See reconciliation for GAAP to non-GAAP in Appendix
2. Preliminary, based on Company estimates
3. This figure includes an estimated $75-100 million business realignment-related cash expense
4. Based on Company estimates
*Drawings not to scale
Longer-term outlook

- Realignment and cost savings impact expected to be fully realized in 2023
- Compelling long-term growth potential from strategic realignment
- Financial priority remains to accelerate the path to positive cash flow

12-18 month business alignment

15-25% gr

New Baseline

Toward Positive Cash Flow

*Drawings not to scale
Key takeaways

Established, market leading genomic testing platform

Cost saving initiatives expected to eliminate ~$326M by 2023 to extend runway significantly

Leadership team to execute growth with operational excellence

Strategic and operational realignment to match costs with profitable growth

Maintaining differentiated vision to lead Invitae into genome management era
Thank you.
# GAAP to non-GAAP reconciliation

<table>
<thead>
<tr>
<th></th>
<th>Q4 2021</th>
<th>Q1 2022</th>
<th>Q2 2022¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$126.1</td>
<td>$123.7</td>
<td>~$136</td>
</tr>
<tr>
<td>Cost of revenue</td>
<td>96.1</td>
<td>97.1</td>
<td>~110</td>
</tr>
<tr>
<td>Gross profit</td>
<td>30.0</td>
<td>26.6</td>
<td>~26</td>
</tr>
<tr>
<td>Amortization of acquired intangible assets</td>
<td>15.4</td>
<td>18.0</td>
<td>~28</td>
</tr>
<tr>
<td>Acquisition-related stock-based compensation</td>
<td>0.1</td>
<td>0.1</td>
<td>~0.1</td>
</tr>
<tr>
<td>Acquisition-related post-combination expense</td>
<td>0.5</td>
<td>0.5</td>
<td>~0.4</td>
</tr>
<tr>
<td>Fair value adjustments to acquisition-related assets</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Non-GAAP gross profit</td>
<td>$45.0</td>
<td>$45.2</td>
<td>~$54</td>
</tr>
<tr>
<td>GAAP gross margin</td>
<td>23.8%</td>
<td>21.5%</td>
<td>18–19%</td>
</tr>
<tr>
<td>Non-GAAP gross margin</td>
<td>36.5%</td>
<td>36.6%</td>
<td>39–40%</td>
</tr>
</tbody>
</table>

¹ Preliminary, based on Company estimates
GAAP to non-GAAP reconciliation

- Cash, cash equivalents, restricted cash and marketable securities totaled ~$737 million at June 30, 2022
- Approximately $150 million Cash Burn is estimated for Q2 2022

<table>
<thead>
<tr>
<th>($ in mil)</th>
<th>Q4 2021</th>
<th>Q1 2022</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net cash used in operating activities</td>
<td>$(176.9)</td>
<td>$(147.5)</td>
</tr>
<tr>
<td>Net cash used in investing activities</td>
<td>170.5</td>
<td>(449.5)</td>
</tr>
<tr>
<td>Net cash used in financing activities</td>
<td>7.0</td>
<td>(820.0)</td>
</tr>
<tr>
<td>Net decrease in cash, cash equivalents and restricted cash</td>
<td>1.6</td>
<td>(597.9)</td>
</tr>
<tr>
<td>Adjustments:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net changes in investments</td>
<td>(197.3)</td>
<td>428.6</td>
</tr>
<tr>
<td>Cash burn</td>
<td>$(195.6)</td>
<td>$(169.3)</td>
</tr>
</tbody>
</table>

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[Conference Call Operator]
<introduces call>

[Jack Finks]
Thank you, operator, and good afternoon, everyone. Thank you for joining us today.

Before we begin, I’d like to remind you that various remarks that we make on this call are not historical and constitute forward-looking statements within the meaning of the Safe Harbor provisions of the Private Securities Litigation Reform Act, including those about:

- our vision and business model;
- future financial and operating results;
- expectations of future growth and reduction in burn rate;
- future products, services, our product pipeline and their timing; and
- investments in our infrastructure and operations.

It is difficult to accurately predict demand for our services and therefore our actual results could differ materially from our stated outlook. Statements on future company performance assume, among other things, that we don’t conclude any additional business acquisitions, investments, restructurings or legal settlements. We refer you to our most recent 10-Q, in particular to the section titled Risk Factors, for additional information on factors that could cause actual results to differ materially from our current expectations. These forward-looking statements speak only as of the date hereof.

As you listen to today’s conference call, we encourage you to have our press release available.

To supplement our consolidated financial statements, prepared in accordance with generally accepted accounting principles in the United States, or GAAP, we monitor and consider several non-GAAP measures. Non-GAAP measures may include: cost of revenue, gross profit, operating expense, including research and development, selling and marketing, and general and administrative, other income (expense), net, as well as net loss and net loss per share and cash burn.

We exclude from our non-GAAP operating results, as applicable, among other items: amortization of acquired intangible assets, acquisition-related stock-based compensation, post-combination expense related to the acceleration of equity grants or bonus payments in connection with the company’s business combinations, adjustments to the fair value of certain acquisition-related assets and liabilities, including contingent consideration, and acquisition-related income tax benefits.
We encourage you to review our GAAP to non-GAAP reconciliations, which are available in the Appendix of the slide deck, which you can access by visiting the investors section of the company’s website at ir.invitae.com.

Now, to preview today’s agenda… We will begin with our new chief executive officer, Ken Knight, discussing our leadership transition and strategic realignment we have just announced. Roxi Wen, our chief financial officer, will discuss our financial outlook with a high-level summary of Q2 preliminary results and updated guidance for 2022. Finally, Ken will close with some thoughts on our longer-term growth outlook and key takeaways on our go-forward vision before we turn it over for Q&A.

I’m now pleased to turn the call over to Ken Knight.

[Ken Knight]
Thanks, Jack—and hello, everyone. Thank you for joining us on short notice. We are of course here to discuss the Company’s realigned and more-focused platform approach, how we intend to execute on it, and our long-term promise and potential. But I’d like to say at the outset – and on a personal note – that I look forward to working with many of you in my new leadership capacity at Invitae.

Turning to today’s developments, I want to acknowledge that the actions we are taking are far-reaching and in many cases difficult given the impact on our organization. However, we are confident that a sharper, more disciplined focus on the business lines and geographies will deliver an accelerated path to positive cash flow. This, in turn, will fuel future investment and drive shareholder value.

We are complementing this work with meaningful and accelerated reductions in our cost structure and cash burn appropriate to the realities of today and the longer-term. The sum total will be a focused, value-driven enterprise that will remain at the forefront of innovation and advancements in genomics.

Just a few words to start, regarding our leadership transition…

I am truly honored to take on the role of CEO and lead this incredible organization into the future. During the last two years as COO, I’ve had the privilege of working together with our talented team in support of our mission. This includes driving top-line growth, with a focus on higher margin business, while leading initiatives to deliver productivity and lower costs—including extensive work integral to today’s business realignment. Prior to joining Invitae, I spent more than 30 years leading companies through times of change, rapid growth, scaling and strategic expansion—all with a commitment to discipline and operational excellence. I’m excited to lead Invitae at this pivotal moment.
I am also pleased to welcome back Randy Scott as our chairman. Beyond being one of Invitae’s founders, Randy is a true pioneer in our industry and we will continue to benefit from his insights and experience. Together, we look forward to advancing the exceptional work of Invitae.

On behalf of my fellow Invitaens, I want to thank Sean for his inspirational leadership, his visionary drive in pursuit of something truly unique in healthcare. Personally, I thank Sean for his mentorship and his friendship throughout the past two years. Sean led us from a standing start to revenues approaching $500 million in only ten years, while simultaneously building a culture and community that always puts patients first. I am delighted that Sean will remain on the board of directors going forward.

Now, moving on to the key operational and financial topics.

The plan that we announced today follows an extensive top-down assessment of the company’s strengths and competitive position, current environment, and business and clinical imperatives. It became clear in our analysis that an accelerated realignment of the full organization will provide the best and necessary path forward to realize Invitae’s full potential as a leader in the genomics space.

First, at a high level, we are realigning our business to optimize our portfolio and focus on business lines and geographies that will generate sustainable margins as we approach being cash flow positive. This will be coupled with immediate cost-cutting initiatives, which will result in a leaner core operation.

Second, concurrent with our reduced footprint, our investment strategy will remain centered on creating a differentiated platform. In addition to seizing high-margin and high-growth opportunities through our testing business, we are committed to our digital offerings but with a more purposeful, methodical approach. In the near-term, this includes focusing on offerings and workflow tools that will provide value to our users and establish a strong relationship between patients and providers and our network. These initiatives are also expected to unlock new channels of business opportunities, and will bridge our continued development of genome management, where we believe the ultimate transformative opportunities lie.

Following the realignment, we plan to emerge with a focus on our unique, differentiated strengths in pursuit of three areas of integrated efforts:

1) The genetics testing business is nascent and possesses an immense market opportunity. It is, however, highly competitive. The technologies and capabilities are converging. We will now be moving forward in selective growth areas of the market with a reformed offering that is best suited to our strengths where we can win.
The result will be a more profitable, integrated testing business that will drive efficient growth and serve as an on-ramp to the Invitae data platform, maintaining robust support of the higher-margin, higher-growth testing opportunities among oncology, women’s health, rare disease and the emerging pharmacogenomics revolution.

2) Our second focus is the expansion and integration of key digital-health based technologies and services. These are intended to serve as a bridge from our current testing platform toward a differentiated model in genetic health that will make our services more accessible, stickier, and more economically beneficial to providers and partners of all sizes. These innovations are already under way and will bridge us to what we refer to as the era of genome management—hallmarked by a new standard in which genetic data is collected early, and often throughout a lifetime, to guide all wellness, medical and other healthcare decisions.

3) Finally, we’re firmly committed to our transformative growth strategy. We will continue to invest in, and build, the innovative, large-scale platform to support a two-sided marketplace, in which the patient and their data sit in the middle of the Healthcare ecosystem and benefit from the value created by individual and population-level data. Data that is housed and managed by Invitae as the trusted partner.

This will include investing in the tools, partnerships and applications that will define the emergence of genome management as a new category in healthcare, bringing to light undiscovered insights. Insights that will benefit biopharma companies, healthcare systems, payors, employers, wellness and digital health organizations, and most importantly patients.

We are confident that this three-part operational plan – focusing on our more profitable, integrated testing business, expanding digital-health based technologies, and committing to the growth potential of a two-sided marketplace – is the right strategy moving forward. It is the framework for Invitae’s next chapter. But we also know that the industry itself is dynamic and we will remain opportunistic within these three categories to flex and adapt as needed to optimize value.

Turning to our next slide, you can see that our growth and operating plan is complemented by an accelerated drive to rightsize our business.

This includes reducing our workforce and consolidating underutilized office and lab space. Based on the new portfolio focus, we have made the difficult decision to downsize the organization by more than 1,000 positions. These actions are expected to generate approximately $152 million in savings.

On this subject, let me take a moment to acknowledge that very difficult decisions have been made at all levels of our organization in support of the plan. These include decisions that impact our leadership team and many hard-working teammates who are greatly valued by our organization and have dedicated their time and efforts in support of our mission of transforming healthcare. It can’t be overstated how amazing our team is, and we will be doing all we can to support the transition of those who are directly impacted.

4
Second, we will be optimizing our portfolio to exit non-core or underperforming products and services that require substantial near term spend and are too far from generating meaningful cash flow. We anticipate savings of approximately $84 million associated with this effort. Examples of product lines to be exited include our distributed kit business in oncology and IVF in women’s health, among others.

Specific to the kit business, the largest single element of the projected savings, we are currently engaged with external consultants and advisors to assess the available options of a potential divestiture of those assets vs some alternative form of a wind down of that business.

We still believe that a distributed testing model offers advantages to some health systems and in some geographies. But, under the current capital market condition, we’ve determined that the logistics, the lack of common call points, and the difficulty of capturing data aren’t conducive to our long term strategy and financial objectives.

Third, while we have already implemented a heightened budgeting process over the past year, we will be taking additional action to scale back on third-party services and redundant spend. Approximately $67 million in savings is anticipated here.

Lastly, we will consolidate our geographic footprint. We have been operating in more than 100 countries and will be narrowing that to fewer than a dozen for the near term, focusing on geographies that generate the greatest impact and are best aligned with our long-term vision. We anticipate $23 million in savings generated from scaling back our geographic presence.

Together, we estimate that these moves will provide us with approximately $326 million of annualized run rate cash burn reduction, to be fully realized by the end of 2023. At the same time, in support of these initiatives, we anticipate incurring additional cash and non-cash expenses. Cash used for business realignment activities and severance is estimated to be approximately $75 to $100 million. And we expect additional non cash expenses to be recorded in the third quarter and in following quarters.

Now I’ll turn the call to Roxi to discuss financial implications of the realignment and our revised outlook on the near and longer term operation, Roxi.

[Roxi Wen]
Thank you, Ken.

As part of today’s announcement, we have released preliminary Q2 results, including our revenue, non-GAAP gross margin and cash burn.
Revenues grew to approximately $136 million in the second quarter, slightly below our previous expectations. However, we were greatly encouraged that our non-GAAP gross margin improved considerably to an estimated level of 39-40% in Q2, compared to 35-37% in the past several quarters. This improvement also maintained pace with the trajectory that we have been communicating since the beginning of the year.

Looking ahead, the strategic actions we are announcing today and will be implementing over the coming 12 to 18 months, including exiting multiple business lines and approximately 100 countries, will have an impact on the top-line trajectory of the business. The company will be streamlining over the coming months as we discontinue certain parts of our business and re-engage with customers and partners in new ways. At this stage, taking into account the expected lost revenues in the second half from the discontinued product lines, partially offset by the growth of our remaining products, we are now expecting flat growth in the second half of 2022, compared to the first half of the year.

As such, we are updating our 2022 full year revenue guidance as well: we now expect revenue to increase in the low double digits compared to our 2021 full year revenue of $460 million.

On non-GAAP gross margin, thanks to various margin improvement efforts since the beginning of the year and our realignment initiatives, we expect continued improvement in non-GAAP gross margin over the next two quarters and are looking to end the year in the range of 42-43%.

It is also important to note that the projected non-GAAP gross margin for 2022 excludes certain non-cash restructuring expenses that we expect to incur in the coming quarters as a result of the actions we are announcing today.

Moving on to our cash burn trajectory. In the second quarter, we successfully lowered our cash burn by almost another $20 million over the prior quarter, tracking well with our Q1 projections. This continued our recent downward trend on cash burn.

At this time, we are maintaining our previous 2022 cash burn guidance of $600-650 million, which now includes the majority of the cash required to implement the realignment initiatives. Looking ahead into next year, we anticipate our cash burn to be in the range of $225-275 million, a significant reduction of $325-425 million from 2022. And with these projections, we are confident that we would be able to extend our cash runway to the end of 2024.

Back to you, Ken.

[Ken Knight]
Thank you, Roxi.
Looking further out, we believe that 2023 will be a year of adjustment and consolidation as the year-over-year comparables will include noise from this realignment as certain lines of our business are exited and our cost savings are realized. We expect our revenue to find a base over the following 12 to 18 months and revenue will remain flat during this time. Once we move past the effects of this transition, we expect revenue to grow annually between 15-25% until we reach a point of cash flow breakeven.

Our objective is to continue fueling compelling top-line growth while maintaining a hyper-focus on achieving positive cash flow. The programs we are focusing on should enable a growing but efficient testing business while standing up the tools to attract patients and partners into our platform, ultimately putting us in a position to capitalize on higher growth and higher margin opportunities as the network grows.

Throughout this time we anticipate guidelines and best-practices will continue to evolve and medical genetics will be adopted as standard healthcare. At that point the true utility of our lifetime of care platform will start to take hold.

Before we open the call up for questions, let me share a few parting thoughts regarding today’s news and our future.

First and foremost, Invitae is a vibrant, innovative business at the center of perhaps the most exciting segment of healthcare to emerge in the past century. Founders including Sean and Randy had the vision to see where the value could and would be created. But in business, the only constant is the need for continuous change, and we are making the changes necessary to realize the value from the company’s core vision. Those include:

- Realigning the operations, personnel and facilities across the company to match future spend with profitable growth opportunities;
- Executing cost saving initiatives that bring down the overall spending and thereby extending our cash runway to the end of 2024;
- Doubling down on our differentiated vision to enable the healthcare ecosystem to step into the era of genome management; and
- Leveraging the experience of our leadership team to execute on the realignment and subsequent years of profitable growth, innovation and operational excellence.

We look forward to keeping you updated as we move ahead. This process will take time to complete and we will be making adjustments along the way as needed to reach our collective goals. That said, we are confident in the substantial opportunities that this plan will provide to all of our stakeholders.

Operator, I’d like to open it up for questions.

[Conference Call Operator]
<Asks participants if they have questions, followed by Q&A>
At conclusion of Q&A:
There are no further questions and I would like to turn the call back over to Mr. Ken Knight.

[Ken Knight]  
Thank you all for joining the call today and for your support going forward. I am as excited as ever about the potential before us to deliver significant value to our stakeholders while continuing to play a transformative role in bringing genomics to modern medicine.

Good evening to everyone.