Personalis Receives New VA MVP Task Order and Record Quarterly Orders From Oncology Customers; Reconfirms Total Revenue Outlook for 2021 with Further Accelerated Oncology Growth

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MENLO PARK, Calif.--(BUSINESS WIRE)--Sep. 18, 2021--Personalis, Inc. (Nasdaq: PSNL), a leader in advanced genomics for population sequencing and cancer, today announced that the U.S. Department of Veterans Affairs Million Veteran Program (VA MVP) has issued a new task order under its current contract with the company, with a value of up to approximately $10 million. The company also announced that it has received, so far in Q3, more than $25M in orders from its oncology customers, a new record. Together these orders allow the company to reconfirm its total revenue outlook for 2021, with oncology revenue growth now projected to be at least 50% above 2020.

"We are extremely pleased with our on-going relationship with the VA MVP, which represents the largest whole genome sequencing project in the United States," said John West, Chief Executive Officer. "Although this new task order is less than in pre-Covid years, we do expect this program to continue for many years to come, and to reaccelerate after the pandemic. In addition, our record oncology orders have largely offset the VA MVP order decline. Oncology orders received so far in Q3 have already exceeded the orders received in the first half of 2021, and are more than double our level in Q3 2020."

Personalis has delivered over 140,000 whole human genomes to date, and with this new task order remains on track to reach its goal of 150,000 by the end of 2021. Personalis also takes advantage of this experience and infrastructure to offer whole genome sequencing in cancer, and expects this to be an increasingly important contributor to its business in the future.

The performance period for the new VA MVP task order will be September 17, 2021 through March 31, 2022. Realizing revenue from this contract is subject to the receipt of samples from the VA MVP and performance of services by Personalis. The cumulative value of task orders received to date from the VA MVP has increased to approximately $185M. Following a pause during the pandemic, the VA MVP has resumed enrollment, now with approximately 840,000 veterans and the ultimate goal of enrolling two million.

Some of the new oncology orders received are for prospective projects, which are expected to provide revenue over several years, compared with retrospective projects that may be completed in less than two years. The company now expects that its oncology business will become the larger portion of its total revenue in 2022 and, long-term, the company expects that it represents Personalis' largest market opportunity.

Updated Business Outlook

Personalis now expects the following for the third quarter of 2021:

- Total revenue to be approximately $22.2 million (no change from previous outlook)
- Revenue from biopharma and all other customers, excluding VA MVP, to be in the range of $8.3 million to $8.8 million (up from previous guidance of $7.5 million to $8.5 million)
- Net Loss to be in the range of $17 million to $18 million; estimated outstanding shares of 44 million (no change from previous outlook)

Personalis expects the following for the full year of 2021:

- Total revenue to be approximately $85 million (no change from previous outlook)
- Revenue from biopharma and all other customers, excluding VA MVP, to be in the range of $34 million to $35 million (up from previous guidance of $33 million to $34 million)
- Net Loss to be in the range of $65 million to $70 million; estimated outstanding shares of 44 million (no change from previous outlook)

The company is not providing a business outlook for fiscal year 2022 at this time. However, the company is targeting approximately 50% growth in biopharma and other customer (excluding VA MVP) revenue for the full year 2022.

Webcast and Conference Call Information

Personalis will host a conference call to discuss the announcement and updated business outlook before market open on Monday, September 20, 2021 at 6:00 a.m. Pacific Time / 9:00 a.m. Eastern Time. The conference call can be accessed live over the phone by dialing (866) 220-8061 for U.S. callers or (470) 495-9168 for international callers, using the conference ID: 8835748. The live webinar can be accessed at https://investors.personalis.com.

About the VA Million Veteran Program

Launched in 2011, the VA MVP is a landmark research effort aimed at better understanding how genetic variations affect health. Up to two-million veterans are expected to enroll in the VA MVP. Data and genetic samples collected through the program are stored securely and made available for studies by authorized researchers, with stringent safeguards in place to protect Veterans' private health information. The VA MVP was enrolling veterans at 63 VA medical centers nationwide prior to the pandemic. The VA's central biorepository is equipped with a state-of-the-art robotic system for DNA extraction and storage and is currently being expanded to support up to 4 million samples. With approximately 840,000 enrollees since 2011, the VA MVP already far exceeds the enrollment numbers of any single VA study or research program in the past, and is in fact one of the largest research cohorts of its kind in the world. The VA MVP provides researchers with a rich resource of genetic, health, lifestyle, and military-exposure data collected from questionnaires, medical records, and genetic analyses. By combining this information into a single database, the VA MVP promises to advance knowledge about the complex links between genes and health. Veterans' privacy and confidentiality are top priorities in the VA MVP, as in all VA research. For more information about the VA MVP, visit www.research.va.gov/MVP. *This press release does not imply a Department of Veterans Affairs endorsement, and is neither paid for nor sponsored, in whole or in part, by any element of the United States government.*

About Personalis, Inc.

Personalis, Inc. is a leader in advanced cancer genomics for enabling the next generation of precision cancer therapies and diagnostics. The Personalis NeXT Platform™ is designed to adapt to the complex and evolving understanding of cancer, providing its biopharmaceutical customers and clinicians with information on all of the approximately 20,000 human genes, together with the immune system, from a single tissue sample. In population sequencing, Personalis operates one of the largest sequencing laboratories globally and is currently the sole sequencing provider to the VA MVP. To enable cancer and population sequencing, the Personalis Clinical Laboratory is built with a focus on clinical accuracy, quality, big data, scale, and efficiency. The laboratory is GxP aligned as well as CLIA'88-certified and CAP-accredited. For more information, please visit www.personalis.com and follow Personalis on Twitter (@PersonalisInc).

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from the results predicted, and reported results should not be considered an indication of future performance. Forward-looking statements include all statements that are not historical facts and can be identified by terms such as "estimate," "expect," "outlook," "should," "target," "will," or "would" or similar expressions and the negatives of those terms. These statements include, but are not limited to, statements regarding the company's expectations for revenue and net loss for the third quarter and full year of 2021 and growth in 2022 revenue from biopharma and all other customers, excluding VA MVP. Forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. These risks, uncertainties and other factors relate to, among others: the timing and pace of new orders from customers; the extent to which the company may realize revenue from its VA MVP contract and task orders thereunder and the continued receipt of VA MVP samples; the launch of new products and new product features, such as NeXT Personal; the market adoption of offerings launched in 2020, such as Personalis' whole exome liquid biopsy product; the timing of tissue, blood, and other specimen sample receipts from customers (including from the VA MVP), which can materially impact revenue quarter over quarter and year over year; whether orders for the NeXT Platform and revenue from biopharmaceutical and other customers increase in future periods; the success of Personalis' collaborations; the success of the company's international expansion plans; the evolution of cancer therapies and market adoption of the company's services; and the ongoing COVID-19 pandemic, which may significantly impact the company's business and operations and the business and operations of the company's customers and suppliers. These and other potential risks and uncertainties that could cause actual results to differ from the results predicted are further described under the captions "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the company's Quarterly Report on Form 10-Q for the period ended June 30, 2021, and the company's Annual Report on Form 10-K filed on February 25, 2021. All information provided in this release is as of the date of this press release, and any forward-looking statements contained herein are based on assumptions that the company believes to be reasonable as of this date. Undue reliance should not be placed on the forward-looking statements in this press release, which are based on information available to the company on the date hereof. Personalis undertakes no duty to update this information unless required by law.

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