Q4 and Full Year 2014 Earnings Call

CGIX
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March 12, 2015

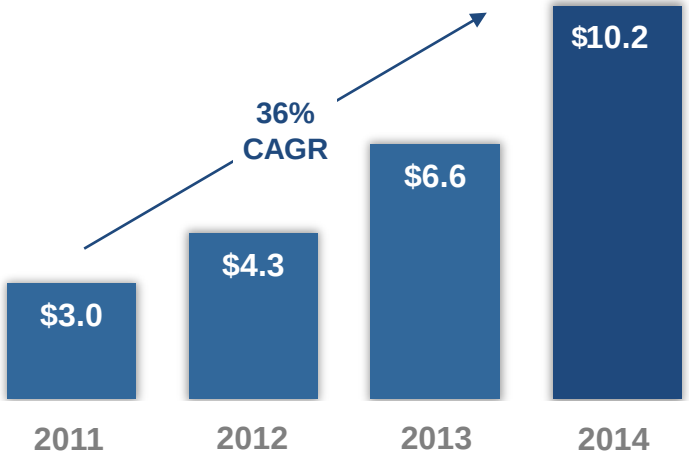
Forward-Looking Statements

*This presentation contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements pertaining to future financial and/or operating results, future growth in research, technology, clinical development and potential opportunities for Cancer Genetics Inc. products and services, Gentris, LLC products and services, or Cancer Genetics (India) Pvt. Ltd. products or services, along with other statements about the future expectations, beliefs, goals, plans or prospects expressed by management constitute forward-looking statements. Any statements that are not historical fact (including, but not limited to, statements that contain words such as, "will," "believes," "anticipates," "expects," and "estimates") should also be considered to be forward-looking statements. Forward-looking statements involve risks and uncertainties, including, without limitation, risks inherent in the development and/or commercialization of potential products, risks of cancellation of customer contracts or discontinuance of trials, risks related to integration of the acquisitions of Gentris and BioServe India and the realization of the currently anticipated benefits, uncertainty in the results of clinical trials or regulatory approvals, need and ability to obtain future capital, maintenance of intellectual property rights and other risks discussed in the Company's Form 10-K for the year ended December 31, 2014** and 2013 and 10-Q for the quarter ended September 30, 2014 along with other filings with the Securities and Exchange Commission. These forward-looking statements speak only as of the date hereof. Cancer Genetics Inc. disclaims any obligation to update these forward-looking statements.*

*** The 10-K for the year ending December 31, 2014 will be filed no later than March 16, 2015.*

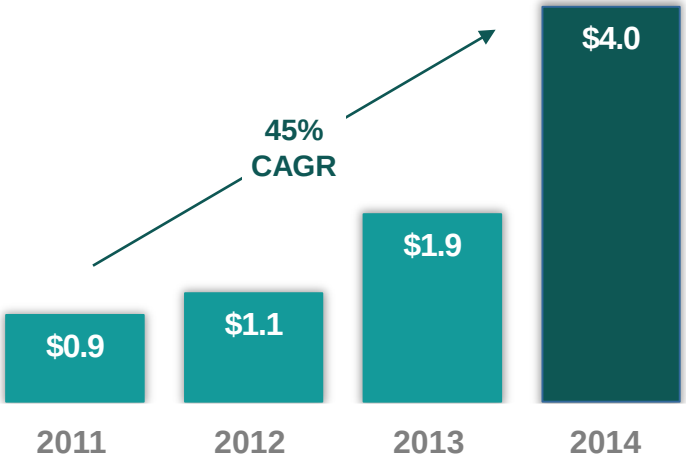
2014 Revenue Highlights

Year End Total Revenue ($Mn)



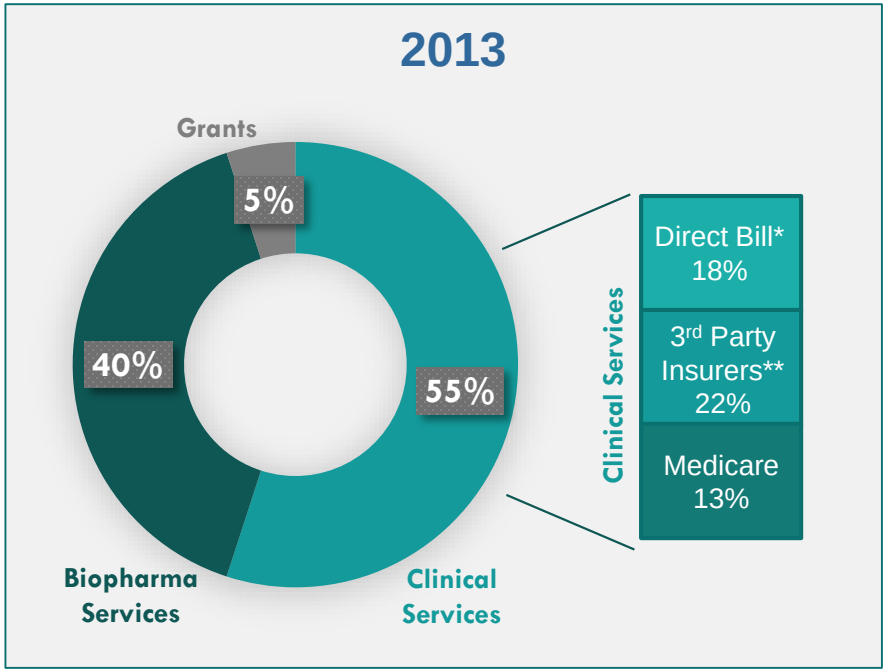
- $10.2M revenue, up 54% Yr./Yr.
- Biopharma revenue grew 112% Yr./Yr.
- Clinical revenue increased 21% Yr./Yr.

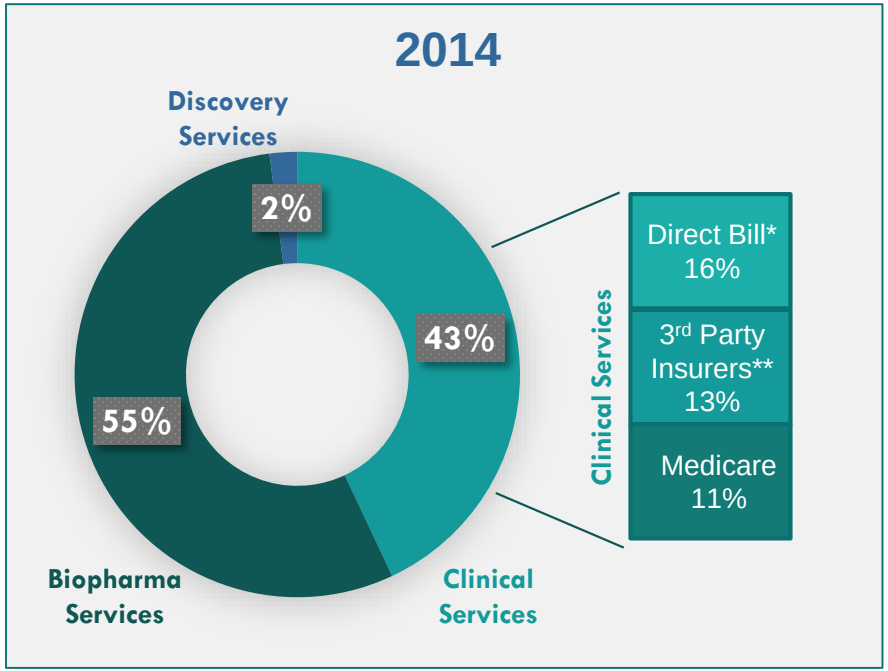
4th Quarter Total Revenue ($Mn)



- $4.0M revenue, up 118% Yr./Yr.
- Biopharma revenue grew 280% Yr./Yr.
- Clinical revenue increased 24% Yr./Yr.

Revenues By Category





** Direct Bill includes hospitals or facilities are billed directly by CGI and not through insurance*
*** 3rd Party Insurers include non-Medicare and non-Medicaid insurers*

Q4 2014 Financial Highlights

- Fourth quarter 2014 revenues were **$4.0 million**, a **118% increase** over fourth quarter 2013 revenues of $1.9 million, and 25% sequential growth over $3.2 million in the third quarter of 2013
- Revenue from **BioPharma services grew 280%** year-over-year during the fourth quarter while revenue from **Clinical services increased 24%** year-over-year during the same period
- Total operating expenses were **$6.9 million** in the quarter, including **$1.7 million** of **non-cash** equity compensation expense
- R&D expenses of **$1.5 million** included $0.5 million of costs related to our collaborations including OncoSpire Genomics (joint venture with Mayo Clinic)
- Adjusted net loss (excluding one-time expenses related to our M&A activity) was **$4.7 million**, or **$0.49** per diluted share
- Net loss for the quarter was **$5.2 million**, or **$0.55** per diluted share, compared to a net loss of **$2.5 million**, or **$0.37** per diluted share in the fourth quarter of 2013

Full Year 2014 Financial Highlights

- Full year 2014 revenues were **$10.2 million**, a **54% increase** over 2013 revenue
- 2014 revenue from **BioPharma services increased 112%** to over **$5.6 million** during the full year while revenue from **Clinical services increased 21%** to over **$4.4 million** during the same period
- Total cash was **$31.9 million** at the year end of 2014 with unrestricted cash at $25.6 million
- Signed contracts in Biopharma services increased significantly to over **$25 million** for year-end 2014.
- Total operating expenses for the full-year were **$21.0 million**, including **$3.8 million** of **non-cash** equity compensation expense
- R&D expenses of **$4.6 million** included **$1.2 million** of costs related to our collaborations including OncoSpire Genomics™
- Adjusted net loss (excluding one-time expenses related to our M&A activity) was **$16.2 million**, or **$1.71** per diluted share
- Net loss for the year was **$16.6 million**, or **$1.80** per diluted share, compared to **$12.4 million**, or **$3.64** per diluted share in 2013

Summary Statement of Operations

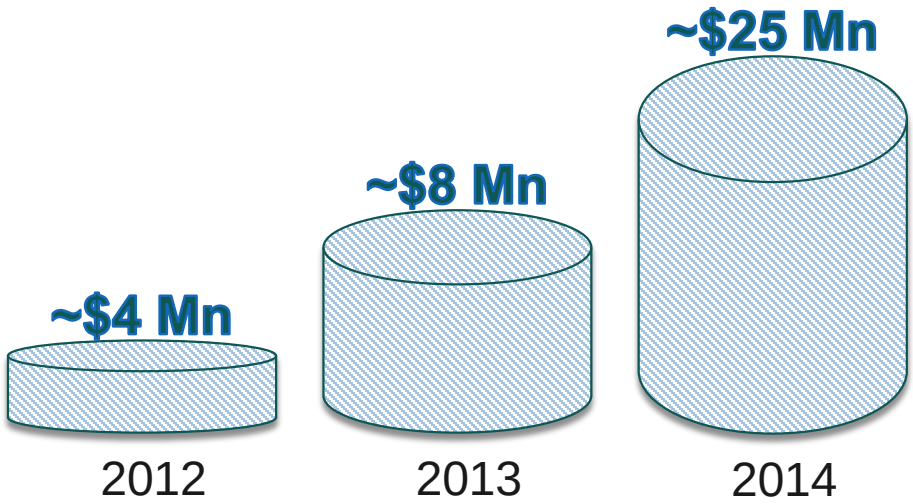
Income Statement Item ($ in Thousands)	2012	2013	2014
Revenue	$4,302	$6,610	$10,199
Gross Profit	373	1,685	1,746
Gross Margin (%)	9%	26%	17%
Research & Development (R&D)	2,112	2,190	4,623
Sales & Marketing (S&M)	1,399	1,842	3,964
General & Administrative (G&A)	4,503	6,115	12,369
Operating Profit (Loss)	(7,641)	(8,462)	(19,209)
Net Income (Loss)	(6,666)[B]	(13,036)[A]	(16,643)

[A] 2013 net loss includes non-cash charges of $2.3 million related to debt restructuring and the changes in liabilities related to outstanding warrants.
[B] 2012 net loss includes a net non-cash benefit of $5.7 million related to changes in liabilities related to outstanding warrants and expenses related to debt restructuring.

Balance Sheet Information	Actual 12/31/14
All Cash*	$31,854
Stockholders' Equity	34,554

$ in thousands ** All cash includes $6,000 restricted to collateralize a credit line*

Value of Contracts: Biopharma Partners



Approximate future value of signed contracts with biotechnology and pharma customers for testing and services to support clinical trials.

2014 Select Highlights

FHACT® for HPV-Associated Cancer Detection

- ✓ CGI's proprietary FHACT® test is designed to detect 4 changes in patient DNA that indicate cervical tissue cancer and precancerous lesions
- ✓ FHACT® has a detection rate of up to 90% and has the potential to prevent up to 1.5 million unnecessary colposcopies in the US each year

Regulatory Affairs and Patents for FHACT®

- US Patent No. 8,865,882
  - October 21, 2014
  - Patent protection for FHACT®'s 4-marker design
- US Patent No. 8,883,414
  - November 11, 2014
  - Patent protection for clinical use of FHACT® to detect HPV-associated cancer and precancer in cervical specimens
- CE Marking received September 2, 2014

Market Analysis Focus Groups

- Meetings with OB/GYNs and pathologists
- Dallas, Raleigh, St. Louis, New York

Dedicated Resources

- FHACT® Field Product Managers
- Reimbursement strategy & billing team
- Dedicated advisory network

Product Launches in NGS

Q4 2014 Accomplishments

- Launch of CGI FOCUS::NGS™ branded line of Next Generation Sequencing panels
- FOCUS::CLL™ NGS panel for Chronic Lymphocytic Leukemia and Small Lymphocytic Lymphoma diagnosis, prognosis and patient management
- Selected for use in global clinical trial by a leading biotechnology company

FOCUS::CLL™
for Chronic Lymphocytic Leukemia

2015 Projections

- FOCUS::Myeloid™ and FOCUS::Lymphoid™ NGS panels for myelodysplastic syndromes and lymphomas
- Development of NGS panels for Multiple Myeloma, Follicular Lymphoma and Lung Cancer through OncoSpire Genomics™, our joint venture with Mayo Clinic
- Continue validation studies with collaborators to demonstrate clinical utility

Upcoming Milestones

- MARKET ADOPTION
  - Increasing covered lives market access through additional payers & health care organizations
  - Additional international agreements for FHACT® distribution and co-marketing partnerships in key geographies
- NEXT GENERATION SEQUENCING PANELS
  - Launching multi-marker NGS panels for lymphoid and myeloid malignancies
  - Multiple Myeloma NGS panel launch, OncoSpire → Q2, 2015
- DATA TO SUPPORT PRODUCTS
  - Lymphoid, Myeloid and CLL Panels - Additional data and results to support clinical usage, patient value and payor coverage
- BIOPHARMA REVENUES & MARKET SHARE
  - Additional news on biopharma partners & relationships

Reconciliation of Non-GAAP EPS metrics

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2014	2013	**2014**	2013
Net (loss) for diluted earnings per share - GAAP Basis	**$ (5,266,261)**	$ (3,061,389)	**$ (17,059,919)**	$ (17,005,553)
Accelerated stock compensation due to acquisitions	**451,757**	-	**451,757**	-
Finders, legal and accounting fees	**110,000**	-	**390,872**	-
Revised fully diluted loss excluding acquisition expenses	**(4,704,504)**	(3,061,389)	**(16,217,291)**	(17,005,553)
Weighted-average fully diluted common shares	**9,641,586**	8,300,242	**9,461,663**	4,675,974
Diluted net loss per share excluding acquisition expenses	**$ (0.49)**	$ (0.37)	**$ (1.71)**	$ (3.64)
Diluted net loss per share -- GAAP basis	**$ (0.55)**	$ (0.37)	**$ (1.80)**	$ (3.64)

Thank You

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