Q1 2018 Earnings Report & Company Updates

Tuesday – May 15, 2018 | 8:30am Eastern

Forward-Looking Statements

These slides may contain 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 revenues, margins, research, technology, clinical development and potential opportunities for Cancer Genetics, Inc. tests and 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," "plans," "anticipates," "expects," "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 that anticipated benefits from acquisitions will not be realized, uncertainty in the results of clinical trials or regulatory approvals, need and ability to obtain future capital, reimbursement risks for new tests, maintenance of intellectual property rights and other risks discussed in the Cancer Genetics, Inc. Form 10-K for the year ended December 31, 2017 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.
EVERYTHING WE DO IS FOCUSED ON 1 KEY IDEA…

…DELIVER INNOVATION & PATIENT VALUE BY PROVIDING THE MOST COMPREHENSIVE CAPABILITIES FOR PRECISION ONCOLOGY DEVELOPMENT.
Revenue & Growth Highlights

Q1 REVENUE
Amounts in $ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Q1</td>
<td>$1.4M</td>
<td>$4.4M</td>
<td>$6.1M</td>
<td>$7.0M</td>
<td>$7.7M</td>
</tr>
</tbody>
</table>

5-Year CAGR 41%

FULL YEAR REVENUE
Amounts in $ millions

<table>
<thead>
<tr>
<th>Year</th>
<th>2014</th>
<th>2015</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$10.2M</td>
<td>$18.0M</td>
<td>$27.0M</td>
<td>$29.0M</td>
<td></td>
</tr>
</tbody>
</table>

4-Year CAGR 30%
Revenues by Market & Customer Category

$3.7M  BIOPHARMA SERVICES
- Supports 241 clinical trials and studies focused on Solid Tumor and Blood Cancers, including 59 for immuno-oncology indications.

$2.3M  CLINICAL SERVICES
- Over 10,300 tests performed in Q1 2018. Comprehensive test portfolio includes immuno-oncology and liquid biopsies.

$1.7M  DISCOVERY SERVICES
- Supporting hundreds of clinical trials, driving support for molecular testing and bioinformatics for pre-clinical initiatives and therapeutic discovery.
Q1 2018 and Recent Operational Highlights

- Received special **510(k) clearance from the FDA for the Tissue of Origin (TOO®) test** to identify tumor origin and differentiate between metastatic, poorly differentiated, or undifferentiated cancers.

- Completed **sale of wholly-owned subsidiary BioServe Biotechnologies (India) Private Limited** to REPROCELL for **$1.9 million** in April 2018.

- As part of 2018 transformation strategy, begin the **relocation of the solid tumor test portfolio and capabilities** from the west coast laboratory to our **New Jersey and North Carolina laboratories**.
  
  - The consolidation of this facility is expected to **reduce operating expenses by over $4 million annually** once completed; Completion expected in September 2018.
Revenues of $7.7 million, 10% increase or $0.7 million over $7.0 million in Q1 2017.

- **Biopharma Services** revenue totaled $3.7 million flat compared to $3.7 million during Q1 2017.

- **Clinical Services** revenue totaled $2.3 million compared to $3 million during Q1 2017. This decrease in revenue was primarily related to the adoption of ASC 606, and 16% decrease in test volume.

- **Discovery Services** revenue totaled $1.7 million compared to $0.3 million during Q1 2017.

Total Operating expenses were $7.5 million, a 35.5% increase compared to $5.6 million during Q1 2017, due to addition of vivoPharm acquisition costs and other non-cash charges.

Net loss was $4.5 million, or $0.16 per share for Q1 2018, compared to a net loss of $9.6 million or $0.51 per share for Q1 2017, primarily attributable to a non-cash gain of $692,000 related to a change in the fair value of warrant liabilities in the first quarter of 2018, compared to a non-cash expense of $7.3 million in the first quarter of 2017.
## Summary Statement of Operations

<table>
<thead>
<tr>
<th>Income Statement Items</th>
<th>Q1 2017</th>
<th>Q4 2017</th>
<th>Q1 2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$6,966</td>
<td>$7,523</td>
<td>$7,667</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>$2,757</td>
<td>$2,284</td>
<td>$2,585</td>
</tr>
<tr>
<td>Gross Margin (%)</td>
<td>40%</td>
<td>30%</td>
<td>34%</td>
</tr>
<tr>
<td>Research &amp; Development (R&amp;D)</td>
<td>$1,110</td>
<td>$1,709</td>
<td>$681</td>
</tr>
<tr>
<td>Sales &amp; Marketing (S&amp;M)</td>
<td>$971</td>
<td>$1,553</td>
<td>$1,591</td>
</tr>
<tr>
<td>General &amp; Administrative (G&amp;A)</td>
<td>$3,477</td>
<td>$8,537</td>
<td>$5,260</td>
</tr>
<tr>
<td>Operating (Loss)</td>
<td>($2,801)</td>
<td>($11,799)</td>
<td>($4,947)</td>
</tr>
<tr>
<td>Net (Loss)</td>
<td>($9,580)</td>
<td>($7,901)</td>
<td>($4,456)</td>
</tr>
<tr>
<td>Change in Fair Value of Derivative Securities</td>
<td>$7,526</td>
<td>$2,035</td>
<td>($709)</td>
</tr>
<tr>
<td>Adjusted Net (Loss) (non GAAP)+</td>
<td>($2,054)</td>
<td>($5,866)</td>
<td>($5,165)</td>
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*This is non GAAP measure.* The above table represents non-GAAP measures that management believes, given its magnitude, represents its earnings per share as unaffected by non-operating valuation adjustments to derivative instruments resulting from the Company’s change in its share price, among other related factors.
Biotech and Pharma Highlights:
Strong Year over Year & Quarterly Progress

**TOTAL ACTIVE PROJECTS**
- Q1 2017: 140
- Q4 2017: 224
- Q1 2018: 241

**ACTIVE I/O PROJECTS**
- Q1 2017: 32
- Q4 2017: 52
- Q1 2018: 59

**BOOKINGS TO BILLING RATIO**
- Q1 2017: 1.2
- Q4 2017: 2.2
- Q1 2018: 1.2

**ANNUAL PROGRESS**
- 120% increase in biopharma projects from 140 to 308 projects

**QUARTERLY PROGRESS**
- 4% increase in biopharma projects from 297 to 308 projects

Over 3-fold increase from 32 to 101 immuno-oncology projects

Biopharma bookings to billing ratio of 1.2 on $4.83M of Q1 2018 bookings

15% increase in immuno-oncology projects with biopharma partners, many with combination trials

Quarterly biopharma bookings of $4.8M, up 9% year over year expected to drive future revenue
Launched Neoantigen Identification Service to Accelerate Immuno-Oncology Drug Identification, Development and Repurposing

- Based on neoantigen identification technology utilizing unique and comprehensive sequencing combinations and sophisticated bioinformatics algorithms and computational workflows.

- Identification of the right set of neoantigens that are potent and generate a robust response will significantly increase the effectiveness of IO therapies.

- Predict patient-specific immune therapy response, and help create personalized immuno-vaccines.

NEW SERVICE OFFERING

AntigenID™

Immuno-Oncology Therapy & Drug Development Expected to Grow to Nearly $120 Billion by 2021
