

Statement regarding use of non-GAAP financial measures

In this press release, the company's financial results and financial guidance are provided in accordance with accounting principles generally accepted in the United States (GAAP) and using certain non-GAAP financial measures. Management believes that presentation of operating results using non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the company's core operating results and comparison of operating results across reporting periods. Management also uses non-GAAP financial measures to establish budgets and to manage the company's business. A reconciliation of the GAAP financial results to non-GAAP financial results is included in the attached schedules and a description of the adjustments made to the GAAP financial measures is included at the end of the schedules.

The company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Non-GAAP financial results are reported in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP.

Following is a description of the adjustments made to GAAP financial measures:

- Acquisition – amortization of intangible assets – represents recurring amortization charges resulting from the acquisition of intangible assets.
- Goodwill and long-lived asset impairment charges – impairment charges on long-lived assets and goodwill.
- Equity compensation – non-cash equity-based compensation provided to Myriad employees and directors.
- Transformation initiatives – transitory costs such as consulting and professional fees related to transformation initiatives.
- Gain on sale – gain, net of transaction costs, recognized on our divestitures of the Myriad myPath, LLC laboratory, Myriad RBM, Inc. and the Myriad Autoimmune business.
- Divestiture-related costs – non-recurring costs associated with our divestitures of the Myriad myPath, LLC laboratory, Myriad RBM, Inc. and the Myriad Autoimmune business.
- Legal charges pending settlement — as of December 31, 2021, we accrued \$48.0 million for a potential settlement of the qui tam lawsuit against Crescendo Bioscience, LLC (formerly known as Crescendo Bioscience, Inc.) and the company and \$14.0 million for settlement of the Abelli lawsuit.
- Other adjustments – other one-time non-recurring expenses including expenses related to leadership transition, severance and retention agreements, expenses expected to be reimbursed by insurance, and changes in the fair value of contingent consideration related to acquisitions from prior years.

- Tax impact associated with non-GAAP adjustments – tax expense/(benefit) due to non-GAAP adjustments, differences between stock compensation recorded for book purposes as compared to the allowable tax deductions, and CARES Act legislation.

**Reconciliation of GAAP to Non-GAAP Financial Measures
for the Three Months and Year ended December 31, 2021 and 2020**

(unaudited data in millions, except per share amount)

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Adjusted Gross Margin				
GAAP Gross Profit ⁽¹⁾	\$ 115.0	\$ 107.5	\$ 493.0	\$ 378.9
Equity compensation	0.4	0.4	1.4	1.4
Other adjustments	—	0.4	1.3	0.5
Adjusted Gross Profit	\$ 115.4	\$ 108.3	\$ 495.7	\$ 380.8
Adjusted Gross Margin	72%	70%	72%	68%

(1) Consists of total revenues less cost of molecular diagnostic testing and cost of pharmaceutical and clinical services from the Consolidated Statements of Operations.

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Adjusted Operating Expenses				
GAAP Operating Expenses ⁽¹⁾	\$ 158.1	\$ 155.7	\$ 683.5	\$ 668.6
Acquisition - amortization of intangible assets	(9.8)	(15.2)	(50.1)	(60.7)
Goodwill and long-lived asset impairment charges	—	—	(1.8)	(98.4)
Equity compensation	(8.0)	(6.2)	(34.9)	(23.0)
Transformation initiatives	(6.0)	(8.5)	(24.8)	(18.1)
Divestiture-related costs	—	—	(1.8)	—
Legal charges pending settlement	(14.0)	—	(62.0)	—
Other adjustments	(5.0)	(6.2)	(21.4)	(9.6)
Adjusted Operating Expenses	\$ 115.3	\$ 119.6	\$ 486.7	\$ 458.8

(1) Consists of research and development expense, selling, general, and administrative expense, legal charges pending settlement, and goodwill and long-lived asset impairment charges from the Consolidated Statements of Operations.

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Adjusted Operating Income (Loss)				
GAAP Operating Loss	\$ (43.1)	\$ (48.2)	\$ (190.5)	\$ (289.7)
Acquisition - amortization of intangible assets	9.8	15.2	50.1	60.7
Goodwill and long-lived asset impairment charges	—	—	1.8	98.4
Equity compensation	8.4	6.6	36.3	24.4
Transformation initiatives	6.0	8.5	24.8	18.1
Divestiture-related costs	—	—	1.9	—
Legal charges pending settlement	14.0	—	62.0	—
Other adjustments	5.0	6.6	22.7	10.1
Adjusted Operating Income (Loss)	\$ 0.1	\$ (11.3)	\$ 9.1	\$ (78.0)

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Adjusted Net Income (Loss) ⁽¹⁾				
GAAP Net Income (Loss) Attributable to Myriad Genetics, Inc. Stockholders	\$ (7.6)	\$ (37.9)	\$ (27.2)	\$ (223.6)
Acquisition - amortization of intangible assets	9.8	15.2	50.1	60.7
Goodwill and long-lived asset impairment charges	—	—	1.8	98.4
Equity compensation	8.4	6.6	36.3	24.4
Transformation initiatives	6.0	8.5	24.8	18.1
Gain on sale	—	—	(151.6)	—
Divestiture-related costs	—	—	14.5	—
Legal charges pending settlement	14.0	—	62.0	—
Other adjustments	5.0	6.6	21.9	11.2
Tax impact of non-GAAP adjustments	(37.2)	(8.2)	(31.2)	(38.8)
Adjusted Net Income (Loss)	\$ (1.6)	\$ (9.2)	\$ 1.4	\$ (49.6)
Weighted average shares outstanding:				
Basic	80.0	75.3	78.0	74.8
Diluted	80.0	75.3	80.2	74.8
Adjusted Net Income (Loss) Per Share				
Basic	\$ (0.02)	\$ (0.12)	\$ 0.02	\$ (0.66)
Diluted	(0.02)	(0.12)	0.02	(0.66)

(1) To determine Adjusted Net Income (Loss) Per Share, or adjusted EPS.

**Adjusted Free Cash Flow Reconciliation
for the Three Months and Year Ended December 31, 2021 and 2020**

(unaudited data in millions)

	Three months ended December 31,		Year ended December 31,	
	2021	2020	2021	2020
Cash flow from operations	\$ (9.9)	\$ (14.4)	\$ 18.2	\$ (26.9)
Capital expenditures	(3.4)	(6.4)	(18.0)	(13.2)
Free cash flow	\$ (13.3)	\$ (20.8)	\$ 0.2	\$ (40.1)
Transformation initiatives	6.0	8.5	24.4	18.1
Other adjustments	5.0	6.3	10.2	11.0
Tax impact associated with non-GAAP adjustments	(2.6)	(3.6)	(7.9)	(7.4)
Adjusted Free cash flow	<u>\$ (4.9)</u>	<u>\$ (9.6)</u>	<u>\$ 26.9</u>	<u>\$ (18.4)</u>