

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 schedules below 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 Genetics employees and directors.
- Transformation initiatives – transitory costs such as consulting and professional fees related to transformation initiatives, additional rent as a result of the build-out of the company's new laboratories in Salt Lake City, Utah and in South San Francisco, California, while maintaining its current laboratories in those locations, severance costs, and accelerated depreciation in connection with the company's decision to cease the use of its current corporate headquarters in Salt Lake City, Utah and transition corporate support operations to its new facility in west Salt Lake City, Utah, once completed. With respect to the Adjusted free cash flow reconciliation, the cash flow effect of transformation initiatives excludes non-cash items such as accelerated depreciation.
- Legal charges, net of insurance reimbursement – one-time legal expenses, net of insurance reimbursement. With respect to the Adjusted free cash flow reconciliation, the cash flow effect includes cash paid for settlements in the related period.

- Other adjustments – other one-time non-recurring expenses including consulting and professional fees related to prior year acquisitions and changes in the fair value of contingent consideration related to acquisitions from prior years.
- Tax 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 valuation allowance recognized against federal and state deferred tax assets in the United States. A valuation allowance of \$11.6 million was not recognized for non-GAAP purposes given the company's historical and forecasted positive earnings performance.

**Reconciliation of GAAP to Non-GAAP Financial Measures
for the Three Months ended March 31, 2023 and 2022**

(unaudited data in millions, except per share amounts)

	Three months ended March 31,	
	2023	2022
Adjusted Gross Margin		
GAAP Gross Profit ⁽¹⁾	\$ 122.0	\$ 116.9
Equity compensation	0.3	0.3
Acquisition - amortization of intangible assets	0.3	—
Adjusted Gross Profit	<u>\$ 122.6</u>	<u>\$ 117.2</u>
Adjusted Gross Margin	67.7%	71.1%

(1) Consists of total revenues less cost of testing from the Condensed Consolidated Statements of Operations.

	Three months ended March 31,	
	2023	2022
Adjusted Operating Expenses		
GAAP Operating Expenses ⁽¹⁾	\$ 174.2	\$ 142.5
Acquisition - amortization of intangible assets	(10.3)	(10.2)
Goodwill and long-lived asset impairment charges	—	(10.7)
Equity compensation	(7.1)	(9.8)
Transformation initiatives	(11.6)	(4.0)
Legal charges, net of insurance reimbursement	(0.3)	11.3
Other adjustments	(0.4)	0.9
Adjusted Operating Expenses	<u>\$ 144.5</u>	<u>\$ 120.0</u>

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

	Three months ended March 31,	
	2023	2022
Adjusted Operating Loss		
GAAP Operating Loss	\$ (52.2)	\$ (25.6)
Acquisition - amortization of intangible assets	10.6	10.2
Goodwill and long-lived asset impairment charges	—	10.7
Equity compensation	7.4	10.1
Transformation initiatives	11.6	4.0

Legal charges, net of insurance reimbursement	0.3	(11.3)
Other adjustments	0.4	(0.9)
Adjusted Operating Loss	<u>\$ (21.9)</u>	<u>\$ (2.8)</u>

	Three months ended March 31,	
	2023	2022
Adjusted Net Loss ⁽¹⁾		
GAAP Net Loss	\$ (54.7)	\$ (20.5)
Acquisition - amortization of intangible assets	10.6	10.2
Goodwill and long-lived asset impairment charges	—	10.7
Equity compensation	7.4	10.1
Transformation initiatives	11.6	4.0
Legal charges, net of insurance reimbursement	0.3	(11.3)
Other adjustments	0.4	(0.9)
Tax adjustments	7.0	(5.1)
Adjusted Net Loss	<u>\$ (17.4)</u>	<u>\$ (2.8)</u>
Weighted average shares outstanding:		
Basic and diluted	81.3	80.1
Adjusted Earnings Per Share		
Basic and diluted	\$ (0.21)	\$ (0.03)

(1) To determine Adjusted Earnings Per Share, or adjusted EPS.

Adjusted Free Cash Flow Reconciliation
for the Three Months Ended March 31, 2023 and 2022
(unaudited data in millions)

	Three months ended March 31,	
	2023	2022
Cash flow from operations	\$ (33.2)	\$ (46.5)
Transformation initiatives	5.9	4.0
Legal charges, net of insurance reimbursement	1.8	2.9
Other adjustments	0.4	—
Adjusted operating cash flow	<u>\$ (25.1)</u>	<u>\$ (39.6)</u>
Capital expenditures	(23.5)	(6.3)
Adjusted free cash flow ⁽¹⁾	<u>\$ (48.6)</u>	<u>\$ (45.9)</u>

(1) The company has revised its Adjusted Free Cash Flow metric in the quarter ended June 30, 2022 to exclude the tax impact, if any, associated with non-GAAP adjustments.