

## **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, re-location costs of equipment to new laboratories, severance costs, and accelerated depreciation in connection with the company's decision to cease the use of its former corporate headquarters in Salt Lake City, Utah. 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. For the three months ended September 30, 2023, legal charges, net of insurance reimbursement primarily relates to a \$34.0 million settlement of the Ravgen litigation, of which \$21.25 million of payment is contingent upon certain future events. For the nine months ended September 30, 2023, legal charges, net of insurance reimbursement primarily includes the amounts related to the settlement of the Ravgen litigation and a \$77.5 million settlement of the securities class action lawsuit. For the nine months ended September 30, 2022, legal charges, net of insurance reimbursement includes the gain from reimbursement of prior legal expenses and settlements. 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, changes in the fair value of contingent consideration related to acquisitions from prior years and reclassifications of cumulative translation adjustments to income upon liquidation of an investment in a foreign entity.
- 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 \$37.2 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 and Nine Months ended September 30, 2023 and 2022**

*(unaudited data in millions, except per share amounts)*

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Adjusted Gross Margin</b>				
GAAP Gross Profit <sup>(1)</sup>	\$ 134.3	\$ 106.0	\$ 382.0	\$ 352.5
Acquisition - amortization of intangible assets	0.4	—	1.0	—
Equity compensation	0.4	0.4	1.1	1.0
Transformation initiatives	—	—	0.2	—
Adjusted Gross Profit	<u>\$ 135.1</u>	<u>\$ 106.4</u>	<u>\$ 384.3</u>	<u>\$ 353.5</u>
Adjusted Gross Margin	70.4%	68.0%	69.0%	70.6%

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

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Adjusted Operating Expenses</b>				
GAAP Operating Expenses <sup>(1)</sup>	\$ 194.4	\$ 151.0	\$ 608.0	\$ 440.9
Acquisition - amortization of intangible assets	(10.3)	(10.1)	(31.0)	(30.4)
Goodwill and long-lived asset impairment charges	—	—	—	(10.7)
Equity compensation	(11.3)	(9.0)	(29.2)	(28.7)
Transformation initiatives	(2.8)	(4.7)	(20.6)	(12.4)
Legal charges, net of insurance reimbursement	(35.1)	—	(113.3)	12.9
Other adjustments	2.4	(0.2)	1.6	0.7
<b>Adjusted Operating Expenses</b>	<b>\$ 137.3</b>	<b>\$ 127.0</b>	<b>\$ 415.5</b>	<b>\$ 372.3</b>

(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 September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Adjusted Operating Income (Loss)</b>				
GAAP Operating Loss	\$ (60.1)	\$ (45.0)	\$ (226.0)	\$ (88.4)
Acquisition - amortization of intangible assets	10.7	10.1	32.0	30.4
Goodwill and long-lived asset impairment charges	—	—	—	10.7
Equity compensation	11.7	9.4	30.3	29.6
Transformation initiatives	2.8	4.7	20.8	12.4
Legal charges, net of insurance reimbursement	35.1	—	113.3	(12.9)
Other adjustments	(2.4)	0.2	(1.6)	(0.7)
<b>Adjusted Operating Loss</b>	<b>\$ (2.2)</b>	<b>\$ (20.6)</b>	<b>\$ (31.2)</b>	<b>\$ (18.9)</b>

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Adjusted Net Income (Loss) <sup>(1)</sup></b>				
GAAP Net Loss	\$ (61.3)	\$ (35.1)	\$ (232.1)	\$ (69.7)
Acquisition - amortization of intangible assets	10.7	10.1	32.0	30.4
Goodwill and long-lived asset impairment charges	—	—	—	10.7
Equity compensation	11.7	9.4	30.3	29.6
Transformation initiatives	2.8	4.7	20.8	12.4
Legal charges, net of insurance reimbursement	35.1	—	113.3	(12.9)
Other adjustments	(1.7)	0.2	—	(0.7)
Tax adjustments	0.4	(4.5)	9.6	(14.3)
<b>Adjusted Net Loss</b>	<b>\$ (2.3)</b>	<b>\$ (15.2)</b>	<b>\$ (26.1)</b>	<b>\$ (14.5)</b>
<b>Weighted average shares outstanding:</b>				
Basic	81.9	80.7	81.6	80.4
Diluted	81.9	80.7	81.6	80.4
<b>Adjusted Earnings Per Share</b>				
Basic	\$ (0.03)	\$ (0.19)	\$ (0.32)	\$ (0.18)
Diluted	\$ (0.03)	\$ (0.19)	\$ (0.32)	\$ (0.18)

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

**Adjusted Free Cash Flow Reconciliation**  
**for the Three and Nine Months Ended September 30, 2023 and 2022**  
*(unaudited data in millions)*

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
<b>Cash flow from operations</b>	\$ (26.6)	\$ (1.8)	\$ (56.2)	\$ (99.0)
Transformation initiatives	2.8	4.7	15.1	12.4
Legal charges, net of insurance reimbursement	21.1	—	23.3	49.9
Other adjustments	—	—	0.4	—
Adjusted operating cash flow	\$ (2.7)	\$ 2.9	\$ (17.4)	\$ (36.7)
Capital expenditures	(10.9)	(17.7)	(53.2)	(30.7)
Capitalization of internal-use software costs	(2.1)	—	(6.6)	—
Adjusted free cash flow	<u>\$ (15.7)</u>	<u>\$ (14.8)</u>	<u>\$ (77.2)</u>	<u>\$ (67.4)</u>