

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.
- Real estate optimization – costs related to real estate initiatives. These costs were included in the transformation initiatives category in prior period reporting. With respect to the adjusted free cash flow reconciliation, the cash flow effect of real estate optimizations excludes non-cash items such as accelerated depreciation. These costs include the following:
 - For the three and twelve months ended December 31, 2023, additional rent as a result of the build-out of our new laboratories in Salt Lake City, Utah and in South San Francisco, California, while maintaining our current laboratories in those locations, and accelerated depreciation and termination costs in connection with the company's decision to cease the use of its former corporate headquarters in Salt Lake City, Utah.
 - For the three and twelve months ended December 31, 2022, additional rent as a result of the build-out of our new laboratories in Salt Lake City, Utah and in South San Francisco, California, while maintaining our current laboratories in those locations.

- Transformation initiatives – costs related to transformation initiatives such as:
 - For the three and twelve months ended December 31, 2023, consulting and professional fees and severance costs related to restructuring.
 - For the three and twelve months ended December 31, 2022, consulting and professional fees.
- Acquisition-related costs - non-recurring costs associated with our acquisition of Gateway Genomics, LLC during the three and twelve months ended December 31, 2022.
- 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. These costs include:
 - For the three and twelve months ended December 31, 2023, primarily includes the amounts related to the \$77.5 million settlement of the securities class action lawsuit and the \$34.0 million settlement of the Ravgen litigation.
 - For the year ended December 31, 2022, includes the gain from reimbursement of prior legal expenses and settlements.
- Other adjustments – other one-time non-recurring expenses including:
 - For the three and twelve months ended December 31, 2023, primarily includes consulting and professional fees related to acquisitions, changes in the fair value of contingent consideration related to acquisitions from prior years, and the reclassifications of cumulative translation adjustments to income upon liquidation of an investment in a foreign entity.
 - For the three and twelve months ended December 31, 2022, primarily includes consulting and professional fees related to 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.
 - During the twelve months ended December 31, 2023, a valuation allowance of \$52.6 million was not recognized for non-GAAP purposes given the company's historical and forecasted positive earnings performance.
 - As of December 31, 2022, a valuation allowance of \$42.4 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 and Year ended December 31, 2023 and 2022
(unaudited data in millions, except per share amounts)

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Adjusted Gross Margin				
GAAP Gross Profit ⁽¹⁾	\$ 135.0	\$ 123.9	\$ 517.0	\$ 476.4
Equity compensation	0.3	0.4	1.4	1.4
Acquisition - amortization of intangible assets	0.4	0.2	1.4	0.2
Acquisition-related costs	—	0.1	—	0.1
Transformation initiatives	—	—	0.2	—
Adjusted Gross Profit	\$ 135.7	\$ 124.6	\$ 520.0	\$ 478.1
Adjusted Gross Margin	69.0%	70.1%	69.0%	70.5%

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

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Adjusted Operating Expenses				
GAAP Operating Expenses ⁽¹⁾	\$ 166.4	\$ 176.1	\$ 774.4	\$ 617.0
Acquisition - amortization of intangible assets	(10.3)	(10.3)	(41.3)	(40.7)
Goodwill and long-lived asset impairment charges	—	(6.1)	—	(16.8)
Equity compensation	(10.0)	(7.8)	(39.2)	(36.5)
Real estate optimization	(13.0)	(1.9)	(27.0)	(3.7)
Transformation initiatives	—	(3.7)	(6.6)	(14.1)
Acquisition-related costs	—	(4.8)	—	(5.0)
Legal charges, net of insurance reimbursement	(1.6)	(1.5)	(114.9)	11.4
Other adjustments	(1.5)	(1.4)	0.1	(0.7)
Adjusted Operating Expenses	\$ 130.0	\$ 138.6	\$ 545.5	\$ 510.9

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

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Adjusted Operating Income (Loss)				
GAAP Operating Loss	\$ (31.4)	\$ (52.2)	\$ (257.4)	\$ (140.6)
Acquisition - amortization of intangible assets	10.7	10.5	42.7	40.9
Goodwill and long-lived asset impairment charges	—	6.1	—	16.8
Equity compensation	10.3	8.2	40.6	37.8
Real estate optimization	13.0	1.9	27.0	3.7
Transformation initiatives	—	3.8	6.8	14.2
Acquisition-related costs	—	4.9	—	5.1
Legal charges, net of insurance reimbursement	1.6	1.5	114.9	(11.4)
Other adjustments	1.5	1.4	(0.1)	0.7
Adjusted Operating Income (Loss)	\$ 5.7	\$ (13.9)	\$ (25.5)	\$ (32.8)

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Adjusted Net Income (Loss) ⁽¹⁾				
GAAP Net Loss	\$ (31.2)	\$ (42.3)	\$ (263.3)	\$ (112.0)
Acquisition - amortization of intangible assets	10.7	10.5	42.7	40.9
Goodwill and long-lived asset impairment charges	—	6.1	—	16.8
Equity compensation	10.3	8.2	40.6	37.8
Real estate optimization	13.0	1.9	27.0	3.7
Transformation initiatives	—	3.8	6.8	14.2
Acquisition-related costs	—	4.9	—	5.1
Legal charges, net of insurance reimbursement	1.6	1.5	114.9	(11.4)
Other adjustments	1.1	1.4	1.1	0.7
Tax adjustments	(2.0)	(5.7)	7.6	(20.0)
Adjusted Net Income (Loss)	\$ 3.5	\$ (9.7)	\$ (22.6)	\$ (24.2)
Weighted average shares outstanding:				
Basic	86.1	81.5	82.8	80.6
Diluted	86.9	81.5	82.8	80.6
Adjusted Earnings (Loss) Per Share				
Basic	\$ 0.04	\$ (0.12)	\$ (0.27)	\$ (0.30)
Diluted	\$ 0.04	\$ (0.12)	\$ (0.27)	\$ (0.30)

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

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

	Three months ended December 31,		Year ended December 31,	
	2023	2022	2023	2022
Cash flow from operations	\$ (54.7)	\$ (7.3)	\$ (110.9)	\$ (106.3)
Real estate optimization	4.0	1.9	12.3	3.7
Transformation initiatives	—	3.8	6.8	14.2
Legal charges, net of insurance reimbursement	63.1	—	86.4	49.9
Acquisition-related costs	—	4.9	—	5.1
Other adjustments	1.1	—	1.5	—
Adjusted operating cash flow	\$ 13.5	\$ 3.3	\$ (3.9)	\$ (33.4)
Capital expenditures	(10.0)	(14.6)	(63.2)	(45.3)
Capitalization of internal-use software costs	(3.5)	—	(10.1)	—
Adjusted free cash flow	\$ —	\$ (11.3)	\$ (77.2)	\$ (78.7)