

October 10, 2018

Dear Shareholders,

Fiscal year 2018 represented one of the most significant in the history of the company as we transform Myriad into the global leader in personalized medicine. Over the last five years, we have grown our new product volume at a 40 percent compound annual growth rate. Including the recent Counsyl acquisition, test volume has increased five-fold over fiscal 2013 when we began our journey to diversify the company from reliance on a single product. In total, these new products represent more than \$20 billion in revenue potential. Although we have made substantial progress, the upside remains significant since the market penetration for these new products is less than 10 percent with insurance coverage averaging less than 20 percent. As this potential opportunity becomes the reality, the increasing cash flow will allow the company to strengthen our leadership position through increased investment in pioneering research and development and by making additional strategic acquisitions. A summary of our key accomplishments for fiscal year 2018, as defined by our critical success factors is provided below:

Build upon a solid hereditary cancer foundation: Several significant positive developments solidified our hereditary cancer business during the fiscal year. First, we implemented long-term contracts with payers representing 86 percent of our hereditary cancer revenue, which provides stable pricing into fiscal year 2020. Second, we continued to grow the business ending the fiscal year with six straight quarters of year-over-year volume growth. We also continued to lead in pioneering science by launching a groundbreaking new product, riskScore™, named as one of the top ten scientific advances by *MIT Technology Review* magazine. Finally, clinical data from Myriad was instrumental in expanding the market with new National Comprehensive Cancer Network (NCCN) guidelines and a new indication for BRACAnalysis® CDx test in metastatic breast cancer, which in total added over 160,000 eligible patients per year in the United States.

Growing new product volume: Our diversification efforts accelerated with new products now representing more than 70 percent of test volumes. New product revenue achieved record levels at over \$210 million with strong growth from all new products. GeneSight® revenue was up 59 percent, Prolaris revenue increased by 73 percent, Vectra revenue increased by 31 percent, and EndoPredict was up 16 percent. Finally, we announced our largest acquisition to date with Counsyl in the fiscal fourth quarter that allows entry into the high growth reproductive genetics market estimated at \$1.5 billion in the United States.

Expanding reimbursement coverage for new products: We obtained important additional coverage decisions that increased the total reimbursed addressable market for our new tests to \$1.6 billion. Perhaps the most important milestone during the year was the release of the unprecedented results from the GUIDED GeneSight prospective clinical trial that demonstrated improved outcomes in patients with major depressive disorder when compared to an active therapy arm. This data will be instrumental to expand coverage for the GeneSight test. Prolaris coverage increased to over 50 percent with expanded Medicare coverage and new NCCN guidelines. Additionally, EndoPredict coverage increased to over 90 percent having received a favorable Medicare LCD, and is now broadly covered in the United States. Finally, we saw our first coverage decisions for myPath Melanoma and started fiscal 2019 with a draft Medicare coverage policy.

Increasing international contribution: We continued our strategic pivot in international markets focusing on RNA kit products with laboratory developed tests performed in our U.S. laboratories. As part of this strategy we announced an international restructuring that will streamline the organization and reduce costs. In late fiscal year 2018, The National Institute for Health and Care Excellence in the United Kingdom issued a favorable recommendation for EndoPredict reimbursement, and we expect reimbursement decisions in Germany and Italy in fiscal year 2019. Lastly, BRACAnalysis CDx was approved in Japan as a companion diagnostic for PARP inhibitors with a market opportunity of more than 15,000 tests per year.

Improving profitability with Elevate 2020: In fiscal year 2018 we launched the Elevate 2020 initiative to reduce cost and improve the efficiency of the organization. The program had an immediate impact leading to an increase in operating income of more than \$20 million dollars in the fiscal year. We see significant continued opportunities to drive operational efficiencies going forward with our goal of increasing operating income by greater than \$50 million by fiscal year 2020.

Innovation is in our DNA at Myriad, and we continue to pioneer cutting edge science and commercialize groundbreaking molecular diagnostics. We believe in the potential for personalized medicine to revolutionize healthcare and achieve the dual aims of improving patients' lives and reducing significant waste in the health care system. And we believe Myriad is best positioned to be **THE** leader in this important industry. On behalf of the Myriad team, we thank you for your ongoing support.



John T. Henderson, M.D.

Chairman



Mark C. Capone

President and CEO

Some of the information presented here today may contain projections or other forward-looking statements regarding future events or the future financial performance of the Company. These statements are based on management's current expectations and the actual events or results may differ materially and adversely from these expectations. We refer you to the documents the Company files from time to time with the Securities and Exchange Commission, specifically, the Company's annual reports on Form 10-K, its quarterly reports on Form 10-Q, and its current reports on Form 8-K. These documents identify important risk factors that could cause the actual results to differ materially from those contained in the Company's projections or forward-looking statements.