

November 7, 2024



Third Quarter 2024 Earnings Call



Myriad
genetics®

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Forward-looking statements and Non-GAAP financial measures

Some of the information presented here today contains projections or other forward-looking statements regarding future events or the future financial performance of the Company.

FORWARD-LOOKING STATEMENTS AND DISCLAIMERS

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 report 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. All third-party marks—® and ™—are the property of their respective owners. Certain market and industry data has been obtained from third-party sources, which the Company believes are reliable, but the Company has not independently verified the information provided by third-party sources. Unless otherwise noted, market growth rates used in this presentation are estimates based on Company and third-party industry research.

NON-GAAP FINANCIAL MEASURES

In this presentation, 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. Definitions of the non-GAAP financial measures and a reconciliation of the GAAP to non-GAAP financial results are provided in the Appendix to this presentation.

The Company does not provide forward-looking guidance on a GAAP basis for the measures on which it provides forward-looking non-GAAP guidance as the Company is unable to provide a quantitative reconciliation of forward-looking non-GAAP measures to the most directly comparable forward-looking GAAP measure, without unreasonable effort, because of the inherent difficulty in accurately forecasting the occurrence and financial impact of the various adjusting items necessary for such reconciliations that have not yet occurred, are dependent on various factors, are out of the Company's control, or cannot be reasonably predicted. Such adjustments include, but are not limited to, real estate optimization and transformation initiatives, certain litigation charges and loss contingencies, costs related to acquisitions/divestitures and the related amortization, impairment and related charges, and other adjustments. For example, stock-based compensation may fluctuate based on the timing of employee stock transactions and unpredictable fluctuations in the Company's stock price. Any associated estimate of these items and its impact on GAAP performance could vary materially.

Revealing the power of genetic science – for everyone



Mission

We advance health and well-being for all, empowering every individual by revealing the answers inside each of us.



Vision

As a leader in genetic testing and precision medicine, we provide insights that help people take control of their health and enable healthcare providers to better detect, treat and prevent disease.

Third quarter 2024 and recent highlights

Strong Top-Line Growth

\$213M revenue representing 11% and 13% YOY revenue growth for Q3'24 and YTD'24 despite seasonal headwinds and divestiture of European EndoPredict

Strong average revenue per test trends driven by ongoing progress with payor coverage and revenue cycle initiatives

Increasing Profitability and Liquidity

~\$150 million of Gross Profit on 70.6% GM

\$14 million Adj. EBITDA

\$0.06 Adj. EPS compared to \$(0.03) in Q3'23

\$149 million in liquidity¹

Execution of Strategic Priorities

Advancing Precise[®] MRD program and accelerating clinical studies for new products

Strengthened IP portfolio with new MRD patent and rolling out cutting edge EMR integrations (including Flatiron for Oncology)

Ongoing progress with Labs of the Future initiative and enhancements across the test portfolio

Updating 2024 Guidance

Updating 2024 revenue guidance to \$837 - \$843 million, representing year-over-year growth of 11% - 12%

Improved profitability outlook with 2024 Adj. EBITDA guidance of \$34 - \$39 million and 2024 Adj. EPS guidance of \$0.12 - \$0.14

¹ Consists of \$99.9 million of cash and cash equivalents and availability of \$48.8 million under the ABL Facility, subject to the minimum availability requirement under the ABL Facility.



Our position on UnitedHealthcare's (UNH) recent PGx medical policy update

November 1, 2024: UNH issued updated commercial PGx medical policy, restricting access to multi-gene PGx panels effective January 1, 2025

Policy Change

- We disagree with UNH on the premise for changing PGx policy, specifically as it relates to GeneSight
- Affects only commercial coverage, representing ~\$10 million of GeneSight revenue in Q3'24

Next Steps

- Present new data from GeneSight meta study, review multiple GeneSight studies including 2 of the largest randomized controlled trials¹ and share support from various advocacy groups to UNH
- Continue providing UNH commercial enrollees valuable insights from GeneSight
- Continue to engage with other commercial payors beyond UNH to understand GeneSight's value proposition

Our goal: continue to grow on our strong foundation

- ~3 million tests to date from 30,000 providers

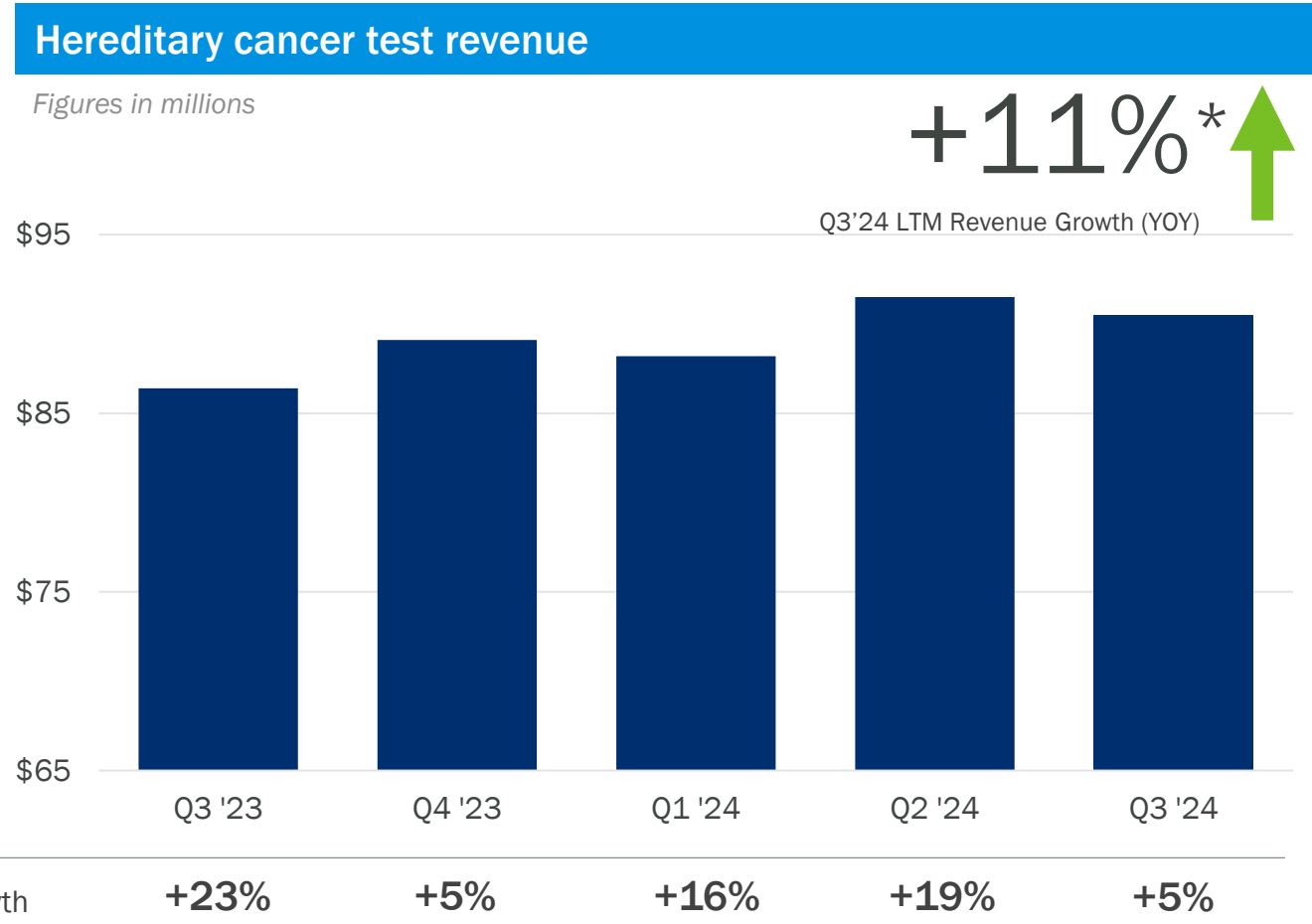
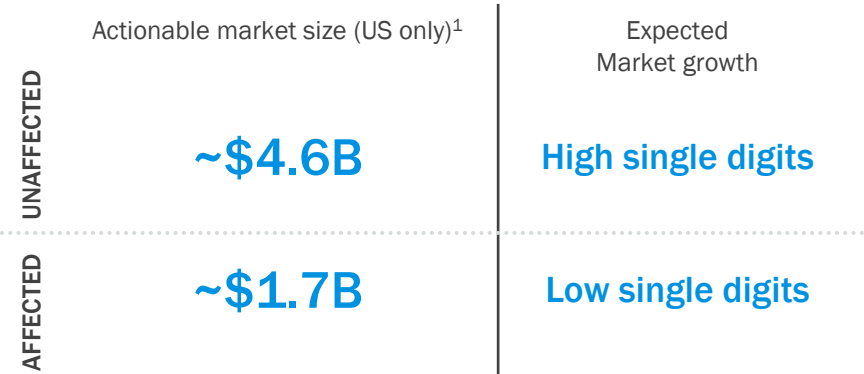
GeneSight supports providers and patients to find the right treatment faster

1 Majtabai R, et al. J Clin Psychiatry. 2008 Jul;69(7):106574.

Mark Verratti

Chief Commercial Officer

Hereditary cancer revenue growth with increased volume outpacing market



MyRisk and RiskScore expected enhancements

- MyRisk Gene Panel Expansion (2025E)
- Medical Management Tool
- Priority ordering

¹ Data as of 2023 from GlobalData 2023, NIMH, ADAA, NCBI Definitive Healthcare 2023, and internal estimates.

* Calculated at the increase from the 12 months ended September 30, 2024, as compared to the 12 months ended September 30, 2023. For detail of our quarterly hereditary cancer revenue by quarter please see our current and prior earnings releases.

The prenatal market continues to grow with potential tailwinds from guideline expansion

Prequel®
Prenatal Screen

Foresight®
Carrier Screen

	Actionable market size (US only) ¹	Expected Market growth
PREQUEL	~\$1.7B	High single digits
FORESIGHT	~\$0.9B	Low single digits

Prenatal expected enhancements

Foresight Universal Plus

- Gene expansion to meet expected new guidelines

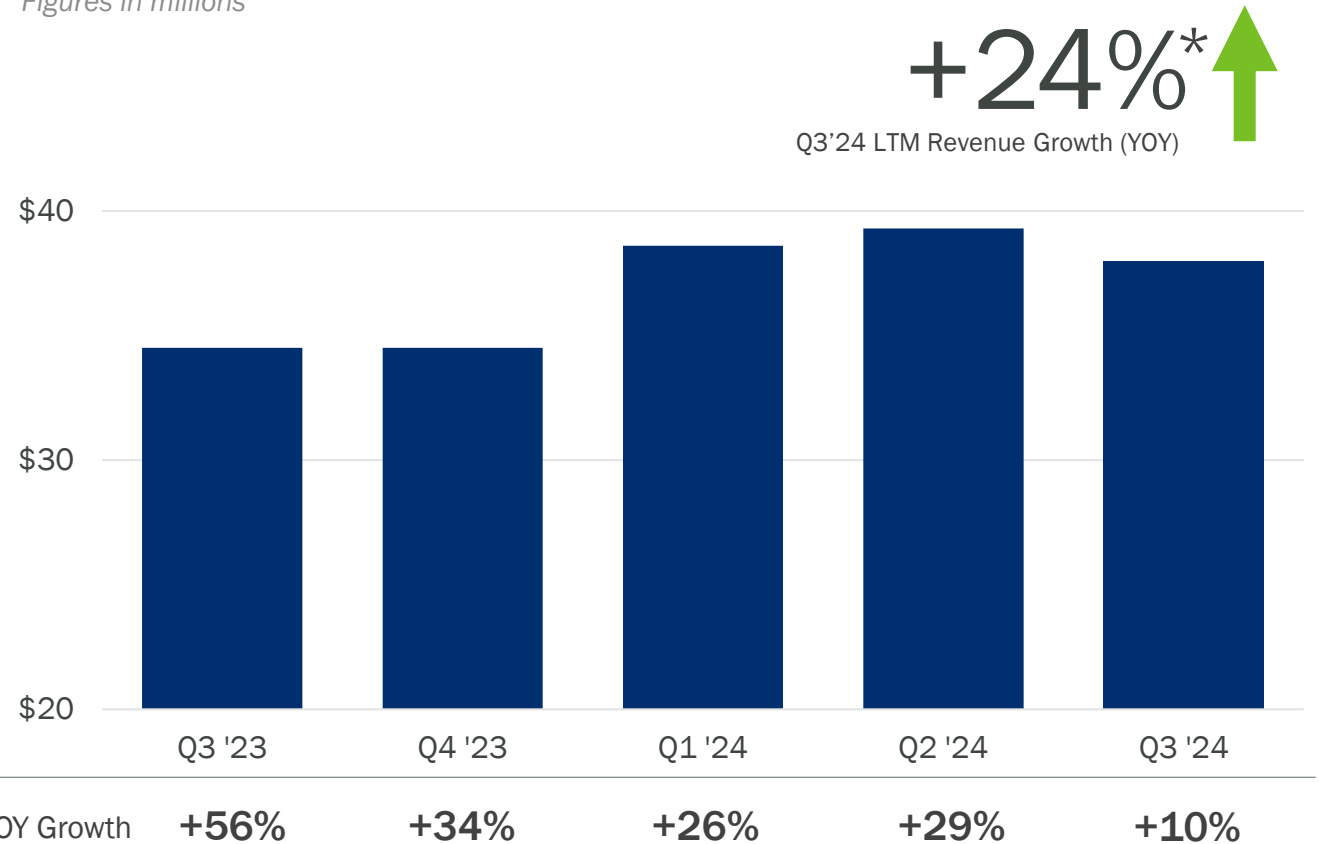
Prequel Early Gestational Age

- First-time results available to >99.9% of patients at 8 weeks²
- Add 22q when guidelines expand

1 Data as of 2023 from GlobalData 2023, NIMH, ADAA, NCBI Definitive Healthcare 2023, and internal estimates
2 Internal data.

Prenatal test revenue excl. SneakPeek

Figures in millions



* Calculated at the increase from the 12 months ended September 30, 2024, as compared to the 12 months ended September 30, 2023. For detail of our quarterly prenatal revenue please see our current and prior earnings releases. The prenatal revenue numbers presented here exclude SneakPeek revenue of \$21.7M and \$18.9M for the twelve months ended September 30, 2024 and 2023, respectively.

Continued strong demand and commercial execution driving significant growth in Pharmacogenomics

Actionable market size (US only)¹


~\$2B

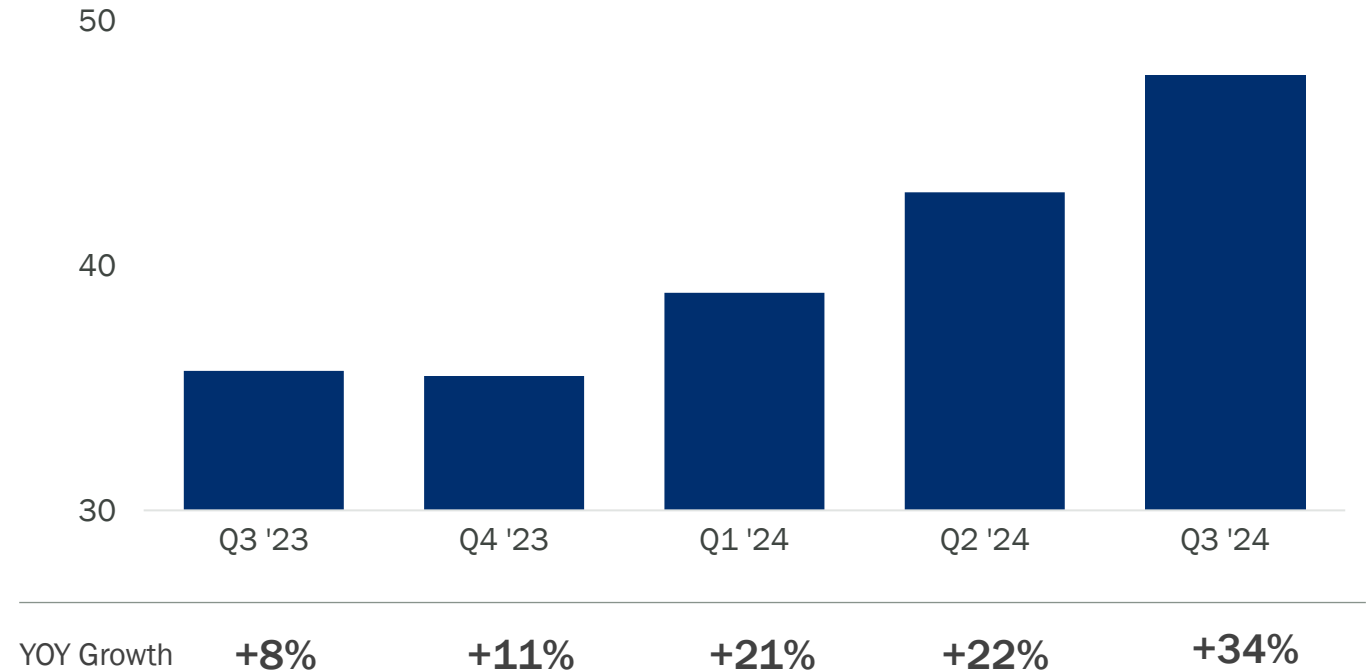
Expected Market growth

Low teens

GeneSight test revenue

Figures in millions

+22%* 
Q3'24 LTM Revenue Growth (YOY)



Body of Clinical Data Includes

- ✓ Analytical validity
- ✓ Clinical validity
- ✓ Clinical utility
- ✓ Economic utility

¹Data as of 2023 from GlobalData 2023, NIMH, ADAA, NCBI Definitive Healthcare 2023, and internal estimates.

* Calculated at the increase from the 12 months ended September 30, 2024, as compared to the 12 months ended September 30, 2023. For detail of our quarterly Pharmacogenomics revenue please see our current and prior earnings releases.

GeneSight's value proposition

Provides an important tool to providers to get patients on the right medication faster on their road to recovery

Meeting the mental health crisis on the front lines of patient care

- ✓ Primary care focus where **70-75%** of antidepressants are prescribed¹
- ✓ **30,000+** providers
- ✓ **>65%** orders from nurse practitioners
- ✓ **93%** overall satisfaction among current providers²



1 in 5 Americans develop Major Depressive Disorder in their lifetime¹

Supported by established clinical utility in leading studies and strong support from multiple advocacy groups

- ✓ GeneSight clinical evidence includes multiple studies, one independently sponsored by the Veterans Administration³
- ✓ GeneSight testing supported by patient and provider groups focused on mental health



39% higher utilization of mental health services 2019 to 2022*⁴

Active expansion of high-quality testing pipeline addressing real-world community needs

Precise Oncology Solutions

Precise Tumor[®]  LAUNCHED

Robust tumor profiling & therapy selection

Pan-cancer comprehensive genomic profiling test; may serve as first-line offering

Precise[®] Liquid  TARGET: Q1'26 Commercial Launch

Robust tumor profiling & therapy selection

Comprehensive genomic profiling test; may serve as first-line offering or as reflex if solid tumor is insufficient

Precise[®] MRD RUO  LAUNCHED

Molecular residual disease monitoring

Monitoring test based on whole genome sequencing; detect recurrence earlier and help guide treatment decisions

Women's Health

Foresight[®]  LAUNCHED

Expanded carrier screen: Universal Plus

Pioneering expanded NGS carrier screen finds pathogenic variants underlying recessive disease with increase guidelines to improve adoption, payor coverage

Prequel[®]  TARGET: Q4'24 Commercial Launch
at Earlier Gestational Age

Key driver of when fetal aneuploidy testing can be reliably performed and Prequel with AMPLIFY enables testing at 8-weeks GA vs. industry at 10-weeks

FirstGene[™]  TARGET: 2H '25 Pre-Launch

Multiple prenatal screening

Integrated assay for NIPS + carrier screen + fetal recessive status + feto-maternal blood compatibility

Sam Raha

Chief Operating Officer

Building for growth with the Labs of the Future initiative

Objectives

Drive innovation and operational excellence at scale and deliver high quality results with shortened turnaround times and lower COGS per test

2024 highlights and next steps

- Oncology volume ramping up in new Salt Lake City lab
- Prenatal transitioned to new S. San Francisco lab
- Intermountain Precision Genomics integration to be completed in Q4'24
- Precise Tumor launched in Salt Lake City lab early Nov
- Transitions expected to be completed in 2025

Impact

✔ >3M annual sample processing capacity expected

Myriad Precise Tumor

Strategic acquisition and integration



Intermountain Health Precision Genomics
ST. GEORGE UT → SALT LAKE CITY

Advanced R&D

Incubate / advance new technologies

65k

square feet

Walter Gilbert Innovation Center
SOUTH SAN FRANCISCO

Scaled Operations

Process high volume products

235k

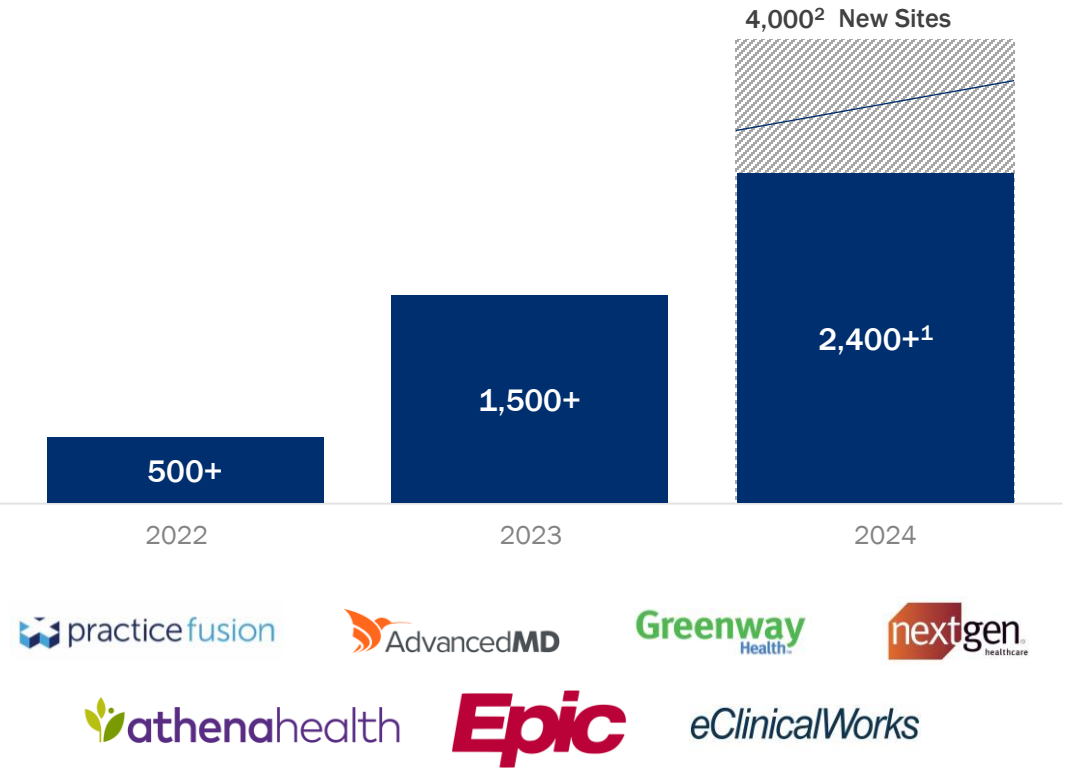
square feet

Myriad Genetics HQ and Central Lab Operations
SALT LAKE CITY

Deploying industry-leading EMR solutions in all channels

Streamlining workflows, expanding access and driving added volume

New EMR-Integrated Provider Sites



¹ Year-to date as of September 30, 2024
² Target total new sites to be integrated in 2024

Oncology Focus

+

2,000+ cancer care clinicians nationwide

- Full suite of oncology products
- Detailed variant data

Ongoing Investment

MYRID EMR NOW	MYRIAD EMR NEXT*
Strategic EMR vendors for all channels	Expand availability of full portfolio & platforms for oncology

* In negotiations at present

Advancing our innovative Minimal Residual Disease (MRD) program on multiple fronts

Strengthening intellectual property portfolio

- Announced three new patents to the portfolio family in 2024 (filing dates in 2016)
- Entered a cross-license agreement with Personalis related to patent estates for tumor-informed approaches to detect MRD (July 2024)

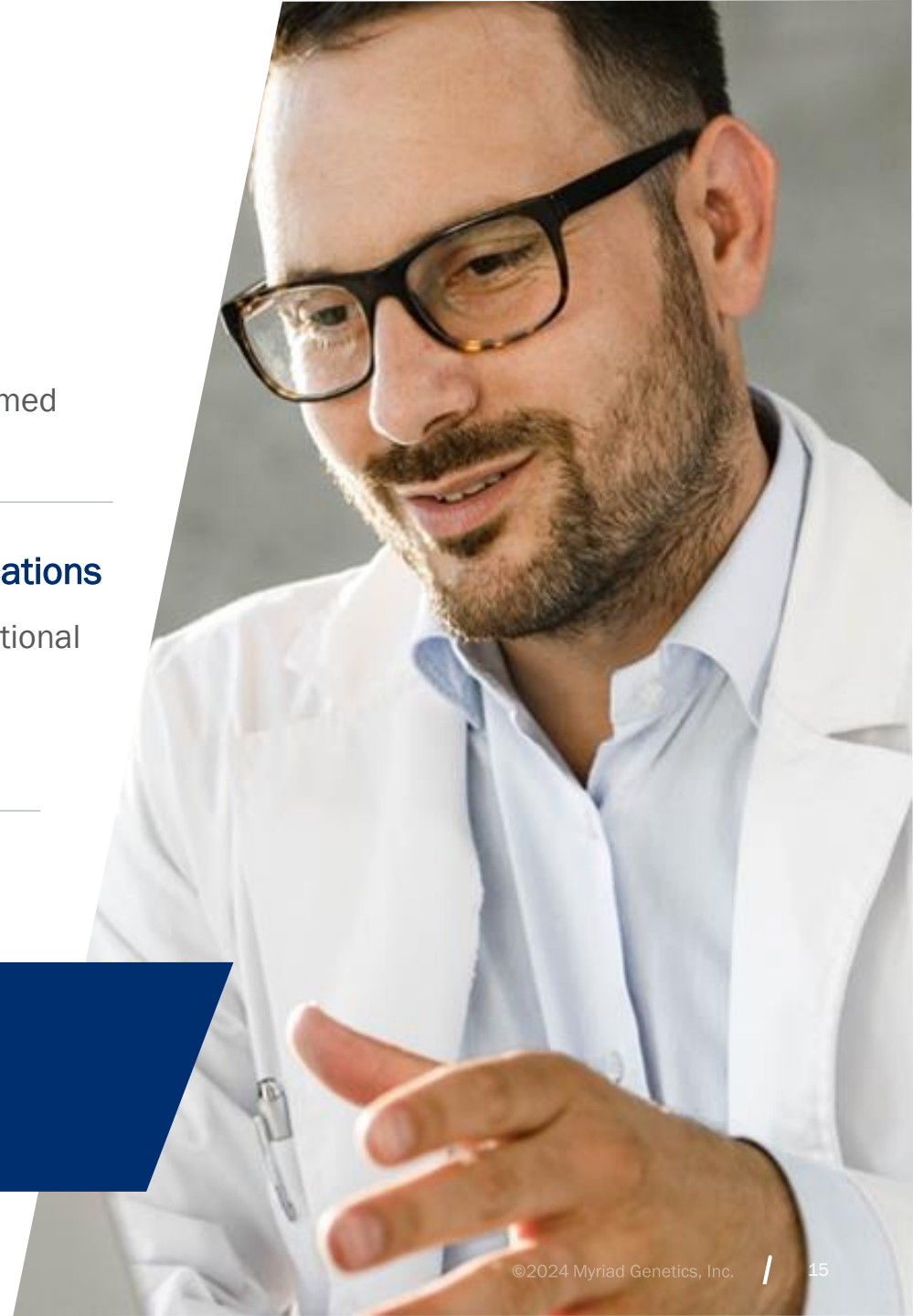
Research collaborations with prestigious institutions across multiple disease indications

- Top oncology research institutions such as MD Anderson, Memorial Sloan Kettering and National Cancer Center Hospital East in Japan
- Indications include breast, ovarian, prostate, endometrial, renal, and bladder cancers

Expanding prospective and retrospective studies and publications through 2026

In advanced negotiations to form strategic alliance with leading national cancer center

Institution looking to utilize a highly sensitive MRD assay for trials across several indications



Strong enterprise foundation to accelerate growth and scale

Winning culture



84% Of our team rate Myriad a “Great Place To Work”

Recognized as one of
“America’s best
midsize companies”



Customer Service



88%

Samples processed within what we believe are industry-leading turn-around-times to support providers making treatment decisions

Revenue Cycle



2pt

Reduction in No Pay rate (Q3'24 vs. Q1'24)



+5%

YOY increase in revenue per test (Q3'24 vs. Q3'23) from expanding payor coverage and improved Revenue Cycle Management

Perception



72

Net Promoter Score among current Myriad providers ordering across our testing portfolio (July '24)

Efficiency & Productivity



>75%

Increase in revenue per commissioned sales rep since 2021



70%

Increase in cases processed per Customer Service rep since 2021



Scott Leffler

Chief Financial Officer

Growth driven by diversified portfolio in Q3'24 and YTD'24

Select test revenue and growth rates

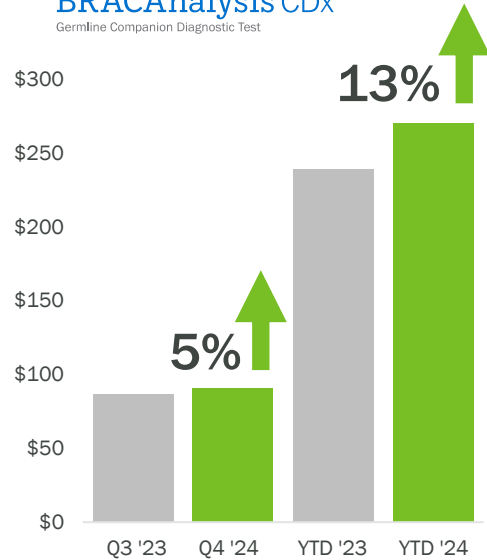
All figures in millions, except growth rates

Hereditary Cancer

MyRisk®
Hereditary Cancer Test

with RiskScore®
for all ancestries

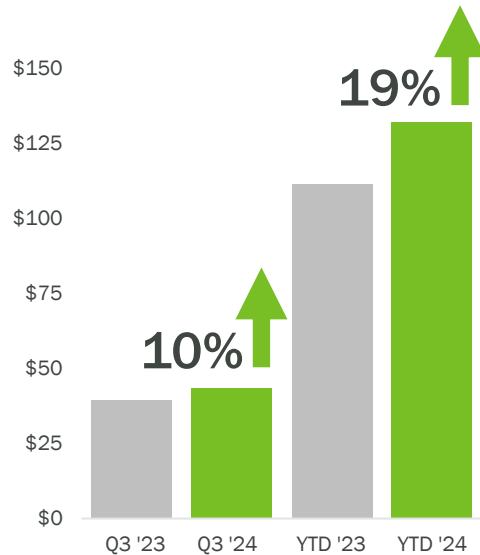
BRACAnalysis CDx®
Germline Companion Diagnostic Test



Prenatal

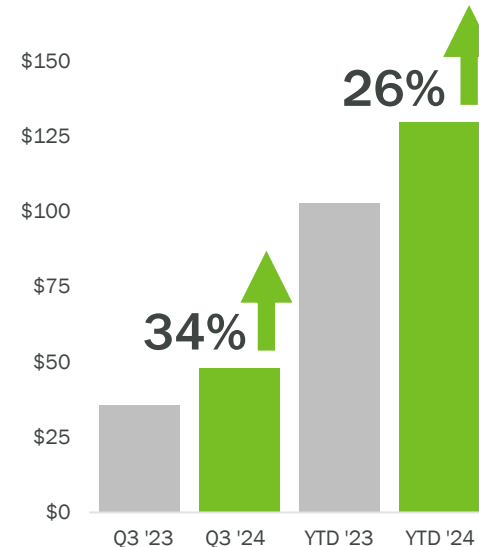
Prequel®
Prenatal Screen

Foresight®
Carrier Screen



Pharmacogenomics

GeneSight®
Mental Health Medication Test



Additional Highlights:

As part of Hereditary Cancer testing, MyRisk revenue grew 9% and 20% YOY in Q3'24 and YTD'24, respectively

Hereditary cancer testing revenue in oncology (“affected” population) grew 11% YOY in Q3'24, above estimated market growth

Ongoing activities supporting sustainable pricing environment going forward



Revenue cycle process improvements

AI-enhanced insights;
Accelerate EMR integrations

Deploy Unified Order Management to reduce friction



Invested in revenue cycle and pre-authorization team

Added headcount and continue to integrate Robotic Process Automation (RPA) to off-load repetitive tasks



Ongoing payor and 3rd party engagement

State biomarker legislation leading to new coverage opportunities

Increasing engagement with Lab Benefit Managers (LBM)

Industry developments



Favorable positive pricing environment

Clinical society guideline expansions

Increased industry consolidation activity

Increased public focus on payor behavior

Year-to-date* average revenue per test has increased 5% YOY reflecting expanded payer coverage and momentum of RCM initiatives

New product coverage, contracts and medical policy expansions



Ongoing payor
and 3rd party
engagement

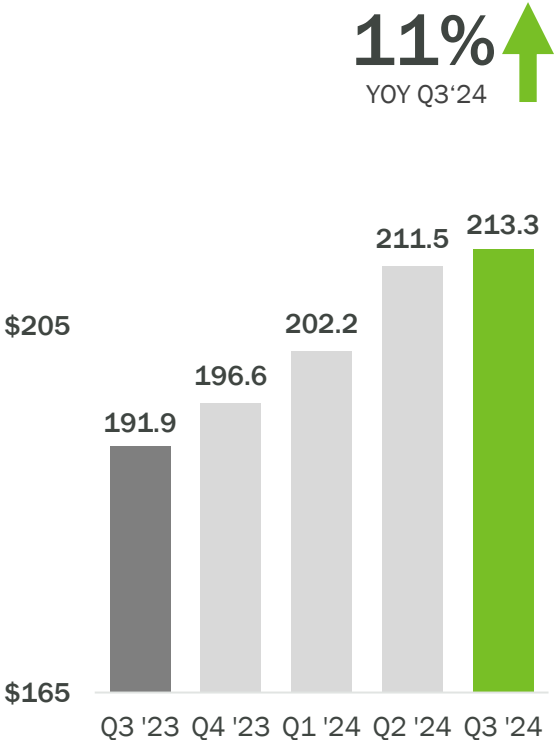
	New Product Coverage and Medical Policy Expansions	New Contracts
Summary:	<p>Inclusion of a previously non-covered medical service under a health plan, making it eligible for insurance reimbursement.</p> <p>Policy expansion includes broadening of criteria under which a health plan covers a medical service, increasing eligibility for reimbursement</p>	<p>Myriad and health plan have agreed to new terms outlined in a contract or amendment to an existing contract.</p>
New coverage or contracts (Q3'24):	10	7

Year-to-date, we have secured **18** new contracts and **29** new product coverages and medical policy expansions

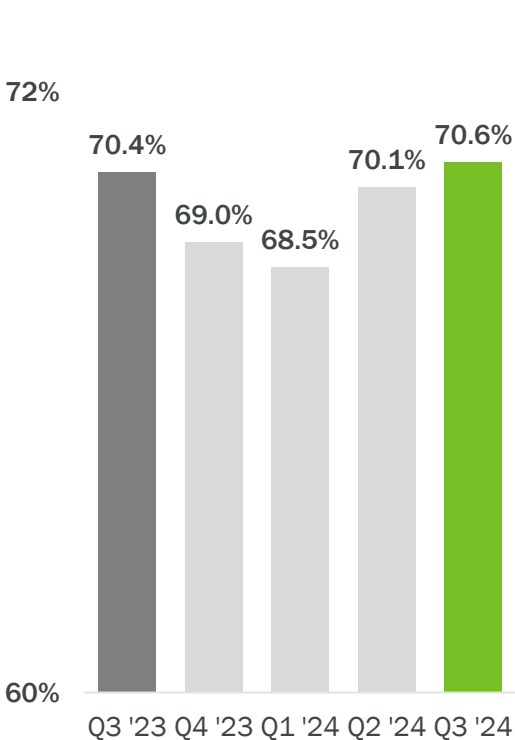
Financial progression by quarter (Q3'23 – Q3'24)

All figures in millions, except per share amounts and percentages

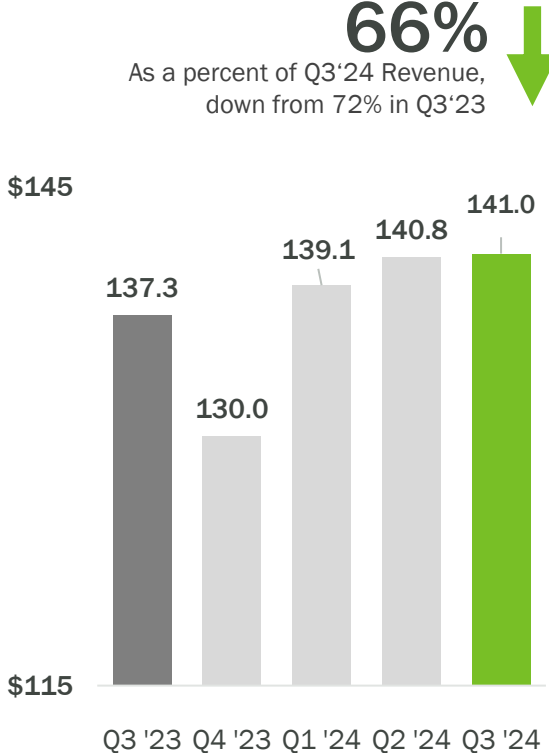
Total revenue



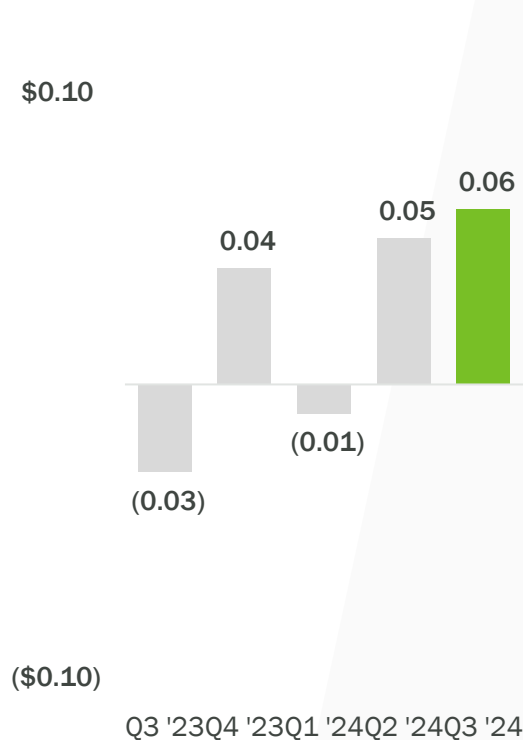
Adjusted Gross Margin*



Adjusted Operating Expense*



Adjusted EPS*

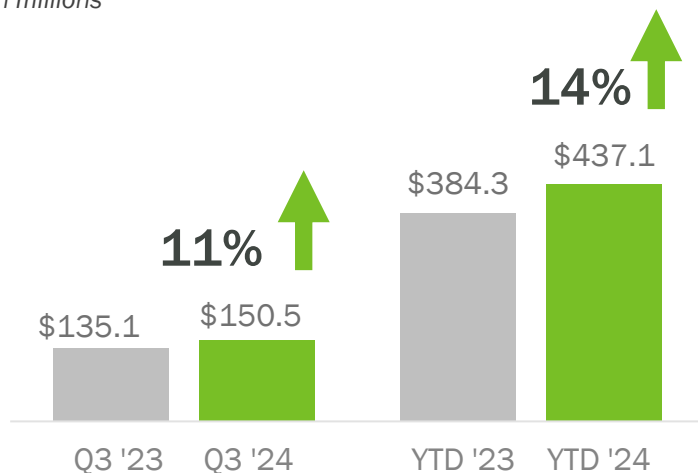


*GAAP to non-GAAP reconciliations can be found in the appendix.

Strong gross profit, adjusted EBITDA, and healthy liquidity position

Adjusted Gross Profit¹

\$ in millions



Adjusted EBITDA¹

Generated

\$40 million

Trailing Twelve Month²

Liquidity position³

Access to

\$149 million

As of September 31, 2024

Q3'24 adj. operating cash flow was ~\$6 million; expect positive adj. operating cash flow for Q4'24

Q3'24 adj. free cash flow near breakeven and increased by \$15 million year-over-year

¹ GAAP to non-GAAP reconciliations can be found in the appendix.

² As of September 30, 2024.

³ Consists of \$99.9 million of cash and cash equivalents and availability of \$48.8 million under the ABL Facility, subject to the minimum availability requirement under the ABL Facility.

Updated 2024 financial guidance

All figures in millions, except per share amounts and percentages

2024 financial guide				
	INITIAL (as of February 27)	PRIOR (as of August 6)	NEW	Expected YOY Change
Total revenue	\$820 - \$840	\$835 - \$845	\$837 - \$843	11% - 12%
Gross margin %	69.5% - 70.5%	70.0% - 70.5%	69.8% - 70.3%	100 - 150 bps
Adjusted operating expenses*	\$572 - \$582	\$575 - \$585	\$565 - \$570	4% - 5%
Adjusted EBITDA*	\$20 - \$30	\$25 - \$35	\$34 - \$39	\$45 - \$50
Adjusted EPS*	\$0.00 - \$0.05	\$0.08 - \$0.12	\$0.12 - \$0.14	+\$0.39 - \$0.41



*The company does not forecast GAAP operating expenses, earnings before interest, tax, depreciation, or amortization (EBITDA), and earnings per share because it cannot predict certain elements that are included in reported GAAP results. See the statement on Non-GAAP Financial Measures at the beginning of this presentation and the Appendix to this presentation for more information about the use of non-GAAP financial measures.

Assumes currency rates as of November 7, 2024.

Q&A

Appendix

Reconciliation of GAAP to Non-GAAP Financial Measures for the Three and Nine Months ended September 30, 2024 and 2023

(unaudited data in millions, except percentages)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Adjusted Gross Margin				
Gross Profit ⁽¹⁾	\$ 149.8	\$ 134.3	\$ 434.5	\$ 382.0
Acquisition - amortization of intangible assets	0.3	0.4	0.9	1.1
Equity compensation	0.3	0.4	1.2	1.0
Transformation initiatives	—	—	—	0.2
Other adjustments	0.1	—	0.5	—
Adjusted Gross Profit	\$ 150.5	\$ 135.1	\$ 437.1	\$ 384.3
Adjusted Gross Margin	70.6 %	70.4 %	69.7 %	69.0 %

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

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Adjusted Operating Expenses				
Operating Expenses ⁽¹⁾	\$ 169.8	\$ 194.4	\$ 519.0	\$ 608.0
Acquisition - amortization of intangible assets	(10.0)	(10.3)	(30.6)	(31.0)
Goodwill and long-lived asset impairment charges	(2.2)	—	(13.8)	—
Equity compensation	(12.0)	(11.3)	(37.6)	(29.2)
Real estate optimization	(2.0)	(2.7)	(5.5)	(13.7)
Transformation initiatives	(2.6)	(0.1)	(6.6)	(6.9)
Legal charges, net of insurance reimbursement	—	(35.1)	(0.5)	(113.3)
Other adjustments	—	2.4	(3.5)	1.6
Adjusted Operating Expenses	\$ 141.0	\$ 137.3	\$ 420.9	\$ 415.5

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

Reconciliation of GAAP to Non-GAAP Financial Measures for the Three and Nine Months ended September 30, 2024 and 2023

(unaudited data in millions, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Adjusted Operating Income (Loss)				
Operating Loss	\$ (20.0)	\$ (60.1)	\$ (84.5)	\$ (226.0)
Acquisition - amortization of intangible assets	10.3	10.7	31.5	32.0
Goodwill and long-lived asset impairment charges	2.2	—	13.8	—
Equity compensation	12.3	11.7	38.9	30.3
Real estate optimization	2.0	2.7	5.5	13.7
Transformation initiatives	2.6	0.1	6.6	7.1
Legal charges, net of insurance reimbursement	—	35.1	0.5	113.3
Other adjustments	0.1	(2.4)	3.9	(1.6)
Adjusted Operating Income (Loss)	<u>\$ 9.5</u>	<u>\$ (2.2)</u>	<u>\$ 16.2</u>	<u>\$ (31.2)</u>
Adjusted Net Income (Loss) ⁽¹⁾				
Net Loss	\$ (22.1)	\$ (61.3)	\$ (84.8)	\$ (232.1)
Acquisition - amortization of intangible assets	10.3	10.7	31.5	32.0
Goodwill and long-lived asset impairment charges	2.2	—	13.8	—
Equity compensation	12.3	11.7	38.9	30.3
Real estate optimization	2.0	2.7	5.5	13.7
Transformation initiatives	2.6	0.1	6.6	7.1
Legal charges, net of insurance reimbursement	—	35.1	0.5	113.3
Other adjustments	0.1	(1.7)	2.5	—
Tax adjustments	(2.1)	0.4	(5.2)	9.6
Adjusted Net Income (Loss)	<u>\$ 5.3</u>	<u>\$ (2.3)</u>	<u>\$ 9.3</u>	<u>\$ (26.1)</u>
Weighted average shares outstanding:				
Basic	90.9	81.9	90.5	81.6
Diluted	92.6	81.9	91.9	81.6
Adjusted Earnings (Loss) Per Share				
Basic	\$ 0.06	\$ (0.03)	\$ 0.10	\$ (0.32)
Diluted	\$ 0.06	\$ (0.03)	\$ 0.10	\$ (0.32)

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

Reconciliation of GAAP to Non-GAAP Financial Measures for the Three and Nine Months ended September 30, 2024 and 2023

(unaudited data in millions, except per share amounts)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Adjusted EBITDA				
Net Loss	\$ (22.1)	\$ (61.3)	\$ (84.8)	\$ (232.1)
Acquisition - amortization of intangible assets	10.3	10.7	31.5	32.0
Depreciation expense	4.4	3.5	13.2	9.1
Goodwill and long-lived asset impairment charges	2.2	—	13.8	—
Equity compensation	12.3	11.7	38.9	30.3
Real estate optimization ⁽¹⁾	2.0	2.7	5.5	13.7
Transformation initiatives	2.6	0.1	6.6	7.1
Legal charges, net of insurance reimbursement	—	35.1	0.5	113.3
Interest expense, net of interest income ⁽²⁾	0.4	0.4	0.7	0.2
Other adjustments	1.1	(1.6)	3.6	2.9
Income tax expense ⁽³⁾	0.9	0.1	0.4	2.2
Adjusted EBITDA	\$ 14.1	\$ 1.4	\$ 29.9	\$ (21.3)

(1) Real estate optimization includes depreciation expense of \$0.4 million and \$1.3 million for the three and nine months ended September 30, 2024, respectively, and \$5.8 million of depreciation expense for the nine months ended September 30, 2023. No depreciation expense was included for the three months ended September 30, 2023.

(2) Derived from interest expense and interest income from the Condensed Consolidated Statements of Operations.

(3) Derived from income tax (benefit) from the Condensed Consolidated Statement of Operations.

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Adjusted free cash flow				
Cash flow from operations	\$ 0.7	\$ (26.6)	\$ (15.3)	\$ (56.2)
Real estate optimization	2.5	2.7	11.7	8.0
Transformation initiatives	2.6	0.1	6.6	7.1
Legal charges, net of insurance reimbursement	—	21.1	0.6	23.3
Contingent consideration payment	—	—	5.8	—
Other adjustments	—	—	3.5	0.4
Adjusted operating cash flow	\$ 5.8	\$ (2.7)	\$ 12.9	\$ (17.4)
Capital expenditures	(3.5)	(10.9)	(15.4)	(53.2)
Capitalization of internal-use software costs	(2.8)	(2.1)	(8.4)	(6.6)
Adjusted free cash flow	\$ (0.5)	\$ (15.7)	\$ (10.9)	\$ (77.2)

Reconciliation of GAAP to Non-GAAP Financial Measures for the Three and Nine Months ended September 30, 2024 and 2023

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 – for the three and nine months ended September 30, 2024, primarily the impairment of assets held for sale related to the sale of the EndoPredict business to Eurobio Scientific.
- Equity compensation – non-cash equity-based compensation provided to Myriad Genetics employees and directors.
- Real estate optimization – costs related to real estate initiatives. Prior to the fourth quarter 2023 reporting period, these costs were included in the transformation initiatives category. 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 and the cash impact of items previously expensed. These costs include the following:
 - For the three months ended September 30, 2024, additional rent as a result of the build-out of our new laboratories in Salt Lake City, Utah, and South Francisco, California, while maintaining our current laboratories in those locations and testing and set-up costs for equipment in our new facilities.
 - For the three months ended September 30, 2023, rent expense on abandoned facilities, and additional rent as a result of the build-out of our new laboratories in Salt Lake City, Utah, and South San Francisco, California, while maintaining our current laboratories in those locations.
 - For the nine months ended September 30, 2024, additional rent as a result of the build-out of our new laboratories in Salt Lake City, Utah, and South Francisco, California, while maintaining our current laboratories in those locations and testing and set-up costs for equipment in our new facilities, lease terminations gains, net of lease termination losses, impairment charges and other abandonment costs.
 - For the nine months ended September 30, 2023, accelerated depreciation in connection with our decision to cease the use of our former corporate headquarters in Salt Lake City, Utah, and additional rent as a result of the build-out of our new laboratories in Salt Lake City, Utah, and South San Francisco, California, while maintaining our current laboratories in those locations.
- Transformation initiatives – costs related to transformation initiatives including:
 - For the three and nine months ended September 30, 2024, consulting and professional fees.
 - For three and nine months ended September 30, 2023, consulting and professional fees and severance costs related to restructuring.
- 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.

Reconciliation of GAAP to Non-GAAP Financial Measures for the Three and Nine Months ended September 30, 2024 and 2023

- 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.
 - As of September 30, 2024, a valuation allowance of \$63.1 million was not recognized for non-GAAP purposes given our historical and forecasted positive earnings performance.
 - As of September 30, 2023, a valuation allowance of \$47.3 million was not recognized for non-GAAP purposes given our historical and forecasted positive earnings performance.
 - For purposes of adjusted EBITDA, the income tax expense adjustment includes the income tax expense (benefit) recognized in the financial statements.
- Depreciation expense - depreciation expense recognized on our fixed assets.
- Contingent consideration payment – for the nine months ended September 30, 2024, the payment of contingent consideration related to the previous acquisition of Sividon Diagnostics GmbH.
- Other adjustments – other one-time non-recurring expenses including:
 - For the three months ended September 30, 2024, changes in severance and other consulting costs.
 - For the three months ended September 30, 2023, primarily includes 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 nine months ended September 30, 2024, primarily includes a gain recognized on acquisition, changes in the fair value of contingent consideration related to acquisitions from prior years, the reclassifications of cumulative translation adjustments to income upon liquidation of an investment in a foreign entity, severance, and costs incurred in connection with executive personnel changes.
 - For the nine months ended September 30, 2023, changes in the fair value of contingent consideration related to acquisitions from prior years, the reclassifications of cumulative translation adjustments to income upon liquidation of an investment in a foreign entity, and consulting and professional fees related to prior year acquisitions.
 - For purposes of adjusted EBITDA, other adjustments include the items listed above as well as amounts included in other income/expense in the financial statements.