

REFINITIV

DELTA REPORT

10-Q

EXAS - EXACT SCIENCES CORP

10-Q - JUNE 30, 2024 COMPARED TO 10-Q - MARCH 31, 2024

The following comparison report has been automatically generated

TOTAL DELTAS 1194

█	CHANGES	246
█	DELETIONS	588
█	ADDITIONS	360

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended **March 31, 2024** **June 30, 2024**

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission File Number: 001-35092

EXACT SCIENCES CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

02-0478229

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification Number)

5505 Endeavor Lane, Madison WI

53719

(Address of principal executive offices)

(Zip Code)

(608) 535-8815 (Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, \$0.01 par value per share	EXAS	The Nasdaq Stock Market LLC

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically, if any, every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth

company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
Emerging growth company	<input type="checkbox"/>		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **May 7, 2024** **July 30, 2024**, the registrant had **184,529,721** **184,769,862** shares of common stock outstanding.

EXACT SCIENCES CORPORATION

INDEX

	Page Number
Part I - Financial Information	
Item 1. Financial Statements	
Condensed Consolidated Balance Sheets (unaudited) as of March 31, 2024 June 30, 2024 and December 31, 2023	3
Condensed Consolidated Statements of Operations (unaudited) for the Three and Six Months Ended March 31, 2024 June 30, 2024 and 2023	4
Condensed Consolidated Statements of Comprehensive Loss (unaudited) for the Three and Six Months Ended March 31, 2024 June 30, 2024 and 2023	5
Condensed Consolidated Statements of Stockholders' Equity (unaudited) for the Three and Six Months Ended March 31, 2024 June 30, 2024 and 2023	6
Condensed Consolidated Statements of Cash Flows (unaudited) for the Three Six Months Ended March 31, 2024 June 30, 2024 and 2023	78
Notes to Condensed Consolidated Financial Statements (unaudited)	910
Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations	3236
Item 3. Quantitative and Qualitative Disclosures About Market Risk	4146
Item 4. Controls and Procedures	4247
Part II - Other Information	
Item 1. Legal Proceedings	4348
Item 1A. Risk Factors	4348
Item 2. Unregistered Sales of Equity Securities and Use of Proceeds	4348
Item 3. Defaults Upon Senior Securities	4348
Item 4. Mine Safety Disclosures	4348
Item 5. Other Information	4348
Item 6. Exhibits	4450
Signatures	4551

EXACT SCIENCES CORPORATION
Condensed Consolidated Balance Sheets
(Amounts in thousands, except share data - unaudited)

Part I — Financial Information

	March 31, 2024	December 31, 2023
--	----------------	-------------------

	June 30, 2024	December 31, 2023
	2024	31, 2023
ASSETS		
Current assets:		
Current assets:		
Current assets:		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Marketable securities		
Accounts receivable, net		
Inventory		
Prepaid expenses and other current assets		
Total current assets		
Long-term Assets:		
Property, plant and equipment, net		
Property, plant and equipment, net		
Property, plant and equipment, net		
Operating lease right-of-use assets		
Goodwill		
Intangible assets, net		
Other long-term assets, net		
Total assets		
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued liabilities		
Operating lease liabilities, current portion		
Convertible notes, net, current portion		
Debt, current portion		
Other current liabilities		
Total current liabilities		
Long-term liabilities:		
Convertible notes, net, less current portion		
Convertible notes, net, less current portion		
Convertible notes, net, less current portion		

Other long-term liabilities	
Operating lease liabilities, less current portion	
Total liabilities	
Commitments and contingencies (Note 14)	
Commitments and contingencies (Note 13)	
Stockholders' equity:	
Preferred stock, \$0.01 par value Authorized—5,000,000; shares issued and outstanding—no shares at March 31, 2024 and December 31, 2023	
Preferred stock, \$0.01 par value Authorized—5,000,000; shares issued and outstanding—no shares at March 31, 2024 and December 31, 2023	
Preferred stock, \$0.01 par value Authorized—5,000,000; shares issued and outstanding—no shares at March 31, 2024 and December 31, 2023	
Common stock, \$0.01 par value Authorized—400,000,000; shares issued and outstanding—183,845,188 and 181,364,180 shares at March 31, 2024 and December 31, 2023	
Preferred stock, \$0.01 par value Authorized—5,000,000; shares issued and outstanding—no shares at June 30, 2024 and December 31, 2023	
Preferred stock, \$0.01 par value Authorized—5,000,000; shares issued and outstanding—no shares at June 30, 2024 and December 31, 2023	
Preferred stock, \$0.01 par value Authorized—5,000,000; shares issued and outstanding—no shares at June 30, 2024 and December 31, 2023	
Common stock, \$0.01 par value Authorized—400,000,000; shares issued and outstanding—184,668,188 and 181,364,180 shares at June 30, 2024 and December 31, 2023	
Additional paid-in capital	
Accumulated other comprehensive income (loss)	
Accumulated deficit	
Total stockholders' equity	
Total liabilities and stockholders' equity	

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXACT SCIENCES CORPORATION
Condensed Consolidated Statements of Operations
(Amounts in thousands, except per share data - unaudited)

	Three Months Ended March 31,		Six Months Ended June 30,			
	Three Months Ended June 30,		2024		2023	
Revenue						
Operating expenses						
Operating expenses						
Operating expenses						

Cost of sales (exclusive of amortization of acquired intangible assets)

Cost of sales (exclusive of amortization of acquired intangible assets)

Cost of sales (exclusive of amortization of acquired intangible assets)

Research and development

Sales and marketing

General and administrative

Amortization of acquired intangible assets

Impairment of long-lived assets

Total operating expenses

Other operating loss

Other operating loss

Other operating loss

Other operating income

Other operating income

Other operating income

Loss from operations

Other income (expense)

Other income (expense)

Other income (expense)

Investment income, net

Investment income, net

Investment income, net

Interest income (expense), net

Total other income (expense)

Net loss before tax

Net loss before tax

Net loss before tax

Income tax expense

Income tax expense

Income tax expense

Net loss

Net loss

Net loss

Net loss per share—basic and diluted

Net loss per share—basic and diluted

Net loss per share—basic and diluted

Weighted average common shares outstanding—basic and diluted

Weighted average common shares outstanding—basic and diluted

Weighted average common shares outstanding—basic and diluted

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXACT SCIENCES CORPORATION
Condensed Consolidated Statements of Comprehensive Loss
(Amounts in thousands - unaudited)

	Three Months Ended March 31,		Three Months Ended June 30,		Six Months Ended June 30,		
	2024	2023	2024	2023	2024	2023	2024
Net loss							
Other comprehensive loss, net of tax:							
Unrealized gain (loss) on available-for-sale investments							
Unrealized gain (loss) on available-for-sale investments							
Unrealized gain (loss) on available-for-sale investments							
Foreign currency adjustment							
Comprehensive loss							

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXACT SCIENCES CORPORATION
Condensed Consolidated Statements of Stockholders' Equity
(Amounts in thousands, except share data - unaudited)

Common Stock	Common Stock					Common Stock				
Number of Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
Balance, January 1, 2024										
Balance, January 1, 2024										
Balance, January 1, 2024										
Exercise of common stock options, net of shares withheld for taxes										

Issuance of
common stock
upon
settlement of
restricted stock
awards, net of
shares
withheld for
taxes

Issuance of
common stock
to fund the
Company's
2023 401(k)
match

Stock-based
compensation
expense

Net loss

Other
comprehensive
loss

Balance,
March 31,
2024

Exercise of
common stock
options, net of
shares
withheld for
taxes

Issuance of
common stock
upon
settlement of
restricted stock
awards, net of
shares
withheld for
taxes

Stock-based
compensation
expense

Purchase of
employee
stock purchase
plan shares

Net loss
Other
comprehensive
loss
Balance, June
30, 2024

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Number of Shares	\$0.01 Par Value				
Balance, January 1, 2023	177,925,631	\$ 1,780	\$6,311,644	\$ (5,236)	\$ (3,265,026)	\$3,043,162
Exercise of common stock options, net of shares withheld for taxes	88,228	1	963	—	—	964
Issuance of common stock upon settlement of restricted stock awards, net of shares withheld for taxes	1,299,071	13	(13)	—	—	—
Issuance of common stock to fund the Company's 2022 401(k) match	517,215	5	35,072	—	—	35,077
Stock-based compensation expense	—	—	49,139	—	—	49,139
Net loss	—	—	—	—	(74,151)	(74,151)
Other comprehensive income	—	—	—	3,517	—	3,517
Balance, March 31, 2023	179,830,145	\$ 1,799	\$6,396,805	\$ (1,719)	\$ (3,339,177)	\$3,057,708

EXACT SCIENCES CORPORATION
Condensed Consolidated Statements of Stockholders' Equity
(Amounts in thousands, except share data - unaudited)

	Common Stock		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total Stockholders' Equity
	Number of Shares	\$0.01 Par Value				
Balance, January 1, 2023	177,925,631	\$ 1,780	\$6,311,644	\$ (5,236)	\$ (3,265,026)	\$3,043,162
Exercise of common stock options, net of shares withheld for taxes	88,228	1	963	—	—	964
Issuance of common stock upon settlement of restricted stock awards, net of shares withheld for taxes	1,299,071	13	(13)	—	—	—
Issuance of common stock to fund the Company's 2022 401(k) match	517,215	5	35,072	—	—	35,077
Stock-based compensation expense	—	—	49,139	—	—	49,139
Net loss	—	—	—	—	(74,151)	(74,151)
Other comprehensive income	—	—	—	3,517	—	3,517
Balance, March 31, 2023	179,830,145	\$ 1,799	\$6,396,805	\$ (1,719)	\$ (3,339,177)	\$3,057,708

Exercise of common stock options	36,728	1	851	—	—	852
Issuance of common stock upon settlement of restricted stock awards, net of shares withheld for taxes	134,002	1	(1)	—	—	—
Issuance of common stock to fund the Company's 2022 401(k) match	335	—	23	—	—	23
Stock-based compensation expense	—	—	61,725	—	—	61,725
Purchase of employee stock purchase plan shares	544,453	5	16,339	—	—	16,344
Net loss	—	—	—	—	(81,026)	(81,026)
Other comprehensive income	—	—	—	996	—	996
Balance, June 30, 2023	180,545,663	\$ 1,806	\$6,475,742	\$ (723)	\$ (3,420,203)	\$3,056,622

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXACT SCIENCES CORPORATION
Condensed Consolidated Statements of Cash Flows
(Amounts in thousands - unaudited)

	Three Months Ended		Six Months Ended June	
	March 31,	2024	30,	2024
Cash flows from operating activities:				
Net loss				
Net loss				
Net loss				
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:				
Depreciation				
Depreciation				
Depreciation				
Loss on non-marketable and marketable equity investments				
Deferred tax expense				
Stock-based compensation				
Gain on settlements of convertible notes, net				
Amortization of acquired intangible assets				
Impairment of long-lived assets				
Loss on contingent consideration from sale of asset				
Remeasurement of contingent consideration from sale of asset				
Remeasurement of contingent consideration liabilities				
Non-cash lease expense				
Other				
Changes in assets and liabilities:				

Accounts receivable, net	
Accounts receivable, net	
Accounts receivable, net	
Inventory, net	
Operating lease liabilities	
Accounts payable and accrued liabilities	
Other assets	
Other liabilities	
Net cash used in operating activities	
Net cash provided by operating activities	
Cash flows from investing activities:	
Purchases of marketable securities	
Purchases of marketable securities	
Purchases of marketable securities	
Maturities and sales of marketable securities	
Purchases of property, plant and equipment	
Investments in privately held companies	
Purchases of non-marketable investments	
Other investing activities	
Net cash provided by (used in) investing activities	
Cash flows from financing activities:	
Proceeds from exercise of common stock options, net of cash paid for taxes	
Proceeds from exercise of common stock options, net of cash paid for taxes	
Proceeds from exercise of common stock options, net of cash paid for taxes	
Proceeds in connection with the Company's employee stock purchase plan	
Proceeds from issuance of convertible notes	
Payments on accounts receivable securitization facility	
Other financing activities	
Net cash provided by (used in) financing activities	
Net cash provided by financing activities	
Effects of exchange rate changes on cash and cash equivalents	
Net increase (decrease) in cash, cash equivalents and restricted cash	
Cash, cash equivalents and restricted cash, beginning of period	
Cash, cash equivalents and restricted cash, end of period	

EXACT SCIENCES CORPORATION
Condensed Consolidated Statements of Cash Flows
(Amounts in thousands - unaudited)

	Three Months Ended March 31,		Six Months Ended June 30,	
	2024	2024	2023	2024

Supplemental disclosure of non-cash investing and financing activities

Property, plant and equipment acquired but not paid
Property, plant and equipment acquired but not paid
Property, plant and equipment acquired but not paid

Supplemental disclosure of cash flow information:

Interest paid
Interest paid
Interest paid

Reconciliation of cash, cash equivalents and restricted cash:

Cash and cash equivalents
Cash and cash equivalents
Cash and cash equivalents
Restricted cash — included in other long-term assets, net
Total cash, cash equivalents and restricted cash

The accompanying notes are an integral part of these condensed consolidated financial statements.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Business

Exact Sciences Corporation (together with its subsidiaries, "Exact," or the "Company") was incorporated in February 1995. A leading provider of cancer screening and diagnostic tests, Exact Sciences gives patients and health care professionals the clarity needed to take life-changing action earlier. Building on the success of the Cologuard® and Oncotype DX® tests, Exact Sciences is investing in its pipeline to develop innovative solutions for use before, during, and after a cancer diagnosis.

Basis of Presentation and Principles of Consolidation

The accompanying condensed consolidated financial statements, which include the accounts of the Company and those of its wholly owned subsidiaries and variable interest entities, are unaudited and have been prepared on a basis substantially consistent with the Company's audited financial statements and notes as of and for the year ended December 31, 2023 included in the Company's Annual Report on Form 10-K (the "2023 Form 10-K"). All intercompany transactions and balances have been eliminated upon consolidation. These condensed consolidated financial statements are prepared in conformity with accounting principles generally accepted ("GAAP") in the United States of America ("U.S.") and follow the requirements of the Securities and Exchange Commission ("SEC") for interim reporting. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments (consisting only of adjustments of a normal and recurring nature) considered necessary for a fair statement of its financial position, operating results and cash flows for the periods presented. The condensed consolidated balance sheet at December 31, 2023 has been derived from audited financial statements, but does not contain all of the footnote disclosures from the 2023 Form 10-K. The results of the Company's operations for any interim period are not necessarily indicative of the results of the Company's operations for any other interim period or for a full fiscal year. The statements should be read in conjunction with the audited financial statements and related notes included in the 2023 Form 10-K.

Use of Estimates

The preparation of the condensed consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Critical accounting policies are those that affect the Company's financial statements materially and involve difficult, subjective or complex judgments by management, and actual results could differ from those estimates. These estimates include revenue recognition, valuation of intangible assets and goodwill, contingent consideration, and accounting for income taxes. The Company's critical accounting policies and estimates are explained further in the notes to the condensed consolidated financial statements in this Quarterly Report on Form 10-Q and the 2023 Form 10-K.

Significant Accounting Policies

During the **three** **six** months ended **March 31, 2024** **June 30, 2024**, there were no changes to the Company's significant accounting policies as described in the Company's 2023 Form 10-K, except as described in the Recently Adopted Accounting Pronouncements sections below.

Recent Accounting Pronouncements

Recently Adopted Accounting Pronouncements

In March 2024, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2024-02: *Codification Improvement – Amendments to Remove References to the Concepts Statements*. This update amends the Accounting Standards Codification ("ASC") to remove references to various FASB Concepts Statements. The Company early adopted and prospectively applied the amendments in this update during the first quarter of fiscal year 2024. There was no significant impact to the Company's condensed consolidated financial statements.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Recently Issued Accounting Pronouncements Not Yet Adopted

In October 2023, the FASB issued ASU No. 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. This update modifies the disclosure or presentation requirements of a variety of topics in the ASC to conform with certain SEC amendments in Release No. 33-10532, *Disclosure Update and Simplification*. The amendments in this update should be applied prospectively, and the effective date for each amendment will be the date on which the SEC's removal of that related disclosure from Regulation S-X or S-K becomes effective. However, if the SEC has not removed the related disclosure from its regulations by June 30, 2027, the amendments will be removed from the Codification and not become effective. Early adoption is prohibited. The Company is currently evaluating the potential impact of this guidance on its condensed consolidated financial statements.

In November 2023, the FASB issued ASU No. 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. This update improves reportable segment disclosure requirements, primarily through enhanced disclosures of significant segment expenses. The amendments in this update should be applied retrospectively to all prior periods presented in the consolidated financial statements and are effective for fiscal years beginning after December 31, 2023 and interim periods within fiscal years beginning after December 31, 2024. Early adoption is permitted. The Company is currently evaluating the potential impact of this guidance on its condensed consolidated financial statements.

In December 2023, the FASB issued ASU No. 2023-09, *Income Taxes (Topic 740): Improvement to Income Tax Disclosures*. This update improves income tax disclosure requirements, primarily through enhanced transparency and decision usefulness of disclosures. The amendments in this update should be applied prospectively with the option to apply retrospectively and are effective for fiscal years

beginning after December 15, 2024. Early adoption is permitted. The Company is currently evaluating the potential impact of this guidance on its condensed consolidated financial statements.

Net Loss Per Share

Basic net loss per common share ("EPS") was determined by dividing net loss applicable to common stockholders by the weighted average common shares outstanding during the period. Basic and diluted net loss per share is the same because all outstanding common stock equivalents have been excluded, as they are anti-dilutive as a result of the Company's losses.

The following potentially issuable common shares were not included in the computation of diluted net loss per share because they would have an anti-dilutive effect: effect due to net losses for each period:

(In thousands)	(In thousands)	Three Months Ended March 31,		June 30,		
		2024	2023	(In thousands)	2024	2023
Shares issuable upon conversion of convertible notes						
Shares issuable upon the release of restricted stock awards						
Shares issuable upon the release of performance share units						
Shares issuable upon exercise of stock options						
		34,612				
			37,539			

(2) REVENUE

The Company's revenue is primarily generated by its laboratory testing services utilizing its Cologuard and Oncotype® tests. The services are considered completed upon release of a patient's test result to the ordering healthcare provider.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following table presents the Company's revenues disaggregated by revenue source:

(In thousands)	Three Months Ended March 31,			Six Months Ended June 30,		
	(In thousands)	Three Months Ended June 30,		(In thousands)	Six Months Ended June 30,	
		2024	2023		2024	2023
Screening						
Medicare Parts B & C						
Medicare Parts B & C						
Medicare Parts B & C						
Commercial						
Other						

Total Screening
Precision Oncology
Medicare Parts B & C
Medicare Parts B & C
Medicare Parts B & C
Commercial
International
Other
Total Precision
Oncology
COVID-19 Testing
Total

Screening revenue primarily includes laboratory service revenue from Cologuard and Prevention Genetics, LLC ("PreventionGenetics") tests while Precision Oncology revenue primarily includes laboratory service revenue from global Oncotype DX and therapy selection tests.

At each reporting period end, the Company conducts an analysis of the estimates used to calculate the transaction price to determine whether any new information available impacts those estimates made in prior reporting periods. Adjustments to revenue recognized during the period relating to prior period estimates were less than 1% of revenue recorded in the Company's condensed consolidated statement of operations for the three and six months ended June 30, 2024. Adjustments to revenue recognized during the period relating to prior period estimates were less than 2% of revenue recorded in the Company's condensed consolidated statement of operations for the three and six months ended March 31, 2024 and 2023, respectively. June 30, 2023.

The Company's deferred revenue, which is reported in other current liabilities in the Company's condensed consolidated balance sheets, was not significant as of March 31, 2024 June 30, 2024 and December 31, 2023.

Revenue recognized for the three and six months ended March 31, 2024 June 30, 2024 and 2023 that was included in the deferred revenue balance at the beginning of the period was not significant.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(3) MARKETABLE SECURITIES

The following table sets forth the Company's cash, cash equivalents, and marketable securities at March 31, 2024 June 30, 2024 and December 31, 2023:

(In thousands)	March 31, 2024	December 31, 2023
Cash and cash equivalents		
Cash and money market	\$ 329,357	\$ 530,100
Cash equivalents	18,130	75,278
Total cash and cash equivalents	347,487	605,378
Marketable securities		
Available-for-sale debt securities	\$ 302,020	\$ 168,425
Equity securities	2,586	3,841

Total marketable securities	304,606	172,266
Total cash, cash equivalents and marketable securities	\$ 652,093	\$ 777,644

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(In thousands)	June 30, 2024	December 31, 2023
Cash and cash equivalents		
Cash and money market	\$ 519,836	\$ 530,100
Cash equivalents	10,344	75,278
Total cash and cash equivalents	530,180	605,378
Marketable securities		
Available-for-sale debt securities	\$ 414,271	\$ 168,425
Equity securities	2,331	3,841
Total marketable securities	416,602	172,266
Total cash, cash equivalents and marketable securities	\$ 946,782	\$ 777,644

Available-for-sale debt securities, including the classification within the condensed consolidated balance sheet at **March 31, 2024** June 30, 2024, consisted of the following:

(In thousands)	Amortized Cost	Gains in Accumulated Other Comprehensive Income (Loss) (1)	Losses in Accumulated Other Comprehensive Income (Loss) (1)	Estimated (In Fair Value thousands)	Amortized Cost	Gains in Accumulated Other Comprehensive Income (Loss) (1)	Losses in Accumulated Other Comprehensive Income (Loss) (1)	Estimated Fair Value
Cash equivalents								
U.S. government agency securities								
U.S. government agency securities								
U.S. government agency securities								
Total cash equivalents								
Marketable securities								
Corporate bonds								
Corporate bonds								
Corporate bonds								

U.S.
government
agency
securities

Asset
backed
securities

Commercial
paper

Total
marketable
securities

Total
available-for-
sale
securities

(1) There was no tax impact from the gains and losses in accumulated other comprehensive income (loss) ("AOCI").

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Available-for-sale debt securities, including the classification within the condensed consolidated balance sheet at December 31, 2023, consisted of the following:

(In thousands)	Amortized Cost	Gains in		Losses in		Estimated Fair Value
		Accumulated Comprehensive	Other Income (Loss) (1)	Accumulated Comprehensive	Other Income (Loss) (1)	
Cash equivalents						
Commercial paper	\$ 72,243	\$ —	\$ —	\$ —	\$ 72,243	
U.S. government agency securities	3,035	—	—	—	3,035	
Total cash equivalents	75,278	—	—	—	75,278	
Marketable securities						
U.S. government agency securities	\$ 56,594	\$ 166	\$ (44)	\$ 56,716		
Corporate bonds	55,712	175	(59)	55,828		
Asset backed securities	35,081	65	(249)	34,897		
Commercial paper	20,984	—	—	20,984		
Total marketable securities	168,371	406	(352)	168,425		
Total available-for-sale securities	<u>\$ 243,649</u>	<u>\$ 406</u>	<u>\$ (352)</u>	<u>\$ 243,703</u>		

(1) There was no tax impact from the gains and losses in AOCI.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following table summarizes contractual underlying maturities of the Company's available-for-sale debt securities at **March 31, 2024** **June 30, 2024**:

(In thousands)	(In thousands)	Due one year or less		Due one year or less		Due after one year through five years		Due one year or less		Due after one year through five years	
		Cost	Fair Value	Cost	Fair Value	(In thousands)	Cost	Fair Value	Cost	Fair Value	
Cash equivalents											
U.S. government agency securities											
U.S. government agency securities											
U.S. government agency securities											
Total cash equivalents											
Marketable securities											
U.S. government agency securities											
U.S. government agency securities											
U.S. government agency securities											
Corporate bonds											
Asset backed securities											
Commercial paper											
Asset backed securities											
Total marketable securities											
Total available-for-sale securities											

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following table summarizes the gross unrealized losses and fair values of available-for-sale debt securities in an unrealized loss position as of **March 31, 2024** **June 30, 2024** aggregated by investment category and length of time those individual securities have been in a continuous unrealized loss position:

	Less than one year			Less than one year			One year or greater			Total	Less than one year			One year or greater			Total
	(In thousands)	Fair Value	Unrealized Loss	(In thousands)	Fair Value	Unrealized Loss	(In thousands)	Fair Value	Unrealized Loss		(In thousands)	Fair Value	Unrealized Loss	(In thousands)	Fair Value	Unrealized Loss	
Cash equivalents																	
U.S. government agency securities																	
U.S. government agency securities																	
U.S. government agency securities																	
Total cash equivalents																	
Marketable securities																	
Corporate bonds																	
Corporate bonds																	
Corporate bonds																	
U.S. government agency securities																	
Asset backed securities																	
Total marketable securities																	
Total available-for-sale securities																	

The Company evaluates investments that are in an unrealized loss position for impairment as a result of credit loss. It was determined that no credit losses exist as of **March 31, 2024** **June 30, 2024** and December 31, 2023 because the change in market value for those securities in an unrealized loss position resulted from fluctuating interest rates rather than a deterioration of the credit worthiness of the issuers.

The gains and losses recorded on available-for-sale debt securities and equity securities are included in investment income, net in the Company's condensed consolidated statements of operations. The gains and losses recorded were not material for the three and six

months ended **March 31, 2024** **June 30, 2024** and 2023.

(4) INVENTORY

Inventory consisted of the following:

(In thousands)	June 30, 2024	December 31, 2023
Raw materials	\$ 52,363	\$ 58,593
Semi-finished and finished goods	75,010	68,882
Total inventory	\$ 127,373	\$ 127,475

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(4) INVENTORY

Inventory consisted of the following:

(In thousands)	March 31, 2024	December 31, 2023
Raw materials	\$ 57,936	\$ 58,593
Semi-finished and finished goods	70,598	68,882
Total inventory	\$ 128,534	\$ 127,475

(5) PROPERTY, PLANT AND EQUIPMENT

The carrying value and estimated useful lives of property, plant and equipment are as follows:

(In thousands)	(In thousands)	Estimated Useful Life	March 31, 2024	December 31, 2023	(In thousands)	Estimated Useful Life	June 30, 2024	December 31, 2023
Property, plant and equipment								
Land								
Land								
Land								
Leasehold and building improvements								
Land improvements								
Buildings								
Computer equipment and computer software								
Machinery and equipment								
Furniture and fixtures								
Assets under construction								

Property, plant and equipment,
at cost

Accumulated depreciation

Property, plant and
equipment, net

(1) Lesser of remaining lease term, building life, or estimated useful life.

Depreciation expense for the three months ended **March 31, 2024** June 30, 2024 and 2023 was **\$30.6 million** **\$29.7 million** and **\$26.8 million** **\$27.5 million**, respectively. Depreciation expense for the six months ended June 30, 2024 and 2023 was **\$60.3 million** and **\$54.3 million**, respectively.

At **March 31, 2024** June 30, 2024, the Company had **\$109.9 million** **\$100.7 million** of assets under construction, which consisted of **\$56.0 million** **\$62.6 million** in machinery and equipment, **\$40.5 million** **\$24.8 million** in capitalized costs related to software projects, **\$8.1 million** in leasehold and building improvements, **\$5.2 million** **\$5.1 million** related to buildings, and minimal furniture and fixtures. Depreciation will begin on these assets once they are placed into service upon completion.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(6) INTANGIBLE ASSETS AND GOODWILL

Intangible Assets

The following table summarizes the net-book-value and estimated remaining life of the Company's intangible assets as of **March 31, 2024** June 30, 2024:

(In thousands)	(In thousands)	Weighted Average Remaining Life (Years)	Cost	Accumulated Amortization	Net Balance at March 31, 2024 (In thousands)	Weighted Average Remaining Life (Years)	Cost	Accumulated Amortization	Net Balance at June 30, 2024
Finite-lived intangible assets									
Trade name									
Trade name									
Trade name									
Customer relationships									
Patents and licenses									
Acquired developed technology (1)									
Total finite-lived intangible assets									
In-process research and development									

Total intangible assets

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following table summarizes the net-book-value and estimated remaining life of the Company's intangible assets as of December 31, 2023:

(In thousands)	Weighted Average		Cost	Accumulated Amortization	Net balance at December 31, 2023
	Remaining Life	(Years)			
Finite-lived intangible assets					
Trade name	11.6	\$ 104,000	\$ (27,903)	\$ 76,097	
Customer relationships	7.0	4,000	(889)	3,111	
Patents and licenses	4.5	11,542	(9,600)	1,942	
Acquired developed technology (1)	7.3	887,789	(328,543)	559,246	
Total finite-lived intangible assets		1,007,331	(366,935)	640,396	
In-process research and development	n/a	1,250,000	—	1,250,000	
Total intangible assets		<u>\$ 2,257,331</u>	<u>\$ (366,935)</u>	<u>\$ 1,890,396</u>	

(1) The gross carrying amount includes an insignificant foreign currency translation adjustment related to the intangible asset acquired as a result of the acquisition of OmicEra Diagnostics GmbH ("OmicEra").

As of **March 31, 2024** **June 30, 2024** the estimated future amortization expense associated with the Company's finite-lived intangible assets for each of the five succeeding fiscal years is as follows:

(In thousands)	\$	69,598
2024 (remaining nine months)	\$ 69,598	
2025	91,860	
2026	90,800	
2027	90,800	
2028	90,800	
Thereafter	182,998	
	<u>\$ 616,856</u>	

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(In thousands)	\$	46,288
2024 (remaining six months)	\$ 46,288	

2025	91,860
2026	90,800
2027	90,800
2028	90,800
Thereafter	182,930
	<hr/>
	\$ 593,478

The Company's acquired intangible assets are being amortized on a straight-line basis over their estimated useful lives.

There were no impairment losses recorded on finite-lived intangible assets during the three and six months ended **March 31, 2024** **June 30, 2024** and 2023. Updates to key assumptions used to calculate the fair value of the Company's in-process research and development asset ("IPR&D") could change the Company's estimate that it will recover the carrying amount of the IPR&D asset in the near term.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Goodwill

The change in the carrying amount of goodwill for the periods ended **March 31, 2024** **June 30, 2024** and December 31, 2023 is as follows:

(In thousands)

Balance, January 1, 2023	\$ 2,346,040
Resolution Bioscience acquisition	20,692
Effects of changes in foreign currency exchange rates (1)	388
Balance, December 31, 2023	2,367,120
Resolution Bioscience acquisition adjustment	205
Effects of changes in foreign currency exchange rates (1)	(273) (353)
Balance March 31, 2024 June 30, 2024	\$ 2,367,052 2,366,972

(1) Represents the impact of foreign currency translation related to the goodwill acquired as a result of the acquisition of OmicEra.

There were no impairment losses for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023.

(7) FAIR VALUE MEASUREMENTS

The three levels of the fair value hierarchy established are as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access as of the reporting date. Active markets are those in which transactions for the asset or liability occur in sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Pricing inputs other than quoted prices in active markets included in Level 1, which are either directly or indirectly observable as of the reporting date. These include quoted prices for similar assets or liabilities in active markets and quoted

prices for identical or similar assets or liabilities in markets that are not active.

Level 3 Unobservable inputs that reflect the Company's assumptions about the assumptions that market participants would use in pricing the asset or liability. Unobservable inputs shall be used to measure fair value to the extent that observable inputs are not available.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The following table presents the Company's fair value measurements as of **March 31, 2024** **June 30, 2024** along with the level within the fair value hierarchy in which the fair value measurements, in their entirety, fall.

	Fair Value at March 31, 2024 (In thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Fair Value at June 30, 2024 (In thousands)	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash, cash equivalents, and restricted cash								
Cash and money market								
Cash and money market								
Cash and money market								
U.S. government agency securities								
Restricted cash (1)								
Marketable securities								
Corporate bonds								
Corporate bonds								
Corporate bonds								
U.S. government agency securities								
Asset backed securities								
Commercial paper								

Equity securities
Non-marketable securities
Liabilities
Contingent consideration
Contingent consideration
Contingent consideration
Total

The following table presents the Company's fair value measurements as of December 31, 2023 along with the level within the fair value hierarchy in which the fair value measurements, in their entirety, fall.

(in thousands)	Fair Value at December 31, 2023	Quoted Prices		Significant Other Observable Inputs	Significant Unobservable Inputs (Level 3)
		in Active Markets for Identical Assets (Level 1)	(Level 2)		
Cash, cash equivalents and restricted cash					
Cash and money market	\$ 530,100	\$ 530,100	\$ —	\$ —	\$ —
Commercial paper	72,243	—	—	72,243	—
Restricted cash (1)	4,297	4,297	—	—	—
U.S. government agency securities	3,035	—	—	3,035	—
Marketable securities					
U.S. government agency securities	\$ 56,716	\$ —	\$ 56,716	\$ —	\$ —
Corporate bonds	55,828	—	55,828	—	—
Asset backed securities	34,897	—	34,897	—	—
Commercial paper	20,984	—	20,984	—	—
Equity securities	3,841	3,841	—	—	—
Non-marketable securities	\$ 7,650	\$ —	\$ —	\$ 7,650	\$ —
Liabilities					
Contingent consideration	\$ (288,657)	\$ —	\$ —	\$ —	\$ (288,657)
Total	\$ 500,934	\$ 538,238	\$ 243,703	\$ (281,007)	

(1) Restricted cash primarily represents cash held by a third-party financial institution as part of a cash collateral agreement related to the Company's credit card program. The restrictions will lapse upon the termination of the agreements or the removal of the cash collateral requirement by the third-parties.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements

(Unaudited)

There have been no material changes in valuation techniques or transfers between fair value measurement levels during the three and six months ended **March 31, 2024** **June 30, 2024**. The fair value of Level 2 instruments classified as cash equivalents and marketable debt securities are valued using a third-party pricing agency where the valuation is based on observable inputs including pricing for similar assets and other observable market factors.

The Company has elected the fair value option under the income approach to measure certain Level 3 non-marketable securities. Gains and losses recorded on non-marketable securities are included in investment income, net in the condensed consolidated statement of operations. The following table provides a reconciliation of the beginning and ending balances of non-marketable securities valued using the fair value option:

(In thousands)	Non-Marketable Securities
Beginning balance, January 1, 2024	\$ 7,650
Changes in fair value	(1,090) (343)
Settlement of non-marketable securities	(6,250)
Ending balance, March 31, 2024 June 30, 2024	<u><u>\$ 6,560 1,057</u></u>

Contingent Consideration Liabilities

The fair value of the contingent consideration liabilities was **\$294.3** **\$277.9** million and **\$288.7** million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively, of which **\$21.7** **\$19.0** million was included in other current liabilities and **\$272.6** **\$258.9** million was included in other long-term liabilities in the condensed consolidated balance sheet as of **March 31, 2024** **June 30, 2024**. The contingent consideration liabilities were included in other long-term liabilities as of December 31, 2023.

The following table provides a reconciliation of the beginning and ending balances of contingent consideration:

(In thousands)	Contingent Consideration
Beginning balance, January 1, 2024	\$ 288,657
Changes in fair value (1)	5,603 (7,636)
Payments (2)	(3,100)
Ending balance, March 31, 2024 June 30, 2024	<u><u>\$ 294,260 277,921</u></u>

(1) The change in fair value of the contingent consideration liability was an increase of \$4.2 million and a reduction of \$8.9 **\$4.7** million for the three and six months ended **March 31, 2023** **June 30, 2023**, respectively, which is included in general and administrative expenses in the condensed consolidated statement of operations.

(2) Payment was made in the second quarter of 2024 to settle the contingent consideration liability previously recorded related to the Company's acquisition of OmicEra.

This fair value measurement of contingent consideration is categorized as a Level 3 liability, as the measurement amount is based primarily on significant inputs not observable in the market.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements

(Unaudited)

The fair value of the contingent consideration liabilities recorded from the Company's acquisitions of Thrive Earlier Detection Corporation ("Thrive"), Ashion Analytics, LLC ("Ashion"), and OmicEra related to regulatory and product development milestones was \$294.3 million and \$277.9 million as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively. The Company evaluates the fair value of the expected contingent consideration and the corresponding liabilities related to the regulatory and product development milestones using the probability-weighted scenario based discounted cash flow model, which is consistent with the initial measurement of the expected contingent consideration liabilities. Probabilities of success are applied to each potential scenario and the resulting values are discounted using a present-value factor. The passage of time in addition to changes in projected milestone achievement timing, present-value factor, the degree of achievement, if applicable, and probabilities of success may result in adjustments to the fair value measurement. The fair value of the contingent consideration liability recorded related to regulatory and product development milestones was determined using a weighted average probability of success of 90% and 89% as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively, and a weighted average present-value factor of 6.0% 6.1% and 5.8% as of **March 31, 2024** June 30, 2024 and December 31, 2023, respectively. The projected fiscal year of payment range is from **2024** 2025 to **2030**. 2031. Unobservable inputs were weighted by the relative fair value of the contingent consideration liabilities.

The revenue milestone associated with the Ashion acquisition is not expected to be achieved and therefore no liability has been recorded for this milestone.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Non-Marketable Equity Investments

Non-marketable equity securities without readily determinable fair values, which are classified as a component of other long-term assets, net, had the following cumulative upward and downward adjustments and aggregate carrying amounts:

(In thousands)	(In thousands)	March 31, 2024	March 31, 2023	(In thousands)	June 30, 2024	June 30, 2023
Cumulative upward adjustments (1)						
Cumulative downward adjustments and impairments (2)						
Aggregate carrying value (3)						

(1) There were no material upward adjustments recorded on non-marketable equity securities held for the three and six months ended **March 31, 2024** June 30, 2024 and 2023, respectively. 2023.

(2) There were no material downward adjustments and or impairments recorded on non-marketable equity securities held for the three and six months ended **March 31, 2024**. Downward adjustments June 30, 2024 and impairments recorded on non-marketable equity securities held were \$0.4 million for the three months ended **March 31, 2023**. 2023, respectively.

(3) The aggregate carrying value of non-marketable equity securities was \$46.0 million as of December 31, 2023.

There were no material realized gains or losses recorded during the three and six months ended **March 31, 2024** June 30, 2024 and 2023.

The Company has committed capital to venture capital investment funds (the "Funds") of \$18.0 million, of which \$12.4 \$11.8 million remained remains callable through 2033 as of **March 31, 2024** June 30, 2024. The aggregate carrying amount of the Funds, these funds,

which are classified as a component of other long-term assets, net in the Company's condensed consolidated balance sheets, were \$5.4 million and \$5.2 million as of **March 31, 2024** **June 30, 2024** and December 31, 2023, respectively.

Derivative Financial Instruments

The Company enters into foreign currency forward contracts on the last day of each month to mitigate the impact of adverse movements in foreign exchange rates related to the remeasurement of monetary assets and liabilities and hedge the Company's foreign currency exchange rate exposure. As of **March 31, 2024** **June 30, 2024** and December 31, 2023 the Company had open foreign currency forward contracts with notional amounts of \$46.2 million and \$39.5 million, respectively. The Company's foreign exchange derivative instruments are classified as Level 2 within the fair value hierarchy as they are valued using inputs that are observable in the market or can be derived principally from or corroborated by observable market data. The fair value of the open foreign currency forward contracts was zero at **March 31, 2024** **June 30, 2024** and December 31, 2023 and there were no gains or losses recorded to adjust the fair value of the open foreign currency contract held as of **March 31, 2024** **June 30, 2024**. The contracts are closed subsequent to each month-end, and the gains and losses recorded from the contracts were not significant for the three and six months ended **March 31, 2024** **June 30, 2024** and 2023.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(8) LONG-TERM DEBT

Accounts Receivable Securitization Facility

On June 29, 2022, the Company, through a wholly-owned special purpose entity, Exact Receivables LLC ("Exact Receivables") entered into an accounts receivable securitization program (the "Securitization Facility") with PNC Bank, National Association ("PNC"), with a scheduled maturity date of June 29, 2024. The Securitization Facility provides provided Exact Receivables with a revolving line-of-credit of up to \$150.0 million of borrowing capacity, subject to certain borrowing base requirements, by collateralizing a security interest in the domestic customer accounts receivable of certain wholly-owned subsidiaries of the Company. The amount available under the Securitization Facility fluctuates fluctuated over time based on the total amount of eligible customer accounts receivable generated by the Company during the normal course of operations. The Securitization Facility requires required the Company to maintain minimum borrowings under the facility of \$50.0 million. The debt issuance costs incurred related to the Securitization Facility were not significant and are being amortized over the life of the Securitization Facility through interest expense within the condensed consolidated statements of operations.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

In connection with the Securitization Facility, the Company also entered into two Receivables Purchase Agreements ("Receivable Purchase Agreements") on June 29, 2022. The Receivable Purchase Agreements are were among the Company and certain wholly-owned subsidiaries of the Company, and between the Company and Exact Receivables. Under the agreements, the wholly-owned subsidiaries sell sold all of their right, title and interest in their accounts receivables to Exact Receivables. The receivables are were used to collateralize borrowings made under the Securitization Facility. The Company retains retained the responsibility of servicing the accounts receivable balances pledged as collateral under the Securitization Facility and provides provided a performance guaranty.

As Upon the maturity of March 31, 2024, the eligible borrowing base under the Securitization Facility was \$123.7 million of which in June 2024, the Company elected to collateralize repay the previously outstanding balance of \$50.0 million, million in full. As of March 31, 2024 and December 31, 2023, the Company had an outstanding balance of \$50.0 million, which is was included in debt, current portion on the Company's condensed consolidated balance sheets. The sheet. Prior to the repayment, the outstanding balance accrues accrued interest at

a rate equal to a daily secured overnight financing rate ("SOFR") rate plus a SOFR adjustment and an applicable margin. The interest rate was 6.87% at March 31, 2024. 6.89% as of the maturity date.

Revolving Loan Agreement

During November 2021, the Company entered into a revolving loan agreement (the "Revolving Loan Agreement") with PNC. The Revolving Loan Agreement provides the Company with a revolving line of credit of up to \$150.0 million (the "Revolver"). The Revolver is collateralized by the Company's marketable securities held by PNC, which must continue to maintain a minimum market value of \$150.0 million. The Revolver is available for general working capital purposes and all other lawful corporate purposes. In addition, the Company may request, in lieu of cash advances, letters of credit with an aggregate stated amount outstanding not to exceed \$20.0 million. The availability of advances under the line of credit will be reduced by the stated amount of each letter of credit issued and outstanding.

Borrowings under the Revolving Loan Agreement accrue interest at an annual rate equal to the sum of the daily Bloomberg Short-Term Bank Yield Index Rate plus the applicable margin of 0.60%. Loans under the Revolving Loan Agreement may be prepaid at any time without penalty. In October 2022, the Revolving Loan Agreement was amended to extend the maturity date from November 5, 2023 to November 5, 2025. There were no other amendments to the Revolver.

The Company has agreed to various financial covenants under the Revolving Loan Agreement, and as of March 31, 2024 June 30, 2024, the Company is in compliance with all covenants.

In December 2021 and January 2023, PNC issued letters of credit of \$2.9 million and \$1.5 million, respectively, which reduced the amount available for cash advances under the line of credit to \$145.6 million as of March 31, 2024 June 30, 2024 and December 31, 2023. As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company has not drawn funds from, nor are any amounts outstanding under, the Revolving Loan Agreement.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(9) CONVERTIBLE NOTES

Convertible note obligations included in the condensed consolidated balance sheet consisted of the following as of March 31, 2024 June 30, 2024:

(In thousands)	Unamortized Debt					Amount	Leveling	Fair Value (1)			
	Principal Amount	Discount and		Net Carrying							
		Issuance Costs	Amount								
2030 Convertible Notes - 2.000%	\$ 572,993	\$ (4,174)	\$ 568,819	\$ 652,971			2				
2028 Convertible Notes - 0.375%	949,042	(9,871)	939,171	881,764			2				
2027 Convertible Notes - 0.375%	563,822	(5,007)	558,815	532,513			2				
2025 Convertible Notes - 1.000% (2)	249,172	(362)	248,810	278,437			2				

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Fair Value (1)

(In thousands)	Unamortized Debt						Leveling	
	Principal Amount	Discount and Issuance Costs		Net Carrying		Amount		
		Amount	Amount	Amount	Amount			
2031 Convertible Notes - 1.750%	\$ 620,709	\$ (14,633)	\$ 606,076	\$ 510,335			2	
2030 Convertible Notes - 2.000%	572,993	(3,998)	568,995	513,373			2	
2028 Convertible Notes - 0.375%	589,380	(5,741)	583,639	482,702			2	
2027 Convertible Notes - 0.375%	563,822	(4,584)	559,238	494,872			2	
2025 Convertible Notes - 1.000% (2)	249,172	(249)	248,923	242,943			2	

Convertible note obligations included in the condensed consolidated balance sheet consisted of the following as of December 31, 2023:

(In thousands)	Unamortized Debt						Fair Value (1)	
	Principal Amount	Discount and Issuance Costs		Net Carrying		Amount		
		Amount	Amount	Amount	Amount			
2030 Convertible Notes - 2.000%	\$ 572,993	\$ (4,349)	\$ 568,644	\$ 684,475			2	
2028 Convertible Notes - 0.375%	949,042	(10,499)	938,543	887,354			2	
2027 Convertible Notes - 0.375%	563,822	(5,429)	558,393	549,839			2	
2025 Convertible Notes - 1.000%	249,172	(476)	248,696	293,300			2	

(1) The fair values are based on observable market prices for this debt, which is traded in less active markets and therefore is classified as a Level 2 fair value measurement.

(2) The Company's convertible notes due in 2025 (the "2025 Notes") mature on January 15, 2025 and are included in convertible notes, net, current portion on the condensed consolidated balance sheet as of March 31, 2024 June 30, 2024. The 2025 Notes were included in convertible notes, net, less current portion as of December 31, 2023.

Issuances and Settlements

In February 2023, the Company entered into a privately negotiated exchange and purchase agreement with a single holder of certain of the Company's convertible notes due in 2027 (the "2027 Notes") and 2028 (the "2028 Notes"). The Company issued the holder \$500.0 million aggregate principal amount of 2.0% Convertible Notes due in 2030 (the "2030 Notes" and, collectively with the 2025 Notes, 2027 Notes, and 2028 Notes, the "Notes") in exchange for \$183.7 million of aggregate principal of 2027 Notes, \$201.0 million of aggregate principal of 2028 Notes, and \$138.0 million of cash. The extinguishment resulted in a gain on settlement of convertible notes of \$17.7 million, which is included in interest income (expense), net in the condensed consolidated statement of operations for the three six months ended March 31, 2023 June 30, 2023. The gain represents the difference between (i) the fair value of the consideration transferred and (ii) the carrying value of the debt at the time of exchange.

In March 2023, the Company entered into a privately negotiated exchange agreement with two holders of certain of the 2025 Notes. The Company issued the holder \$73.0 million aggregate principal amount of 2030 Notes in exchange for \$65.8 million of aggregate principal of 2025 Notes. The extinguishment resulted in a loss on settlement of convertible notes of \$7.4 million, which is included in interest income (expense), net in the condensed consolidated statement of operations for the three six months ended March 31, 2023 June 30, 2023. The loss represents the difference between (i) the fair value of the consideration transferred and (ii) the carrying value of the debt at the time of exchange.

EXACT SCIENCES CORPORATION Notes to Condensed Consolidated Financial Statements

(Unaudited)

The net proceeds from the issuance of the 2030 Notes were approximately \$133.0 million, after deducting commissions and offering expenses payable by the Company.

The 2030 Notes will mature on March 1, 2030 and bear interest at a rate of 2.0% per year, payable semi-annually in arrears on March 1 and September 1 of each year, beginning on September 1, 2023.

In April 2024, the Company entered into a privately negotiated exchange and purchase agreement with certain holders of the Company's 2028 Notes. The Company issued \$620.7 million aggregate principal amount of 1.75% Convertible Notes due in 2031 (the "2031 Notes" and, collectively with the 2025 Notes, 2027 Notes, 2028 Notes, and 2030 Notes, the "Notes") in exchange for \$359.7 million of aggregate principal of 2028 Notes, and \$266.8 million of cash after deducting underwriting discounts. The extinguishment resulted in a gain on settlement of convertible notes of \$10.3 million, which is included in interest income (expense), net in the condensed consolidated statement of operations for the three and six months ended June 30, 2024. The gain represents the difference between (i) the fair value of the consideration transferred and (ii) the carrying value of the debt at the time of exchange.

The net proceeds from the issuance of the 2031 Notes were approximately \$259.8 million, after deducting commissions and offering expenses payable by the Company.

The 2031 Notes will mature on April 15, 2031 and bear interest at a rate of 1.75% per year, payable semi-annually in arrears on October 15 and April 15 of each year, beginning on October 15, 2024. The Company has the ability to repurchase the 2031 Notes after April 17, 2029 upon the occurrence of certain events and during certain periods, as set forth in the Indenture filed at the time of the offering.

Summary of Conversion Features

Until the six-months immediately preceding the maturity date of the applicable series of the Company's convertible notes, (the "Notes"), each series of Notes is convertible only upon the occurrence of certain events and during certain periods, as set forth in the Indentures filed at the time of the original offerings. On or after the date that is six-months immediately preceding the maturity date of the applicable series of Notes until the close of business on the second scheduled trading day immediately preceding the maturity date, holders may convert such Notes at any time. The Notes will be convertible into cash, shares of the Company's common stock (plus, if applicable, cash in lieu of any fractional share), or a combination of cash and shares of the Company's common stock, at the Company's election.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

It is the Company's intent and policy to settle all conversions through combination settlement. The initial conversion rate is 13.26, 8.96, 8.21, 12.37, and 12.37 10.06 shares of common stock per \$1,000 principal amount for the 2025 Notes, 2027 Notes, 2028 Notes, 2030 Notes, and 2030 2031 Notes, respectively, which is equivalent to an initial conversion price of approximately \$75.43, \$111.66, \$121.84, \$80.83, and \$80.83 \$99.36 per share of the Company's common stock for the 2025 Notes, 2027 Notes, 2028 Notes, 2030 Notes, and 2030 2031 Notes, respectively. The 2025 Notes, 2027 Notes, 2028 Notes, 2030 Notes, and 2030 2031 Notes are potentially convertible into up to 3.3 million, 5.0 million, 7.8 4.8 million, 7.1 million, and 7.1 6.2 million shares, respectively. The conversion rate is subject to adjustment upon the occurrence of certain specified events as set forth in the Indentures filed at the time of the original offerings but will not be adjusted for accrued and unpaid interest. In addition, holders of the Notes who convert their Notes in connection with a "make-whole fundamental change" (as defined in the Indentures), will, under certain circumstances, be entitled to an increase in the conversion rate.

If the Company undergoes a "fundamental change" (as defined in the Indentures), holders of the Notes may require the Company to repurchase for cash all or part of their Notes at a repurchase price equal to 100% of the principal amount of the Notes to be repurchased, plus accrued and unpaid interest.

Based on the closing price of the Company's common stock of ~~\$69.06~~ \$42.25 on ~~March 31, 2024~~ June 30, 2024, the if-converted values on the Notes do not exceed the principal amount.

The Notes do not contain any financial or operating covenants or any restrictions on the payment of dividends, the issuance of other indebtedness, or the issuance or repurchase of securities by the Company.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Ranking of Convertible Notes

The Notes are the Company's senior unsecured obligations and (i) rank senior in right of payment to all of its future indebtedness that is expressly subordinated in right of payment to the Notes; (ii) rank equal in right of payment to each outstanding series thereof and to all of the Company's future liabilities that are not so subordinated, unsecured indebtedness; (iii) are effectively junior to all of the Company's existing and future secured indebtedness and other secured obligations, to the extent of the value of the assets securing that indebtedness and other secured obligations; and (iv) are structurally subordinated to all indebtedness and other liabilities of the Company's subsidiaries.

Issuance Costs

Issuance costs are amortized to interest expense over the term of the Notes. The following table summarizes the original issuance costs at the time of issuance for each set of Notes:

(In thousands)	
2031 Convertible Notes	\$ 6,820
2030 Convertible Notes	\$ 4,938
2028 Convertible Notes	24,453
2027 Convertible Notes	14,285
2025 Convertible Notes	17,646

Interest Expense

Interest expense on the Notes includes the following:

(In thousands)	Three Months Ended March 31,	
	2024	2023
Debt issuance costs amortization	\$ 1,315	\$ 1,378
Debt discount amortization	25	31
Gain on settlements of convertible notes	—	(10,324)
Coupon interest expense	4,906	3,354
Total interest expense (income) on convertible notes	<u>\$ 6,246</u>	<u>\$ (5,561)</u>

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(In thousands)	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Debt issuance costs amortization	\$ 1,316	\$ 1,315	\$ 2,631	\$ 2,692
Debt discount amortization	264	25	289	56
Gain on settlements of convertible notes	(10,254)	—	(10,254)	(10,324)
Coupon interest expense	6,863	4,906	11,770	8,260
Total interest expense (income) on convertible notes	\$ (1,811)	\$ 6,246	\$ 4,436	\$ 684

The following table summarizes the effective interest rates of the Notes:

	Three Months Ended					
	March 31,					
	Three Months Ended		Six Months Ended			
	2024	2024	June 30,	2023	June 30,	
	2024	2024	2023	2023	2024	
2031 Convertible Notes	2.06 %	— %	2.06 %	— %	2.06 %	
2030 Convertible Notes	2.12 %	2.12 %	2030 Convertible Notes	2.12 %	2.12 %	
2028 Convertible Notes	0.64 %	0.64 %	2028 Convertible Notes	0.64 %	0.64 %	
2027 Convertible Notes	0.67 %	0.67 %	2027 Convertible Notes	0.67 %	0.67 %	
2025 Convertible Notes	1.18 %	1.18 %	2025 Convertible Notes	1.18 %	1.18 %	

The remaining period over which the unamortized debt discount will be recognized as non-cash interest expense is 0.79, 2.96, 3.92, 0.55, 2.71, 3.67, 5.67, and 5.92 6.79 years for the 2025 Notes, 2027 Notes, 2028 Notes, 2030 Notes, and 2030 2031 Notes, respectively.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(10) LICENSE AND COLLABORATION AGREEMENTS

The Company licenses certain technologies that are, or may be, incorporated into its technology under several license agreements, as well as the rights to commercialize certain diagnostic tests through collaboration agreements. Generally, the license agreements require the Company to pay single-digit royalties based on net revenues received using the technologies and may require minimum royalty amounts, milestone payments, or maintenance fees.

Mayo Foundation for Medical Education and Research

In June 2009, the Company entered into an exclusive, worldwide license agreement with the Mayo Foundation for Medical Education and Research ("Mayo"), under which Mayo granted the Company an exclusive, worldwide license to certain Mayo patents and patent applications, as well as a non-exclusive, worldwide license with regard to certain Mayo know-how. The scope of the license covers any

screening, surveillance or diagnostic test or tool for use in connection with any type of cancer, pre-cancer, disease or condition. The Company's license agreement with Mayo was most recently amended and restated in September 2020.

The licensed Mayo patents and patent applications contain both method and composition claims that relate to sample processing, analytical testing and data analysis associated with nucleic acid screening for cancers and other diseases. The jurisdictions covered by these patents and patent applications include the U.S., Australia, Canada, the European Union, China, Japan and Korea. Under the license agreement, the Company assumed the obligation and expense of prosecuting and maintaining the licensed Mayo patents and is obligated to make commercially reasonable efforts to bring to market products using the licensed Mayo intellectual property.

Pursuant to the Company's agreement with Mayo, the Company is required to pay Mayo a low-single-digit royalty on the Company's net sales of current and future products using the licensed Mayo intellectual property each year during the term of the Mayo agreement.

The Company is also required to pay Mayo up to \$3.0 million in sales-based milestone payments upon cumulative net sales of each product using the licensed Mayo intellectual property reaching specified levels.

The license agreement will remain in effect, unless earlier terminated by the parties in accordance with the agreement, until the last of the licensed patents expires in 2039 (or later, if certain licensed patent applications are issued). However, if the Company is still using the licensed Mayo know-how or certain Mayo-provided biological specimens or their derivatives on such expiration date, the term shall continue until the earlier of the date the Company stops using such know-how and materials and the date that is five years after the last licensed patent expires. The license agreement contains customary termination provisions and permits Mayo to terminate the license agreement if the Company sues Mayo or its affiliates, other than any such suit claiming an uncured material breach by Mayo of the license agreement.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

In addition to granting the Company a license to the covered Mayo intellectual property, Mayo provides the Company with product development and research and development assistance pursuant to the license agreement and other collaborative arrangements. In September 2020, Mayo also agreed to make available certain personnel to provide such assistance through January 2025. In connection with this collaboration, the Company has incurred insignificant charges for the three months ended **March 31, 2024** **June 30, 2024** and 2023, respectively. The charges incurred in connection with this collaboration are recorded in research and development expenses in the Company's condensed consolidated statements of operations.

Johns Hopkins University

Through the acquisition of Thrive, the Company acquired a worldwide exclusive license agreement with Johns Hopkins University ("JHU") for use of several JHU patents and licensed know-how. The license is designed to enable the Company to leverage JHU proprietary data in the development and commercialization of a blood-based, multi-cancer screening test. The agreement terms would require the Company to pay single-digit sales-based royalties and up to \$45.0 million in sales-based milestone payments if net sales of a licensed product using JHU proprietary data reach specified levels. The Company will record the sales-based royalties and sales-based milestones once achievement is deemed probable. The Company has not incurred charges related to the achievement of any sales-based royalties or sales-based milestones as of **March 31, 2024** **June 30, 2024**.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Targeted Digital Sequencing ("TARDIS") License Agreement

In January 2021, the Company entered into an exclusive, worldwide license to the proprietary TARDIS technology from The Translational Genomics Research Institute ("TGen"). Under the agreement, the Company acquired a royalty-free, worldwide exclusive license to proprietary TARDIS patents and know-how. Under the agreement, the Company ~~is~~ was obligated to make milestone payments to TGen of up to \$45.0 million in sales-based milestone payments upon cumulative net sales related to molecular residual disease ("MRD") detection and/or treatment reaching specified levels. These payments ~~are~~ were contingent upon achievement of these cumulative revenues on or before December 31, 2030, which ~~was not~~ was achieved prior to the termination.

Effective May 1, 2024, the Company entered into termination agreements (the "Termination Agreements") with TGen for the purpose of terminating the license and sponsored research agreement relating to the TARDIS technology and an additional sponsored research agreement with a broader scope (collectively, the "Original Agreements"). As part of the Termination Agreements, the Company will pay TGen \$27.6 million in compensation for the termination of the Original Agreements, which will be allocated into three annual installments of \$9.2 million per year beginning in the second quarter of 2024. The fair value of the termination payments as of the date of the Termination Agreements was \$25.8 million, which was recorded as research and development expense in the condensed consolidated statement of operations for the three and six months ended June 30, 2024. The Company ~~remaining~~ \$1.8 million in expense will record be amortized on a straight-line basis through the sales milestones once achievement is deemed probable. ~~date of the final payment in the second quarter of 2026. The Company has not incurred charges related to recorded a liability of \$16.8 million representing the achievement fair value of sales milestones~~ the remaining payments, of which \$8.7 million is included in accrued liabilities and \$8.1 million is included in other long-term liabilities on the condensed consolidated balance sheet as of **March 31, 2024** June 30, 2024. The termination payments eliminate the Company's obligation to pay TGen any further payments, equities, fees, costs, or other amounts that would have been due under the Original Agreements, including the milestone payments. The Company's ongoing development efforts for its pipeline tests are not impacted by the Termination Agreements.

Broad Institute, Inc.

In June 2023, the Company entered into an exclusive license agreement with Broad Institute, Inc. ("Broad Institute") to utilize the Minor Allele Enriched Sequencing Through Recognition Oligonucleotides ("MAESTRO") technology in the Company's MRD testing. Under the license agreement, the Company is obligated to make development milestone payments to Broad Institute of up to \$6.5 million upon achievement of certain development milestones related to prospective MRD tests that use the MAESTRO technology. In addition, the Company is obligated to make sales-based milestone payments to Broad Institute that equate up to a mid-single-digit royalty upon the achievement of certain cumulative net sales targets of licensed products using the MAESTRO technology beginning at \$500.0 million. The Company will record the development milestones once achieved and the sales milestones once achievement is deemed probable. The Company has not incurred charges related to the achievement of development milestones or sales milestones as of **March 31, 2024** June 30, 2024.

Watchmaker Genomics, Inc.

In July 2023, the Company entered into a co-exclusive development and license agreement with Watchmaker Genomics, Inc. ("Watchmaker") under which the Company granted Watchmaker a co-exclusive license to the non-bisulfite technology for the detection of methylated DNA and other epigenetic modifications ("TAPS"). TAPS is based on patents obtained by the Company through an exclusive license agreement with the Ludwig Institute for Cancer Research. Under the agreement, both parties have the right to use and develop TAPS for commercial purposes. The Company has the potential to receive up to \$82.0 million in sales-based milestone payments and mid-single digit royalties based on future Watchmaker net sales of licensed products including TAPS. Additionally, Watchmaker has the right to sublicense TAPS, and the Company has the potential to receive royalties based on future Watchmaker sublicense receipts.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(11) STOCKHOLDERS' EQUITY

Changes in Accumulated Other Comprehensive Income (Loss)

The amounts recognized in AOCI for the three/six months ended March 31, 2024/June 30, 2024 were as follows:

(In thousands)	(In thousands)	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Securities (1)	(In AOCI thousands)	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Securities (1)	AOCI
Balance at December 31, 2023							
Other comprehensive income (loss) before reclassifications							
Other comprehensive loss before reclassifications							
Amounts reclassified from accumulated other comprehensive income (loss)							
Net current period change in accumulated other comprehensive income (loss)							
Balance at March 31, 2024							
Balance at June 30, 2024							

(1) There was no tax impact from the amounts recognized in AOCI for the three/six months ended March 31, 2024/June 30, 2024.

The amounts recognized in AOCI for the three/six months ended March 31, 2023/June 30, 2023 were as follows:

(In thousands)	(In thousands)	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Securities (1)	(In AOCI thousands)	Cumulative Translation Adjustment	Unrealized Gain (Loss) on Securities (1)	AOCI
Balance at December 31, 2022							
Other comprehensive loss before reclassifications							
Other comprehensive income before reclassifications							
Amounts reclassified from accumulated other comprehensive income (loss)							
Net current period change in accumulated other comprehensive income (loss)							
Balance at March 31, 2023							
Balance at June 30, 2023							

(1) There was no tax impact from the amounts recognized in AOCI for the three/six months ended March 31, 2023/June 30, 2023.

Amounts reclassified from AOCI for the three/six months ended March 31, 2024/June 30, 2024 and 2023 were as follows:

Affected Line Item in the Statements of Operations	Affected Line Item in the Statements of Operations	Three Months Ended March 31,	Affected Line Item in the Statements of Operations	Six Months Ended June 30,

Details about AOCI Components (In thousands)	Details about AOCI Components (In thousands)	2024	Details about AOCI Components (In 2023 thousands)	2024	2023
			2023 thousands)		
Change in value of available-for-sale investments					
Sales and maturities of available-for-sale investments					
Sales and maturities of available-for-sale investments					
Sales and maturities of available-for-sale investments					
Total reclassifications					

(12) STOCK-BASED COMPENSATION

Stock-Based Compensation Plans

The Company maintains the following plans for which awards were granted from or had awards outstanding in 2023: the 2010 Omnibus Long-Term Incentive Plan (as Amended and Restated effective July 27, 2017), the 2019 Omnibus Long-Term Incentive Plan, and the 2010 Employee Stock Purchase Plan. These plans are collectively referred to as the "Stock Plans" and are administered in conjunction with the Company's Equity Award Death, Disability and Retirement Policy, which was adopted in February 2023. Refer to the Company's 2023 Form 10-K for further information regarding this policy.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Stock-Based Compensation Expense

The Company records stock-based compensation expense in connection with the amortization of restricted stock and restricted stock unit awards ("RSUs"), performance share units ("PSUs"), stock purchase rights granted under the Company's employee stock purchase plan ("ESPP") and stock options granted to employees, non-employee consultants and non-employee directors. The Company recorded \$60.4 million \$56.6 million and \$49.1 million \$61.7 million in stock-based compensation expense during the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The Company recorded \$116.9 million and \$110.9 million in stock-based compensation expense during the six months ended June 30, 2024 and 2023, respectively.

As of March 31, 2024 June 30, 2024, there was approximately \$520.8 million \$450.0 million of expected total unrecognized compensation cost related to non-vested stock-based compensation arrangements granted under all equity compensation plans. The Company expects to recognize that cost over a weighted average period of 2.8 2.7 years.

Stock Options

A summary of stock option activity under the Stock Plans is as follows:

Option Shares	Option Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)	Option Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (1)

(Aggregate intrinsic
value in thousands)

Outstanding, January
1, 2024

Outstanding, January
1, 2024

Outstanding, January
1, 2024

Exercised

Exercised

Exercised

Forfeited

Forfeited

Forfeited

Outstanding, March
31, 2024

Outstanding, March
31, 2024

Outstanding, March
31, 2024

Vested and expected
to vest, March 31,
2024

Exercisable, March
31, 2024

Outstanding, June
30, 2024

Outstanding, June
30, 2024

Outstanding, June
30, 2024

Vested and expected
to vest, June 30,
2024

Exercisable, June
30, 2024

(1) The total intrinsic value of options exercised, net of shares withheld for taxes, during the **three** six months ended **March 31, 2024** **June 30, 2024** and 2023 was **\$2.9 million** **\$3.3 million** and **\$4.8 million** **\$7.0 million**, respectively, determined as of the date of exercise.

Restricted Stock and Restricted Stock Units

The fair value of restricted stock and RSUs is determined on the date of grant using the closing stock price on that day.

A summary of restricted stock and RSU activity during the **three** six months ended **March 31, 2024** **June 30, 2024** is as follows:

	Restricted Shares	Restricted Shares	Weighted Average Grant Date Fair Value (1)	Restricted Shares	Weighted Average Grant Date Fair Value (1)
Outstanding, January 1, 2024					
Granted					
Released (2)					
Forfeited					
Outstanding, March 31, 2024					
Outstanding, June 30, 2024					

(1) The weighted average grant date fair value of the RSUs granted during the **three** **six** months ended **March 31, 2023** **June 30, 2023** was **\$60.25**. **\$60.94**.

(2) The fair value of RSUs vested and converted to shares of the Company's common stock was **\$140.2 million** **\$153.4 million** and **\$121.2 million** **\$130.5 million** during the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023, respectively.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

Performance Share Units

The Company has issued performance-based equity awards to certain employees which vest upon the achievement of certain performance goals, including financial performance targets and operational milestones.

A summary of PSU activity during the **three** **six** months ended **March 31, 2024** **June 30, 2024** is as follows:

	Performance Share Units (1)	Performance Share Units (1)	Weighted Average Grant Date Fair Value (2)	Performance Share Units (1)	Weighted Average Grant Date Fair Value (2)
Outstanding, January 1, 2024					
Granted					
Released (3)					
Forfeited					
Outstanding, March 31, 2024					
Outstanding, June 30, 2024					

(1) The PSUs listed above assumes attainment of maximum payout rates as set forth in the performance criteria. Applying actual or expected payout rates, the number of outstanding PSUs as of **March 31, 2024** **June 30, 2024** was **1,097,448**. **1,037,206**.

(2) The weighted average grant date fair value of the PSUs granted during the **three** **six** months ended **March 31, 2023** **June 30, 2023** was \$79.17.

(3) The fair value of PSUs vested and converted to shares of the Company's common stock was **\$8.9 million** **\$9.9 million** and \$1.0 million for the **three** **six** months ended **March 31, 2024** **June 30, 2024** and 2023, respectively.

Employee Stock Purchase Plan

There were no The fair value of shares issued under the 2010 Employee Stock Purchase Plan purchased during the three and six months ended **March 31, 2024** **June 30, 2024** and 2023. 2023 under the ESPP is based on the assumptions in the following table:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
ESPP Shares				
Risk-free interest rates	4.71% - 5.30%	4.68%	4.71% - 5.30%	4.68%
Expected term (in years)	1.17	1.25	1.17	1.25
Expected volatility	55.67% - 63.13%	67.30%	55.67% - 63.13%	67.30%
Dividend yield	—%	—%	—%	—%

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(13) COMMITMENTS AND CONTINGENCIES

Leases

Supplemental disclosure of cash flow information related to the Company's cash and non-cash activities with its leases are as follows:

(In thousands)	(In thousands)	Three Months Ended March		Six Months Ended June	
		31,	2024	2023	(In thousands)
Cash paid for amounts included in the measurement of lease liabilities:					
Operating cash flows from operating leases					
Operating cash flows from operating leases					
Operating cash flows from operating leases		\$ 9,771	\$ 9,135		\$19,188
Operating cash flows from finance leases	Operating cash flows from finance leases	263	170	Operating cash flows from finance leases	612
Finance cash flows from finance leases	Finance cash flows from finance leases	1,336	745	Finance cash flows from finance leases	3,025
Non-cash investing and financing activities:					1,561

Right-of-use assets obtained in exchange for new operating lease liabilities (1)		\$ 9,019	\$ (3,833)		\$18,925	\$ (5,375)
Right-of-use assets obtained in exchange for new operating lease liabilities (1)		\$ 9,019	\$ (3,833)		\$18,925	\$ (5,375)
Right-of-use assets obtained in exchange for new finance lease liabilities	Right-of-use assets obtained in exchange for new finance lease liabilities	9,006	318	Right-of-use assets obtained in exchange for new finance lease liabilities	13,717	2,670
Weighted-average remaining lease term - operating leases (in years)	Weighted-average remaining lease term - operating leases (in years)	7.10	7.18	Weighted-average remaining lease term - operating leases (in years)	7.73	7.20
Weighted-average remaining lease term - finance leases (in years)	Weighted-average remaining lease term - finance leases (in years)	3.17	3.07	Weighted-average remaining lease term - finance leases (in years)	3.21	3.04
Weighted-average discount rate - operating leases	Weighted-average discount rate - operating leases	6.58	% 6.42	Weighted-average discount rate - operating leases	6.55 %	6.41 %
Weighted-average discount rate - finance leases	Weighted-average discount rate - finance leases	6.87	% 6.67	Weighted-average discount rate - finance leases	6.78 %	7.03 %

(1) For the three six months ended March 31, 2023 June 30, 2023, this includes reductions of \$6.2 million \$8.6 million on the carrying value of the right-of-use assets held due to a reduction of the expected lease term.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company's right-of-use assets from operating leases are \$142.0 million \$139.8 million and \$143.7 million, respectively, which are reported in operating lease right-of-use assets in the Company's condensed consolidated balance sheets. As of March 31, 2024 June 30, 2024, the Company has outstanding operating lease obligations of \$189.6 million \$194.8 million, of which \$27.2 million \$27.1 million is reported in operating lease liabilities, current portion and \$162.4 million \$167.7 million is reported in operating lease liabilities, less current portion in the Company's condensed consolidated balance sheets. As of December 31, 2023, the Company had outstanding operating lease obligations of \$190.4 million, of which \$29.4 million is reported in operating lease liabilities, current portion and \$161.1 million is reported in operating lease liabilities, less current portion in the Company's condensed consolidated balance sheets.

As of March 31, 2024 June 30, 2024 and December 31, 2023, the Company's right-of-use assets from finance leases are \$18.6 million \$21.4 million and \$11.3 million, respectively, which are reported in other long-term assets, net in the Company's condensed consolidated balance sheets. As of March 31, 2024 June 30, 2024, the Company has outstanding finance lease obligations of \$19.5 million \$22.3 million, of which \$6.4 million \$7.3 million is reported in other current liabilities and \$13.1 million \$15.0 million is reported in other long-term liabilities in the Company's condensed consolidated balance sheets. As of December 31, 2023, the Company had outstanding finance lease obligations of \$11.9 million, of which \$4.4 million is reported in other current liabilities and \$7.5 million is reported in other long-term liabilities in the Company's condensed consolidated balance sheets.

Legal Matters

In addition to commitments and obligations incurred in the ordinary course of business, from time to time the Company may be subject to a variety of claims and legal proceedings, including legal actions for damages, governmental investigations and other matters.

The Company has also instituted, and may in the future institute, additional legal proceedings to enforce its rights and seek remedies, such as monetary damages, injunctive relief and declaratory relief.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The Company accrues costs for certain legal proceedings and regulatory matters to the extent that it determines an unfavorable outcome is probable and the amount of the loss can be reasonably estimated. While such accrued costs reflect the Company's best estimate of the probable loss for such matters, the recorded amounts may differ materially from the actual amount of any such losses. In some cases, no estimate of the possible loss or range of loss in excess of amounts accrued, if any, can be made because of the inherently unpredictable nature of legal and regulatory proceedings, which may be exacerbated by various factors, including but not limited to, that they may involve indeterminate claims for monetary damages or may involve fines, penalties or punitive damages; present novel legal theories or legal uncertainties; involve disputed facts; represent a shift in regulatory policy; involve a large number of parties, claimants or regulatory bodies; are in the early stages of the proceedings; involve a number of separate proceedings and/or a wide range of potential outcomes; or result in a change of business practices.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

As of the date of this Quarterly Report on Form 10-Q, amounts accrued for legal proceedings and regulatory matters were not material. The Company believes that the ultimate outcome of any of the regulatory and legal proceedings that are currently pending against it should not have a material adverse effect on financial condition, results of operations, cash flow or liquidity. However, it is possible that in a particular quarter or annual period the Company's financial condition, results of operations, cash flow and/or liquidity could be materially adversely affected by an ultimate unfavorable resolution of, or development in, legal and/or regulatory proceedings. The Company believes that the ultimate outcome of any of the regulatory and legal proceedings that are currently pending against it should not have a material adverse effect on financial condition, results of operations, cash flow or liquidity.

Refer to the Company's 2023 Form 10-K for detailed disclosures on legal matters that were settled in 2023.

Intellectual Property Litigation Matters

In May 2023, after receiving a cease-and-desist letter from the Company regarding its patent infringement, Geneoscopy Inc. ("Geneoscopy") requested a reexamination of the Company's U.S. Patent No. 11,634,781 (the "781 Patent") by the United States Patent and Trademark Office (the "USPTO"). Upon completion of the reexamination in October 2023, the USPTO rejected Geneoscopy's challenge. In November 2023, the Company filed suit against Geneoscopy in the United States District Court for the District of Delaware, alleging that certain of Geneoscopy's products infringe the '781 Patent and seeking unspecified monetary damages and injunctive relief (the "781 Action") and in May 2024, the Company filed a second complaint against Geneoscopy alleging infringement of the Company's U.S. Patent No. 11,970,746 (the "746 Action"). On June 28, 2024, Geneoscopy filed counterclaims against the Company challenging the validity of the patents at issue and alleging breach of contract, misappropriation of trade secrets, unfair competition, and other violations of state and federal law seeking unspecified monetary damages and injunctive relief. On July 17, 2024, the Company filed a motion for preliminary injunction seeking an order prohibiting Geneoscopy from selling its infringing Colosense test in the United States.

In January 2024, Geneoscopy petitioned the USPTO to institute an inter partes review ("IPR") challenging the validity of the '781 Patent before the Patent Trial and Appeals Board ("PTAB"). The PTAB is expected to decide on or before July 30, 2024 whether it will institute the IPR. If the IPR is instituted, the Company intends to defend the validity of the '781 Patent, and a final decision of that review will be made on or before July 30, 2025.

(14) WISCONSIN ECONOMIC DEVELOPMENT TAX CREDITS

During December 2021, the Company entered into an amended agreement ("Amended WEDC Agreement") with the Wisconsin Economic Development Corporation ("WEDC") to earn an additional \$18.5 million in refundable tax credits on the condition that the Company expends \$350.0 million in capital investments and establishes and maintains 1,300 additional full-time positions over a five-year period. The capital investment credits are earned at a rate of 10% of eligible capital investments up to a maximum of \$7.0 million, while the job creation credits are earned annually pursuant to the agreement.

The tax credits earned are first applied against the tax liability otherwise due, and if there is no such liability present, the claim for tax credits will be reimbursed in cash to the Company. The maximum amount of the refundable tax credit to be earned for each year is fixed, and the Company earns the credits by meeting certain capital investment and job creation thresholds over the term of the agreement. Should the Company earn and receive the job creation tax credits but not maintain those full-time positions through the end of the agreement, the Company may be required to pay those credits back to the WEDC.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The Company records the earned tax credits as job creation and capital investments occurs. The tax credits earned from capital investment are recognized as a reduction to capital expenditures at the time the costs are incurred, and then as an offset to depreciation expense over the expected life of the acquired capital assets. The tax credits earned related to job creation are recognized as an offset to operational expenses in the period in which the credits are earned.

As of **March 31, 2024** **June 30, 2024**, the Company has earned **\$11.0** **\$14.3** million of the refundable tax credits under the Amended WEDC Agreement. The unpaid portion is **\$5.5** **\$8.8** million, of which \$4.2 million is reported in prepaid expenses and other current assets and **\$1.3** **\$4.6** million is reported in other long-term assets, net in the Company's condensed consolidated balance sheets reflecting when collection of the refundable tax credits is expected to occur. During the three **and** **six** months ended **March 31, 2024** **June 30, 2024** and 2023, the amounts recorded as an offset to capital expenditures and operating expenses for the tax credits earned were not significant.

(15) ACQUISITIONS AND DIVESTITURES

Business Combinations

Resolution Bioscience, Inc.

On September 12, 2023, the Company completed the acquisition of all of the outstanding capital stock of Resolution Bioscience, Inc. ("Resolution Bioscience") from Agilent Technologies, Inc. Resolution Bioscience develops and commercializes next-generation sequencing-based precision oncology solutions through its Clinical Laboratory Improvement Amendments ("CLIA") certified lab based in Kirkland, Washington. The acquisition provides the Company with a high-quality blood-based therapy selection platform, complementing its comprehensive, tissue-based OncoExTra® test.

Refer to the Company's 2023 Form 10-K for detailed disclosures on the combination, including the fair value of the consideration transferred, purchase price allocation, and goodwill and intangible assets identified in the transaction. During the three **and** **six** months ended **March 31, 2024** **June 30, 2024**, there were no significant changes to the purchase price and purchase price allocation. The measurement period remains open pending the completion of valuation procedures related to certain acquired assets and liabilities assumed, primarily in connection with the developed technology intangible asset.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements

Divestitures**Oncotype DX Genomic Prostate Score Test**

On August 2, 2022, pursuant to an asset purchase agreement (the "Asset Purchase Agreement") with MDxHealth SA ("MDxHealth"), the Company completed the sale of the intellectual property and know-how related to the Company's Oncotype DX Genomic Prostate Score test ("GPS test"), which will allow the Company to focus on the highest impact projects core to the Company's vision. On August 23, 2023, the Company and MDxHealth executed the Second Amendment to the Asset Purchase Agreement (the "Second Amendment"). Under the Second Amendment, the Company agreed to allow MDxHealth to defer the 2023 contingent consideration payment by three years in exchange for additional consideration and more favorable contingent consideration terms, including elimination of the minimum revenue thresholds previously required to be met under the Asset Purchase Agreement. Refer to the Company's 2023 Form 10-K for additional details on the agreements.

As of **March 31, 2024** **June 30, 2024** and December 31, 2023, a portion of the contingent consideration is classified as a contract asset. The As of June 30, 2024, the contract asset was **\$41.4** **\$45.2** million, of which \$24.1 million is included in prepaid expenses and other current assets and \$21.1 million is included in other long-term assets, net on the condensed consolidated balance sheet. As of December 31, 2023, the contract asset was \$41.7 million, as of March 31, 2024 and December 31, 2023, respectively, which is included in other long-term assets on the condensed consolidated balance sheet. The contract asset was estimated using historical GPS test revenues by MDxHealth under the most likely method. The remaining consideration balance as of **March 31, 2024** **June 30, 2024** and December 31, 2023 was \$31.6 million, which includes the amount earned during the 2023 earnout year and is classified as a receivable. The contract asset and receivable are included in within other long-term assets, net on the condensed consolidated balance sheet. The Company recorded an insignificant contingent consideration loss gain for the three and six months ended **March 31, 2024** **June 30, 2024**, which is included in other operating loss income in the condensed consolidated statement of operations.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(16) SEGMENT INFORMATION

Management determined that the Company functions as a single operating segment, and thus reports as a single reportable segment. This operating segment is focused on the development and global commercialization of clinical laboratory services allowing healthcare providers and patients to make individualized treatment decisions. Management assessed the financial information routinely reviewed by the Company's Chief Operating Decision Maker, its President and Chief Executive Officer, to monitor the Company's operating performance and support decisions regarding allocation of resources to its operations. Performance is continuously monitored at the consolidated level to timely identify deviations from expected results.

The following table summarizes total revenue from customers by geographic region. Product revenues are attributed to countries based on ship-to location.

(In thousands)	Three Months Ended March 31,		Six Months Ended June 30,		
	(In thousands)	2024	2023	(In thousands)	2024
United States					
Outside of United States					
Total revenues					

Long-lived assets located in countries outside of the U.S. are not significant.

(17) INCOME TAXES

The Company recorded income tax expense of \$1.8 million \$1.5 million and \$1.7 million \$1.1 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. The Company recorded income tax expense of \$3.3 million and \$2.8 million for the six months ended June 30, 2024 and 2023, respectively. The Company's income tax expense recorded during the three and six months ended March 31, 2024 June 30, 2024 is primarily related to current foreign and state tax expense. A deferred tax liability of \$18.2 million \$19.1 million and \$17.3 million was recorded as of March 31, 2024 June 30, 2024 and December 31, 2023, respectively, which is included in other long-term liabilities on the Company's condensed consolidated balance sheet. The Company continues to maintain a full valuation allowance against its deferred tax assets based on management's determination that it is more likely than not the benefit will not be realized.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

The Company had \$38.2 million \$40.1 million and \$36.4 million of unrecognized tax benefits at March 31, 2024 June 30, 2024 and December 31, 2023, respectively. These amounts have been recorded as a reduction to the Company's deferred tax asset, if recognized they would not have an impact on the effective tax rate due to the existing valuation allowance. Certain of the Company's unrecognized tax benefits could change due to activities of various tax authorities, including possible settlement of audits, or through normal expiration of various statutes of limitations. The Company does not expect a material change in unrecognized tax benefits in the next twelve months.

As of March 31, 2024 June 30, 2024, due to the carryforward of unutilized net operating losses and research and development credits, the Company is subject to U.S. federal income tax examinations for the tax years 2000 through 2024, and to state income tax examinations for the tax years 2000 through 2024. No interest or penalties related to income taxes have been accrued or recognized as of March 31, 2024 June 30, 2024.

The Organization for Economic Co-operation and Development has endorsed a framework ("Pillar Two") with model rules introducing a global minimum corporate tax rate via a system where multinational groups with consolidated revenue over €750M €750.0 million are subject to a minimum effective tax rate of 15% on income arising in low-tax jurisdictions on a country-by-country basis. Many countries have implemented laws based on these model rules, with effective dates beginning January 1, 2024. These rules do not have a material impact on the Company for the current period and, as currently designed, are not expected to materially increase the Company's global tax costs. The Company will continue to monitor U.S. and global legislative action related to Pillar Two for potential impacts.

EXACT SCIENCES CORPORATION
Notes to Condensed Consolidated Financial Statements
(Unaudited)

(18) SUBSEQUENT EVENTS

Convertible Notes

On April 17, 2024 July 1, 2024, the Company entered into privately negotiated agreements (the "Agreements") an exclusive license agreement with certain holders of TwinStrand Biosciences, Inc. ("TwinStrand"), under which the Company's 2028 Notes. Pursuant Company will have the ability to use, commercialize, and sublicense the acquired intellectual property related to the Agreements, cell free nucleic acid sequencing technology. Under the license agreement, the Company issued \$620.7 million aggregate principal amount of a new series of Convertible Notes due made upfront payments to TwinStrand totaling \$45.0 million in 2031 (the "2031 Notes") in exchange for (i) the retirement of \$359.7 million in aggregate principal amount of 2028 Notes, and (ii) payment to the Company of \$266.8 million in cash. July

2024. The net proceeds from the issuance of the 2031 Notes were approximately \$259.8 million, after deducting commissions and the offering expenses payable by the Company. The exchange of the 2028 Notes is preliminarily expected to license will be accounted for as an extinguishment that will result in a gain or loss on settlement of convertible notes in asset acquisition and the second quarter of 2024, upfront consideration, which will be included classified as an intangible asset in interest income (expense), net the condensed consolidated balance sheet, will be amortized through amortization of acquired intangible assets in the condensed consolidated statement of operations. The 2031 Notes will mature on April 15, 2031 and bear interest at a rate of 1.75% per year, payable semiannually in arrears on October 15 and April 15 of each year, beginning on October 15, 2024.

TARDIS License Agreement

Effective May 1, 2024, the Company entered into termination agreements (the "Termination Agreements") with TGen for the purpose of terminating the license and sponsored research agreement relating to the TARDIS technology, as further described in Note 10, and an additional sponsored research agreement with a broader scope (collectively, the "Original Agreements"). As part of the Termination Agreements, the Company will pay TGen \$27.6 million in compensation for the termination of the Original Agreements, which will be allocated into three annual installments of \$9.2 million per year beginning in the second quarter of 2024. The Company will measure the termination payments at fair value and recognize the expense incurred in the second quarter of 2024, which will be included in research and development expenses in the condensed consolidated statement of operations. The termination payments eliminate the Company's obligation to pay TGen any further payments, equities, fees, costs, or other amounts that would have been due under the Original Agreements, including the milestone payments as described in Note 10. The Company's ongoing development efforts for operations over its pipeline tests are not impacted by the Termination Agreements.

estimated useful life.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Objective

The purpose of this Management's Discussion and Analysis is to better allow our investors to understand and view our Company from management's perspective. We are providing an overview of our business and strategy including a discussion of our financial condition and results of operations. The following discussion of our financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and the related notes thereto included elsewhere in this Quarterly Report on Form 10-Q and the audited financial statements and notes thereto and Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the year ended December 31, 2023, which has been filed with the U.S. Securities and Exchange Commission ("SEC") (the "2023 Form 10-K").

Forward-Looking Statements

This Quarterly Report on Form 10-Q contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, that are intended to be covered by the "safe harbor" created by those sections. Forward-looking statements, which are based on certain assumptions and describe our future plans, strategies and expectations, can generally be identified by the use of forward-looking terms such as "believe," "expect," "may," "will," "should," "would," "could," "seek," "intend," "plan," "goal," "project," "estimate," "anticipate" or other comparable terms. All statements other than statements of historical facts included in this Quarterly Report on Form 10-Q regarding our strategies, prospects, expectations, financial condition, operations, costs, plans and objectives are forward-looking statements. Examples of forward-looking statements include, among others, statements we make regarding expected future operating results; expectations for development of new or improved products and services and their impact on patients; our strategies, positioning, resources, capabilities and expectations for future events or performance; and the

anticipated benefits of our acquisitions, including estimated synergies and other financial impacts. Forward-looking statements are neither historical facts nor assurances of future performance or events. Instead, they are based only on current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Actual results, conditions and events may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements. Important factors that could cause actual results, conditions and events to differ materially from those indicated in the forward-looking statements include, among others, the following: our ability to successfully and profitably market our products and services; the acceptance of our products and services by patients and healthcare providers; our ability to meet demand for our products and services; our reliance upon certain suppliers, including suppliers that are the sole source of certain supplies and products used in our tests and operations; approval and maintenance of adequate reimbursement rates for our products and services within and outside of the U.S.; the amount and nature of competition for our products and services; the effects of any judicial, executive or legislative action affecting us or the healthcare system; recommendations, guidelines and quality metrics issued by various organizations regarding cancer screening or our products and services; our ability to successfully develop and commercialize new products and services and assess potential market opportunities; our ability to effectively enter into and utilize strategic partnerships and acquisitions; our success establishing and maintaining collaborative, licensing and supplier arrangements; our ability to obtain and maintain regulatory approvals and comply with applicable regulations; our ability to protect and enforce our intellectual property; the results of our validation studies and clinical trials, including the risks that the results of future studies and trials may differ materially from the results of previously completed studies and trials; our ability to manage an international business and our expectations regarding our international expansion and opportunities; our ability to raise the capital necessary to support our operations or meet our payment obligations under our indebtedness; the potential effects of changing macroeconomic conditions, including the effects of inflation, interest rate and foreign currency exchange rate fluctuations, and geopolitical conflict; the possibility that the anticipated benefits from our business acquisitions will not be realized in full or at all or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of acquired businesses' operations or the divestiture of business operations will be greater than expected and the possibility that integration or divestiture efforts will disrupt our business and strain management time and resources; the outcome of any litigation, government investigations, enforcement actions or other legal proceedings; and our ability to retain and hire key personnel. The risks included above are not exhaustive. Other important risks and uncertainties are described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of the 2023 Form 10-K and subsequently filed Quarterly Reports on Form 10-Q. You are further cautioned not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the federal securities laws, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise.

Overview

A leading provider of cancer screening and diagnostic tests, Exact Sciences Corporation (together with its subsidiaries, "Exact," "we," "us," "our" or the "Company") gives patients and health care professionals the clarity needed to take life-changing action earlier. Building on the success of the Cologuard® and Oncotype DX® tests, we are investing in our pipeline to develop innovative solutions for use before, during, and after a cancer diagnosis.

During the **first** **second** quarter of 2024, we achieved many critical milestones, including:

- testing more than a million people globally for cancer and rare diseases,
- being recognized as a Gallup Exceptional Workplace, a prestigious award given Great Place to only 60 companies worldwide, Work for the sixth consecutive year,
- increasing screening over 1 million people in a quarter with our Cologuard test adoption in large, organized screening programs and in federally qualified health clinics, for the first time ever,
- expanding the testing a record number of cancer patients globally with Oncotype DX international ordering providers by over 20% since the first quarter of 2023,

- launching our hereditary cancer test, Riskguard™, through our oncology channel,
- announcing The New England Journal of Medicine published results of our pivotal BLUE-C study, which will support U.S. Food and Drug Administration ("FDA") approval of our Cologuard Plus™ test, tests,
- generating evidence revenue of \$699.3 million for the three months ended June 30, 2024, an improvement of \$77.2 million in comparison to support future tests, including Oncodetect™ three months ended June 30, 2023, while decreasing our loss from operations by \$50.7 million,
- generating cash provided by operating activities of \$107.1 million for the three months ended June 30, 2024, an improvement of \$6.6 million in comparison to the three months ended June 30, 2023,
- securing an exclusive license to TwinStrand Bioscience Inc.'s ("TwinStrand") patented technologies,
- making progress toward launching Cologuard Plus™, our next-generation Cologuard test, and Oncodetect™, our molecular residual disease ("MRD") test, and
- advancing several key pipeline programs, including blood-based colon cancer screening tests and our multi-cancer screening ("MCS") test.

Our Screening Tests

Cologuard Test

Colorectal cancer is the second leading cause of cancer deaths in the United States ("U.S.") and the leading cause of cancer deaths in the U.S. among non-smokers. Each year in the U.S., there are approximately 153,000 new cases of colorectal cancer and approximately 53,000 deaths. It is widely accepted that colorectal cancer is among the most preventable, yet least prevented cancers.

Our flagship screening product, the Cologuard test, is a patient-friendly, non-invasive stool-based DNA ("sDNA") screening test that utilizes a multi-target approach to detect DNA and hemoglobin biomarkers associated with colorectal cancer and pre-cancer. Upon approval by the FDA U.S. Food and Drug Administration ("FDA") in August 2014, our Cologuard test became the first and only FDA-approved sDNA non-invasive colorectal cancer screening test. Our Cologuard test is now indicated for average risk adults 45 years of age and older.

Clinical Genetic Testing

We provide more than 5,000 predefined genetic tests for nearly all clinically relevant genes, additional custom panels, and comprehensive germline, whole exome ("PGxome®"), and whole genome ("PGnome®") sequencing tests.

Riskguard™, our hereditary cancer test, helps people understand their inherited risk of cancer, arming them with critical information to make better more informed treatment decisions.

Our Precision Oncology Tests

Our precision oncology portfolio delivers actionable genomic insights to inform prognosis and cancer treatment after a diagnosis. In breast cancer, the Oncotype DX Breast Recurrence Score® test is the only test shown to predict the likelihood of chemotherapy benefit as well as the chance of cancer recurrence in the most common sub-type of early-stage breast cancer. As the only test proven to predict both the likelihood of chemotherapy benefit and cancer recurrence, the Oncotype DX test is recognized globally as standard of care and is included in all major breast cancer treatment guidelines. The OncoExTra® test applies comprehensive tumor profiling, utilizing whole exome and whole transcriptome sequencing, to aid in therapy selection for patients with advanced, metastatic, refractory, relapsed, or recurrent cancer. With an extensive panel of approximately 20,000 genes and 169 introns, the OncoExTra test is one of the most comprehensive genomic (DNA) and transcriptomic (RNA) panels available today. We enable patients to take a more active role in their cancer care and makes make it easy for providers to order tests, interpret results, and personalize medicine.

International Business Background and Products

We commercialize or plan to commercialize our Oncotype® tests internationally through employees in Canada, Japan and a number of European countries, as well as through exclusive distribution agreements. We have provided our Oncotype tests in approximately 120 countries outside of the U.S. We do not offer our Cologuard test outside of the U.S.

Pipeline Research and Development

Our research and development efforts are focused on developing new products and enhancing existing products to address unmet cancer needs and expand the clinical utility and addressable patient populations for our existing tests. We are focused on enhancing our Cologuard test's performance characteristics and developing tissue, blood, and other sample type tests. These development efforts may lead to a variety of new products, including risk assessment, screening and prevention, early disease diagnosis, adjuvant and/or neoadjuvant disease treatment, metastatic disease treatment selection, and patient monitoring.

Through our collaboration with Mayo Foundation for Medical Education and Research ("Mayo"), we have successfully performed validation studies involving multiple types of cancer using tissue, blood, and other sample types. In September 2020, Mayo agreed to make available certain personnel to provide us research and development assistance through January 2025. Through recent business development activities, we have also acquired exclusive access to technologies developed by **TwinStrand**, The Johns Hopkins University, Broad Institute, Inc. ("Broad Institute"), Oxford University, and the Ludwig Institute for Cancer Research.

We are focusing our research and development efforts on three main areas:

- **Colorectal Cancer Screening.** Over the past decade, together with Mayo, we have been seeking to improve our Cologuard test's performance characteristics, focusing on reducing the false positive rate of the test. In March 2024, the New England Journal of Medicine published our Cologuard Plus test results from the pivotal BLUE-C study, showing overall sensitivity of 94% for colorectal cancer at specificity of 91%, which is a 30% relative improvement compared to the false positive rate observed in **the our pivotal** DeeP-C study for our Cologuard test. We submitted the final module of the Cologuard Plus test premarket approval application to the FDA in December 2023, and expect a decision in late 2024. We are also working to develop a blood-based screening test for colorectal cancer as a second-line option for people who haven't been screened with more accurate methods.
- **Multi-Cancer Screening MCS Test Development.** We are currently seeking to develop a **multi-cancer screening MCS** test, which will be branded as CancerGuard™, to help detect many different types of cancer from a single blood draw. In September 2022, we presented data at the European Society for Medical Oncology ("ESMO") Congress from a biomarker validation study, which demonstrated the ability to detect cancer signals from 15 organ sites with a mean sensitivity of 61% and mean specificity of 98.2%. The multi-biomarker approach detected stage I and stage II cancers with a combined sensitivity of 38.7%. In June 2023, we announced a collaboration with Baylor Scott & White to utilize our CancerGuard test within a subset of their clinics to generate real-world experience and evidence of our **multi-cancer MCS** screening approach. In April 2024, we presented late-breaking data at the American Association for Cancer Research ("AACR") annual meeting from the first analysis of ASCEND-2, a multi-center, prospective, case-control study of over 11,000 clinically characterized participants. These results validate the sensitivity and specificity of our multi-biomarker class approach across a broad range of cancer types, including the most aggressive cancers and cancers with no current standard of care for screening. We plan to share additional analyses from ASCEND-2 at upcoming scientific conferences. **Our MCS test was recently approved by the FDA to be used within a real-world evidence study, providing an opportunity to test 25,000 people over the next three years.** In the future, we plan to begin recruiting patients for the FDA registrational Study of All comers ("SOAR") trial, which we expect to be the largest prospective, interventional **multi-cancer screening MCS** trial ever conducted in the U.S.

- *MRD Test Development.* We plan to offer our Oncodetect test, a tumor-informed MRD test to help detect small amounts of tumor DNA that may remain in patients' blood after they have undergone initial cancer treatment. This test will help patients and oncologists understand the success of initial treatment, guide further treatment, and monitor for cancer recurrence. Our goal is to support all patients in MRD and recurrence monitoring, whether there is access to tumor tissue to inform patient-specific biomarker targets or no access to tissue and a predefined biomarker panel is used. We recently completed analytical validation of our tumor-informed platform utilizing colorectal cancer samples and are currently conducting a clinical validation study that will be submitted to MolDx for approval and subsequent Medicare reimbursement. In June 2023, we entered into a sponsored research agreement and exclusive license agreement with Broad Institute to utilize their Minor Allele Enriched Sequencing Through Recognition Oligonucleotides ("MAESTRO") diagnostic testing technology to further our ability to develop and launch impactful MRD tests. We are developing the MAESTRO platform for use in certain future MRD tests.

Research and development, which includes our clinical study programs, accounts for a material portion of our operating expenses. As we seek to enhance our product portfolio and advance our pipeline, we expect that our research and development expenditures will continue to be a significant portion of our operating expenditures.

2024 Priorities

Our top priorities for 2024 are to (1) focus on our people and customers, (2) bring our portfolio to life, and (3) magnify our impact.

Focus on our People and Customers

We want to continue to provide an exceptional experience for our patients and team members. We plan to improve customer relations by delivering simple and smooth workflows, providing communication that is clear and easy to understand, and providing results that are fast and accurate. We will also strive to ensure that Exact Sciences remains a great place to work by taking care of our people.

Bring our Portfolio to Life

We will focus on advancing new tests in our highest priority programs including colorectal cancer screening, MRD, and multi-cancer screening. We plan to continue investing in our clinical trials to enhance existing products and bring new products to patients and providers, including obtaining FDA approval and securing coverage for our next generation Cologuard test, Cologuard Plus.

Magnify our Impact

We are committed to improving lives through testing more people with our laboratory testing services in 2024 including expanding screening access to underserved populations. By testing more people, we will continue to expand our business in a cost-efficient manner allowing us to generate sustainable profits and increase shareholder value. Generating sustained profits will put the company in a better position to continue investing in life-changing cancer diagnostics to help achieve our mission.

Recent Developments and Trends

We estimate there are up to 60 million Americans that are not up to date with their colon cancer screenings. The capacity for screening colonoscopies in the U.S. is relatively fixed because it is dependent on the number of gastroenterologists available to perform the procedures. Health systems and health care providers are motivated to increase screening rates because they are measured as part of the Healthcare Effectiveness Data and Information Set ("HEDIS") and Medicare Stars quality measure systems. More health systems are recognizing the opportunity to partner with Exact Sciences to address their screening rates and related quality measures. We aim to partner with them to implement our Cologuard test as an essential part of their screening toolkit and embed it in their workflows. We continue to implement more electronic ordering interfaces connecting health systems to Exact Sciences. Our Cologuard test market share is increasing in larger health systems, helping us screen more Americans.

We have an opportunity to impact even more lives by increasing adoption of Oncotype DX tests internationally. In 2023, we secured reimbursement for the Oncotype DX test in Japan. Breast cancer is the most common cancer among Japanese women, with about 45,000 new diagnoses of early-stage HR+, HER2- breast cancer each year. With reimbursement in place, we estimate that our Oncotype DX test could help more than 100 women a per day could learn understand if their cancer is likely to recur and potentially whether chemotherapy should be spared of unnecessary chemotherapy used in their treatment plan.

Results of Operations

We have incurred losses since our inception and, as of **March 31, 2024** **June 30, 2024**, we had an accumulated deficit of approximately **\$3.58 billion** **\$3.60 billion**. While our operating results have continued to improve, we expect to incur net losses for the near future, and it is possible we may never become profitable or sustain profitability.

Revenue. Our Screening revenue primarily includes laboratory service revenue from our Cologuard and Prevention Genetics, LLC ("PreventionGenetics") tests while our Precision Oncology revenue primarily includes laboratory service revenue from global Oncotype DX and therapy selection tests.

Amounts in millions	Three Months Ended March 31,			Three Months Ended June 30,				
	Amounts in millions	2024	2023	Change	Amounts in millions	2024	2023	Change
Screening								
Precision Oncology								
COVID-19 Testing								
Total								
Six Months Ended June 30,								
Amounts in millions		2024		2023		2024		Change
Screening	\$	1,006.4	\$	906.0	\$	100.4		
Precision Oncology		330.4		312.6				17.8
COVID-19 Testing		—		6.0				(6.0)
Total	\$	1,336.8	\$	1,224.5	\$	112.2		

The increase in Screening revenue was mainly due to an increase in the number of completed Cologuard tests. The increase in completed Cologuard tests for the three and six months ended **March 31, 2024** **June 30, 2024** was due to improved sales team productivity, growth across all customer segments, organized screening programs, and more patients rescreening with our Cologuard test test, and expansion of organized screening programs run by payers and health systems. The increase in Precision Oncology revenue was mainly due to an increase in the number of completed Oncotype DX breast cancer tests, both domestically and internationally, led by an increased number of international ordering providers. providers outside the U.S., specifically in Japan. We discontinued our COVID-19 testing business in the second quarter of 2023 due to lower demand, which led to the decrease in COVID-19 testing revenue. A discussion on our COVID-19 testing business was provided in our Annual Report on Form 10-K for the year ended December 31, 2023.

Adjustments to revenue recognized during the period relating to prior period estimates were less than 1% of revenue recorded in our condensed consolidated statement of operations for the three and six months ended June 30, 2024. Adjustments to revenue recognized during the period relating to prior period estimates were less than 2% of revenue recorded in our condensed consolidated statement of operations for the three and six months ended **March 31, 2024** and 2023, respectively. **June 30, 2023**. The impact to revenue for the three and six months ended March 31, 2024 was not significant. The impact to revenue for the three months ended March 31, 2023 resulted in recognition of \$11.7 million, which June 30, 2023 was due to improvements made in our billing systems and processes, including international contracting and collections.

We expect continuing revenue growth for our Cologuard and Oncotype tests subject to seasonal variability. Our revenues are affected by the test volume of our products, patient adherence rates, payer mix, the levels of reimbursement, our order to cash operations, and payment patterns of payers and patients.

Cost of sales (exclusive of amortization of acquired intangible assets). The increase in cost of sales for the three and six months ended **March 31, 2024** **June 30, 2024** was primarily due to an increase in production costs, and personnel expenses, and facility and support services, which was a result of an increase in completed Cologuard and Oncotype tests and the corresponding increase in headcount to support the increase in tests completed. Cost of sales (exclusive of amortization of acquired intangible assets) as a percentage of revenue was consistent for the three and six months ended **March 31, 2024** **June 30, 2024** and **March 31, 2023** **June 30, 2023**. We expect that cost of sales will generally continue to increase in future periods as a result of an increase in our existing laboratory testing services and as we launch our pipeline products. We also expect to see a corresponding increase in personnel and support services associated with this growth.

	Three Months Ended			Three Months Ended		
	March 31,		Change	June 30,		Change
Amounts in millions	2024	2023	Amounts in millions	2024	2023	Change
Production costs						
Personnel expenses						
Facility and support services						
Stock-based compensation						
Other cost of sales expenses						
Total cost of sales expense						
Six Months Ended June 30,						
Amounts in millions	2024	2023		2024	2023	Change
Production costs	\$ 216.0	\$ 186.6	\$ 29.4			
Personnel expenses	98.1	88.6	9.5			
Facility and support services	33.1	26.6	6.5			
Stock-based compensation	10.9	10.3	0.6			
Other cost of sales expenses	1.8	1.8	—			
Total cost of sales expense	\$ 359.9	\$ 313.9	\$ 46.0			

Research and development expenses. The increase in research and development expenses for the three and six months ended **March 31, 2024** **June 30, 2024** was primarily due to the termination of a license agreement with The Translational Genomics Research Institute ("TGen") resulting in the recognition of an expense of \$25.8 million in the second quarter of 2024. In addition, personnel expenses grew for the three and six months ended June 30, 2024 due to an increase in personnel expenses and direct research and development

costs due to an increase in headcount and other resources needed to support our ongoing clinical trials and other research and development efforts. Our direct research and development costs which represent a significant portion of our research and development expenses, are primarily related to clinical trial expenses for our BLUE-C clinical study, as well as research related expenses for the development of our MRD and multi-cancer MCS tests and our colorectal cancer screening test pipeline. The increase in direct research and development costs for the three and six months ended March 31, 2024 June 30, 2024 was primarily due to a reduction in BLUE-C related costs incurred as the study was completed in 2023, which was partially offset by an increase in MRD related to our clinical study research activities described in more detail in the Pipeline Research and Development section above, which increased throughout 2023 and into the first quarter of 2024. These costs were offset slightly by a decrease in expenses related to the BLUE-C study activities. We expect that research and development expenses will generally continue to increase in future periods as we continue to invest to advance new tests.

Amounts in millions	Three Months Ended		Three Months Ended				
	Amounts in millions	2024	2023	Change millions	2024	2023	Change
Personnel expenses							
License agreement termination							
Direct research and development							
Facility and support services							
Stock-based compensation							
Professional fees							
Other research and development							
Total research and development expenses							

Amounts in millions	Six Months Ended June 30,		
	2024	2023	Change
Personnel expenses	\$ 97.3	\$ 85.6	\$ 11.7
Direct research and development	52.8	59.5	(6.7)
Facility and support services	28.6	29.5	(0.9)
License agreement termination	25.8	—	25.8
Stock-based compensation	21.7	20.5	1.2
Professional fees	4.6	3.1	1.5
Other research and development	0.7	1.3	(0.6)
Total research and development expenses	\$ 231.5	\$ 199.5	\$ 32.0

Sales and marketing expenses. Sales and marketing expenses increased for the three and six months ended March 31, 2024 stayed relatively consistent June 30, 2024 compared to the three and six months ended March 31, 2023. This is a result of June 30, 2023 due to continued efforts over the past two years to reduce sales and marketing spend by leveraging our sales teams and focusing on investment in high impact sales and marketing initiatives. We anticipate sales and marketing expenses will generally increase in future

periods as we reinvest in sales and marketing to address meet demand for current products and the launch of new products, while continuing to decrease as a percentage of revenue over time, driven by the growth of Cologuard and Oncotype testing services.

Amounts in millions	Three Months Ended			Three Months Ended		
	March 31,		Change millions	June 30,		Change
	Amounts in millions	2024		2024	2023	
Personnel expenses						
Direct marketing costs						
Stock-based compensation						
Professional and legal fees						
Facility and support services						
Other sales and marketing expenses						
Total sales and marketing expenses						
Six Months Ended June 30,						
Amounts in millions		2024		2023		Change
Personnel expenses	\$	216.3	\$	211.1	\$	5.2
Direct marketing costs		96.0		91.9		4.1
Stock-based compensation		30.3		31.4		(1.1)
Professional and legal fees		28.9		18.6		10.3
Facility and support services		5.5		8.6		(3.1)
Other sales and marketing expenses		0.6		1.9		(1.3)
Total sales and marketing expenses	\$	377.6	\$	363.5	\$	14.1

General and administrative expenses. The increase decrease in general and administrative expenses for the three and six months ended March 31, 2024 June 30, 2024 was primarily due to an increase a reduction in personnel professional and stock-based compensation expenses to support legal fees for the growth three and six months ended June 30, 2024 from the settlement of certain legal matters in 2023, as further described in Note 15 of our operations. In addition, Annual Report on Form 10-K for the increase year ended December 31, 2023. The decrease in other general and administrative expenses was primarily due to a \$5.6 million loss gains of \$13.2 million and \$7.6 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, compared to an expense of \$4.2 million and a gain of \$8.9 million \$4.7 million for the three and six months ended March 31, 2023 June 30, 2023, respectively, as a result of the change in fair value of our outstanding contingent consideration liabilities as further described in Note 7 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q. The decrease in professional general and legal fees administrative expenses for the three and six months ended June 30, 2024 was partially offset by an increase in personnel expenses. This increase was a result of our civil investigative demand with additional headcount to support the U.S. Department of Justice ("DOJ") and a qui tam lawsuit, which were settled in 2023, as further described in Note 15 growth of our Annual Report on Form 10-K for the year ended December 31, 2023. operations. We expect general and administrative expenses throughout the remainder of 2024 will remain relatively consistent with costs incurred in the first

quarter, half of 2024. We expect general and administrative expenses to will decrease over time as we leverage efficiencies in our personnel and information technology systems.

Amounts in millions	Three Months Ended			Three Months Ended		
	March 31,		Change	June 30,		Change
	Amounts in millions	2024		Amounts in millions	2024	
Personnel expenses						
Facility and support services						
Professional and legal fees						
Stock-based compensation						
Other general and administrative						
Total general and administrative expenses						
Six Months Ended June 30,						
Amounts in millions		2024		2023		Change
Personnel expenses		\$ 214.1		\$ 192.7		\$ 21.4
Facility and support services		89.2		87.3		1.9
Professional and legal fees		67.3		101.6		(34.3)
Stock-based compensation		54.0		48.7		5.3
Other general and administrative		20.4		25.0		(4.6)
Total general and administrative expenses		\$ 445.0		\$ 455.3		\$ (10.3)

Amortization of acquired intangible assets. Amortization of acquired intangible assets increased to \$23.3 million for the three months ended March 31, 2024 June 30, 2024 compared to \$22.9 million for the three months ended March 31, 2023 June 30, 2023. Amortization of acquired intangible assets increased to \$46.6 million for the six months ended June 30, 2024 compared to \$45.9 million for the six months ended June 30, 2023. The increase was primarily due to amortization of the intangible asset acquired as part of our acquisition of Resolution Bioscience in September 2023.

Impairment of long-lived assets. Impairment of long-lived assets was \$4.4 \$8.2 million and \$12.6 million for the three and six months ended March 31, 2024 June 30, 2024, respectively, compared to \$0.1 \$0.6 million for the three and six months ended March 31, 2023 June 30, 2023. The impairment charges recorded during the three and six months ended March 31, 2024 June 30, 2024 and 2023 related to certain of our domestic facilities.

Other operating loss, income. Other operating loss income was \$0.3 \$3.8 million and \$3.5 million for the three and six months ended March 31, 2024 June 30, 2024 compared to zero for the three and six months ended March 31, 2023 June 30, 2023. The loss income recorded for the three and six months ended March 31, 2024 June 30, 2024 represents the remeasurement of the contingent consideration asset from the sale of the Oncotype DX Genomic Prostate Score test to MDxHealth SA.

Investment income, net. Investment income, net increased to \$6.2 million for the three months ended March 31, 2024 June 30, 2024 compared to \$0.5 million for the three months ended March 31, 2023 June 30, 2023. Investment income, net increased to \$18.0 million for the six months ended June 30, 2024 compared to \$5.3 million for the six months ended June 30, 2023. The investment income recorded for the three and six months ended March 31, 2024 June 30, 2024 and 2023 was primarily due to gains recorded on our marketable securities.

Interest income (expense), net. Interest expense Net interest income was \$7.9 million for the three months ended March 31, 2024 June 30, 2024 compared to net interest income expense of \$4.1 million for the three months ended March 31, 2023 June 30, 2023. Interest expense recorded from our outstanding convertible notes totaled \$6.2 million and \$4.8 million for the three months ended March 31, 2024 June 30, 2024 and 2023, respectively. Net interest Interest expense increased to \$7.8 million for the six months ended June 30, 2024 compared to \$3.7 million for the six months ended June 30, 2023. Interest expense recorded from our outstanding convertible notes totaled \$14.7 million and \$11.0 million for the six months ended June 30, 2024 and 2023, respectively. Interest income (expense), net for the three and six months ended March 31, 2023 June 30, 2024 included a net gain on settlement of convertible notes of \$10.3 million. Interest income (expense), net for the six months ended June 30, 2023 included a net gain on settlement of convertible notes of \$10.3 million. The convertible notes are further described in Note 9 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

Income tax expense. Income tax expense increased to \$1.8 million for the three months ended March 31, 2024 June 30, 2024 compared to \$1.7 million for the three months ended March 31, 2023 June 30, 2023. Income tax expense increased to \$3.3 million for the six months ended June 30, 2024 compared to \$2.8 million for the six months ended June 30, 2023. Income tax expense for the three and six months ended March 31, 2024 June 30, 2024 and 2023 was primarily related to current foreign and state tax expense.

Liquidity and Capital Resources

Overview

We have incurred losses since our inception, and have historically financed our operations primarily through public offerings of our common stock and convertible debt and through revenue generated by the sale of our laboratory testing services. We expect our operating expenditures to continue to increase to support future growth of our laboratory testing services, as well as an increase in research and development and clinical trial costs to support the advancement of our pipeline products and bringing new tests to market. We expect that cash, cash equivalents and marketable securities on hand at March 31, 2024 June 30, 2024, along with cash flows generated through our operations, will be sufficient to fund our current operations for at least the next twelve months based on current operating plans.

We have access to a revolving line-of-credit (the "Revolver") of up to \$150.0 million, which had its maturity date extended to November 2025 through an amended agreement in October 2022. The Revolver is collateralized by certain marketable securities which must continue to maintain a minimum market value of \$150.0 million. PNC Bank, National Association has issued letters of credit totaling \$4.4 million, which reduces the amount available for cash advances under the line of credit to \$145.6 million. As of March 31, 2024 June 30, 2024, we had not drawn any funds under the Revolver. In addition to the Revolver, we have an outstanding balance of \$50.0 million under an \$150.0 million accounts receivable securitization facility (the "Securitization Facility") as of March 31, 2024, which will mature in June 2024. Upon maturity of the Securitization Facility in June 2024, we will repay the outstanding balance or refinance. Any refinancing is subject to market conditions and other factors, including evaluating other financing options available to us. If we do not refinance, we currently have the ability and resources to repay the balance in cash. The Revolver and Securitization Facility are further described in Note 8 of our condensed consolidated financial statements included in this Quarterly Report on Form 10-Q.

We may raise additional capital to expand our business, to pursue strategic investments, to take advantage of financing opportunities or for other reasons. If we are unable to obtain sufficient additional funds to enable us to fund our business plans and strategic investments,

our results of operations and financial condition could be materially adversely affected, and we may be required to delay the implementation of our plans or otherwise scale back our operations. There can be no certainty that we will ever be successful in generating sufficient cash flow from operations to achieve and maintain profitability and meet all of our obligations as they come due.

Cash, Cash Equivalents and Marketable Securities

As of **March 31, 2024** **June 30, 2024**, we had approximately **\$347.5** **\$530.2** million in unrestricted cash and cash equivalents and approximately **\$304.6** **\$416.6** million in marketable securities.

The majority of our investments in marketable securities consist of fixed income investments, and all are deemed available-for-sale. The objectives of this portfolio are to provide liquidity and safety of principal while striving to achieve the highest rate of return. Our investment policy limits investments to certain types of instruments issued by institutions with investment grade credit ratings and places restrictions on maturities and concentration by type and issuer.

Cash Flows

Amounts In millions	Three Months Ended March 31,	
	2024	2023
Net cash used in operating activities	\$ (82.3)	\$ (38.2)
Net cash provided by (used in) investing activities	(171.4)	82.9
Net cash provided by (used in) financing activities	(3.0)	133.6

Amounts In millions	Six Months Ended June 30,	
	2024	2023
Net cash provided by operating activities	\$ 24.8	\$ 62.2
Net cash provided by (used in) investing activities	(318.6)	149.4
Net cash provided by financing activities	221.6	149.6

Operating activities

The decrease in cash used in provided by operating activities for the **three** **six** months ended **March 31, 2024** **June 30, 2024** was primarily due to fund our net loss. The increase to our net loss was driven by an increase in operating expenses and cost of sales to support the increase in revenue as discussed in the Results of Operations section above and timing on payments on our accounts payable and accrued expenses and collections of our accounts receivable. This was partially offset by an increase to in revenue as a result of an increase in the number of completed Cologuard and Oncotype tests. The increase tests, which was the primary driver of the decrease in cash used in operating activities for the three months ended March 31, 2024 was also due to timing of payments on our accounts payable and accrued expenses, and an increase in cost of sales to support the increase in completed Cologuard and Oncotype tests. net loss.

Investing activities

The increase in cash used in investing activities for the **three** **six** months ended **March 31, 2024** **June 30, 2024** compared to cash provided by investing activities for the **three** **six** months ended **March 31, 2023** **June 30, 2023** was due to a net increase of **\$246.1** **\$464.2** million in cash used for purchases, maturities and sales of marketable securities as a result of a change in investing strategy

towards more fixed income securities compared to money market funds as money market yields have decreased. We also increased our purchases of property, plant and equipment by ~~\$8.3~~ \$9.4 million due to additional investments in information technology infrastructure and lab automation.

Financing activities

The ~~decrease~~ increase in cash provided by financing activities during the ~~three~~ six months ended March 31, 2024 June 30, 2024 compared to the ~~three~~ six months ended March 31, 2023 June 30, 2023 was primarily due to proceeds of \$266.8 million from the issuance of convertible notes in the second quarter of 2024 compared to proceeds of \$138.0 million from the issuance of convertible notes in the first quarter of 2023. This was partially offset by a payment of \$50.0 million in settlement of our previously outstanding accounts receivable securitization facility ("Securitization Facility") upon maturity in June 2024.

Material Cash Requirements

A discussion of our material cash requirements as of December 31, 2023 was provided in the Management's Discussion and Analysis of Financial Condition and Results of Operation of our 2023 Form 10-K. Other than the matters described below, there were no material changes outside the ordinary course of our business in our specified material cash requirements during the ~~three~~ six months ended March 31, 2024 June 30, 2024.

In April 2024, we entered into privately negotiated agreements (the "Agreements") with certain holders of our 2028 Notes. Pursuant to the Agreements, we issued \$620.7 million aggregate principal amount of a new series of Convertible Notes due in 2031 (the "2031 Notes") in exchange for (i) the retirement of \$359.7 million in aggregate principal amount of 2028 Notes, and (ii) payment to the Company of \$266.8 million in cash. The net proceeds from the issuance of the Notes were approximately \$259.8 million, after deducting commissions and the offering expenses payable by the Company. The 2031 Notes mature on April 15, 2031 and bear interest at a fixed rate of 1.75% per year, payable semiannually in arrears on October 15 and April 15 of each year, beginning on October 15, 2024.

As of March 31, 2024 June 30, 2024, we had outstanding aggregate principal of \$249.2 million on our convertible notes with a maturity date of January 15, 2025 (the "2025 Notes"), which are classified as convertible notes, net, current portion on the condensed consolidated balance sheet. Beginning six months prior to the maturity date on July 15, 2024, holders of the 2025 Notes may convert such notes at any time. In accordance with the terms of the 2025 Notes, any 2025 Notes that are converted after July 15, 2024 will be settled through a combination settlement under which the par value will be settled in cash and any amount in excess of par value will be settled in shares of our common stock. 2025 Notes that are not converted prior to the maturity date will be settled in cash upon maturity.

In June 2024, we repaid the previously outstanding balance of \$50.0 million in full upon maturity of the Securitization Facility. Prior to maturity, the Securitization Facility accrued interest at a rate equal to a daily secured overnight financing rate ("SOFR") plus a SOFR adjustment and an applicable margin. The interest rate was 6.87% as of the maturity date.

As of June 30, 2024, we had no off-balance sheet arrangements.

Critical Accounting Policies and Estimates

Management's discussion and analysis of our financial condition and results of operations is based on our condensed consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the U.S. The preparation of these financial statements requires us to make estimates and assumptions that affect the amounts reported in our condensed consolidated financial statements and accompanying notes. On an ongoing basis, we evaluate our estimates and judgments. We base our estimates on historical experience and on various other factors that are believed to be appropriate under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

For a discussion of our critical accounting policies and estimates, refer to our Management's Discussion and Analysis of Financial Condition and Results of Operations in our 2023 Form 10-K. There have been no material changes to our critical accounting policies and estimates since our 2023 Form 10-K.

Recent Accounting Pronouncements

See Note 1 of our condensed consolidated financial statements for the discussion of Recent Accounting Pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Risk

Our exposure to market risk is principally confined to our cash, cash equivalents and marketable securities and our outstanding variable-rate debt. We invest our cash, cash equivalents, and marketable securities in securities of the U.S. governments and its agencies and in investment-grade, highly liquid investments consisting of commercial paper, bank certificates of deposit, and corporate bonds, which as of **March 31, 2024** **June 30, 2024** and December 31, 2023 were classified as available-for-sale. We place our cash, cash equivalents, restricted cash, and marketable securities with high-quality financial institutions, limit the amount of credit exposure to any one institution, and have established investment guidelines relative to diversification and maturities designed to maintain safety and liquidity.

Based on a hypothetical 100 basis point decrease in market interest rates, the potential losses in future earnings, fair value of risk-sensitive financial instruments, and cash flows are immaterial, although the actual effects may differ materially from the hypothetical analysis. While we believe our cash, cash equivalents, restricted cash, and marketable securities do not contain excessive risk, we cannot provide absolute assurance that, in the future, our investments will not be subject to adverse changes in market value. In addition, we maintain significant amounts of cash, cash equivalents, restricted cash, and marketable securities at one or more financial institutions that are in excess of federally insured limits. Given the potential instability of financial institutions, we cannot provide assurance that we will not experience losses on these deposits. We do not utilize interest rate hedging agreements or other interest rate derivative instruments.

As of **March 31, 2024** **June 30, 2024**, we had \$50.0 million in no outstanding variable rate debt. Based on a hypothetical 100 basis point increase in market interest rates, annual interest expense on variable rate debt as of March 31, 2024 would increase by approximately \$0.5 million. If we were to draw down additional amounts under either our Revolving Loan, or Securitization Facility, the impact of we would be impacted by increases in prevailing market interest rates would be even greater. All of our other significant interest-bearing liabilities bear interest at fixed rates and therefore are not subject to fluctuations in market interest rates; however, because these interest rates are fixed, we may be paying a higher interest rate, relative to market, in the future if circumstances change.

Foreign Currency Risk

The functional currency for most of our international subsidiaries is the U.S. dollar, and as a result we are not subject to material gains and losses from foreign currency translation of the subsidiary financial statements. Substantially all of our revenues are recognized in U.S. dollars, although a small portion is denominated in foreign currency as we continue to expand into markets outside of the U.S. Certain expenses related to our international activities are payable in foreign currencies. As a result, factors such as changes in foreign currency exchange rates or weak economic conditions in foreign markets will affect our financial results.

We enter into forward contracts to mitigate the impact of adverse movements in foreign exchange rates related to the re-measurement of monetary assets and liabilities and hedge our foreign currency exchange rate exposure. As of **March 31, 2024** **June 30, 2024**, we had open foreign currency forward contracts with notional amounts of \$46.2 \$45.2 million. Although the impact of currency fluctuations on our financial results has been immaterial in the past, there can be no guarantee that the impact of currency fluctuations related to our international activities will not be material in the future.

Item 4. Controls and Procedures

As of the end of the period covered by this report, we carried out an evaluation, under the supervision and with the participation of our management, including our principal executive officer and our principal financial officer, of the effectiveness of our disclosure controls and procedures, as defined in Rule 13a-15(e) promulgated under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, our principal executive officer and our principal financial officer concluded that, as of March 31, 2024 June 30, 2024, our disclosure controls and procedures were effective. Disclosure controls and procedures enable us to record, process, summarize and report information required to be included in our Exchange Act filings within the required time period. Our disclosure controls and procedures include controls and procedures designed to ensure that information required to be disclosed by us in the periodic reports filed with the SEC is accumulated and communicated to our management, including our principal executive, financial and accounting officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure.

In the second quarter of 2024, we completed the implementation of Epic Systems' electronic medical records software in our clinical laboratory systems for certain of our precision oncology tests in the United States. Epic Systems' software has been used for our Cologuard test since 2019. We have updated our internal controls, as applicable, to facilitate modifications to our business processes and accounting procedures and will continue to evaluate the operating effectiveness of related key controls during subsequent periods. We do not believe that the Epic Systems implementation has had an adverse effect on our internal control over financial reporting.

There have been no other significant changes in internal control over financial reporting during the quarter ended March 31, 2024 June 30, 2024 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time we are a party to various legal proceedings arising in the ordinary course of our business. Legal proceedings, including litigation, government investigations and enforcement actions could result in material costs, occupy significant management resources and entail civil and criminal penalties. The information called for by this item is incorporated by reference to the information in Note 14 13 of our condensed consolidated financial statements included in Part I of this Quarterly Report on Form 10-Q.

Item 1A. Risk Factors

We operate in a rapidly changing environment that involves a number of risks that could materially affect our business, financial condition or future results, some of which are beyond our control. In addition to the other information set forth in this report, the risks and uncertainties that we believe are most important for you to consider are discussed in Part I, "Item 1A. Risk Factors" in the 2023 Form 10-K and in Part II, "Item 1A. Risk Factors" in our subsequently filed Quarterly Reports on Form 10-Q. Other than the factors set forth below, there There have been no material changes to the risk factors described in the 2023 Form 10-K.

The FDA's recently announced new final rule addressing the regulation of laboratory developed tests could affect our operations.

On May 6, 2024, FDA published a final rule which amends the FDA's regulations to make explicit that laboratory developed tests ("LDTs") are regulated as "devices" under the Federal Food, Drug, 10-K and Cosmetic Act. In addition, the FDA issued a policy to phase out, over the course of four years, its general enforcement discretion approach to LDTs and also issued targeted enforcement discretion policies for certain categories of LDTs. The Company is currently assessing how these regulatory changes may affect our operations, including certain tests within our portfolio. subsequently filed Quarterly Report on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

Rule 10b5-1 Trading Plans

During the **first fiscal quarter of 2024**, ended June 30, 2024, none of **the Company's our** directors or **executive officers** (as defined in Rule 16a-1 under the Exchange Act) adopted or terminated **any** a "Rule 10b5-1 trading arrangement" or **any** "non-Rule 10b5-1 trading arrangement," as each term is **arrangement**" (as those terms are defined in Item 408 of Regulation **S-K**, **S-K**), except as follows:

On May 13, 2024, Brian Baranick, Executive Vice President and General Manager, Precision Oncology, adopted a Rule 10b5-1 trading arrangement for the sale of up to \$200,000 in shares of our common stock. The arrangement's expiration date is December 31, 2025, subject to early termination for certain specified events set forth in the arrangement.

On June 4, 2024, James Doyle, a member of our board of directors, terminated a Rule 10b5-1 trading arrangement. The terminated Rule 10b5-1 trading arrangement was originally adopted on November 13, 2023 and provided for the sale of up to 4,900 shares of our common stock.

Departure of Former Chief Financial Officer

As previously disclosed, Jeffrey Elliott, our former Chief Financial Officer, assumed the role as special advisor to the Chief Executive Officer effective May 15, 2024 to facilitate a smooth transition in connection with Aaron Bloomer's appointment as our new Chief Financial Officer. Following a successful transition, Mr. Elliott's employment with the Company will terminate on August 2, 2024.

2010 Employee Stock Purchase Plan Amendments

Effective July 31, 2024, the Company's 2010 Employee Stock Purchase Plan was amended to (1) shorten the length of future offering periods under the plan from twenty-four to six months and (2) make certain other clarifying changes.

Employment Agreement Amendments

At its meeting held on July 25, 2024, based upon a review of severance benefits contained in the employment agreements of the Company's executive officers compared to the Company's compensation peer group, the Company's Human Capital Committee approved the modifications described below for each of Brian Baranick, Aaron Bloomer, Sarah Condella and Jake Orville.

Specifically, the Human Capital Committee approved modifications to each individual's employment agreement with the Company to provide that, if within four months before or twelve months after a Company "change in control," the individual incurs a termination of employment initiated by the Company without "cause" or by the individual for "good reason" (each such quoted term as defined in the applicable employment agreement), the individual will receive a cash severance benefit equal to 18 months base salary, pro-rata target annual bonus for the year of termination, 150% of the individual's target annual bonus, up to 12 months of COBRA premiums, and \$10,000 for outplacement services.

The foregoing severance benefits are subject to the individual executing and not revoking a waiver and release of claims in favor of the Company and its affiliates.

Item 6. Exhibits

The following documents are filed as part of this Form 10-Q.

Exhibit Number	Exhibit Description	Report	Filed with This Schedule	Incorporated by Reference herein from Form or Filing Date	SEC File / Registration Number
3.1	Sixth Amended and Restated Certificate of Incorporation of the Registrant		S-1 (Exhibit 3.3)	12/4/2000	333-48812
3.2	Certificate of Amendment, dated July 23, 2020, to the Sixth Amended and Restated Certificate of Incorporation of the Registrant		8-K (Exhibit 3.1)	7/24/2020	001-35092
3.3	Certificate of Amendment, dated June 9, 2023, to the Sixth Amended and Restated Certificate of Incorporation of the Registrant		8-K (Exhibit 3.1)	6/12/2023	001-35092
3.4	Seventh Amended and Restated By-Laws of the Registrant		8-K (Exhibit 3.2)	6/12/2023	001-35092
4.2	Fifth Supplemental Indenture, dated April 17, 2024, between the Company and U.S. Bank National Association, as Trustee (including the form of 1.75% Convertible Senior Notes due 2031).		8-K (Exhibit 4.2)	4/17/2024	001-35092
10.1	Employment Agreement, dated April 15, 2024, by and between Aaron Bloomer and the Registrant	X	10-Q (Exhibit 10.1)	5/8/2024	001-35092
31.1	Certification Pursuant to Rule 13(a)-14(a) or Rule 15d-14(a) of Securities Exchange Act of 1934	X			
31.2	Certification Pursuant to Rule 13(a)-14(a) or Rule 15d-14(a) of Securities Exchange Act of 1934	X			
32.1	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002	X			
101	The following materials from the Quarterly Report on Form 10-Q of Exact Sciences Corporation for the quarter ended March 31, 2024 June 30, 2024 filed on May 8, 2024 July 31, 2024 , formatted in Inline eXtensible Business Reporting Language ("iXBRL"): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statement of Changes in Stockholders' Equity, (iv) Condensed Consolidated Statements of Cash Flows and (v) related notes to these financial statements	X			
104	The cover page from our Quarterly Report for the period ended March 31, 2024 June 30, 2024 , filed with the Securities and Exchange Commission on May 8, 2024 July 31, 2024 , is formatted in Inline Extensible Business Reporting Language ("iXBRL")	X			

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

EXACT SCIENCES CORPORATION

Date: **May 8, 2024** **July 31, 2024**

By: **/s/ Kevin T. Conroy**

Kevin T. Conroy

President and Chief Executive Officer
(*Principal Executive Officer*)

Date: **May 8, 2024** **July 31, 2024**

By: **/s/ Jeffrey T. Elliott** **Aaron Bloomer**

Jeffrey T. Elliott **Aaron Bloomer**

Executive Vice President and Chief Financial Officer
(*Principal Financial and Accounting Officer*)

45

EXHIBIT 10.1

EMPLOYMENT AGREEMENT

This **EMPLOYMENT AGREEMENT** ("Agreement") is entered into effective as of April 15, 2024 (the "Effective Date"), by and between Aaron Bloomer ("Employee") and Exact Sciences Corporation, a Delaware corporation (the "Company," and together with Employee, the "Parties").

WHEREAS, the Company desires to employ Employee as its Chief Financial Officer, and Employee desires to accept such employment, under this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and conditions hereinafter set forth, and other good and valuable consideration, receipt of which is hereby acknowledged, the Parties agree as follows:

1. **Employment.** The Company shall employ Employee as the Company's Chief Financial Officer and Employee shall serve the Company in such position, under this Agreement and subject to the authority and direction of the Board of Directors of the Company (the "Board") or its designee. Employee shall (a) devote his or her full- time professional efforts, attention and energies to the business of the Company, (b) owe an undivided duty of loyalty to the Company and (c) faithfully and to the best of Employee's abilities perform his or her duties hereunder. Employee may serve as a director or committee member of other corporations, charitable organizations and trade associations (provided that the Company is notified in advance of all such positions) and may otherwise engage in charitable and community activities, deliver lectures and fulfill speaking engagements (with the prior approval of the CEO), and manage personal investments, but only if such services and activities do not interfere with the performance of Employee's duties and responsibilities under this Agreement.

2. **Term of Employment.** Employee's employment (the "Employment Term") shall continue until terminated as provided in **Section 6** below. A "Separation from Service" means the termination of Employee's employment with, and performance of services for, the Company and each Affiliate. If Employee is employed by, or performing services for, an Affiliate or a division of the

Company or an Affiliate, Employee shall not be deemed to incur a Separation from Service if such Affiliate or division ceases to be an Affiliate or division of the Company, as the case may be, and Employee immediately thereafter becomes an employee of (or service provider to) the Company or an Affiliate or a successor company or an affiliate or subsidiary thereof. Approved temporary absences from employment because of illness, vacation or leave of absence and transfers among the Company and its Affiliates will not be considered a Separation from Service. Notwithstanding the foregoing, with respect to any amount or benefit under this Agreement that constitutes nonqualified deferred compensation under Section 409A of the Internal Revenue Code of 1986, as amended (the “**Code**”), and that is payable upon a Separation from Service, “Separation from Service” means a “separation from service” as defined under Code Section 409A.

3. Compensation. During the Employment Term, Employee shall receive the following compensation from the Company.

3.1 Base Salary. Employee's annual base salary on Effective Date is six hundred thousand dollars (\$600,000.00), payable in accordance with the normal payroll practices of the Company (“**Base Salary**”). Employee's Base Salary shall be subject to annual review by the Company's Chief Executive Officer (the “**CEO**”), the Board and its Human Capital Committee (the “**Committee**”). During the Employment Term, the Company shall periodically, in the discretion of, and at intervals determined by, the Committee, review the Base Salary amount to determine any modifications. In no event shall the Base Salary, following any such modification, be less than the Base Salary amount for the immediately preceding twelve (12)-month period other than as permitted in **Section 6.1(c)** below.

3.2 Discretionary Year-End Bonus. Employee shall be eligible to be considered for a discretionary year-end cash bonus each calendar year (a “**Year-End Bonus**”), subject to any terms and conditions established for such Year-End Bonus by the Company, including but not limited to the terms and conditions contained in the Company's Year-End Bonus policy or other such communications to employees. Employee's target Year-End Bonus percentage for each calendar year shall be seventy percent (70%) of his or her “Eligible Earnings” for the relevant calendar year as defined in the Company's bonus plans and policies, provided that the Company maintains the right to amend the definition of Eligible Earnings or other terms defined in the Company's bonus plans and policies from time to time in its sole discretion. Employee acknowledges that any such Year-End Bonus shall be entirely within the discretion of the CEO and the Committee based upon the achievement of goals (including corporate and individual goals) and other discretionary factors as determined by the Board or the Committee after consultation with the CEO. Except as

otherwise provided in the discretion of the Committee or in this Agreement, Employee shall not be eligible to be considered for, or to receive, a Year-End Bonus for any calendar year unless he or she remains employed with the Company through December 31 of the applicable calendar year and through the date of payment of such bonus. If a Year-End Bonus is awarded to Employee, it shall be paid no later than March 15 following the end of the calendar year for which it was awarded.

3.3 Equity Incentives. The Board, upon the recommendation of the Committee, or the Committee, may grant Employee from time to time options to purchase shares of the Company's common stock and other equity compensation plan awards, including restricted stock units, both as a reward for past individual and corporate performance and as an incentive for future performance. Such options and other awards, if granted, shall be pursuant to one of the Company's current equity plans (the “**Plan**”). As an inducement material to Employee entering into employment with the Company, the Company will recommend to the Committee that Employee be granted a total new-hire equity grant with a value of

\$5,000,000 under the Plan and the applicable award agreement approved for grants thereunder. \$3,350,000 of the new hire grant will be granted in Restricted Stock Units ("RSUs"), which will vest over approximately 4 years, with 1/4 of the RSUs vesting on each anniversary of April 15, 2024, so long as you remain employed by the Company through the relevant vesting date. The remaining portion of the new-hire equity grant will be in the form of Performance Stock Units ("PSUs"), with a target value of approximately

\$1,650,000, which PSUs will become earned and vested pursuant to the terms established by the Committee for performance stock units granted to senior executives for fiscal year 2024. The performance period for the PSUs is January 1, 2024, through December 31, 2026, and the maximum payout under the PSUs is 225% of the target number of shares covered thereby. In addition to the foregoing RSUs and PSUs, the Company will also recommend to the Committee that Employee be granted a special grant of Restricted Stock Units, with a value of \$750,000, under the Plan and the applicable award agreement approved for grants thereunder, 100% of which will vest on April 15, 2025, so long as you remain employed by the Company through such date. For RSUs, each dollar amount discussed in this **Section 3.3** will be converted into a number of shares by dividing the dollar amount by the average closing stock price for the 30 trading days ending the day before the grant date, rounded down to the nearest whole unit. For PSUs, the dollar amount discussed in this **Section 3.3** will be converted into a number of shares by dividing the dollar amount by the average closing stock price for the 30 trading days ending the day on which the 2024 PSUs were granted to the Company's executives. For purposes of this Agreement, "**Equity Awards**" means Employee's stock options, stock appreciation rights, restricted stock units (including performance stock units) and restricted shares (including performance shares), in each case that are issued and outstanding under a Company equity compensation plan; and, for the avoidance of doubt, Equity Awards shall not include any rights or benefits under the Company's 2010 Employee Stock Purchase Plan, as amended, or any successor plan thereto. For purposes of this Agreement, a "**Performance Award**" means an Equity Award that vests or becomes earned subject to the attainment of performance goals, including the PSUs described in this **Section 3.3**. For the avoidance of doubt, a Performance Award may also have employment- or service-based conditions, such that the Performance Award vests or becomes earned subject to both the attainment of performance goals and meeting employment- or service-based vesting conditions.

3.4 Relocation Bonus. The Company shall pay Employee a one-time relocation payment of two hundred and fifty thousand dollars (\$250,000) to assist with Employee's moving and relocation expenses associated with relocation to Madison, Wisconsin ("**Relocation Bonus**"), and Employee acknowledges that Employee is required to relocate to Madison, Wisconsin (or the immediately surrounding area) within twelve (12) months of the Effective Date. This one-time Relocation Bonus will be paid within thirty (30) days from Effective Date. The Company will also pay the reasonable expenses incurred in moving Employee's household goods (to include vehicles) to permanent or temporary housing in Madison, Wisconsin ("**Reasonable Moving Expenses**"). The Reasonable Moving Expenses payment will be arranged directly between a third-party moving partner and Company. Should Employee voluntarily terminate employment within eighteen (18) months of Effective Date, Employee must repay to Company the full pre-tax Relocation Bonus and Reasonable Moving Expenses within thirty (30) days of the last date of Employee's employment with Company.

3.5 Sign-On Bonus. In addition to the Base Salary, and as additional consideration for this Employment Agreement, including the Exhibits hereto, the Company shall pay Employee a one-time sign- on bonus of three hundred and fifty thousand dollars (\$350,000.00) (the "**Sign-On Bonus**"). This one-time Sign-on Bonus will be paid within thirty (30) days from the Effective Date. Should Employee voluntarily terminate employment within eighteen

(18) months of Effective Date, Employee must repay to the Company the full pre-tax Sign-on Bonus within thirty (30) days of the last date of Employee's employment with Company.

4. Benefits.

4.1 Benefits. Employee shall be entitled to participate in the sick leave, insurance (including medical, life and long-term disability), profit-sharing, retirement and other benefit programs that are generally provided to similarly situated and performing employees of the Company, all in accordance with the rules and policies of the Company as to such matters and the plans established therefore.

4.2 Time Off. Employee shall receive paid time off (which may include vacation, sick time, and/or dates designated as Company-wide holidays and floating personal holidays) as provided by and subject to the terms of the Company's and its Affiliates' applicable policies.

4.3 Indemnification. To the fullest extent permitted by applicable law or the Company's articles of incorporation and bylaws, the Company shall, during the Employment Term and after Employee's Separation from Service, indemnify Employee (including providing advancement of expenses) for any judgments, fines, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred by Employee in connection with the defense of any lawsuit or other claim or investigation to which Employee is made, or threatened to be made, a party or witness by reason of being or having been an officer, director or employee of the Company or any of its subsidiaries or affiliates as deemed under the Securities Exchange Act of 1934, as amended ("Affiliates"), or a fiduciary of any of their benefit plans, other than actions by the Company against Employee alleging breach of this Agreement by Employee.

4.4 Liability Insurance. Both during the Employment Term and after Employee's Separation from Service, the Company shall cause Employee to be covered under a directors and officers' liability insurance policy for his or her acts (or non-acts) as an officer of the Company or any of its Affiliates. Such policy shall be maintained by the Company, at its expense in an amount and on terms (including the time period of coverage after Employee's Separation from Service) at least as favorable to Employee as policies covering the Company's other executive officers.

5. Business Expenses. Upon submission of a satisfactory accounting by Employee, consistent with the policies of the Company, the Company shall reimburse Employee for any reasonable and necessary out-of-pocket expenses actually incurred by Employee in the furtherance of the business of the Company.

6. Separation from Service.

6.1 By Employee.

(a) Without Good Reason. Employee may initiate Employee's Separation from Service under this Agreement at any time without Good Reason with at least thirty (30) business days' written notice (the "Employee Notice Period") to the Company. Upon Separation from Service by Employee under this section, the Company may, in its sole discretion and at any time during the Employee Notice Period, suspend Employee's duties for the remainder of the Employee Notice Period, as long as the Company continues to pay compensation to Employee, including benefits, throughout the Employee Notice Period.

(b) With Good Reason. Subject to **Section 7.1** below, Employee may initiate Employee's Separation from Service under this Agreement with Good Reason at any time within ninety (90) days after the occurrence of an event constituting Good Reason.

(c) **Good Reason Defined.** "Good Reason" means, provided that Employee has complied with the Good Reason Process following the occurrence of any of the following events without Employee's consent: (i) Employee's Base Salary is reduced (x) in a manner that is not applied proportionately to other senior executive officers of the Company or (y) by more than thirty percent (30%) of Employee's then current Base Salary; (ii) Employee's duties, authority or responsibilities are materially reduced or are materially inconsistent with the scope of authority, duties and responsibilities of Employee's position; (iii) the occurrence of a material breach by the Company of any of its obligations to Employee under this Agreement; or (iv) a relocation of Employee's principal place of employment by more than fifty (50) miles.

(d) **Good Reason Process.** "Good Reason Process" means that (i) Employee reasonably determines in good faith that a Good Reason condition has occurred; (ii) Employee notifies the Company in writing of the occurrence of the Good Reason condition within sixty (60) days of such occurrence; (iii) Employee cooperates in good faith with the Company's efforts, for a period of not less than thirty (30) days following such notice (the "Cure Period"), to remedy the condition; (iv) notwithstanding such efforts, the Good Reason condition continues to exist following the Cure Period; and (v) Employee Separates from Service for Good Reason within sixty

(60) days after the end of the Cure Period. If the Company cures the Good Reason condition during the Cure Period, and Employee Separates from Service due to such condition (notwithstanding its cure), then Employee shall not be deemed to have Separated from Service for Good Reason.

6.2 By the Company.

(a) **With Cause.** The Company may initiate Employee's Separation from Service under this Agreement for Cause immediately upon written notice to Employee.

(b) **Cause Defined.** "Cause" means any of the following:

(i) Employee's failure to relocate Employee's primary residence to Madison, Wisconsin within twelve (12) months of the commencement of the Employment Term.

(ii) Employee's willful failure or refusal to perform Employee's duties that continues for more than three (3) days after written notice from the Company;

(iii) Employee's willful failure or refusal to follow or comply with any Company policy, rule or procedure that continues for more than three (3) days after written notice from the Company;

(iv) Employee's commission of any fraud or embezzlement in connection with Employee's duties or committed in the course of Employee's employment;

(iv) Employee's gross negligence or willful misconduct with regard to the Company or any of its Affiliates resulting in a material economic loss to the Company;

- (v) Employee's conviction of, or plea of guilty or nolo contendere to, a felony or other crime involving moral turpitude;
- (vi) Employee's conviction of, or plea of guilty or nolo contendere to, a misdemeanor the circumstances of which involve fraud, dishonesty or moral turpitude and that is substantially related to the circumstances of Employee's job with the Company;
- (vii) Employee's willful and material violation of any statutory or common law duty of loyalty to the Company or any of its Affiliates;
- (viii) Employee's exclusion, suspension, or debarment or other ineligibility to participate in any federal or state-funded program, including but not limited to any healthcare program;
- (ix) Employee's material breach of this Agreement, the Non-Disclosure and Invention Agreement or the Restrictive Covenant Agreement;
- (x) Employee's refusal to submit to a background check or failure to complete a background check to the Company's satisfaction, including any past conviction, plea of guilty or nolo contendere, violation of law, exclusion, suspension, or debarment that would otherwise be grounds for Cause under this **Section 6.2(b)**; or
- (xi) Employee's material breach of the Company's policies prohibiting harassment, discrimination, and/or retaliation, the Company's Code of Business Conduct and Ethics, and/or the Company's Insider Trading Policy.

A Separation from Service for Cause shall be deemed to include a determination by the Company in its sole discretion following Employee's Separation from Service that circumstances existing prior to the Separation from Service or during the payment of severance benefits would have entitled the Company or an Affiliate to have terminated Employee's service for Cause. All rights Employee has or may have under this Agreement shall be suspended automatically during the pendency of any investigation by the Company, or during any negotiations between the Parties, regarding any actual or alleged act or omission by Employee of the type described in the applicable definition of Cause.

(c) Without Cause. Subject to **Section 7.1** below, the Company may initiate Employee's Separation from Service under this Agreement without Cause upon at least thirty (30) days' written notice (the "**Company Notice Period**") to Employee. Upon any Separation from Service initiated by the Company without Cause, the Company may, in its sole discretion and at any time during the Company Notice Period, suspend Employee's duties for the remainder of the Company Notice Period, as long as the Company continues to pay compensation to Employee, including benefits, throughout the Company Notice Period.

6.3 Death or Disability. Notwithstanding **Section 2** above, in the event of the death of Employee or disability of Employee that prevents Employee from performing the Essential Job Functions of his or her position (even with a Reasonable Accommodation) during the Employment Term, (i) Employee shall incur a Separation from Service and this Agreement shall immediately and automatically terminate, (ii) the Company shall pay Employee (or in the case of death,

Employee's designated beneficiary) Base Salary and accrued but unpaid bonuses, in each case up to the date of Separation from Service, and (iii) Employee's Equity Awards shall be subject to the applicable award agreements and the Company's Equity Award Death, Disability and Retirement Policy, as may be amended from time to time in the Company's sole discretion. None of Employee, his or her beneficiary or his or her estate shall be entitled to any severance benefits set forth in **Section 7** below if Employee's Separation from Service occurs as a result of Employee's death or disability. In the event of the disability of Employee, the Parties shall comply with applicable federal, state and local law. For purposes of this **Section 6.3, "Essential Job Functions" and "Reasonable Accommodation"** shall have the meanings of these terms under applicable law, and shall be interpreted to grant Employee the same, and no greater, rights and responsibilities provided by applicable law.

6.4 Survival. Each of the Non-Disclosure and Invention Agreement and the Restrictive Covenant Agreement described in **Section 8** below and attached hereto as **Exhibit A** and **Exhibit B**, respectively, shall survive the termination of this Agreement.

7. Severance and Other Rights Relating to Separation from Service and Change in Control.

7.1 Separation from Service by the Company without Cause or by Employee for Good Reason. If the Company initiates Employee's Separation from Service without Cause or if Employee initiates Employee's Separation from Service for Good Reason, then subject to the conditions described in **Section 7.3** below, the Company shall provide Employee the following payments and other benefits:

(a) (i) Salary continuation for a period of twelve (12) months at Employee's then current Base Salary, which shall commence on the first payroll date that is on or that immediately follows the sixtieth (60th) day following the Separation from Service; (ii) any accrued but unpaid Base Salary as of the Separation from Service; and (iii) any earned, awarded and accrued, but unpaid, bonus as of the Separation from Service, all on the same terms and at the same times as would have applied had Employee not incurred a Separation from Service.

(b) A lump-sum cash payment that is equal to twelve (12) months of premium payments for COBRA coverage for health, dental, and vision coverage based on the Company- provided health, dental, and vision coverage in which the Employee and the Employee's dependents are enrolled at the time of the Employee's Separation from Service. This lump-sum cash payment may be used for any purpose, including but not limited to continuation coverage under COBRA, and will be paid at the same time as the first installment of the salary continuation payment set forth in Section 7.1(a).

(c) Within thirty (30) days of the Separation from Service, the Company shall pay Employee Ten Thousand Dollars (\$10,000) towards the cost of an outplacement consulting package for Employee.

(d) The time vesting and exercisability of one hundred percent (100%) of Employee's Equity Awards other than Performance Awards shall accelerate by a period of twelve (12) months.

(e) Subject to Section 7.2(b), one hundred percent (100%) of Employee's Performance Awards that have not become earned and payable prior to such Separation from Service shall be cancelled and shall terminate

immediately for no consideration.

7.2 Change in Control. The Board has determined that it is in the best interests of the Company and its stockholders to ensure that the Company will have the continued dedication of Employee, notwithstanding the possibility, threat or occurrence of a Change in Control. The Board believes it is imperative to diminish the inevitable distraction of Employee by virtue of the personal uncertainties and risks created by a pending or threatened Change in Control, to encourage Employee's full attention and dedication to the Company currently and in the event of any threatened or pending Change in Control and to provide Employee with compensation and benefits arrangements upon a Change in Control that ensure that the compensation and benefits expectations of Employee will be satisfied and that are competitive with those of other similarly-situated companies. Therefore, in order to accomplish these objectives, the Board has caused the Company to include the provisions set forth in this **Section 7.2**.

(a) **Change in Control Defined.** "**Change in Control**" means, and shall be deemed to have occurred if, on or after the Effective Date, (i) any "person" (as such term is used in Sections 13(d) and 14(d) of the Securities Exchange Act of 1934, as amended) or group acting in concert, other than a trustee or other fiduciary holding securities under an employee benefit plan of the Company acting in such capacity or a corporation owned directly or indirectly by the stockholders of the Company in substantially the same proportions as their ownership of stock of the Company, becomes the "beneficial owner" (as defined in Rule 13d-3 under said Act), directly or indirectly, of securities of the Company representing more than fifty percent (50%) of the total voting power represented by the Company's then outstanding voting securities, (ii) during any twelve (12)-month period, individuals who at the beginning of such period constitute the Board and any new director whose election by the Board or nomination for election by the Company's stockholders was approved by a vote of at least two thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election was previously so approved, cease for any reason to constitute a majority thereof, (iii) the consummation of a merger or consolidation of the Company with any other corporation other than a merger or consolidation that would result in the voting securities of the Company outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least fifty percent (50%) of the total voting power represented by the voting securities of the Company or such surviving entity outstanding immediately after such merger or consolidation or (iv) the sale or disposition by the Company of (in one (1) transaction or a series of related transactions) all or substantially all of the Company's and its subsidiaries' assets.

(b) **Acceleration of Vesting of Equity Awards.**

(i) Upon a Change in Control, the time vesting and exercisability of one hundred percent (100%) of Employee's Equity Awards shall immediately accelerate by a period of twelve (12) months, provided that this **Section 7.2(b)(i)** shall apply to Performance Awards such that if the applicable performance period is scheduled to end within twelve (12) months following the Change in Control, the Performance Award shall be deemed to have been fully vested and earned as of the Change in Control based upon the greater of (A) an assumed achievement of all relevant performance goals at the "target" level or (B) the actual level of achievement of all relevant performance goals as of the Change in Control.

(ii) If within four (4) months before or twelve (12) months after a Change in Control, Employee incurs a Separation from Service initiated by the Company (or a successor) without Cause or initiated by

Employee for Good Reason, then one hundred percent (100%) of Employee's Equity Awards shall become fully vested and exercisable. Performance Awards shall be deemed to have been fully vested and earned under this Section 7.2(b)(ii) based upon the greater of (1) an assumed achievement of all relevant performance goals at the "target" level or (2) the actual level of achievement of all relevant performance goals as of the Change in Control.

7.3 Conditions Precedent. The Company's obligations to Employee described in **Sections 7.1 and 7.2** above are contingent on Employee's delivery to the Company of a signed waiver and release of claims against the Company and its Affiliates in a form reasonably satisfactory to the Company within twenty-one (21) days (or forty-five (45) days to the extent required by applicable law) after the day on which the Company provides the release to Employee, and not revoking such release (if a right to revocation exists under applicable law). Moreover, Employee's rights to receive ongoing payments and benefits pursuant to **Sections 7.1 and 7.2** above (including the right to ongoing payments under the Company's equity compensation plans) are conditioned on Employee's ongoing compliance with his or her obligations as described in **Section 8** below, and Company may set off any such payments or benefits, except to the extent prohibited by law, in the event of Employee's failure to comply with any such obligations. Any cessation by the Company of any such payments and benefits shall be in addition to, and not in lieu of, any and all other remedies available to the Company for Employee's breach of his or her obligations described in **Section 8** below.

7.4 No Severance Benefits. Employee shall not be entitled to any severance benefits if Employee initiates Employee's Separation from Service without Good Reason or if the Company initiates Employee's Separation from Service for Cause; provided, however, that Employee shall be entitled to (i) Base Salary prorated through the Separation from Service; (ii) medical coverage and other benefits required by law and plans (as provided in **Section 7.5** below); and (iii) in the event the Employee initiates Employee's Separation from Service without Good Reason and such Separation from Service constitutes "Retirement" under the Company's Equity Award Death, Disability and Retirement Policy, Employee's Equity Awards shall be subject to such Policy.

7.5 Benefits Required by Law and Plans. In the event of Employee's Separation from Service, Employee shall be entitled to medical and other insurance coverage, if any, as is required by law and, to the extent not inconsistent with this Agreement, to receive such additional benefits as Employee may be entitled under the express terms of applicable benefit plans (other than bonus or severance plans) of the Company or its Affiliates.

8. Restrictions.

8.1 Non-Disclosure and Invention Agreement. In consideration for employment or continued employment by the Company, as well as the salary and additional compensation and benefits described in this Agreement, as well as the Company's provision of confidential information of the Company to Employee, Employee has entered or shall enter into and shall comply with the terms of the Employee Non-Disclosure and Invention Assignment Agreement in substantially the form attached hereto as **Exhibit A**(the "Non-Disclosure and Invention Agreement").

8.2 Restrictive Covenant Agreement. In consideration for employment or continued employment by the Company, as well as the salary and additional compensation and benefits described in this Agreement, as well as the Company's provision of confidential information of the Company to Employee, Employee has entered or shall enter into and shall comply with the terms of the Employee Non-Competition, Non-Solicitation and No-Interference Agreement in substantially the form attached hereto as **Exhibit B**(the "Restrictive Covenant Agreement").

9. Arbitration. Unless other arrangements are agreed to by the Parties, any disputes arising under or in connection with this Agreement, other than a dispute in which the primary relief sought is an equitable remedy such as an injunction, shall be resolved by binding arbitration to be conducted pursuant to the Agreement for Arbitration Procedures of Certain Employment Disputes in substantially the form attached hereto as **Exhibit C**.

10. Assignments; Transfers; Effect of Merger. No rights or obligations of the Company under this Agreement may be assigned or transferred by the Company except that such rights or obligations may be assigned or transferred (i) to Exact Sciences Corporation or an Affiliate (consistent with Employee's duties, responsibilities and compensation under this Agreement) or (ii) pursuant to a merger or consolidation, or pursuant to the sale or transfer of all or substantially all of the assets of the Company, provided, for purposes of clause (ii), that the assignee or transferee is the successor to all or substantially all of the assets of the Company. This Agreement shall not be terminated by any merger, consolidation or

transfer of assets of the Company referred to above. In the event of any such merger, consolidation or transfer of assets, this Agreement shall be binding upon the surviving or resulting corporation or the person or entity to which such assets are transferred. Concurrently with any merger, consolidation or transfer of assets referred to above, the Company shall cause any successor or transferee unconditionally to assume, either contractually or as a matter of law, all of the obligations of the Company hereunder. This Agreement shall inure to the benefit of, and be enforceable by or against, Employee or Employee's personal or legal representatives, executors, administrators, successors, heirs, distributees, designees and legatees. None of Employee's rights or obligations under this Agreement may be assigned or transferred by Employee other than Employee's rights to compensation and benefits, which may be transferred only by will or operation of law. If Employee should die while any amounts or benefits have been accrued by Employee but not yet paid as of the date of Employee's death and which would be payable to Employee hereunder had Employee continued to live, all such amounts and benefits unless otherwise provided herein shall be paid or provided in accordance with the terms of this Agreement to such person or persons appointed in writing by Employee to receive such amounts or, if no such person is so appointed, to Employee's estate.

11. No Set-off; No Mitigation Required. Except as expressly provided otherwise in this Agreement, the obligation of the Company to make any payments provided for hereunder and otherwise to perform its obligations hereunder shall not be affected by any set-off, counterclaim, recoupment, defense or other claim, right or action that the Company may have against Employee or others. In no event shall Employee be obligated to seek other employment or take other action by way of mitigation of the amounts payable to Employee under this Agreement, and such amounts shall not be reduced (except as otherwise specifically provided herein) whether or not Employee obtains other employment.

12. Taxes. The Company shall have the right to deduct from any payments made pursuant to this Agreement any and all federal, state and local taxes or other amounts required by law to be withheld.

13. Code Section 409A. This Agreement is intended to comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance therewith. Notwithstanding any provision of this Agreement to the contrary, to the extent required to avoid accelerated taxation or tax penalties under Code Section 409A, any amounts or benefits that would otherwise be payable under this Agreement during the six (6)-month period immediately following Employee's Separation from Service shall instead be paid on the first payroll date after the six (6)-month anniversary of Employee's Separation from Service (or Employee's death, if earlier). For purposes of Code Section 409A, Employee's right to receive any installment payments pursuant to this Agreement shall be treated as a right to receive a series of separate and distinct payments. Whenever a payment under this Agreement specifies a payment period with reference to a number of days, the actual date of payment within the specified period shall be in the sole discretion of the Company. To the extent that Employee will be reimbursed for costs and expenses or in-kind benefits, except as otherwise permitted by Section 409A, (i) the right to reimbursement or in-kind benefits is not subject to liquidation or exchange for another benefit, (ii) the amount of expenses eligible for reimbursement, or in-kind benefits, provided during any taxable year shall not affect the expenses eligible for reimbursement, or in-kind benefits to be provided, in any other taxable year; provided that the foregoing clause (ii) shall not be violated with regard to

expenses reimbursed under any arrangement covered by Section 105(b) of the Code solely because such expenses are subject to a limit related to the period the arrangement is in effect and (iii) such payments shall be made on or before the last day of the taxable year following the taxable year in which Employee incurred the expense. Notwithstanding the foregoing, the Company shall not have any obligation to take any action to prevent the assessment of any excise tax or penalty on any person under Code Section 409A and the Company shall not have any liability to any person for such tax or penalty.

14. **Code Section 280G.** Notwithstanding any provision of this Agreement or any other plan, arrangement or agreement to the contrary, if any of the payments or benefits provided or to be provided by the Company or an Affiliate to Employee or for Employee's benefit under this Agreement or otherwise ("Covered Payments") constitute "parachute payments" within the meaning of Code Section 280G and would, but for this **Section 14**, be subject to the excise tax imposed under Code Section 4999 or any similar tax imposed by state or local law or any interest or penalties with respect to such taxes (collectively, the "Excise Tax"), then prior to making the Covered Payments, a calculation shall be made comparing (i) the Net Benefit to Employee of the Covered Payments after payment of the Excise Tax to (ii) the Net Benefit to Employee if the Covered Payments are limited to the extent necessary to avoid being subject to the Excise Tax; and if the amount calculated under (i) is less than the amount under (ii), the Covered Payments shall be reduced to the minimum extent necessary to ensure that no portion of the Covered Payments is subject to the Excise Tax. "Net Benefit" means the present value of the Covered Payments net of all taxes. All determinations required to be made under this **Section 14** shall be made by the Company in its sole discretion.

15. **Clawback.** All payments and benefits made or provided to Employee in connection with Employee's services to the Company shall be subject to clawback by the Company to the extent required by applicable law or the policies of the Company as in effect from time to time.

16. **Miscellaneous.** No amendment, modification or waiver of this Agreement or consent to any departure thereof shall be effective unless in writing signed by the Party against whom it is sought to be enforced. This Agreement contains the entire Agreement that exists between the Parties with respect to the subjects herein contained and replaces and supersedes all prior agreements, oral or written, between the Parties with respect to the subjects herein contained. Except as and to the extent expressly provided in this Agreement, nothing herein shall affect any terms in the Non-Disclosure and Invention Agreement, the Restrictive Covenant Agreement, the Agreement for Arbitration Procedures of Certain Employment Disputes or any equity compensation plans or corresponding award agreements between the Parties now and hereafter in effect from time to time. If any provision of this Agreement is held for any reason to be unenforceable, the remainder of this Agreement shall remain in full force and effect. Each section is intended to be a severable and independent section within this Agreement. The headings in this Agreement are intended solely for convenience of reference and shall be given no effect in the construction or interpretation of this Agreement. This Agreement is made in the State of Wisconsin and shall be governed by and construed in accordance with the laws of said State, without regard to principles of conflicts of law.

This Agreement may be executed in one (1) or more counterparts, each of which shall be deemed an original but all of which together shall constitute one (1) and the same instrument. All notices and all other communications provided for in this Agreement shall be in writing and shall be considered duly given upon personal delivery, delivery by nationally reputable overnight courier or on the third (3rd) business day after mailing from within the United States by first class certified or registered mail, return receipt requested, postage prepaid, all addressed to the address set forth below each Party's signature to this Agreement. Any Party may change its address by furnishing notice of its new address to the other Party in writing in accordance herewith, except that any notice of change of address shall be effective only upon receipt.

IN WITNESS WHEREOF, Employee and the Company have executed this Employment Agreement as of the Effective Date.

EMPLOYEE

Sign name: */s/ Aaron Bloomer*

Print name: *Aaron Bloomer*

Notice

address:

EXACT SCIENCES CORPORATION

Sign name: */s/ Kevin T. Conroy*

Print name: *Kevin T. Conroy*

Title: *President and Chief Executive Officer*

Notice

address: *441 Charmany Drive*

Madison, WI 53719

[Signature Page to Employment Agreement]

51

EXHIBIT 31.1

Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, Kevin T. Conroy, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exact Sciences Corporation (the "Registrant");
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the Registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 8, 2024** July 31, 2024

By: /s/ Kevin T. Conroy

Kevin T. Conroy
President and Chief Executive Officer
(*Principal Executive Officer*)

EXHIBIT 31.2

Certification pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

I, **Jeffrey T. Elliott**, **Aaron Bloomer**, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Exact Sciences Corporation (the "registrant");

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: **May 8, 2024** **July 31, 2024**

By: /s/ Jeffrey T. Elliott Aaron Bloomer

Jeffrey T. Elliott Aaron Bloomer

Executive Vice President and Chief Financial Officer
(*Principal Financial and Accounting Officer*)

EXHIBIT 32.1

**CERTIFICATION PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Exact Sciences Corporation (the "Company") on Form 10-Q for the quarter ended **March 31, 2024** June 30, 2024 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), we, Kevin T. Conroy, President and Chief Executive Officer of the Company and Jeffrey T. Elliott, Aaron Bloomer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, to our knowledge, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Dated: **May 8, 2024** July 31, 2024

/s/ Kevin T. Conroy

Name: Kevin T. Conroy
Title: President and Chief Executive Officer
(Principal Executive Officer)

Dated: **May 8, 2024** July 31, 2024

/s/ Jeffrey T. Elliott Aaron Bloomer

Name: Jeffrey T. Elliott Aaron Bloomer
Title: Executive Vice President and Chief Financial Officer
(Principal Financial Officer and Principal Accounting Officer)

DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REPORT™ IS A COMPARISON OF TWO FINANCIALS PERIODIC REPORTS. THERE MAY BE MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TEXT AND THE COMPARISON DATA AND TABLES. IN NO WAY DOES REFINITIV OR THE APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHER DECISIONS MADE BASED UPON THE INFORMATION PROVIDED IN THIS REPORT. USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BEFORE MAKING ANY INVESTMENT OR OTHER DECISIONS.

©2024, Refinitiv. All rights reserved. Patents Pending.