Castle Biosciences Signs Definitive Agreement to Acquire Myriad myPath® Laboratory

April 27, 2021

With the acquisition, Castle expects to make available the most comprehensive molecular testing offering for difficult-to-diagnose melanocytic lesions.

The Company to host a conference call today at 7:30 a.m. E.T.

FRIENDSWOOD, Texas--(BUSINESS WIRE)--Apr. 27, 2021-- Castle Biosciences, Inc. (Nasdaq: CSTL), a skin cancer diagnostics company providing personalized genomic information to improve cancer treatment decisions, today announced it has signed a definitive agreement to acquire all of the equity of Myriad myPath, LLC (Myriad myPath Laboratory), from Myriad Genetics. Myriad myPath Laboratory is a CLIA-certified laboratory in Salt Lake City, where the myPath Melanoma 23-gene expression profile (GEP) test was developed and is currently owned and offered. Castle is acquiring Myriad myPath Laboratory for $32.5 million. Castle will finance the acquisition price with cash and cash equivalents on hand. The transaction is expected to close approximately four weeks post signing, at which time Castle will be the successor owner of Myriad myPath Laboratory. The transaction is subject to customary conditions to closing.

myPath Melanoma is a clinically validated GEP test designed to be used as an adjunct to histopathology when the distinction between a benign nevus and a malignant melanoma cannot be made confidently by histopathology alone. Castle currently offers DecisionDx® DiffDx™-Melanoma, a 35-GEP test designed to characterize difficult-to-diagnose melanocytic lesions. myPath Melanoma is a distinct test, which Castle anticipates will complement its current offerings and enable Castle to provide the most comprehensive molecular testing solution for difficult-to-diagnose melanocytic lesions.

“With the acquisition of Myriad myPath Laboratory, Castle strategically expands its suite of genomic tests for skin cancer and expects to offer the most comprehensive testing solution for difficult-to-diagnose melanocytic lesions,” said Derek Maetzold, president and chief executive officer of Castle Biosciences. “We believe this acquisition will add incremental value to both myPath Melanoma and DiffDx-Melanoma by leveraging the strengths of these two distinct, validated tests. Thus, through this acquisition, we believe that more patients will receive actionable results more of the time, enabling a more confident diagnosis and clearer treatment path.”

DecisionDx DiffDx-Melanoma and myPath Melanoma are both commercially available and will remain available through Castle and Myriad, respectively, throughout the transaction period. As the successor owner, upon closing, Castle will be the sole provider of myPath Melanoma.

National Comprehensive Cancer Network® (NCCN) Guidelines Version 2.2021 state that ancillary tests, including GEP tests such as myPath Melanoma and DecisionDx DiffDx-Melanoma, may facilitate interpretation of cases (melanocytic neoplasms of uncertain biologic potential) that are diagnostically uncertain or controversial by histopathology. Additionally, myPath Melanoma is currently covered under a MolDX Local Coverage Determination policy through Noridian Healthcare Solutions, LLC, the Medicare Administrative Contractor that oversees laboratories in both Utah and Arizona.

Company management will host a conference call and webcast to discuss this transaction at 7:30 a.m. Eastern time today.

Conference Call and Webcast Details

A live webcast of the conference call can be accessed here: https://edge.media-server.com/mmc/p/3h42dqxx or via the webcast link on the Investor Relations page of the Company’s website (https://ir.castlebiosciences.com/investors). Please access the webcast at least 10 minutes before the conference call start time. An archive of the webcast will be available on the Company’s website until May 17, 2021.

To access the live conference call via phone, please dial 877-282-2581 from the United States and Canada, or +1 470-495-9479 internationally, at least 10 minutes prior to the start of the call, using the conference ID 8479479.

There will be a brief Question & Answer session following management commentary.

About DecisionDx DiffDx-Melanoma

DecisionDx® DiffDx™-Melanoma is designed to aid dermatopathologists in characterizing difficult-to-diagnose melanocytic lesions. Of the approximately 2 million suspicious pigmented lesions biopsied annually in the U.S., Castle estimates that approximately 300,000 of those cannot be confidently classified as either benign or malignant through traditional histopathology methods. DecisionDx DiffDx-Melanoma classifies these lesions as: benign (gene expression profile suggestive of benign neoplasm); intermediate-risk (gene expression profile cannot exclude malignancy); or malignant (gene expression profile suggestive of melanoma). Interpreted in the context of other clinical, laboratory and histopathologic information, DecisionDx DiffDx-Melanoma is designed to add diagnostic clarity and confidence for dermatopathologists while helping dermatologists deliver more informed patient management plans.

More information about the test and disease can be found at www.CastleTestInfo.com.

About Castle Biosciences

Castle Biosciences (Nasdaq: CSTL) is a commercial-stage dermatologic cancer company focused on providing physicians and their patients with personalized, clinically actionable genomic information to make more accurate treatment decisions. The Company currently offers tests for patients with cutaneous melanoma (DecisionDx®-Melanoma, DecisionDx®-CM*Seq*), cutaneous squamous cell carcinoma (DecisionDx®-SCC), suspicious pigmented lesions (DecisionDx® DiffDx™-Melanoma) and uveal melanoma (DecisionDx®-UM, DecisionDx®-PRAME and DecisionDx®-UM*Seq*). For more information about Castle’s gene expression profile tests, visit www.CastleTestInfo.com. Castle also has active research and development programs for tests in other dermatologic diseases with high clinical need. Castle Biosciences is based in Friendswood, Texas (Houston), and has laboratory operations in Phoenix, Arizona. For more information, visit www.CastleBiosciences.com.

DecisionDx-Melanoma, DecisionDx-CM*Seq*, DecisionDx-SCC, DecisionDx DiffDx-Melanoma, DecisionDx-UM, DecisionDx-PRAME and DecisionDx-UM*Seq* are trademarks of Castle Biosciences, Inc.

Forward-Looking Statements

The information in this press release contains forward-looking statements and information 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, which are subject to the "safe harbor" created by those sections. These forward-looking statements include, but are not limited to, statements concerning the expectation that Castle will complete the acquisition of Myriad myPath Laboratory and the expected timing of the consummation of the transaction, Castle's ability to integrate the myPath Melanoma test into its commercial offerings and deliver the most comprehensive molecular testing offering for difficult-to-diagnose melanocytic lesions, the ability of the myPath Melanoma and DecisionDx DiffDx-Melanoma tests to compliment and add incremental value to each other, provide more patients with actionable results more of the time and enable a more confident diagnosis and clearer treatment path. The words "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "will," "would" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these identifying words. We may not actually achieve the plans, intentions, or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements that we make. These forward-looking statements involve risks and uncertainties that could cause our actual results to differ materially from those in the forward-looking statements, including, without limitation, the conditions to closing may not be satisfied and the transaction may be delayed or not close at all, the effects of the COVID-19 pandemic on our business and our efforts to address its impact on our business, the myPath Melanoma and DecisionDx DiffDx-Melanoma tests' ability to provide the aforementioned benefits to each other, Castle and patients and the risks set forth in our Annual Report on Form 10-K for the year ended December 31, 2020, and in our other filings with the SEC. The forward-looking statements are applicable only as of the date on which they are made, and we do not assume any obligation to update any forward-looking statements, except as may be required by law.

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