



Transforming Disease Management



March 2023

Disclaimers

Forward-Looking Statements

This presentation 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, which are subject to the “safe harbor” created by those sections. These forward-looking statements include, but are not limited to, statements concerning: generating between \$170-180 million in total revenue in 2023; estimated sizes of the total addressable markets of our current and future commercial and pipeline products within our dermatologic, gastrointestinal and mental health franchises, and our anticipated actions to further the growth of these franchises and products in 2023 and beyond, and any resulting financial or operational metrics or related expectations with respect to future performance; our expectations regarding catalysts of continued growth in 2023, including (i) publication of a collaborative NCI study showing higher melanoma specific survival for patients tested with DecisionDx-Melanoma, (ii) our new GI and MyPath commercial team expansion reaching optimal productivity in Q2 2023, (iii) receiving a draft LCD for DecisionDx-SCC from Palmetto in the first half of 2023, (iv) the opening of our Pittsburgh lab in Q2 2023, and (v) further refinement of sales territories in our dermatologic, GI and mental health franchises; the potential of DecisionDx-Melanoma to aid in risk-aligned treatment plans for improved patient outcomes and survival rates; our expectations regarding timelines and milestones for our dermatologic, gastrointestinal and mental health franchises, and our expectation that we will receive early development data for our pipeline inflammatory skin disease test in the second half of 2023 and launch the test by 2025; and the potential of DecisionDx-Melanoma to aid in risk-aligned treatment plans for improved patient outcomes and survival rates. The words “anticipates,” “can,” “estimates,” “expects,” “target” 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 accuracy of our assumptions and expectations underlying our fiscal 2023 revenue target (including, without limitation, our assumptions or expectations regarding (i) continued reimbursement for our commercial tests at the current rates throughout 2023, (ii) our estimated total addressable markets for our products and product candidates and the related expenses, capital requirements and potential needs for additional financing, (iii) the anticipated cost, timing and success of our product candidates, and our plans to research, develop and commercialize new tests and (iv) our ability to successfully integrate new businesses, assets, products or technologies acquired through previously completed acquisitions); the effects of the COVID-19 pandemic on our business and our efforts to address its impact on our business; subsequent study or trial results and findings may contradict earlier study or trial results and findings or may not support the results discussed in this presentation, including with respect to the diagnostic and prognostic tests discussed in this presentation; actual application of our tests may not provide the aforementioned benefits to patients; and the risks set forth under the heading “Risk Factors” in our Annual Report on Form 10-K for the year ended December 31, 2022, 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.

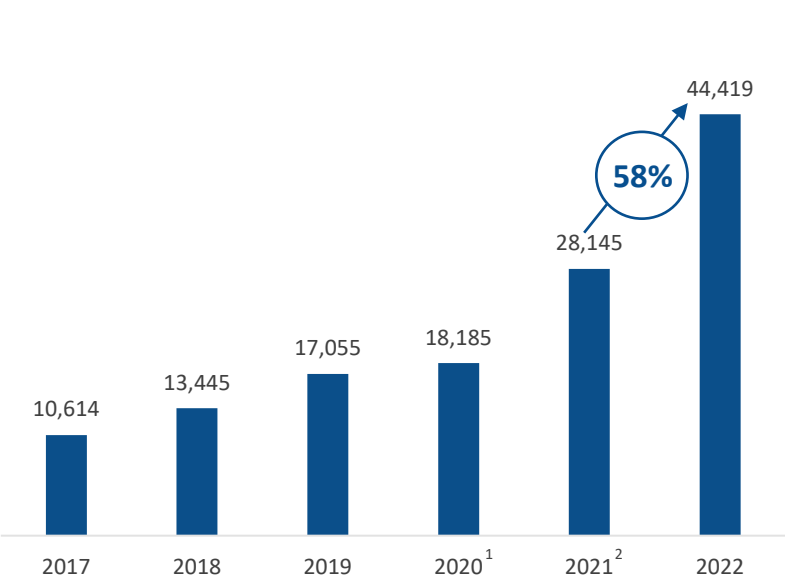
Strong Performance in 2022

Expecting approximately \$170 – 180 million in 2023 revenue

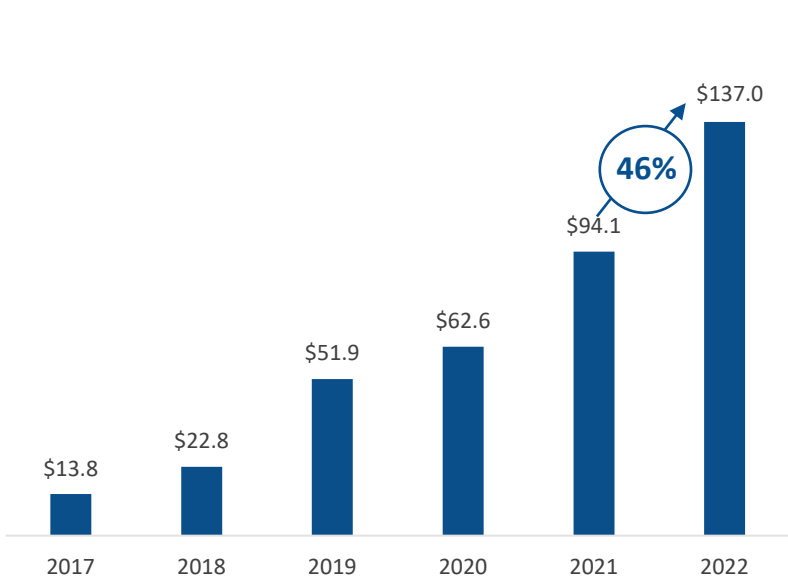
	2022	2021
Total test reports	44,419	28,145
Total Dermatology test reports	37,331	26,500
Revenues	\$137.0M	\$94.1M
Adj. Revenues ¹	\$139.0M	\$90.8M
Gross Margin	70.6%	81.1%
Adj. Gross Margin ¹	77.0%	82.6%
Net Loss	\$(67.1)M	\$(31.3)M
Adj. EBITDA ¹	\$(42.6)M	\$(14.9)M
Operating Cash Flow	\$(41.7)M	\$(19.0)M
Adj. Operating Cash Flow ¹	\$(41.7)M	\$(12.5)M
Cash, Cash Equivalents & Marketable Investment Securities	as of end of period \$259M²	\$330M

Consistent Execution of Growth Initiatives Supports Long-Term Growth

2017-2022 Total Test Report Volume



2017-2022 Revenue



¹Due to COVID-19, cutaneous melanoma diagnoses were down 20% for 2020; ²Cutaneous melanoma diagnoses were down 11% for 2021.

Key 2022 Accomplishments



Delivered strong year-over-year growth in revenue (met top end of guided range) and test report volume (total test reports delivered in 2022 were **44,419** up 58% over 2021)



Presented three-year financial targets and strategic guideposts at 2022 Investor Day



Developed expanded evidence supporting portfolio of innovative tests through the acceptance/publication of 14 peer-reviewed studies across all franchises



TissueCypher granted ADLT status by Medicare, recognizing the test for providing clinical diagnostic information that cannot be obtained from any other test or combination of tests



Transition of IDgenetix clinical services from San Diego lab and the folding of operations into our Phoenix location



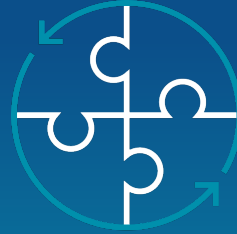
Mission

Improving health
through innovative
tests that guide
patient care



Vision

To transform disease
management by keeping
people first: patients,
clinicians, employees
and investors



Values

ExCIITE: Excitement,
Collaboration,
Integrity, Innovation,
Trust and Excellence

Three Strategic Guideposts That Create Value for Customers, Patients and Stockholders

Customer & Solution Centric

We value best-in-class customer experience at all points along the testing journey, and we leverage multiple solutions for a single customer to provide a single source of high quality molecular diagnostic tests



Continuous Evolution & Improvement

We are an industry leader by challenging the status quo with deep scientific expertise, unique value insight, and robust data development



Exceptional Employees

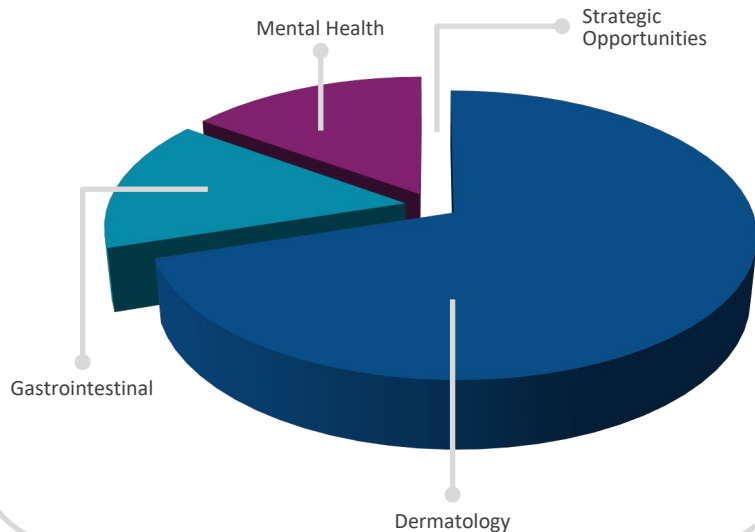
We hire and keep the right people, by Castle's commitment to doing the right thing for employees and nurturing our thriving culture



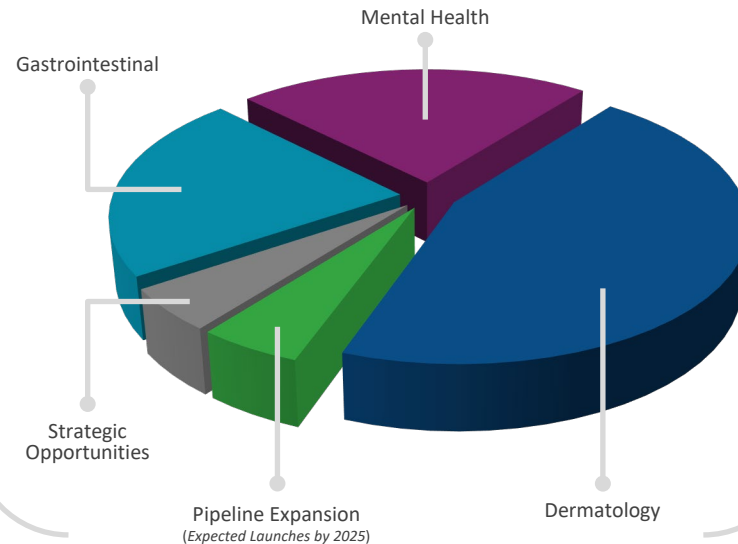
Driving Long-Term Growth through Strong Execution and our Operational Guideposts

Exceptional Employees, Continuous Evolution & Improvement and Customer & Solution Centric

Near- to Mid-term Growth

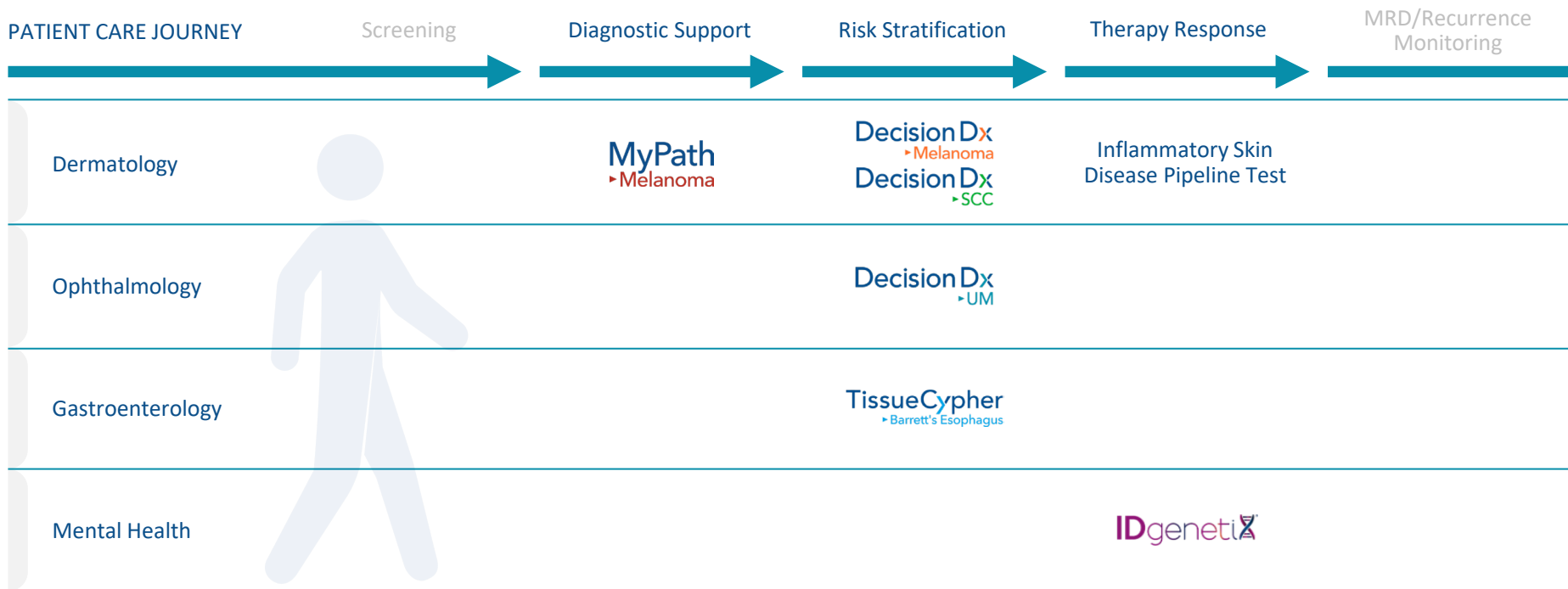


Mid- to Long-term Growth



Answering Clinical Questions to Guide Care Along the Patient Journey

Our focus is on diagnostic support, risk stratification and therapy response areas of the patient care continuum



Estimated ~\$8B U.S. Total Addressable Market¹ for Commercially Available Tests

	Dermatology		Gastroenterology	Mental Health
Cutaneous melanoma/ risk of metastasis, SLNB positivity risk	Cutaneous squamous cell carcinoma/risk of metastasis	Suspicious pigmented lesions/melanoma status	Barrett's esophagus/risk of progression to esophageal cancer	Mental health therapy response
~130K Patients classified as Stage I, II or III ²	~200K Patients w/high-risk features ²	~300K Patients w/ diagnostically ambiguous lesions	~415K Patients receiving upper GI endoscopies/year who meet the intended use criteria for TissueCypher ³	Based on indicated use of IDgenetix for patients diagnosed with depression, anxiety and other mental health conditions
~\$540M	~\$820M	~\$600M	~\$1B	~\$5B

Tests in pipeline add an additional estimated ~\$3.6B to our U.S. TAM
(\$1.9B for inflammatory skin disease pipeline test and ~\$1.7B for additional dermatology pipeline tests)

Well Positioned for Continued Growth with Expected 2023 Catalysts



Expected publication of collaborative NCI study showing higher melanoma specific survival for patients tested with DecisionDx-Melanoma



Expect new GI and MyPath commercial team expansion to reach optimal productivity in Q2 2023



Expect draft LCD for DecisionDx-SCC from Palmetto in 1H 2023



Pittsburgh lab opening in Q2 2023, bringing Castle's total laboratory operations space combined to 52,000 square feet



Further refinement of sales territories in our Derm, GI and Mental Health franchises

Significant Scientific Evidence Through Robust Clinical Research Program Across Our Testing Portfolio

13

Ongoing clinical research studies

231

Committed/contributing clinical research sites at year-end 2022

~11,200+

Patients¹ enrolled in studies at year-end 2022

~14,200+

Patients enrolled in studies over lifetime of Castle²

Ongoing collaboration with NCI/SEER has allowed for analyses of 9,200+ patients clinically tested with DecisionDx-Melanoma³ and 2,900+ patients clinically tested with DecisionDx-UM⁴ to date

Data for first three boxes as of Dec. 31, 2022; Data for fourth box as of March 6, 2022.

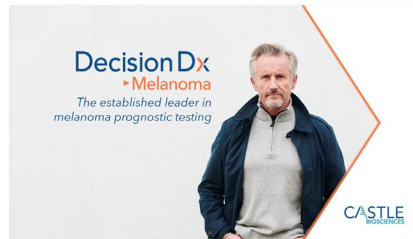
¹One TissueCypher study involves patients and ~250 physicians; ²Number reflects studies that span Castle's dermatology, ophthalmology and gastroenterology portfolios; ³SEER cancer registries linked CM cases diagnosed from 2013-2018 to data for patients with stage I-III CM tested with the 31-GEP as of Dec. 31, 2022; includes patients in studies not yet published; ⁴SEER cancer registries linked UM cases diagnosed in 2018 for patients with primary uveal melanoma tested with the 15-GEP; includes patients in studies not yet published.

First-to-Market Dermatologic Franchise, Additional Growth Opportunities

Diagnostic Support



Risk Stratification



Therapy Response¹



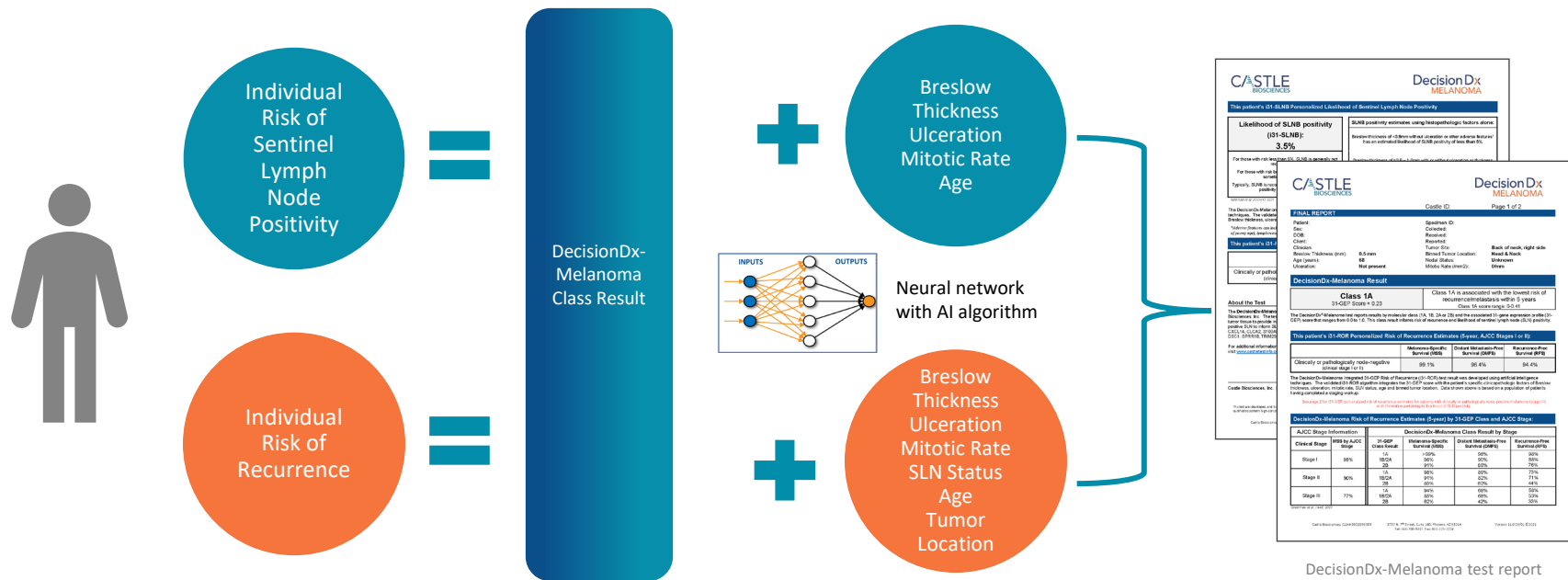
Strong provider growth and continued adoption with ~2,312 new ordering clinicians and ~7,670 total ordering clinicians for our dermatologic tests for the year ended Dec. 31, 2022²

Decision Dx

▶ Melanoma



DecisionDx-Melanoma Provides Answers for Two Critical Clinical Questions



CASTLE BIOSCIENCES **DecisionDx MELANOMA**

This patient's SLNB Personalized Likelihood of Sentinel Lymph Node Positivity

Likelihood of SLNB positivity (SLNB): 3.5%

SLNB positivity estimate using histopathologic factors alone

Breslow Thickness of 0.5 mm without ulceration or other adverse features has an estimated likelihood of SLNB positivity of less than 5%.

For these values, the probability of SLNB positivity is approximately 3.5%.

CASTLE BIOSCIENCES **DecisionDx MELANOMA**

Page 1 of 2

PATIENT INFORMATION

Patient: [Redacted] Specimen ID: [Redacted]
DOB: [Redacted] Collected: [Redacted]
Sex: [Redacted] Referred: [Redacted]
Chief: [Redacted] Reason for Referral: [Redacted]

This patient's SLN

Breslow Thickness (mm): 0.5 mm Tumor Size: [Redacted] Risk of lymph node metastasis: [Redacted]
Age (years): 68 Nodal Status: [Redacted]
Location: [Redacted] Mitotic Rate (per mm²): [Redacted]

DecisionDx-Melanoma Result

Class 1A
21-GEP Score = 0.23

Class 1A is associated with the lowest risk of recurrence (approximately 16% at 5 years, Class 1A score range: 0.0-0.4)

The DecisionDx-Melanoma test reports a predicted class of 1A. This is based on the patient's clinical data and the DecisionDx-Melanoma test results. The test results are based on the patient's clinical data and the DecisionDx-Melanoma test results. The test results are based on the patient's clinical data and the DecisionDx-Melanoma test results.

This patient's SLNB Personalized Risk of Recurrence Estimates (See AUC Score 1 on 6)

Class	Personalized Risk of Recurrence (5-year)	Personalized Risk of Recurrence (5-year)	Personalized Risk of Recurrence (5-year)
Class 1A	16.4%	16.4%	16.4%
Class 1B	21.1%	21.1%	21.1%
Class 2	28.8%	28.8%	28.8%
Class 3	38.9%	38.9%	38.9%
Class 4	50.0%	50.0%	50.0%

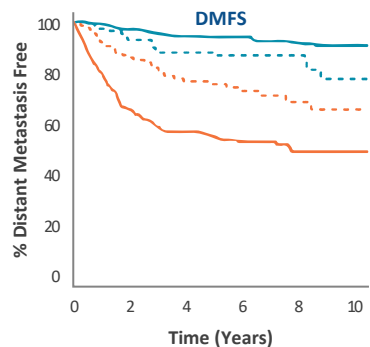
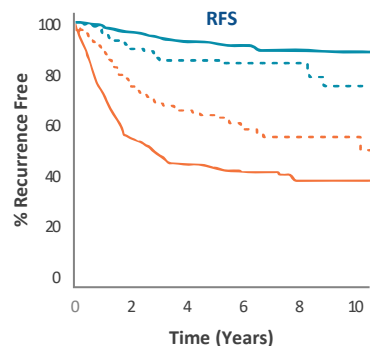
DecisionDx-Melanoma Risk of Recurrence Estimates (See AUC Score 1 on 6)

Class	Personalized Risk of Recurrence (5-year)	Personalized Risk of Recurrence (5-year)	Personalized Risk of Recurrence (5-year)
Class 1A	16.4%	16.4%	16.4%
Class 1B	21.1%	21.1%	21.1%
Class 2	28.8%	28.8%	28.8%
Class 3	38.9%	38.9%	38.9%
Class 4	50.0%	50.0%	50.0%

CASTLE BIOSCIENCES

DecisionDx-Melanoma test results predict a patient's individual risk of recurrence and individual risk of sentinel lymph node positivity using two proprietary algorithms

DecisionDx-Melanoma GEP Has Consistent and Independent Evidence of Prognostic Value across Studies



FEATURE	HR RFS (95% CI) p-value	HR DMFS (95% CI) p-value
Breslow thickness (per mm)	1.12 (1.03-1.22), p=0.01	1.14 (1.02-1.26), p=0.02
Ulceration	1.63 (1.18-2.25), p=0.003	2.03 (1.48-2.78), p<0.001
Age (per year)	1.01 (0.99-1.03), p=0.60	1.00 (0.98-1.03), p=0.65
SLNB	2.42 (1.88-3.10), p<0.001	2.80 (2.07-3.77), p<0.001
31-GEP test	2.90 (2.01-4.19), p<0.001	2.75 (1.76-4.32), p<0.001



Decision Dx

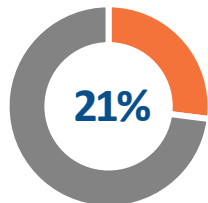
► Melanoma

Collaboration with the National Cancer Institute

Linking DecisionDx-Melanoma clinical testing with patients
captured in the NCI-SEER Registry

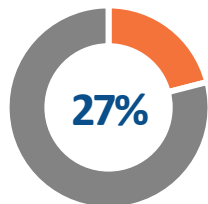
NCI/SEER Data Linked with DecisionDx-Melanoma Test Results

Data analysis of a cohort of real-world, unselected, prospectively tested patients with cutaneous melanoma



Benefit in Overall Survival (OS) in patients who were tested at 3 years over those who were not tested

	3-year OS (95% CI)	Deaths, % (n/N)
31-GEP Tested	93.1% (92.0-94.2%)	4.8% (174/3,621)
Matched Untested	91.2% (90.4-91.9%)	6.1% (658/10,863)
Hazard Ratio[‡]	0.79 (0.67-0.93)	P=0.006



Benefit in Melanoma Specific Survival (MSS) in patients who were tested at 3 years over those who were not tested

	3-year MSS (95% CI)	Deaths, % (n/N)
31-GEP Tested	97.7% (97-98.4%)	1.6% (58/3,621)
Matched Untested	96.6% (96.2-97.1%)	2.2% (238/10,863)
Hazard Ratio[‡]	0.73 (0.54-0.97)	P=0.03

Data provides direct evidence that patients tested with DecisionDx-Melanoma have better survival rates than untested patients and suggests that testing can aid in risk-aligned treatment plans for improved patient outcomes and survival rates

DecisionDx-Melanoma Disease Specific Survival Outcomes Are Favorable Relative to Other Tests

Sentinel lymph node biopsy (SLNB)

- SLNB is a risk-stratification surgical procedure “test” in melanoma
- MSLT-1 found that SLNB had no impact on 10-year melanoma-specific survival¹

Tumor size	P-value	10-yr MSS
Thin (<1.2mm)	Not reported	Not impacted
Intermediate (1.2-3.5mm)	not significant (p=.18)	Not impacted
Thick (>3.5)	not significant (p=.56)	Not impacted

Breast Cancer Test

Breast Cancer Test ²	3-yr BCSS*
Breast Cancer Test	99.6%
Matched Untested	99.1%
Absolute Mortality Difference	0.50% (p<0.05)

BCSS mortality difference of **0.50% at 3 years** when comparing tested and untested populations

Decision Dx ► Melanoma

Decision Dx ► Melanoma	3-yr MSS ³
DecisionDx-Melanoma	97.7%
Matched Untested	96.6%
Absolute Mortality Difference	1.1% (p<0.05)

MSS mortality difference of **1.1% at 3 years** when comparing tested and untested populations

DecisionDx-Melanoma Is Supported by Significant Scientific Evidence

10,000+

Total patients included in studies including *independent validation*

40+

Peer-reviewed, published studies including *prospective studies and 2 meta-analyses*

120,200+

Patients with a clinical *DecisionDx-Melanoma* order from *11,200+ clinicians*

1A

Level 1A evidence*

50%

Demonstrated change in management for 1 of 2 patients tested

Medicare+

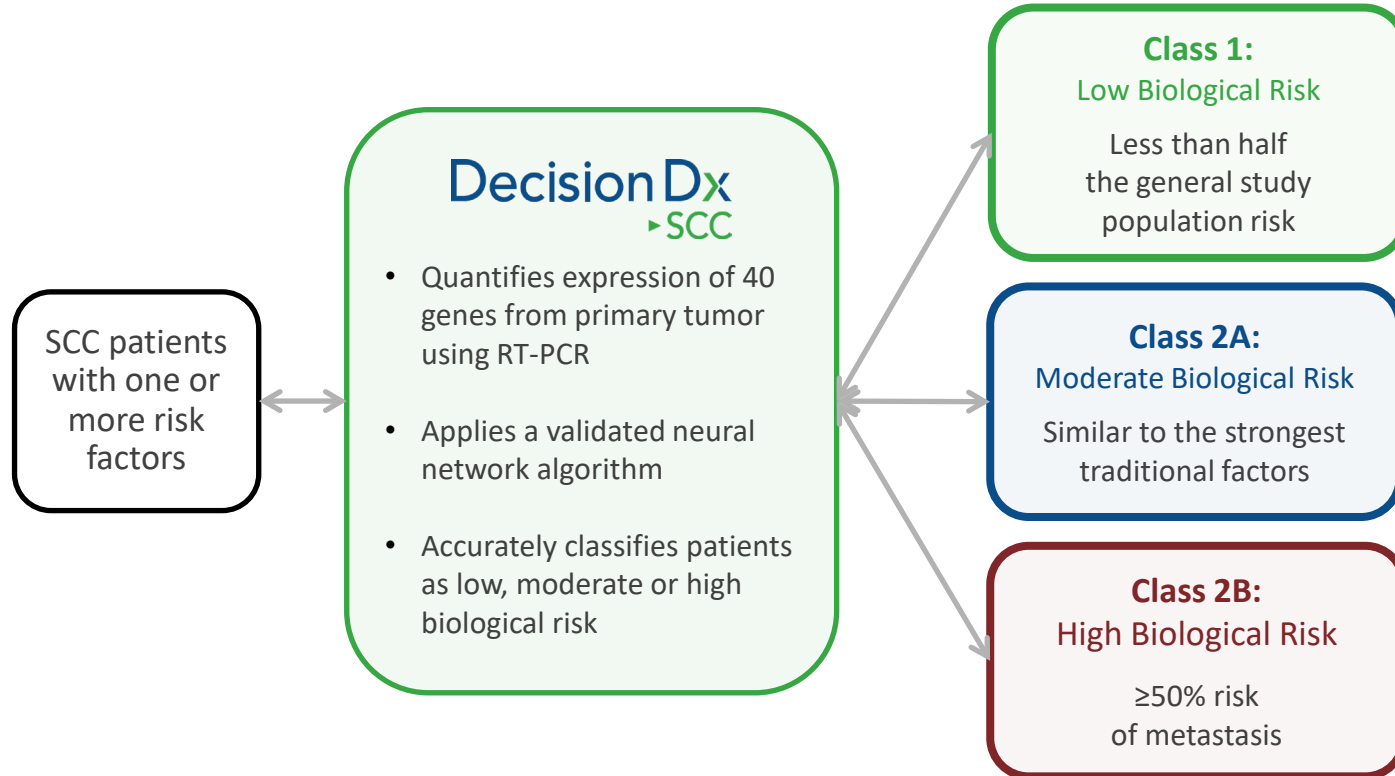
Covered by Medicare and multiple private insurers with an *industry-leading* patient assistance program

Decision Dx

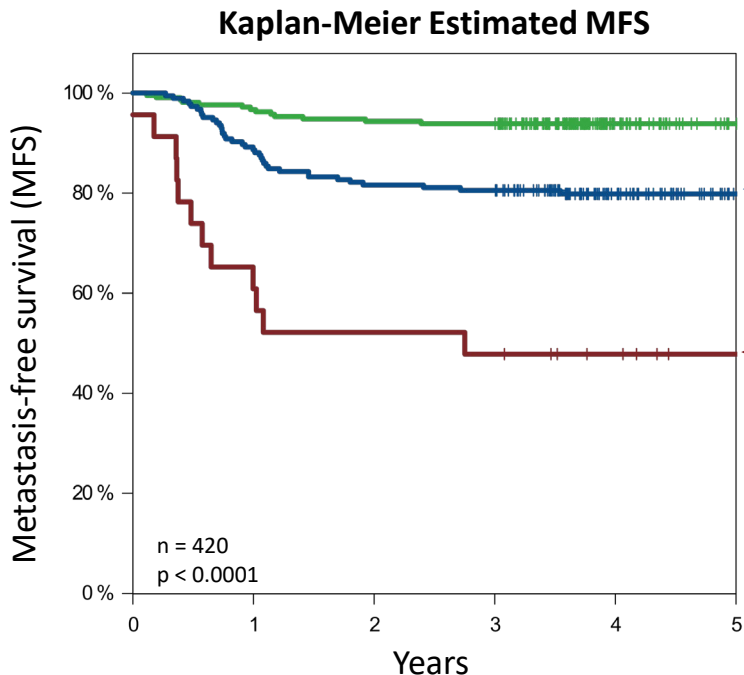
▶ SCC



DecisionDx-SCC Provides Independent Risk Stratification to Inform SCC Management Decisions



DecisionDx-SCC is Validated to Predict Metastatic Risk for Individual SCC Patients with One or More Risk Factors



Class 1 – Low Biological Risk

<7% risk of metastasis;
Less than half the general study population risk

Class 2A – Moderate Biological Risk

20% risk of metastasis;
Similar to the strongest traditional factors

Class 2B – High Biological Risk

≥50% risk of metastasis

**Cohort
Distribution:**

Class 1

Class 2A

Class 2B



MyPath

► Melanoma



Unmet Need in Patients with a Difficult-to-Diagnose Pigmented Lesion

The Clinical Problem

A clinical hurdle for dermatopathology is the accurate diagnosis of difficult-to-diagnose melanocytic neoplasms

Of the estimated two million suspicious pigmented lesions biopsied annually in the U.S., approximately 300,000 of those cannot be classified with confidence as either benign tissue or melanoma through traditional histopathology methods

These difficult-to-diagnose lesions are commonly sent for second opinions to expert dermatopathologists who have more experience with challenging cases; however, the nature of many lesions remains ambiguous with discordant rates of lesions in this category of 25-43% (Elmore et al. 2017)

Diagnostic ambiguity can lead to clinical management uncertainty and overtreatment, leading to unnecessary excisions and increased patient morbidity, and undertreatment, with the potential for missing diagnoses of malignant melanoma

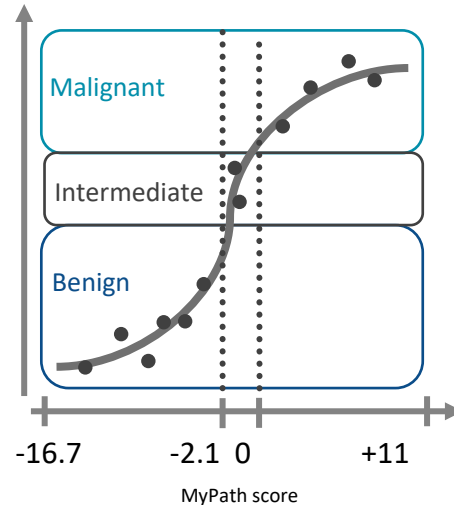
MyPath for Use in Ambiguous Melanocytic Lesions



Expression of each gene group is calculated and normalized to the control genes. The aggregated score for each gene group is input into a trained logistic regression algorithm which weights each input and calculates a single score and classification of benign, intermediate or malignant.



LOGISTIC REGRESSION ALGORITHM



TissueCypher

► Barrett's Esophagus

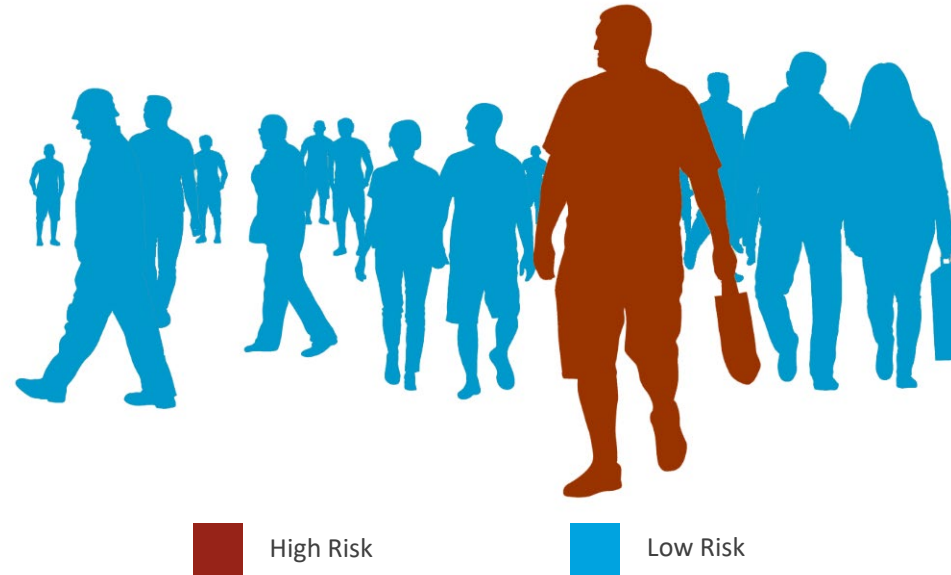


TissueCypher is a Risk Stratification Tool for Patients with Barrett's Esophagus

Individualize 5-year risk of progression to HGD or EAC

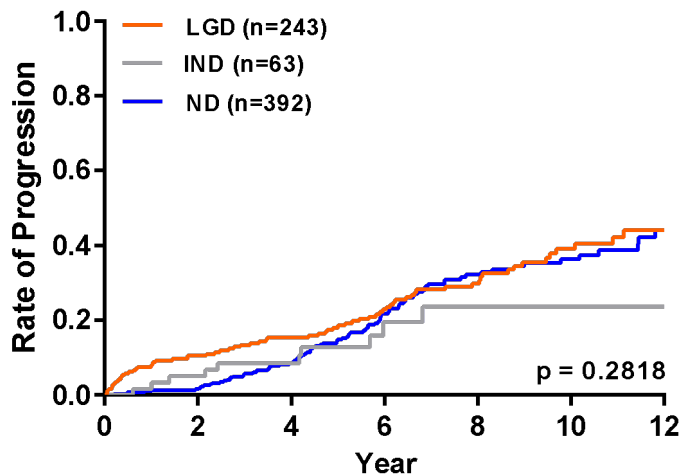
- Indicated for NDBE, IND, and LGD
- High Risk score enables increased surveillance or early intervention to prevent cancer
- Low Risk score minimizes over treatment and supports extension of surveillance intervals to guideline recommendations

TissueCypher
► Barrett's Esophagus

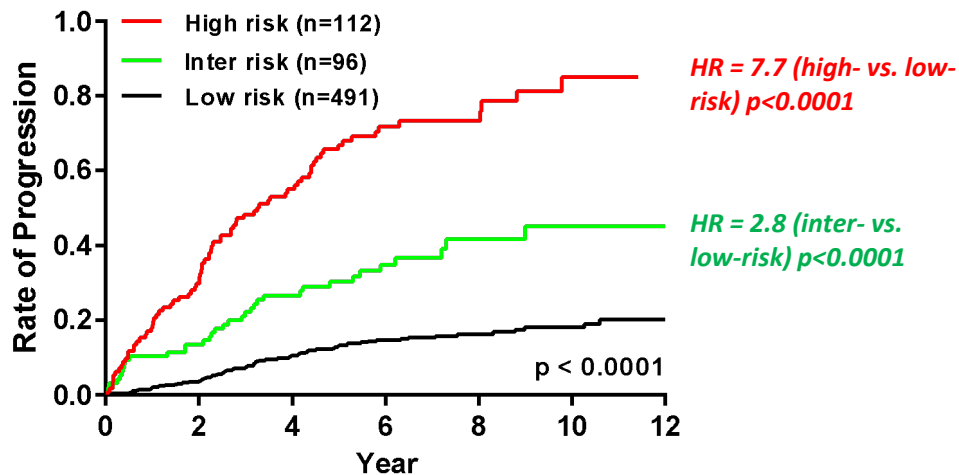


TissueCypher Is the Strongest Independent Predictor of Progression

Original Pathologic Diagnosis



TissueCypher



n=699 patients¹⁻⁵ (ND n=567, IND n=50, LGD n=82)
 152 incident progressors, 38 prevalent cases, 509 non-progressors

IDgenetix: Precision Medicine Designed to Streamline Medication Selection for Mental Health

Next Generation PGx

- Eliminate trial and error prescribing
- 3 in 1 test:
 - Drug-gene interactions
 - Drug-drug interactions
 - Lifestyle factors

Unrivaled Efficacy

- 2x improved chance of medication response vs. control
- >2.5x improved chance of remission of depression symptoms vs. control

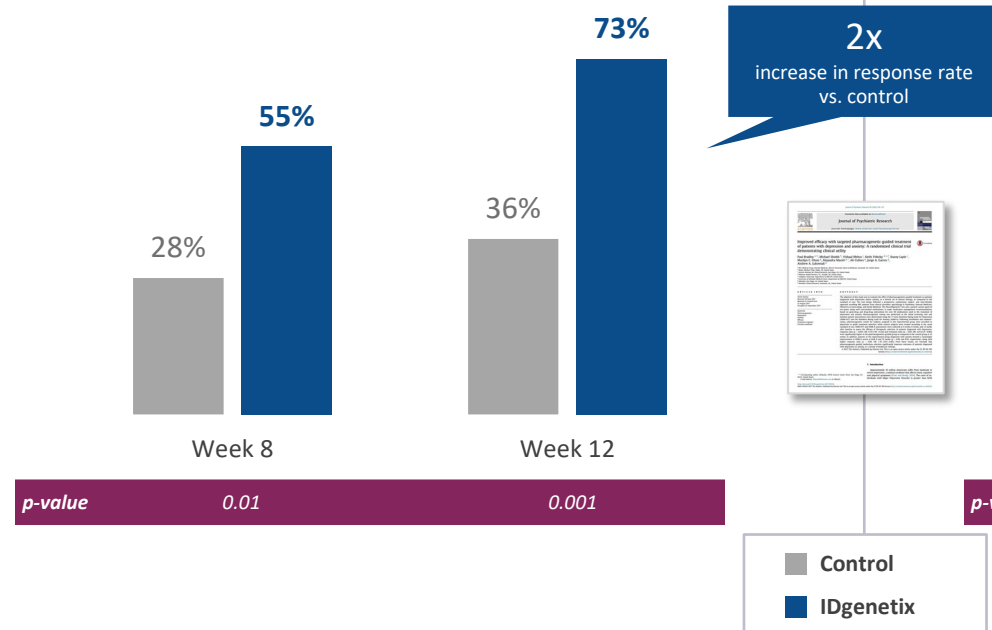
Easy to Use

- 10 mental health and pain conditions in one report
- <1 minute to collect DNA sample
- 3-5 days to receive test report
- Specialized sales and medical science liaison support

2.5x Increase in Remission Rates for Severe Depression Demonstrated Enhanced Clinical Outcomes vs. Standard of Care

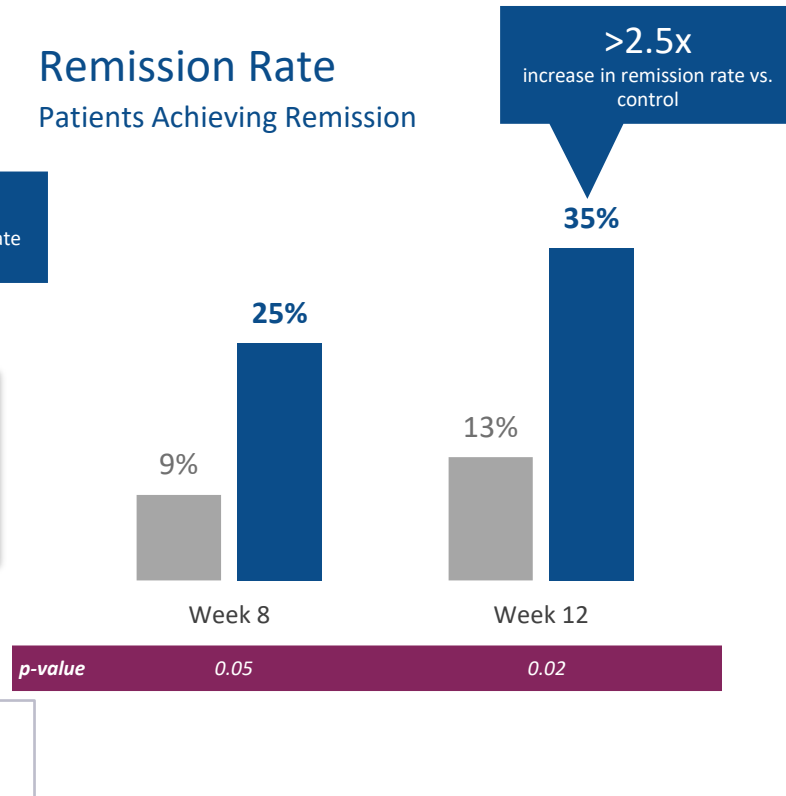
Response Rate

≥ 50% Reduction from Baseline



Remission Rate

Patients Achieving Remission



Decision Dx

►UM



DecisionDx-UM: the Standard of Care in the Management of Newly Diagnosed Uveal Melanoma

Strong Evidence Base

- 24 peer-reviewed publications with **3,600+ patients**

Widespread Adoption

- Nearly **8 in 10 patients** diagnosed with uveal melanoma in the U.S. receive the DecisionDx-UM test as part of their diagnostic workup
- **1,711 reports** issued in 2022

Broad Reimbursement

- In 2022, more than 100 commercial insurers covered DecisionDx-UM
- Medicare LCD **covers patients** with a confirmed diagnosis and no evidence of metastatic disease
- 2022 Medicare rate of \$7,776

AJCC and NCCN Guideline Inclusion

Facts About Uveal Melanoma

- **~2,000** patients diagnosed in the U.S. annually
- **~97%** of patients – no evidence of metastatic disease at the time of diagnosis
- **~30%** will develop metastases within 5 years

Decision Dx -UM

15-Gene Expression Profile (GEP) Test

Low-risk: **~67%**
Low Intensity Management

High-risk: **~33%**
High Intensity Management

Inflammatory Skin Disease

*Pipeline test to predict response to systemic therapies
with target launch by the end of 2025*

Castle Has Started Two Studies to Aid in Treatment of Inflammatory Skin Diseases

IDENTITY

- Help guide therapy selection for atopic dermatitis and psoriasis
- Prospectively enrolling, multi-center study
- Sample obtained through non-invasive skin scraping sample collection method

SIGNAL-MF

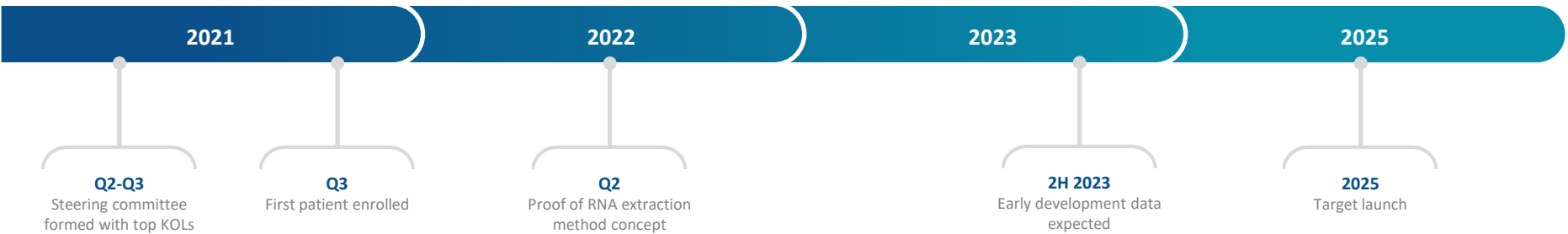
- Identify mycosis fungoides (MF)¹ – a type of cutaneous T-cell lymphoma that can mimic atopic dermatitis or psoriasis
- Sample obtained through non-invasive skin scraping sample collection method
- Prospectively enrolling, multi-center study
- Targeting 15 sites for enrollment; 16 committed²

IDENTITY Study

Castle's inflammatory skin disease pipeline test is being developed to predict systemic therapy response

54
Committed Sites

507
Patients Enrolled¹



Program Milestones

C/STLE
BIOSCIENCES

Thank you



Use Of Non-GAAP Financial Measures (Unaudited)

In this presentation, we use the metrics of Adjusted Revenues, Adjusted Gross Margin, Adjusted Operating Cash Flow and Adjusted EBITDA, which are non-GAAP financial measures and are not calculated in accordance with generally accepted accounting principles in the United States (GAAP). Adjusted Revenues and Adjusted Gross Margin reflect adjustments to net revenues to exclude changes in variable consideration related to test reports delivered in previous periods but not recorded as revenues until a subsequent period. Adjusted Gross Margin further excludes acquisition-related intangible asset amortization. Adjusted Operating Cash Flow excludes the effects of repayments to Medicare of COVID-19 government relief advancements to healthcare providers. Adjusted EBITDA excludes from net loss interest income, interest expense, income tax expense (benefit), depreciation and amortization expense, stock-based compensation expense, change in fair value of contingent consideration, and acquisition-related transaction costs.

We use Adjusted Revenues, Adjusted Gross Margin, Adjusted Operating Cash Flow and Adjusted EBITDA internally because we believe these metrics provide useful supplemental information in assessing our revenue and cash flow performance reported in accordance with GAAP, respectively. We believe that Adjusted Revenues, when used in conjunction with our test report volume information, facilitates investors' analysis of our current-period revenue performance and average selling price performance by excluding the effects of revenue adjustments related to test reports delivered in prior periods, since these adjustments may not be indicative of the current or future performance of our business. We believe that providing Adjusted Revenues may also help facilitate comparisons to our historical periods. Adjusted Gross Margin is calculated using Adjusted Revenues and therefore excludes the impact of revenue adjustments related to test reports delivered in prior periods, which we believe is useful to investors as described above. We further exclude acquisition-related intangible asset amortization in the calculation of Adjusted Gross Margin. We believe that excluding acquisition-related intangible asset amortization may facilitate gross margin comparisons to historical periods and may be useful in assessing current-period performance without regard to the historical accounting valuations of intangible assets, which are applicable only to tests we acquired rather than internally developed. We believe Adjusted Operating Cash Flow is also useful to investors as a supplement to GAAP measures in the assessment of our cash flow performance by removing the effects of COVID-19 government relief payment activity, which we believe are not indicative of our ongoing operations. We believe Adjusted EBITDA may enhance an evaluation of our operating performance because it excludes the impact of prior decisions made about capital investment, financing, investing and certain expenses we believe are not indicative of our ongoing performance, such as acquisition-related transaction costs. However, these non-GAAP financial measures may be different from non-GAAP financial measures used by other companies, even when the same or similarly titled terms are used to identify such measures, limiting their usefulness for comparative purposes.

Reconciliation of Non-GAAP Financial Measures (Unaudited)

The table below presents the reconciliation of adjusted revenues and adjusted gross margin, which are non-GAAP financial measures. See previous slide for further information regarding the Company's use of non-GAAP financial measures.

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<i>(in thousands)</i>				
Adjusted revenues				
Net revenues (GAAP)	\$ 38,338	\$ 25,039	\$137,039	\$ 94,085
Revenue associated with test reports delivered in prior periods	(806)	780	1,987	(3,324)
Adjusted revenues (Non-GAAP)	<u>\$ 37,532</u>	<u>\$ 25,819</u>	<u>\$139,026</u>	<u>\$ 90,761</u>
Adjusted gross margin				
Gross margin (GAAP) ¹	\$ 26,603	\$ 19,434	\$ 96,764	\$ 76,305
Amortization of acquired intangible assets	2,215	1,008	8,266	1,958
Revenue associated with test reports delivered in prior periods	(806)	780	1,987	(3,324)
Adjusted gross margin (Non-GAAP)	<u>\$ 28,012</u>	<u>\$ 21,222</u>	<u>\$107,017</u>	<u>\$ 74,939</u>
Gross margin percentage (GAAP) ²	69.4 %	77.6 %	70.6 %	81.1 %
Adjusted gross margin percentage (Non-GAAP) ³	74.6 %	82.2 %	77.0 %	82.6 %

1. Calculated as net revenues (GAAP) less the sum of cost of sales (exclusive of amortization of acquired intangible assets) and amortization of acquired intangible assets.
2. Calculated as gross margin (GAAP) divided by net revenues (GAAP).
3. Calculated as adjusted gross margin (Non-GAAP) divided by adjusted revenues (Non-GAAP).

Reconciliation of Non-GAAP Financial Measures (Unaudited)

The table below presents the reconciliation of adjusted operating cash flow, which is a non-GAAP financial measure. See slide 38 for further information regarding the Company's use of non-GAAP financial measures.

	<u>Three Months Ended</u> <u>December 31,</u>		<u>Twelve Months Ended</u> <u>December 31,</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<i>(in thousands)</i>				
Adjusted operating cash flow				
Net cash used in operating activities (GAAP)	\$ (6,000)	\$ (2,781)	\$ (41,655)	\$ (18,983)
Medicare advance payment ¹	—	2,999	—	8,350
HHS provider relief funds ²	—	—	—	(1,882)
Adjusted operating cash flow (Non-GAAP)	<u>\$ (6,000)</u>	<u>\$ 218</u>	<u>\$ (41,655)</u>	<u>\$ (12,515)</u>

1. We received an advance payment of \$8.3 million from the Centers for Medicare & Medicaid Service (CMS), for which recoupment has commenced in April 2021. We recorded the receipt of the payment as a liability on our balance sheet and, in accordance with GAAP, it was included in net cash provided by (used in) operating activities in the period received. We have excluded receipt of the advance payment from adjusted operating cash flow, but as claims were submitted for reimbursement and applied against this balance, we included the advance payment in adjusted operating cash flow to the extent that Medicare claims submitted for reimbursement were applied to the balance.
2. We received a one-time payment of \$1.9 million in relief funds automatically allocated to Medicare providers under the Coronavirus Aid, Relief and Economic Security Act (CARES Act) from the U.S. Department of Health and Human Services (HHS).

Reconciliation of Non-GAAP Financial Measures (Unaudited)

The table below presents the reconciliation of adjusted EBITDA, which is a non-GAAP financial measure. See slide 38 for further information regarding the Company's use of non-GAAP financial measures.

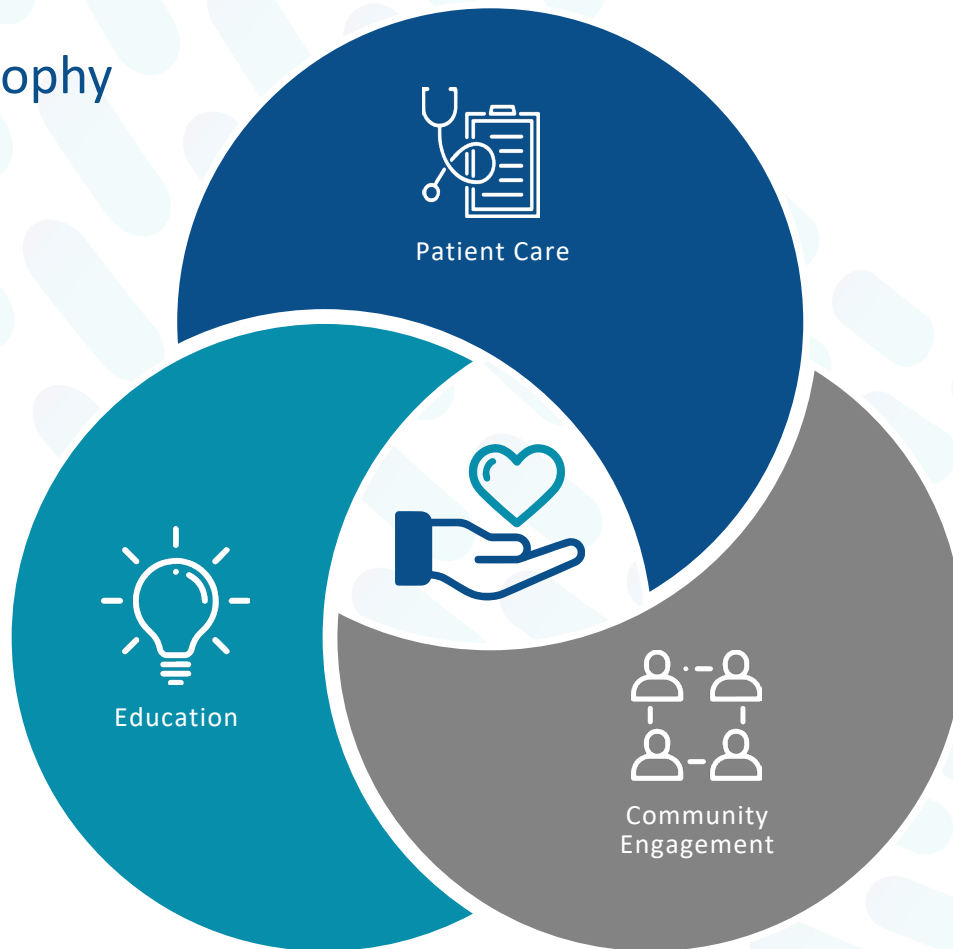
	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2022	2021	2022	2021
<i>(in thousands)</i>				
Adjusted EBITDA				
Net loss	\$ (20,618)	\$ (6,430)	\$ (67,138)	\$ (31,292)
Interest income ⁽¹⁾	(2,275)	(17)	(3,968)	(68)
Interest expense	4	1	17	1
Income tax expense (benefit)	57	(8,725)	(1,766)	(8,720)
Depreciation and amortization expense	2,841	1,451	10,543	3,407
Stock-based compensation expense	9,923	6,851	36,321	21,740
Change in fair value of contingent consideration	(300)	—	(18,287)	—
Acquisition related transaction costs	—	—	1,711	—
Adjusted EBITDA (Non-GAAP)	<u>\$ (10,368)</u>	<u>\$ (6,869)</u>	<u>\$ (42,567)</u>	<u>\$ (14,932)</u>

1. Beginning in the fourth quarter of 2022, we began excluding interest income from the calculation of Adjusted EBITDA. Prior periods presented herein have been recast to conform to the current period presentation.

Appendix



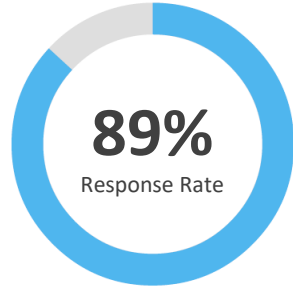
Our Giving Philosophy



Employee Engagement is Part of our Core Strategy for Success

Based on the results of Castle's annual employee survey¹

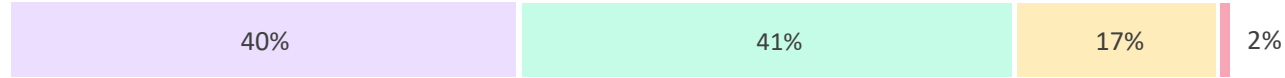
2022



Healthcare benchmark
response rate: 59%

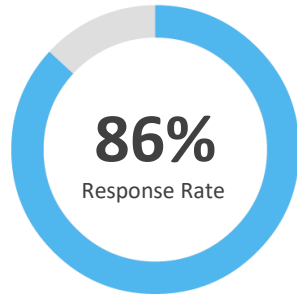
Castle employee
engagement score: **81%**

Healthcare benchmark
average engagement score: **53%**²



● Enthusiastically engaged ● Engaged ● Disengaged ● Deeply disengaged

2021



Healthcare benchmark
response rate: 63%

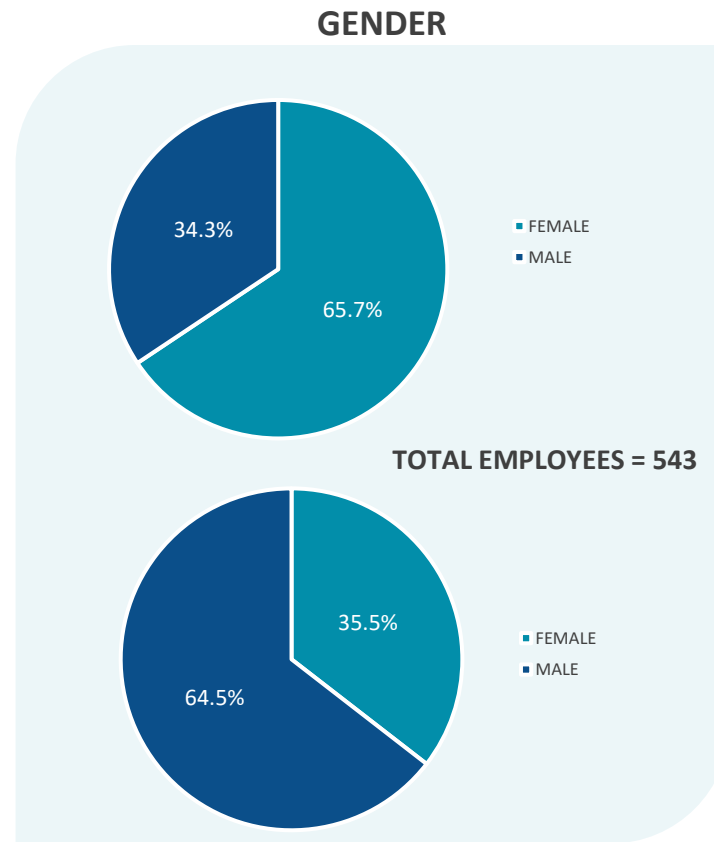
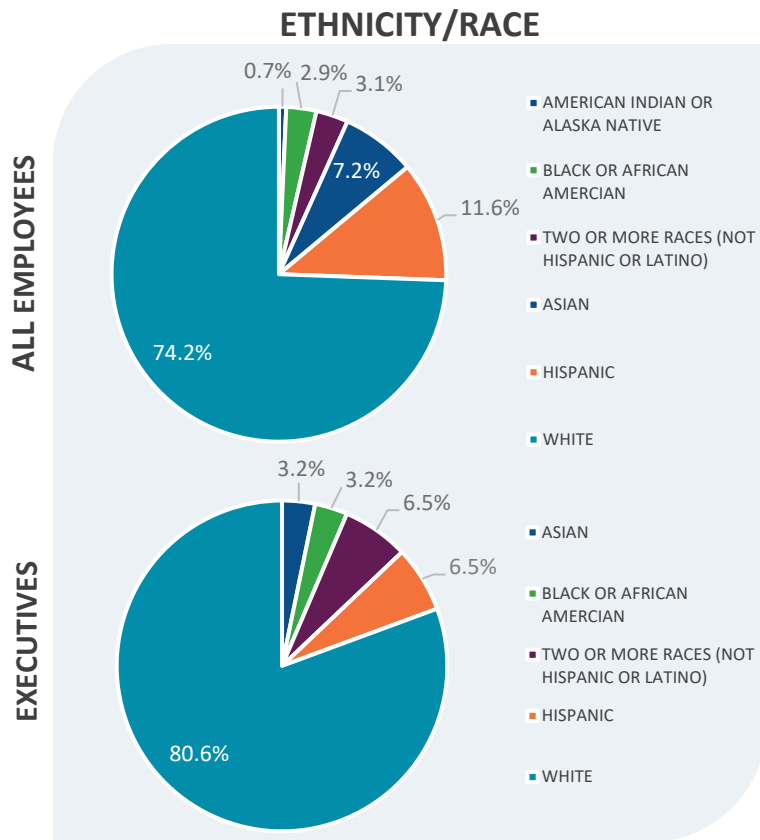
Castle employee
engagement score: **83%**

Healthcare benchmark
average engagement score: **66%**



● Enthusiastically engaged ● Engaged ● Disengaged ● Deeply disengaged

Commitment to Diversity



Award-Winning Company

Committed to cultivating a culture of innovation, continuous growth and advancement



2019 Technology Innovation in Melanoma Award Winner

Leadership Team Overview

MANAGEMENT TEAM

Derek Maetzold

Founder, Director, President and CEO



Frank Stokes

Chief Financial Officer



Toby Juvenal

Chief Commercial Officer



Stuart
Pharmaceuticals

Kristen Oelschlager, RN, CHC

Chief Operating Officer



Robert Cook, PhD

Senior Vice President, Research & Development



Northwestern



Matthew Goldberg, MD

Medical Director



Alice Izzo

Senior Vice President, Marketing



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Mara Aspinall



Brad Cole



Tiffany Olson



Miles D. Harrison



Kimberlee Caple



Ellen Goldberg

CHORD Consulting