

Improving Health Through Innovative Tests That Guide Patient Care

Q2 FY23 Review



- ▶ Q2 2023 revenue grew by 44% over Q2 2022 to \$50.1 million
- ▶ Delivered 16,820 total test reports in Q2 2023, an increase of 52% compared to Q2 2022
- ▶ Gross margin for the quarter was 73.5%, and adjusted gross margin* was 78.0%
- ▶ As of June 30, 2023, cash, cash equivalents and marketable investment securities totaled ~\$226 million

Three Strategic Guideposts

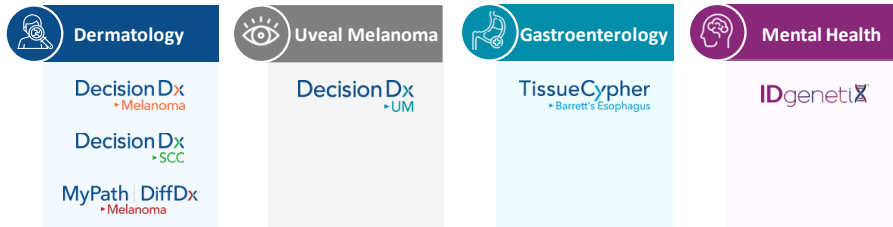
Creating Value for Customers,
Patients and Stockholders

Customer and
Solution Centric

Continuous
Evolution and
Improvement

Exceptional
Employees

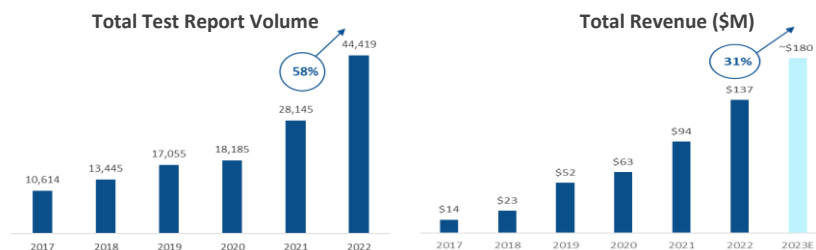
Portfolio of Innovative Tests Designed to Guide Patient Care



"Castle delivered an outstanding second quarter, with strength across our entire test portfolio. Building on our first quarter momentum and driven by consistent execution across the entire Castle team, we delivered strong test report volume and revenue growth. Based on strong first half 2023 execution and confidence in our business, we are raising our 2023 revenue guidance to at least \$180 million."

—Derek Maetzold, Founder, President & CEO

Proven Track Record of Consistent Execution (2017-2022)



USEFUL LINKS

- [Q2 2023 Earnings Press Release](#)
- [Q2 2023 Earnings Webcast](#)
- [2022 Annual Report](#)
- [Q2 2023 10-Q](#)

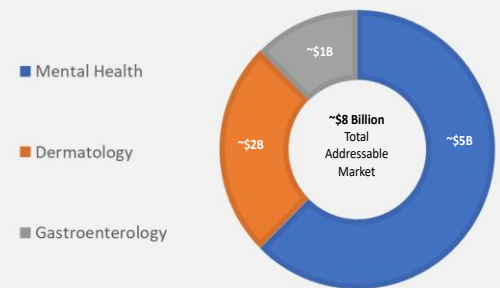
Mission: Improving health through innovative tests that guide patient care

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

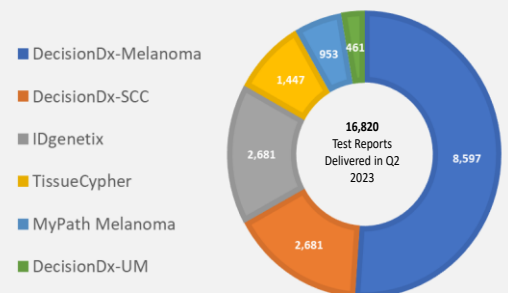
Values: Excitement, Collaboration, Integrity, Innovation, Trust and Excellence

Q2 2023 Highlights

Estimated U.S. Total Addressable Market[†]



Q2 2023 Test Report Volume



Forward-Looking Statements

Certain statements made herein, including our full year 2023 revenue guidance of at least \$180 million and our estimated total addressable markets for our products and product candidates, are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. They include statements that express management's expectations or beliefs regarding the future. We may not actually achieve the plans, intentions, or expectations disclosed in the 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 guidance (including, without limitation, our assumptions or expectations regarding continued reimbursement for our DecisionDx-SCC test at the current rate and reimbursement for our other products and subsequent coverage decisions, our estimated total addressable markets for our products and product candidates and the related expenses, capital requirements and potential needs for additional financing, the anticipated cost, timing and success of our product candidates, and our plans to research, develop and commercialize new tests and our ability to successfully integrate new businesses, assets, products or technologies acquired through acquisitions); the effects of macroeconomic events and conditions 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; 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, our Quarterly Report on Form 10-Q for the three months ended June 30, 2023 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 undertake to update its forward-looking statements, except as may be required by law.

Footnotes

* The table below presents the reconciliation of adjusted revenues and adjusted gross margin, which are non-GAAP financial measures.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
<i>(in thousands)</i>				
Adjusted revenues				
Net revenues (GAAP)	\$ 50,138	\$ 34,838	\$ 92,175	\$ 61,690
Revenue associated with test reports delivered in prior periods	88	(578)	1,705	300
Adjusted revenues (Non-GAAP)	<u>\$ 50,226</u>	<u>\$ 34,260</u>	<u>\$ 93,880</u>	<u>\$ 61,990</u>
Adjusted gross margin				
Gross margin (GAAP) ¹	\$ 36,832	\$ 25,055	\$ 66,465	\$ 44,315
Amortization of acquired intangible assets	2,248	2,097	4,470	3,745
Revenue associated with test reports delivered in prior periods	88	(578)	1,705	300
Adjusted gross margin (Non-GAAP)	<u>\$ 39,168</u>	<u>\$ 26,574</u>	<u>\$ 72,640</u>	<u>\$ 48,360</u>
Gross margin percentage (GAAP) ²	73.5 %	71.9 %	72.1 %	71.8 %
Adjusted gross margin percentage (Non-GAAP) ³	78.0 %	77.6 %	77.4 %	78.0 %

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).

†U.S. Total Addressable Market based on estimated patient population assuming average reimbursement rate among all payors.