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<<Doug Schenkel, Analyst, Cowen & Co. LLC.>>

All right. We're back continuing with the Cowen Liquid Biopsy Summit. It's my pleasure to welcome Kevin Conroy, the Chief Executive Officer and Chairman of Exact Sciences. I think this is a company we all know very well and have a ton of respect for in terms of all that's been accomplished in terms of advancing a new product outside or what was that a new product, but an established product that's been really working to improve a real need, which is the number of folks that are confidently screened for colorectal cancer.

But beyond Cologuard, Exact Sciences has a really exciting pipeline of new products that they intend to bring to the market over the next several years, many of these in the liquid biopsy space. And we've asked Kevin to come in and talk a bit more about those today. So Kevin, thanks for joining us. We really appreciate it. Let me turn it over to you. Same format as some of the earlier presentations. We'll go through some of your prepared remarks for 10, 15 minutes, whatever you want to go with and then we'll follow it up with some Q&A at the end. So thanks again, Kevin. Over to you.

<<Kevin Conroy, Chairman and Chief Executive Officer>>

Thanks, Doug. It's really great to present here today. It was 11 years ago that I had a meeting that I knew would change my life. I met with Dr. David Ahlquist at the Mayo Clinic, and he shared data showing the ability to detect colon cancer from stool using a then nascent class of biomarkers called DNA methylation. And I left that meeting knowing that I would join Exact Sciences. And together with Maneesh Arora and Graham Lidgard, built a team that would advance this idea.

During that meeting, Dr. Ahlquist also made a strong case for what he called pan-cancer screening. This was in 2011. And it was really a revolutionary idea then, just that a simple blood draw or a stool sample could be used to detect many cancers earlier when treatments are more effective. Dr. Ahlquist focused on DNA methylation as the best marker class for use in screening applications, and he did this because methylation markers are present more broadly in cancers than DNA mutations alone.

Over the last decade, together with the Mayo Clinic team, we identified highly accurate markers from the 15 most deadly cancers for use in both screening and diagnostics. Today, I'm happy to tell you that we will be sharing initial and powerful data from blood samples, resulting from over – there's over a decade-long work that we have done with Mayo Clinic, in a multi cancer setting based on this marker discovery and for use in product development of a multi cancer screening test.

I will also lay out why we believe that Exact Sciences alone has the right people, the broadest capabilities and this powerful infrastructure to bring multicancer testing to patients and physicians both in the U.S. and globally. We will be making forward-looking statements. And you can see our – this statement more completely on our website.

First, a little bit about Exact Sciences. With the combination with Genomic Health, we have a team of over 4,000 people serving patients in over 90 countries. And the largest commercial team by far, with over 1,000 people in cancer diagnostics, in sales and marketing. We also have this incredible R&D team with over 250 scientists. Last year, as a company, we generated on a combined basis with Genomic Health over $1.3 billion in revenue.

We really have the experience of bringing screening tests all the way from marker identification, all the way to physicians. And this is a complicated difficult process. And it requires incredible and systematic architecture as a company and an amazing team to be able to do that efficiently. And we'll lay out here exactly what that path looks like. First of all, marker discovery. This is the magic, and there's no shortcuts to identify the right markers. We have concentrated on DNA methylation and have added to that other classes of markers to provide maximum sensitivity at a high level of specificity for the test that we develop.

And with the Mayo Clinic, what we did is we gathered both cancer tissues and normal tissues in the hundreds for each of these cancers and did sophisticated DNA sequencing. And we've done this over a seven-year period of time to identify the top markers. On average, each of these markers that we have narrowed down to are 97% accurate. And we have filed over 3,000 patent applications on these discoveries and methods of detection, both with PCR and sequencing. This is what we have done over a long period of time, and we started in tissue.

Looking for those hypermethylated sites knowing exactly where they are in the genes. And you start with looking at 1 million sites and you go down to 10,000 and then to a 1,000 and then to a 100. And then you're able to sit through and identify the top 5 to 10 markers per cancer. We have been working on validating those markers in blood and the goal is to be over 95% accurate in both. Today, we'll show the data of just how accurate these markers are.

One of the hardest things to do in developing a new cancer test is to actually get well-characterized samples. Samples that you can use in product development to optimize the use of those markers in a product that would be used with patients. This is a long and cumbersome process, but getting those samples is critical, and we have over 200,000 characterized blood samples.

And importantly, a few years ago, we acquired Biomatrica, which has a blood preservation technology that preserves DNA and blood. And based on the work that we've done, we see 50% better DNA preservation in the LBgard tubes than a conventional Streck tube. And this is really important if you're looking for a needle in a haystack to preserve as much of that DNA as possible. Our platform technologies on which Cologuard is run. You know Cologuard. You know how robust the technology is. These technologies are highly sophisticated and just how flexible they are and how flexible our team is as shown in using these same molecular chemistries to accurately detect COVID.

We, as a company sprung into action to help test COVID patients all across the country. And we've used this same platform technology, which is highly accurate and scalable. A massive investment was made to put us in a position to be able to do that. We will use these same technologies in the future. Now the next step becomes a very long and arduous process and that is running robust prospective clinical trials.

And we've run over 100 clinical trials as a company and many large prospective studies. In fact, these are the studies that have 10,000 patients and this is the important part. The proof in the pudding is actually when you run the study and you collect samples prospectively and you test them, that's when you determine how accurate your test is. And having the people and the team that are able to run those studies is critical.

Regulatory expertise, too, it's how Cologuard was born. Being able to navigate the FDA and Medicare processes and the United States Preventive Services Task Force and the other guideline groups and quality measure groups and reimbursement, these skills are embedded in the team that we have at Exact Sciences. And we know we can use that experience to help us bring new cancer screening tests to people who need them.

Insurance coverage. Between Cologuard and Oncotype DX, over 95% of Americans have access to these two brands which we believe are the best brands in cancer diagnostics. Having contracts with all the major insurers helps significantly speed up the process of getting new tests commercially covered so that broadly Americans have access to new technologies. Our lab infrastructure where we run Cologuard today. We have two labs in Madison, Wisconsin. We also have our Precision Oncology labs in California and Arizona. Together, we have about 230,000 square feet of lab space. And we also have invested in over $100 million of automation equipment that goes inside these labs and the team of people who bring that automation to life.

Our IT foundation. A lot of people go into diagnostics, not understanding how important electric – electronic connectivity is between patient and physician and specialty diagnostic company. And we are the only specialty diagnostic company on the Epic platform. The platform on which most doctors in this country use, and this connects us with primary care offices, which is absolutely critical for a multicancer screening tests.

In total, we've invested over $340 million in building out this IT infrastructure. And it's a huge mountain to climb. We're so proud of how effective we are and making it easier for physicians to order tests and for patients to get results. And you can really see that with COVID where 80% all of the COVID tests are now ordered electronically. You cannot bring a screening test to patients without a strong customer service support function. And this year alone, to date, we had held over 9.3 million patient and health care provider support calls. This team of over 500 people can't wait to be able to bring new innovative tests to physicians and patients who want them.

Sales and marketing. We have a team of 1,000 people in sales and marketing. And just in primary care alone, we have 500 people in the field and another 150 on our in-house team. So 650 people who every day, all day, connect with offices. We also have teams in oncology, 90 people; gastroenterology, 60 people; urology, 50 people and in women's health as well. All

together, we have invested over $2.6 billion into our sales and marketing function and this is critical. If you're going to bring a new test to patients, it starts in the primary care office.

This makes us really excited to enter and provide a solution in the field of multi-cancer screening. And first, let's take a step back and take a look at the importance of multi-cancer screening. Research shows that between 3% and 4% of people over the age of 50 have cancer and don't know it. It's the number two cause of death in the U.S. And for people who are under the age of 85, it is the number one cause of death. And because of the high prevalence of a large number of cancers, call it 15 cancers, with 3% to 4% prevalence, the idea of screening there is that you need to screen fewer people to detect one cancer. And by detecting cancer earlier is powerful.

Typically, a Stage I cancer is about 90% curable, that is measured in terms of five-year survival. Typically, a Stage IV cancer, only about 10% of people survive five years. And so the whole idea of detecting earlier changes, cancer outcomes more powerful, we believe, than any cancer therapy. And with colorectal cancer because the prevalence of any one single cancer isn't as high, we need to screen 166 people to detect one cancer.

With our multi-cancer screening test that number may be as low as 30. We want to provide a solution here to make a difference. That is why we recently went into that sample bank with our optimized markers to test, okay, we have been identifying these markers over a long period of time.

Let's see how it works in the samples that we collected. So we looked at six different cancers. And we started with an end of 292 patient samples, 120 cases and 172 controls. That's a training set. And it's really important to do a training set first where you draw line or you define an algorithm that separates cancers from no cancer.

Then you take that algorithm blinded going into another population of patients here, we did 60 cases and 85 controls. And as you can see here, the data, in the training set, we detected 87% of cancers, and this is with five methylation markers and three proteins. And 83% in the test set. That proved it out. It's a brand-new set cohort of samples.

Now I want to emphasize this is early data. The specificity here was 95%, which means a 5% false positive rate. Now remember, some of those patients in that normal control probably had cancer. So maybe a couple of those are cancers that we were also detecting. And it's – there's a ton of work that needs to be done, and we have the samples to be able to do that. So the way to look at this data is it's initial data. It is on later – more later stage cancers and earlier cancers. It spans all four stages one, two and three, four, but it's more biased to later, so that would increase the sensitivity. And now we have to do more work across all four stages of cancers and do further marker optimization. We are so excited by this data.

How many samples do we have? And this is critical. I had a dinner with Dave Ahlquist three years ago, and he said, Kevin, we need to move faster and forward to gather the samples to do product development, and I agree with him. And the next day we sprung into action. And here three years later, we have over 3,500 samples, blood samples from patients with cancer Stage 1

through 4. These are precious samples through which we can do additional product development studies, publish that data and move into a prospective setting. And in fact, we have 1,400 samples with all early cancers. We're excited about this, and this serves as a fuel now for us to be able to press on the accelerator and move rapidly into product development.

This culminates then that very idea that Dr. Ahlquist had in that first meeting that we had in February of 2009. And I stand here as excited today, as I was then in that meeting where I was really excited about the idea of bringing a colon cancer screening test to people who need it. The team at Exact Sciences, we believe alone today has the capability to make a multi-cancer screening test a reality and to bring it broadly to physicians and patients. Thank you.

Q&A

<Q – Doug Schenkel>: Well, Kevin, that was a lot. Thank you for that. So really promising data. I appreciate you acknowledging that it's early, but the data looks great. Clearly, you got a little bit more work to do or maybe a lot more work to do, I'm not sure, I guess that is kind of the question. So why don't I start there. Kind of what comes next year? And how should we think about time lines for Exact moving more aggressively into multi-cancer asymptomatic screening?

<A – Kevin Conroy>: Well, we can talk about the broad time lines at a later point. But knowing that much of the hardware, the DNA methylation marker detection and discovery work and the other classes of markers that go with that, a lot of that work is just an enormous amount of time. And so now moving into product development is more about optimizing which markers are you going to use, and developing a task that optimizes for sensitivity and specificity.

Our goal will be to improve the specificity and to prove this out in earlier stage cancers. And again, we have the samples to be able to do this, so we can do this in an accelerated way. We also know how to run large clinical trials and to engage with the FDA. We – I believe we preserved a great relationship with both FDA and Medicare. And we know the challenging path forward to actually bring the product through both of those groups and to develop the evidence necessary for USPSTF. And I'll say this. I think it's important for other companies to be conducting large studies because USPSTF is going to want to see multiple large studies before they change their perspective and create a whole new class of screening.

<Q – Doug Schenkel>: Yes. And I guess I don't know that there's a question here, but I mean, in an era where there's a lot of exciting technological advancement, but there's a lot of ambiguity in terms of exactly how this is going to be regulated and how it's going to be reimbursed between what you have in terms of the expertise in navigating for the FDA. And then also your infrastructure out in California through Genomic Health, your ability to run lab-developed tests and be nimble from a reimbursement standpoint, you can kind of go either way at different points depending on what's required.

<A – Kevin Conroy>: That is right. The breadth and depth of our – the company architecture is actually required to actually upbring a test of physicians and patients, and that is something that we have built over the last decade and it's not easy. It requires great people and with the

Genomic Health team and the Exact Sciences team now operating as one team, we have the ability to move heaven and earth.

<Q – Doug Schenkel>: A lot of new things there. And it's by far the most we've ever heard you talk about a multi-cancer detection program. And the samples that you have to process and the position of that initiative. Clearly, one of the questions that's been out there for a little while is, as you look to the future, how do you balance liquid biopsy developments with the desire to continue to be successful with Cologuard. So this is really different, right? Cologuard is for an at-risk population, whereas in theory, what we talked about could be used in anybody who's asymptomatic. Again, we'll see how the data plays out over time. Is there anything that you presented today that can inform us a little bit more on how you are progressing with efforts to advance a single cancer CRC test that could address the market desire in theory for a blood-based test versus a stool based test?

<A – Kevin Conroy>: Yes. We have not presented our CRC data, know though that what we have done is going and find those primary optimize, the best DNA methylation markers and other classes of markers that's similar to multi-cancer. We have shown data in blood that has great promise. And – but the challenge, of course, is ultimately going to be proven out in a prospective study, where you have many stage – early Stage I cancers and advanced adenomas precancers where there's so little, if any, DNA in the blood sample. And that's where the challenge is.

Cologuard clearly sets the standard because of the biological nature of shedding of DNA into stool when it isn't being shed into blood. So we believe that we will bring the best – because we have the best science and scientists, we will bring the best CRC blood test to physicians and patients. We don't believe that a blood test is going to replace colonoscopy or Cologuard. We think it will be used in a subset of the population that refuse other forms of screening. A blood test could be equal to, maybe better than a FIT test, but it is not the revolutionary test that Cologuard was and is.

<Q – Doug Schenkel>: All right. Kevin, maybe I'll close. Obviously, we could spend a lot more time with you unpacking the data or at least trying to. But certainly, what you presented is new and exciting, and we look forward to hearing more about these programs and how the performance varies across stage and cancer types. So I'm sure we'll hear more about that over the coming months and coming quarters. One of the questions we've tried to close with when we have time is what are the most bold or controversial or exciting predictions you'd like to make for the liquid biopsy market over the next five years? Given what you just presented, maybe you can make a bold prediction for the role Exact will play in advancing liquid biopsy applications.

<A – Kevin Conroy>: Exact Sciences is the leader today in non-invasive colon cancer screening. And five years from now, there's no doubt in my mind that we will be the leader in multi-cancer screening, blood-based colon cancer screening. And I know that because we have the right team and we have the right science and fundamentally, we had – and I'm really proud of this, we have done things the right way and we'll continue to. And it's only by doing that the right way. And there are many companies here who are advancing the cause of liquid biopsy. The world is going to be very different in five years, and it's going to be truly different in 10 years. And it's – the

world isn’t going to be all about cancer therapies, it is going to be about early cancer detection and we will be the leader.

<<Doug Schenkel, Analyst, Cowen & Co. LLC.>>

All right. That – we’ll leave it there. Thank you so much, Kevin, and look forward to catching up soon.

<<Kevin Conroy, Chairman and Chief Executive Officer>>

Thank you. Take care.