



NEWS RELEASE

Hologic to Acquire Biotheranostics, Leader in Molecular Tests for Breast and Metastatic Cancers, for Approximately \$230 Million

1/5/2021

– Transaction Accelerates Hologic’s Entry into Oncology Growth Market, Provides New Lab Capabilities –

– Hologic’s Commercial Resources, Expertise in Molecular Automation Expected to Boost Biotheranostics Growth –

MARLBOROUGH, Mass.--(BUSINESS WIRE)-- Hologic, Inc. (Nasdaq: HOLX), a global leader in women's health, announced today that it has agreed to acquire Biotheranostics, Inc., a privately held, commercial-stage company that provides molecular diagnostic tests for breast and metastatic cancers, for approximately \$230 million, subject to working capital and other customary closing adjustments.

“Acquiring Biotheranostics enables us to jump-start our entry into a large, fast-growing oncology adjacency that fits perfectly with our broader corporate focus and passion for women’s health,” said Kevin Thornal, Hologic’s Division President, Diagnostics. “Together with the Biotheranostics team, we can leverage our commercial capabilities and expertise in molecular diagnostics automation to accelerate growth, help physicians make more informed decisions, and deliver more personalized treatment and better clinical outcomes for more women. In addition, Biotheranostics’ CLIA (Clinical Laboratory Improvement Amendments) lab provides us new capabilities to help accelerate market development for innovative new tests.”

“We are thrilled that the Biotheranostics team will become part of Hologic’s diagnostic business,” said Don Hardison, Biotheranostics’ President and Chief Executive Officer. “Hologic’s leadership in women’s health and molecular automation will accelerate access for both of our novel, proprietary tests, translating into better clinical outcomes for cancer patients. For Breast Cancer Index (BCI), our long-held belief is that all women who are being treated with endocrine therapy for their breast cancer deserve to know what is right for them. Being part of Hologic



only helps bring that hope closer to reality. In addition, patients facing the challenges of metastatic cancer will have broader access to our CancerTYPE ID offering that can aid in the diagnosis of the tumor type and subtypes representing 95% of all solid tumors.”

Both of Biotheranostics’ tests are PCR (polymerase chain reaction)-based gene expression tests that have been extensively validated in large studies in areas of oncology with critical unmet needs and high growth potential. The BCI test is included in several clinical practice guidelines for breast cancer, and both tests enjoy widespread reimbursement in the United States.

“Using our strong cash flow to further expand our core businesses into large, fast-growing adjacencies is a key goal of our capital deployment strategy,” said Steve MacMillan, Hologic’s Chairman, President and Chief Executive Officer. “Acquiring Biotheranostics leverages our strengths in molecular diagnostics and complements our leadership in breast health, while providing attractive growth and return on invested capital.”

Biotheranostics generated approximately \$33 million of revenue in calendar 2020. The acquisition is expected to be slightly dilutive to Hologic’s non-GAAP earnings per share in fiscal 2021, break-even in 2022, and accretive thereafter.

The acquisition is expected to close in February of 2021, subject to antitrust clearance and other customary closing conditions.

About Hologic, Inc.

Hologic, Inc. is an innovative medical technology company primarily focused on improving women's health and well-being through early detection and treatment. For more information on Hologic, visit www.hologic.com.

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About Biotheranostics, Inc.

Biotheranostics, Inc. is a commercial-stage molecular diagnostics company that develops and provides diagnostic, prognostic and predictive tests that support physicians in the treatment of cancer patients. The company is based in San Diego, CA and offers testing services through its CLIA-certified, CAP-accredited laboratory that is directly licensed or otherwise authorized to perform testing in all 50 states. Biotheranostics is a leader in the development of evidence-based biomarkers to address unmet medical needs, and the company has set the foundation for rapid growth. For more information, visit biotheranostics.com.

Non-GAAP Financial Measures

This press release discusses non-GAAP diluted EPS, which is a non-GAAP financial measure. Hologic's definition of non-GAAP diluted EPS may differ from similarly titled measures used by others. Hologic defines its non-GAAP EPS presented in this press release to primarily exclude the amortization of intangible assets, acquisition- and integration-related charges, and income taxes related to such adjustments.

Non-GAAP diluted EPS adjusts for specified items that may be non-cash, or can be highly variable or difficult to predict. In the context of forward-looking statements, the non-GAAP financial measures facilitate period-to-period comparisons by excluding the effects of events that have occurred in the past or may occur in the future and have accounting consequences that can mask underlying operational trends, such as acquisitions, restructurings, debt extinguishment and impairments.

This non-GAAP financial measure should be considered supplemental to, and not a substitute for, financial information prepared in accordance with GAAP. Because non-GAAP financial measures exclude the effect of items that will increase or decrease Hologic's reported results of operations, management encourages investors to review Hologic's consolidated financial statements and publicly filed reports in their entirety.

Future GAAP EPS may be affected by changes in ongoing assumptions and judgments, and may also be affected by non-recurring, unusual or unanticipated charges, expenses or gains, which are excluded from the calculation of Hologic's non-GAAP EPS as described in this press release.

When Hologic provides its expectations for non-GAAP EPS on a forward-looking basis, a reconciliation of the differences between these non-GAAP expectations and the corresponding GAAP measures are not available without unreasonable effort because Hologic has not estimated the fair value of the assets and liabilities expected to be acquired in the transaction. Nor has Hologic determined the fair value of acquired intangible assets and related annual amortization expense that would be required to provide the corresponding GAAP measure. The variability of the items that have not yet been determined may have a significant, and potentially unpredictable, impact on Hologic's future GAAP results.

Forward-Looking Statements

This news release contains forward-looking information that involves risks and uncertainties, including statements about each company's plans, objectives, expectations and intentions. Such statements include, without limitation: financial or other information based upon or otherwise incorporating judgments or estimates relating to future performance, events or expectations; each company's strategies, positioning, resources, capabilities, and expectations for future performance; and each company's outlook and financial and other guidance. These

forward-looking statements are based upon assumptions made as of this date and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those anticipated.

Risks and uncertainties that could adversely affect either company's business and prospects, and otherwise cause actual results to differ materially from those anticipated, include without limitation: the possibility that the anticipated benefits from the proposed transaction cannot be fully realized or may take longer to realize than expected; the possibility that costs or difficulties related to the integration of Biotheranostics' operations with those of Hologic will be greater than expected; the ability of Hologic and Biotheranostics to retain and hire key personnel; the coverage and reimbursement decisions of third-party payers and the guidelines, recommendations, and studies published by various organizations relating to the use of products and treatments; the ability to successfully manage ongoing organizational and strategic changes, including Hologic's ability to attract, motivate and retain key employees; the development of new competitive technologies and products; regulatory approvals and clearances for products; the anticipated development of markets in which products are sold into and the success of products in these markets; the anticipated performance and benefits of products; estimated asset and liability values; anticipated trends relating to Hologic's financial condition or results of operations; and Hologic's capital resources and the adequacy thereof.

The risks included above are not exhaustive. Other factors that could adversely affect Hologic's business and prospects are described in Hologic's filings with the SEC. Hologic expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any such statements presented herein to reflect any change in expectations or any change in events, conditions or circumstances on which any such statements are based.

Source: Hologic, Inc.

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