



3Q 2024 Earnings Results

Nasdaq: NEO

November 5th, 2024

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Mission

We save lives by improving patient care.

Vision

We are becoming the world's leading provider of comprehensive cancer testing, data and solutions through uncompromising quality, exceptional customer experience, and innovative products and services.

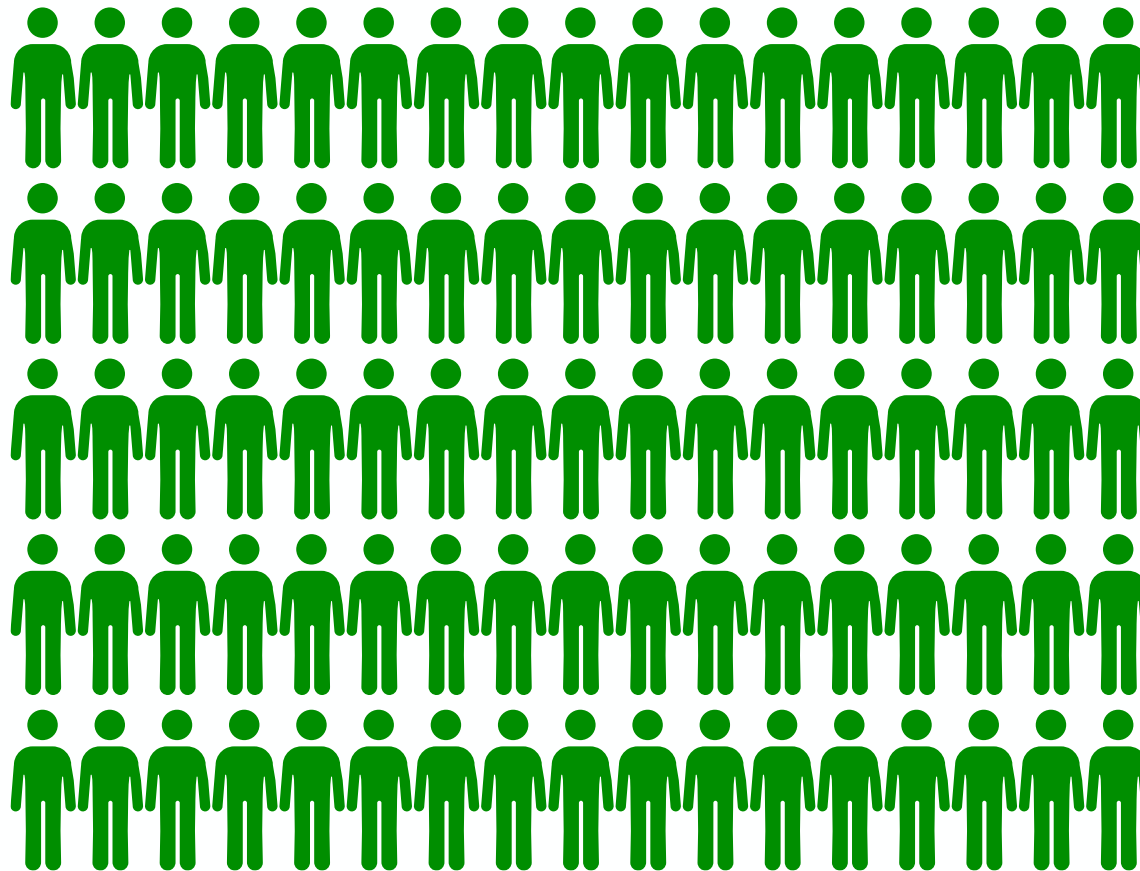
We focus on the ~85% of patients receiving care in community setting

We treat patients in their own communities

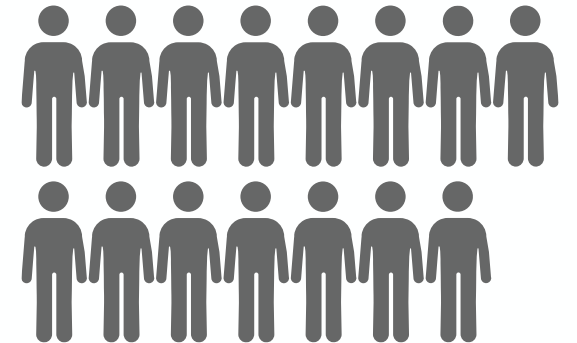
Community setting offers:

- More personalized care, strong patient-provider relationships
- Accessibility, proximity to home and loved ones
- Cost-effectiveness

~85% Community Setting



~15% Academic hospitals/cancer centers



Our Community Translation Platform

Is core to our Long-Term Market Differentiation

Precision oncology tests and data



Academic Oncology Centers and Biopharma

Customer Experience

Operational Excellence

Interoperability

- Broad oncology test menu (600+); Flexible partnership model (TC/PC)
- Comprehensive oncology offerings in Solid and Heme targeted to community generalist

- Best-in-class TAT's; Geographically balanced footprint
- Operating efficiencies driving lower COGS
- LIMS and automation

- Delivery through customer portal or bi-directional EMR integration
- Unified result delivery channel across all testing modalities
- Simplified, user-friendly and operationally seamless



Community Setting Pathology and Oncology

Community perspective to inform innovation

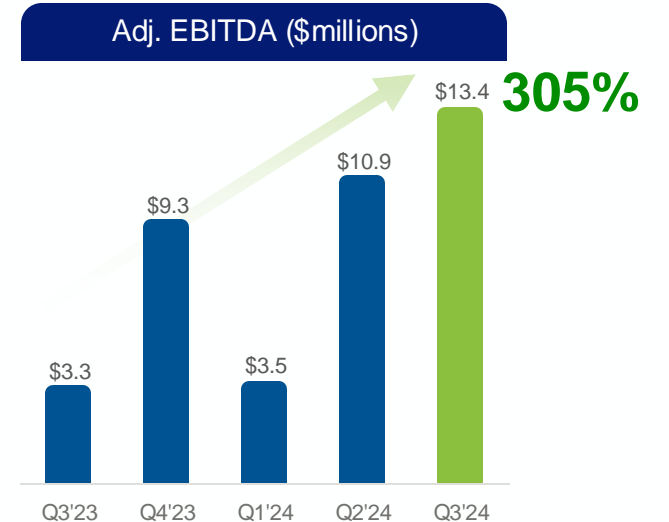
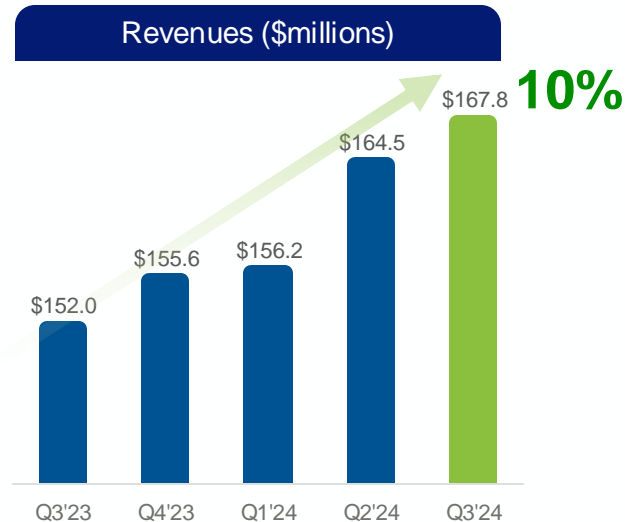
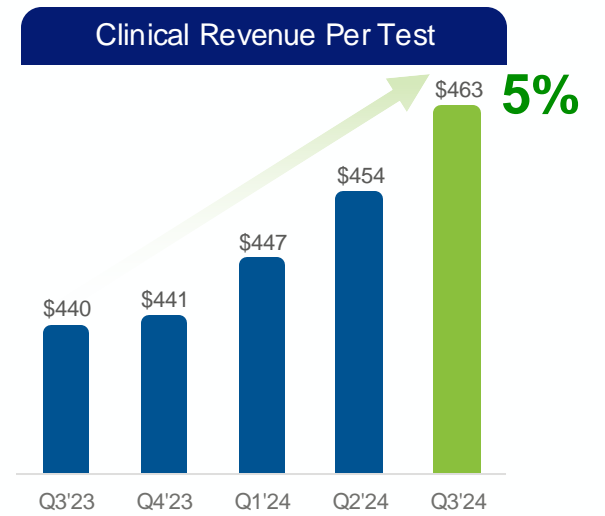
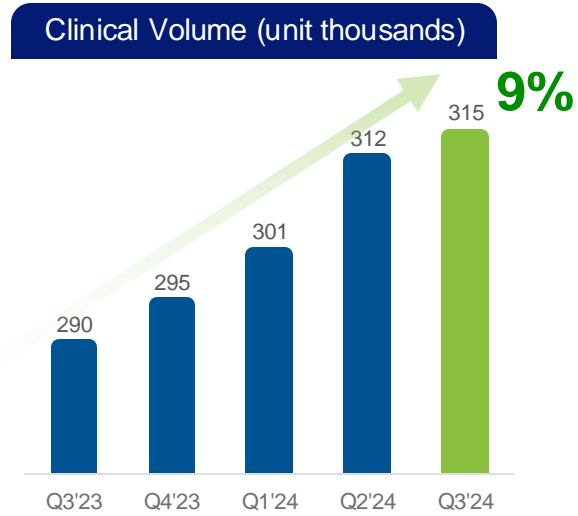


Momentum Continues

3Q 2024 Highlights

- Double digit revenue growth
- Testing volumes increased 9% vs prior year
- Adjusted Gross Margin increased to 48%
- 26% growth in NGS revenue
- AEBITDA improves 305% with 5 consecutive quarters of positive AEBITDA
- Over 350,000 specimens accessioned through first LIMS module
- Increasing FY adj. EBITDA guide

Served more patients in a single quarter than ever before

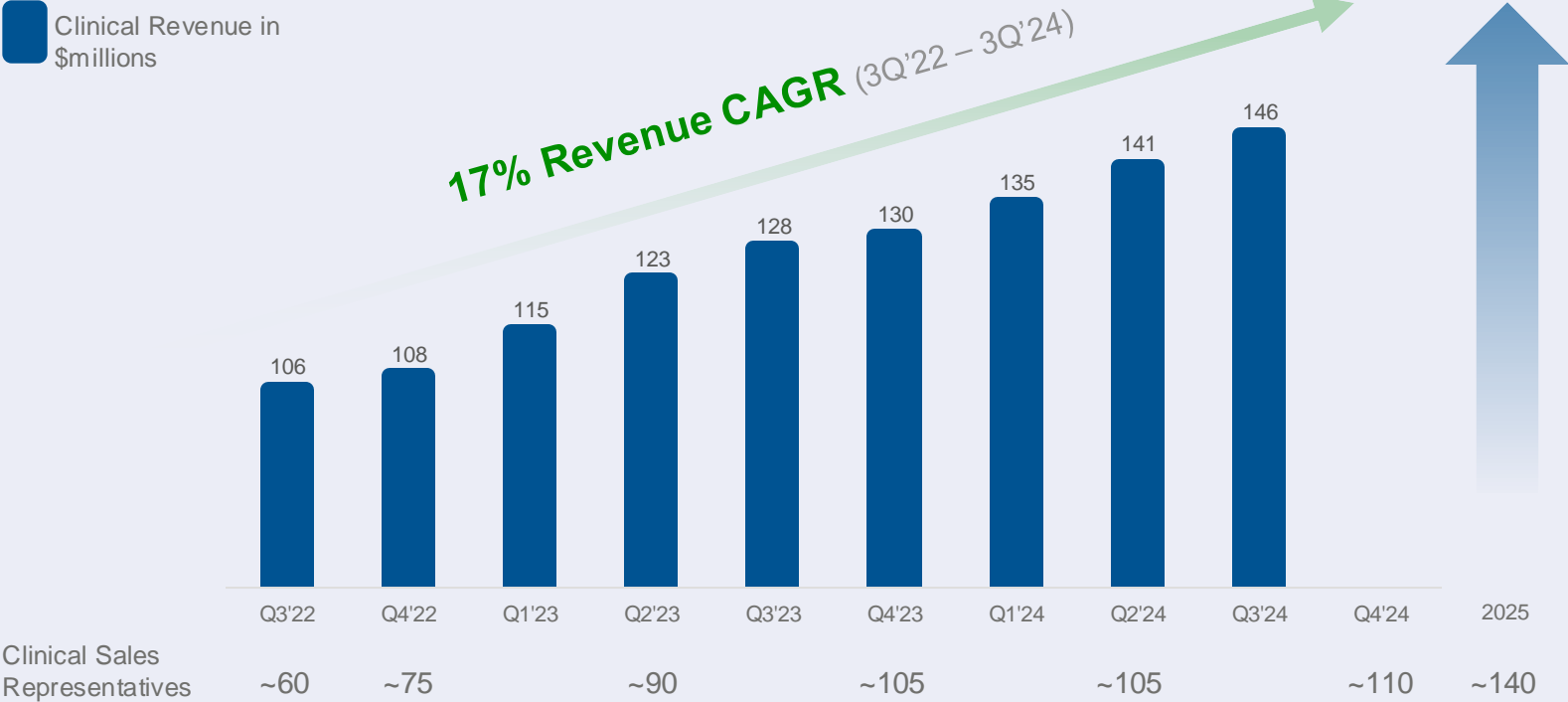


Sustainable Growth – Commercial Optimization

Key Growth Drivers

- Record volume growth of 9%, all modalities growing faster than market,¹ led by NGS
- Highest quarterly customer retention rate
- Health system wins
- Continued addition of commercial resources
- Best-in-Class Customer Experience supported by 10% improvement in TAT vs Q3'23

Profitably Grow the Core Business

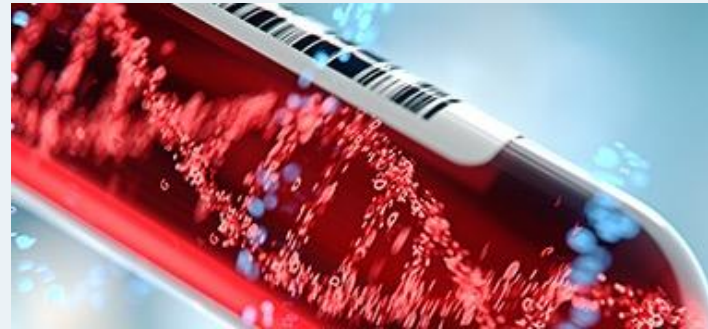


¹: Laboratory Economics, The US Anatomic Pathology Market Forecast & Trends 2022-2024
 Quarterly financial information is unaudited. Growth corresponds to prior year period. Reference non-GAAP reconciliation slides in Appendix for details.

Sustainable Growth – Innovation

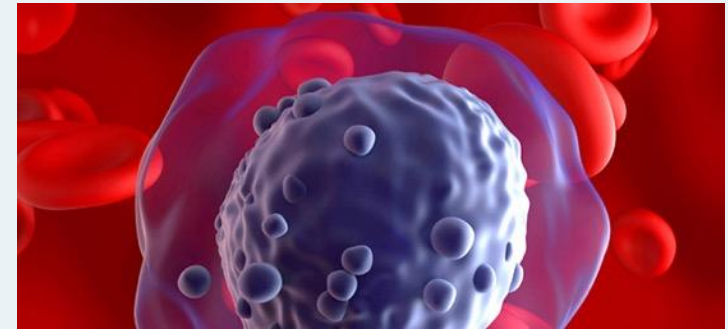
New Product Development

- 13 new and upgraded products launched in last 18 months
- Launched PanTracer LBx for Pharma, AML Express for Clinical
- Pending launches for 2025
- New Chief Innovation Officer



NEO | PanTracer™ LBx

- 500+ gene NGS assay
- Detects all major variants including MSI and TMB
- Minimal sample input
- Highly competitive sensitivity and specificity
- 7-day TAT



NEO | AML Express™

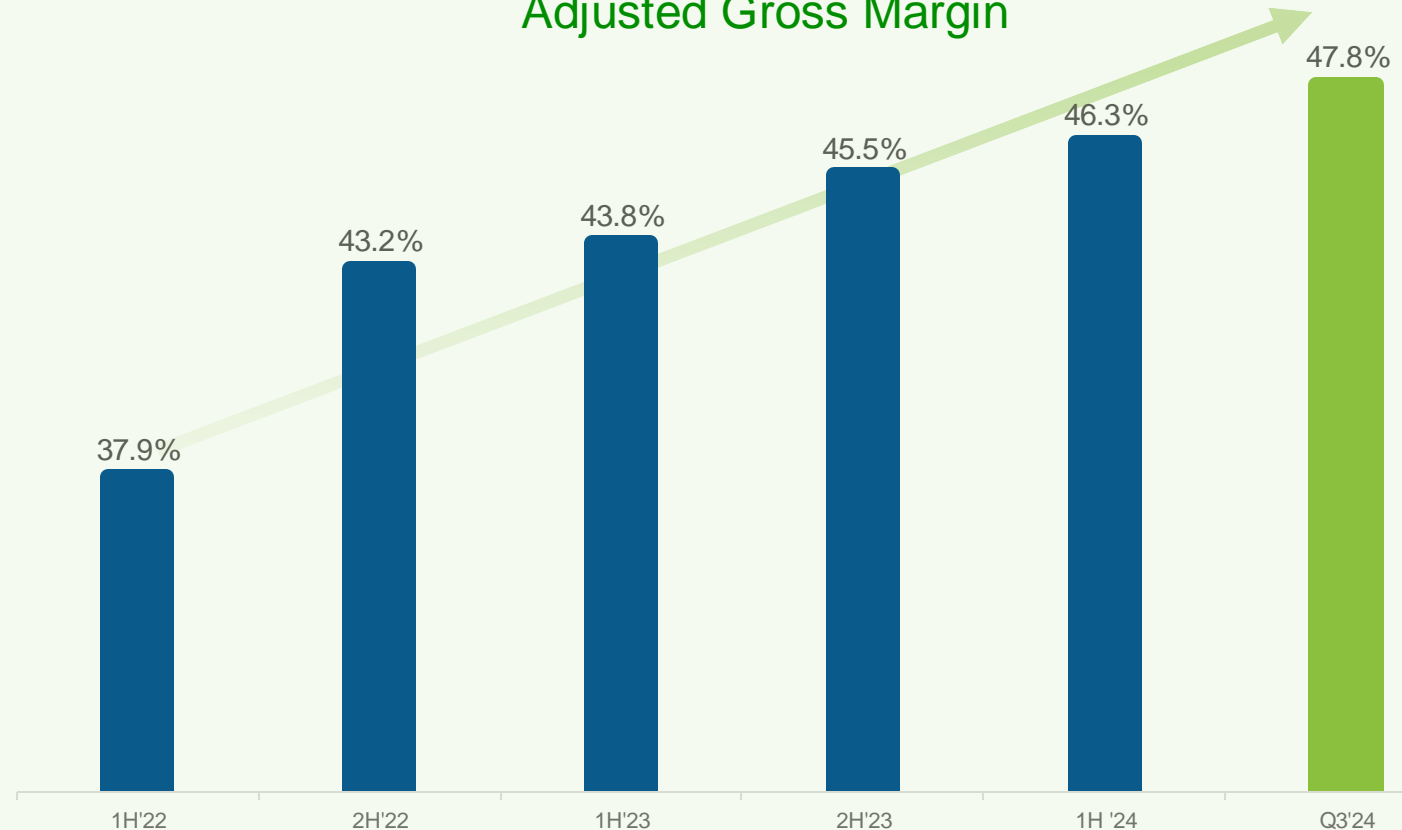
- Enhanced NGS Panel
- Detects actionable DNA & RNA biomarkers
- TAT ~2x faster than current test
- Supports patient stratification for clinical trials

Sustainable Growth – Margin Expansion

Executing the Strategy

- Successfully launched first LIMS module with over 350,000 cases going through system
- Drove 355 bps of gross margin improvement in the quarter through productivity and the use of automation
- Combining Clinical and Pharma workflow
- Automation and process improvement gaining traction

Adjusted Gross Margin





3Q 2024 Financial Results



3rd Quarter 2024 Financial Highlights

Revenue
Up 10%
to \$168M

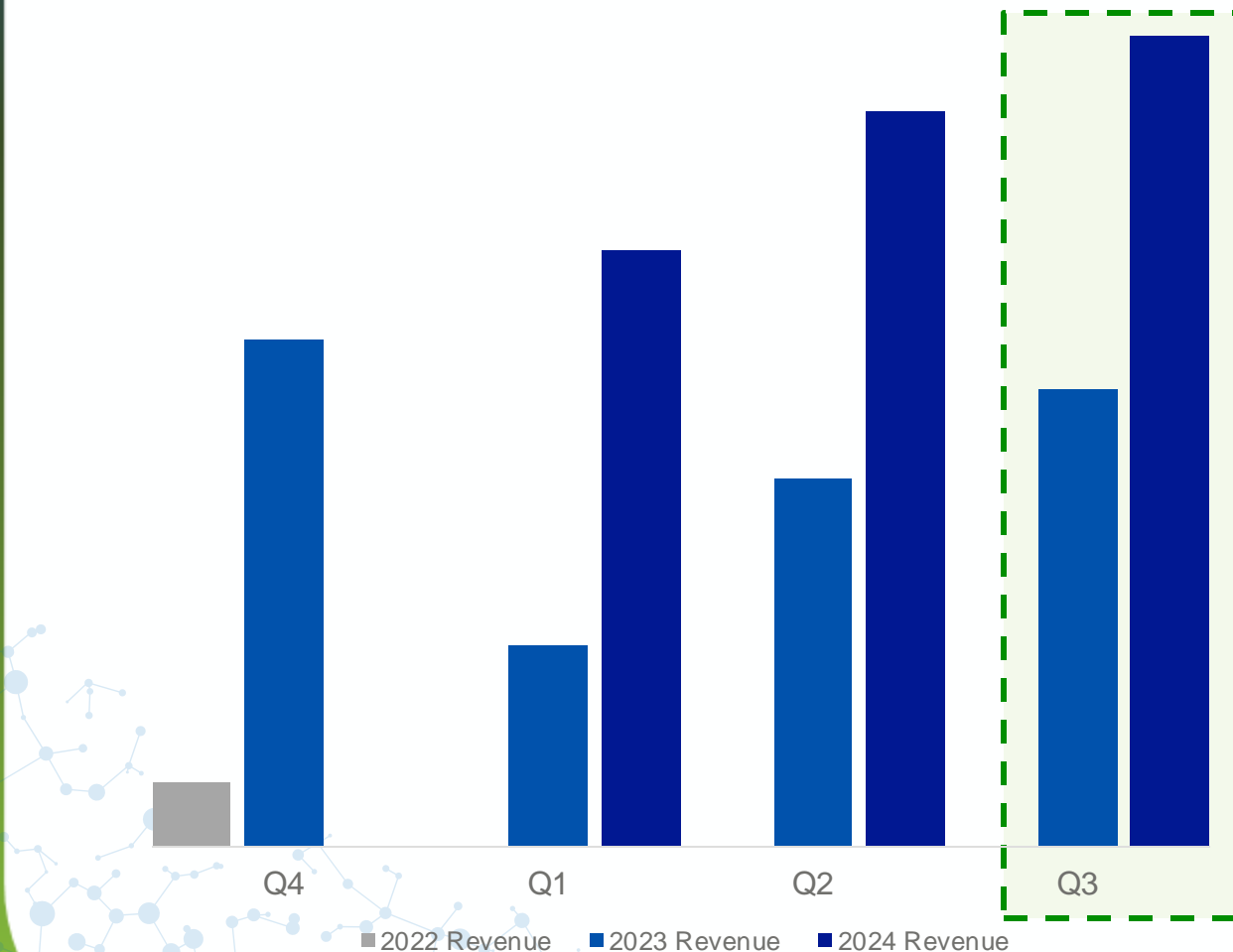
Adj. Gross Profit
Up 19%
to \$80M

Cash Flow from
Operations
Up 268%
to +\$9M

Adj. EBITDA
Up 305%
to +\$13M

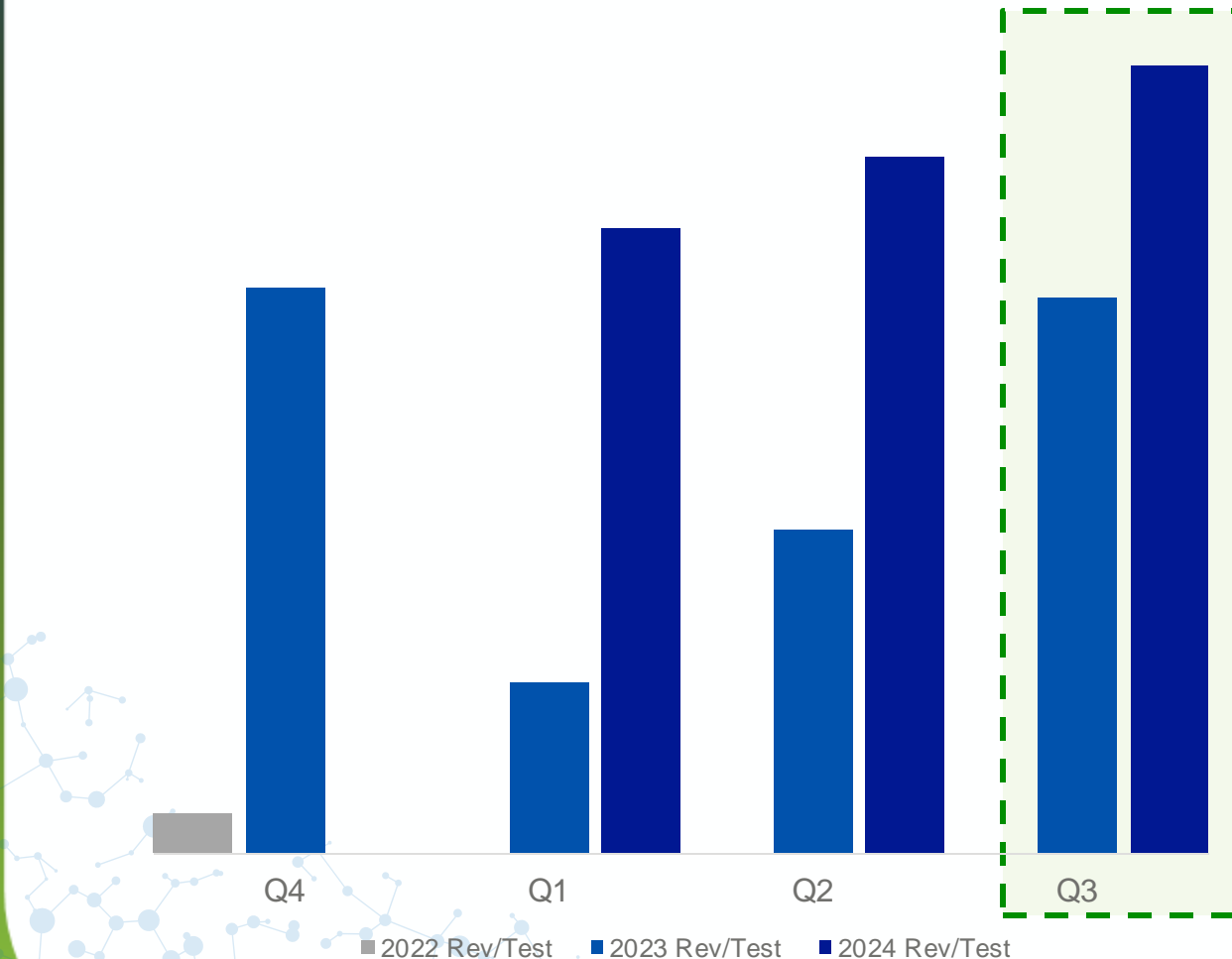
- Total Quarter Revenue Increased **10%**
 - Clinical Revenue Increased **14%**
 - ADx Revenue Decreased **10%**
- **26%** revenue growth in NGS
 - Representing 31% of total Clinical Revenue
- Adjusted Gross Margin increased to **47.8%** an improvement of 355 bps
- Adjusted EBITDA increased to positive \$13 million, an improvement of \$10 million over prior year

3rd Quarter Clinical Services Results



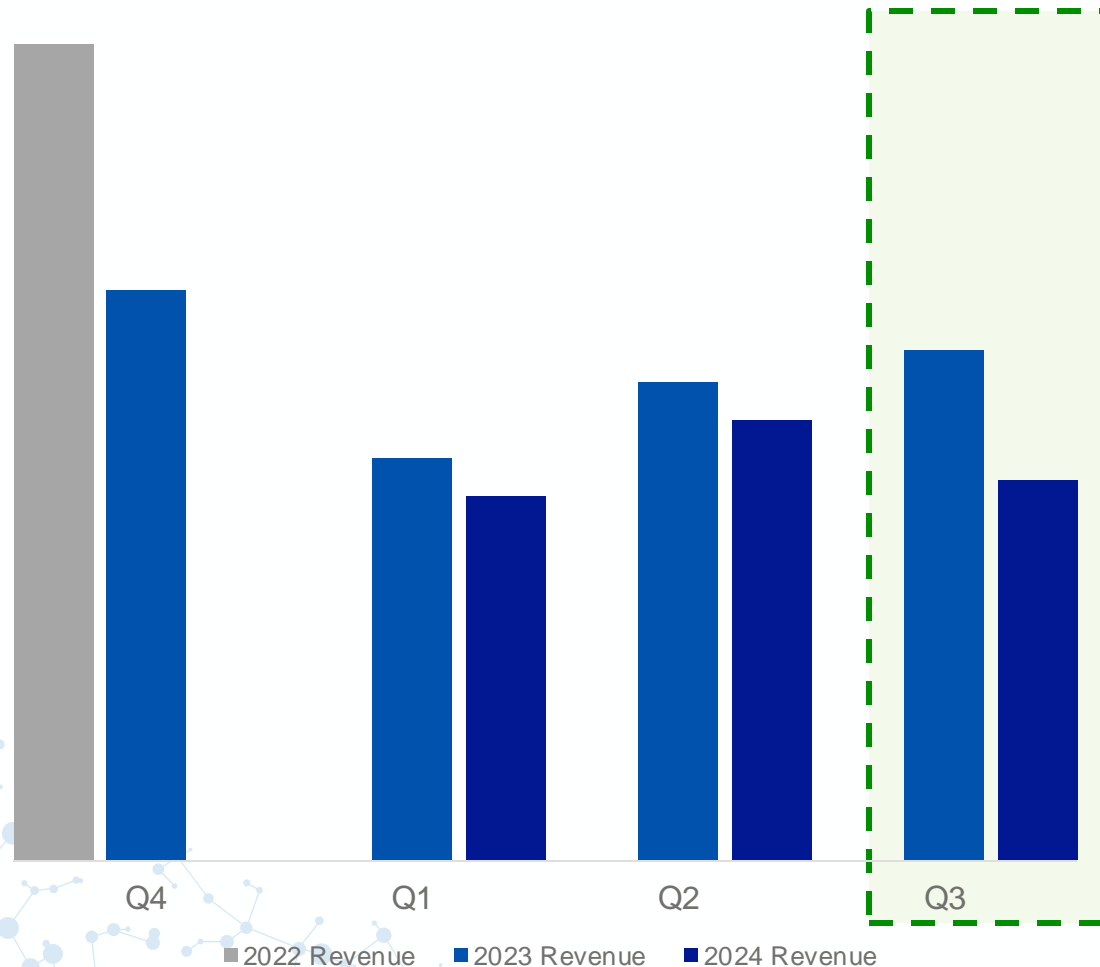
- Revenue Grew 14% to \$146M
- Volume Increased 9%
- Revenue per Test Improved 5% Due to Mix and Pricing
- Salesforce Effectiveness Continues to Improve Following Investments Made in Field Resources since H2'22

3rd Quarter Clinical Services Revenue per Test



- 14th Consecutive Quarter of Revenue per Test Growth
- Revenue per Test Increased 5% over Prior Year to \$463
- Focused on Higher-Value Tests
- Positive Contributions from Revenue Cycle Management Initiatives

3rd Quarter Advanced Diagnostics Results



- Continuing to focus on profitable business
- Adjusted Gross Profit increased by 6%, Expanded Adjusted Gross Margin by 644 bps over prior year
- Revenue declined 10% over the prior year to \$22M, in line with expectations

3rd Quarter Financial Overview

| Financial Statement In \$Millions | 3Q'23 | 3Q'24 | %vPY |
|---|----------------|----------------|----------------|
| Revenue | \$152.0 | \$167.8 | 10.4% |
| Adjusted Gross Profit | \$67.2 | \$80.1 | 19.3% |
| <i>Adjusted Gross Margin</i> | <i>44.2%</i> | <i>47.8%</i> | <i>355 bps</i> |
| Adjusted EBITDA | \$3.3 | \$13.4 | 305.0% |
| <i>Adjusted EBITDA Margin</i> | <i>2.2%</i> | <i>8.0%</i> | <i>580 bps</i> |
| Cash and cash equivalents | \$306.2 | \$362.0 | 18.2% |
| Marketable securities, at fair value | \$96.0 | \$25.8 | -73.1% |
| Total Cash/Marketable Securities | \$402.2 | \$387.7 | -3.6% |
| Cash Flow from Operations | -\$5.5 | \$9.2 | 268.2% |

Quarterly financial information is unaudited. Growth corresponds to prior year period. Reference non-GAAP reconciliation slides in Appendix for details.

FY 2024 Revised Guidance

| Guide (\$ Millions) | Original | YoY Growth | Q2 Revision | YoY Growth | Q3 Revision | YoY Growth |
|------------------------|-------------|------------|---------------|-------------|-------------|-------------|
| Revenue | \$650–\$660 | 10%–12% | ↑ \$655–\$667 | 11%–13% | \$655–\$667 | 11%–13% |
| Adj. EBIDTA | \$21–24 | 600%–700% | ↑ \$33–\$37 | 1000%–1133% | ↑ \$37–\$40 | 1133%–1233% |

Strategic Focus to Drive Long-Term Sustainable Growth

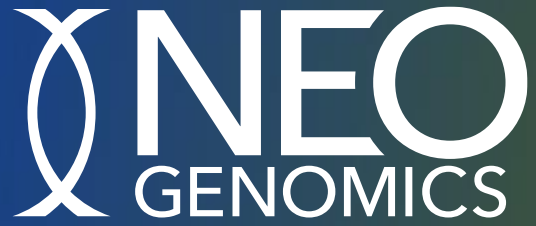
AEBITDA Growth Exceeds Revenue Growth Due to Improving Gross Profit and Operating Leverage

Continue to Invest in our People and the Business

Q3'24 Summary

- Momentum continues with a strong quarter; revenue growth of 10%, volume growth of 9%, and 305% Adj. EBITDA improvement
- Increased focus on R&D and Business Development to drive innovation
- Key strategic initiatives continue to drive revenue growth, operating leverage, and improved financial performance
- Increased 2024 adjusted EBITDA guidance reflects confidence in delivering long-term, sustainable growth





Serving patients. Saving lives.™

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Rev. MMDDYY

Appendix



Balance Sheet

September 30, 2024

(unaudited, in thousands)

| | September 30, 2024 (unaudited) | December 31, 2023 |
|---|-----------------------------------|---------------------|
| ASSETS | | |
| Current assets | | |
| Cash and cash equivalents | \$ 361,992 | \$ 342,488 |
| Marketable securities, at fair value | 25,821 | 72,715 |
| Accounts receivable, net | 151,428 | 131,227 |
| Inventories | 24,457 | 24,156 |
| Prepaid assets | 18,235 | 17,987 |
| Other current assets | 8,308 | 8,239 |
| Total current assets | 590,241 | 596,812 |
| Property and equipment, net | 93,038 | 92,012 |
| Operating lease right-of-use assets | 81,442 | 91,769 |
| Intangible assets, net | 348,042 | 373,128 |
| Goodwill | 522,766 | 522,766 |
| Other assets | 5,582 | 4,742 |
| Total non-current assets | 1,050,870 | 1,084,417 |
| Total assets | \$ 1,641,111 | \$ 1,681,229 |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current liabilities | | |
| Accounts payable and other current liabilities | \$ 92,266 | \$ 90,694 |
| Current portion of operating lease liabilities | 3,716 | 5,610 |
| Current portion of convertible senior notes, net | 200,424 | — |
| Total current liabilities | 296,406 | 96,304 |
| Long-term liabilities | | |
| Operating lease liabilities | 62,172 | 67,871 |
| Convertible senior notes, net | 339,956 | 538,198 |
| Deferred income tax liabilities, net | 22,771 | 24,285 |
| Other long-term liabilities | 11,596 | 13,034 |
| Total long-term liabilities | 436,495 | 643,388 |
| Total liabilities | \$ 732,901 | \$ 739,692 |
| Stockholders' equity | | |
| Total stockholders' equity | \$ 908,210 | \$ 941,537 |
| Total liabilities and stockholders' equity | \$ 1,641,111 | \$ 1,681,229 |

Income Statement

September 30, 2024

(unaudited, in thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|----------------------------------|-------------|---------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| NET REVENUE | | | | |
| Clinical Services | \$ 145,783 | \$ 127,553 | \$ 421,706 | \$ 365,578 |
| Advanced Diagnostics | 22,041 | 24,401 | 66,860 | 70,513 |
| Total net revenue | 167,824 | 151,954 | 488,566 | 436,091 |
| COST OF REVENUE | | | | |
| | 92,944 | 89,643 | 275,723 | 259,075 |
| GROSS PROFIT | | | | |
| | 74,880 | 62,311 | 212,843 | 177,016 |
| Operating expenses: | | | | |
| General and administrative | 66,969 | 61,486 | 196,094 | 183,343 |
| Research and development | 7,684 | 5,285 | 23,190 | 20,182 |
| Sales and marketing | 20,415 | 17,610 | 62,313 | 52,770 |
| Restructuring charges | 1,009 | 2,125 | 4,951 | 9,883 |
| Total operating expenses | 96,077 | 86,506 | 286,548 | 266,178 |
| LOSS FROM OPERATIONS | | | | |
| | (21,197) | (24,195) | (73,705) | (89,162) |
| Interest income | (4,673) | (4,525) | (14,099) | (12,057) |
| Interest expense | 1,642 | 1,685 | 4,993 | 5,226 |
| Other (income) expense, net | (317) | 96 | (52) | (520) |
| Loss before taxes | (17,849) | (21,451) | (64,547) | (81,811) |
| Income tax benefit | (150) | (2,935) | (1,145) | (8,169) |
| NET LOSS | | | | |
| | \$ (17,699) | \$ (18,516) | \$ (63,402) | \$ (73,642) |
| NET LOSS PER SHARE | | | | |
| Basic | \$ (0.14) | \$ (0.15) | \$ (0.50) | \$ (0.59) |
| Diluted | \$ (0.14) | \$ (0.15) | \$ (0.50) | \$ (0.59) |
| WEIGHTED AVERAGE COMMON SHARES OUTSTANDING | | | | |
| Basic | 126,953 | 125,687 | 126,491 | 125,358 |
| Diluted | 126,953 | 125,687 | 126,491 | 125,358 |

Statements of Cash Flows September 30, 2024

(unaudited, in thousands)

| | Nine Months Ended September 30, | |
|---|--|-------------------|
| | 2024 | 2023 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net loss | \$ (63,402) | \$ (73,642) |
| Adjustments to reconcile net loss to net cash used in operating activities: | | |
| Depreciation | 29,274 | 27,872 |
| Amortization of intangibles | 25,085 | 26,350 |
| Stock-based compensation | 25,085 | 17,643 |
| Non-cash operating lease expense | 7,022 | 6,860 |
| Amortization of convertible debt discount and debt issue costs | 2,182 | 2,154 |
| Impairment of assets | 333 | 1,703 |
| Loss on disposal of assets, net | 63 | 334 |
| Other adjustments | 141 | 122 |
| Changes in assets and liabilities, net | (28,560) | (29,133) |
| Net cash used in operating activities | <u>(2,777)</u> | <u>(19,737)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of marketable securities | — | (6,756) |
| Proceeds from maturities of marketable securities | 47,784 | 87,963 |
| Purchases of property and equipment | (29,462) | (21,695) |
| Net cash provided by investing activities | <u>18,322</u> | <u>59,512</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Repayment of equipment financing obligations | — | (66) |
| Issuance of common stock, net | 3,959 | 3,350 |
| Net cash provided by financing activities | <u>3,959</u> | <u>3,284</u> |
| Net change in cash and cash equivalents | 19,504 | 43,059 |
| Cash and cash equivalents, beginning of period | 342,488 | 263,180 |
| Cash and cash equivalents, end of period | <u>\$ 361,992</u> | <u>\$ 306,239</u> |

Adjusted Gross Margin September 30, 2024

(unaudited, in thousands)

(6) Clinical Services cost of revenue adjustments for the three months ended September 30, 2024 includes \$4.3 million of amortization of acquired intangible assets and \$0.2 million of stock-based compensation. Clinical Services cost of revenue adjustments for the three months ended September 30, 2023 includes \$4.3 million of amortization of acquired intangible assets. Clinical Services cost of revenue adjustments for the nine months ended September 30, 2024 includes \$13.0 million of amortization of acquired intangible assets and \$0.7 million of stock-based compensation. Clinical Services cost of revenue adjustments for the nine months ended September 30, 2023 includes \$12.8 million of amortization of acquired intangible assets. There were no stock-based compensation amounts recorded for the three and nine months ended September 30, 2023.

(7) Advanced Diagnostics cost of revenue adjustments for the three months ended September 30, 2024 includes \$0.6 million of amortization of acquired intangible assets and \$0.1 million of stock-based compensation. Advanced Diagnostics cost of revenue adjustments for the three months ended September 30, 2023 includes \$0.6 million of amortization of acquired intangible assets. Advanced Diagnostics cost of revenue adjustments for the nine months ended September 30, 2024 includes \$1.8 million of amortization of acquired intangible assets and \$0.3 million of stock-based compensation. Advanced Diagnostics cost of revenue adjustments for the nine months ended September 30, 2023 includes \$1.8 million of amortization of acquired intangible assets. There were no stock-based compensation amounts recorded for the three and nine months ended September 30, 2023.

| | Three Months Ended September 30, | | | Nine Months Ended September 30, | | |
|--|----------------------------------|------------------|----------|---------------------------------|-------------------|----------|
| | 2024 | 2023 | % Change | 2024 | 2023 | % Change |
| Clinical Services: | | | | | | |
| Total revenue (GAAP) | \$ 145,783 | \$ 127,553 | 14.3 % | \$ 421,706 | \$ 365,578 | 15.4 % |
| Cost of revenue (GAAP) | \$ 80,058 | \$ 73,994 | 8.2 % | \$ 234,996 | \$ 213,032 | 10.3 % |
| Adjustments to cost of revenue ⁽⁶⁾ | (4,561) | (4,264) | | (13,720) | (12,792) | |
| Adjusted cost of revenue (non-GAAP) | <u>\$ 75,497</u> | <u>\$ 69,730</u> | 8.3 % | <u>\$ 221,276</u> | <u>\$ 200,240</u> | 10.5 % |
| Gross profit (GAAP) | \$ 65,725 | \$ 53,559 | 22.7 % | \$ 186,710 | \$ 152,546 | 22.4 % |
| Adjusted gross profit (non-GAAP) | \$ 70,286 | \$ 57,823 | 21.6 % | \$ 200,430 | \$ 165,338 | 21.2 % |
| Gross profit margin (GAAP) | 45.1 % | 42.0 % | | 44.3 % | 41.7 % | |
| Adjusted gross profit margin (non-GAAP) | 48.2 % | 45.3 % | | 47.5 % | 45.2 % | |
| Advanced Diagnostics: | | | | | | |
| Total revenue (GAAP) | \$ 22,041 | \$ 24,401 | (9.7)% | \$ 66,860 | \$ 70,513 | (5.2)% |
| Cost of revenue (GAAP) | \$ 12,886 | \$ 15,649 | (17.7)% | \$ 40,727 | \$ 46,043 | (11.5)% |
| Adjustments to cost of revenue ⁽⁷⁾ | (702) | (589) | | (2,115) | (1,768) | |
| Adjusted cost of revenue (non-GAAP) | <u>\$ 12,184</u> | <u>\$ 15,060</u> | (19.1)% | <u>\$ 38,612</u> | <u>\$ 44,275</u> | (12.8)% |
| Gross profit (GAAP) | \$ 9,155 | \$ 8,752 | 4.6 % | \$ 26,133 | \$ 24,470 | 6.8 % |
| Adjusted gross profit (non-GAAP) | \$ 9,857 | \$ 9,341 | 5.5 % | \$ 28,248 | \$ 26,238 | 7.7 % |
| Gross profit margin (GAAP) | 41.5 % | 35.9 % | | 39.1 % | 34.7 % | |
| Adjusted gross profit margin (non-GAAP) | 44.7 % | 38.3 % | | 42.2 % | 37.2 % | |
| Consolidated: | | | | | | |
| Total revenue (GAAP) | \$ 167,824 | \$ 151,954 | 10.4 % | \$ 488,566 | \$ 436,091 | 12.0 % |
| Cost of revenue (GAAP) | \$ 92,944 | \$ 89,643 | 3.7 % | \$ 275,723 | \$ 259,075 | 6.4 % |
| Adjustments to cost of revenue ⁽⁶⁾⁽⁷⁾ | (5,263) | (4,853) | | (15,835) | (14,560) | |
| Adjusted cost of revenue (non-GAAP) | <u>\$ 87,681</u> | <u>\$ 84,790</u> | 3.4 % | <u>\$ 259,888</u> | <u>\$ 244,515</u> | 6.3 % |
| Gross profit (GAAP) | \$ 74,880 | \$ 62,311 | 20.2 % | \$ 212,843 | \$ 177,016 | 20.2 % |
| Adjusted gross profit (non-GAAP) | \$ 80,143 | \$ 67,164 | 19.3 % | \$ 228,678 | \$ 191,576 | 19.4 % |
| Gross profit margin (GAAP) | 44.6 % | 41.0 % | | 43.6 % | 40.6 % | |
| Adjusted gross profit margin (non-GAAP) | 47.8 % | 44.2 % | | 46.8 % | 43.9 % | |

Adjusted EBITDA

September 30, 2024

(unaudited, in thousands)

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|--|-------------------------------------|-------------|------------------------------------|-------------|
| | 2024 | 2023 | 2024 | 2023 |
| Net loss (GAAP) | \$ (17,699) | \$ (18,516) | \$ (63,402) | \$ (73,642) |
| <i>Adjustments to net loss:</i> | | | | |
| Interest income | (4,673) | (4,525) | (14,099) | (12,057) |
| Interest expense | 1,642 | 1,685 | 4,993 | 5,226 |
| Income tax benefit | (150) | (2,935) | (1,145) | (8,169) |
| Depreciation | 9,623 | 9,349 | 29,274 | 27,872 |
| Amortization of intangibles | 8,362 | 8,784 | 25,085 | 26,350 |
| EBITDA (non-GAAP) | \$ (2,895) | \$ (6,158) | \$ (19,294) | \$ (34,420) |
| <i>Further adjustments to EBITDA:</i> | | | | |
| CEO transition costs | — | — | — | 500 |
| Stock-based compensation expense | 8,470 | 7,180 | 25,085 | 17,643 |
| Restructuring charges | 1,009 | 2,125 | 4,951 | 9,883 |
| IP litigation costs ⁽⁴⁾ | 6,113 | — | 12,356 | — |
| Other significant expenses, net ⁽⁵⁾ | 677 | 158 | 4,637 | 532 |
| Adjusted EBITDA (non-GAAP) | \$ 13,374 | \$ 3,305 | \$ 27,735 | \$ (5,862) |

(4) For the three and nine months ended September 30, 2024, IP litigation costs include a legal fees and a settlement payment. There were no such amounts for the three and nine months ended September 30, 2023.

(5) For the three months ended September 30, 2024, other significant (income) expenses, net, includes site closure costs, and fees related to non-recurring legal matters. For the three months ended September 30, 2023, other significant (income) expenses, net, includes fees related to a regulatory matter and other non-recurring items. For the nine months ended September 30, 2024, other significant (income) expenses, net, includes site closure costs, severance costs, and fees related to non-recurring legal matters. For the nine months ended September 30, 2023, other significant (income) expenses, net, fees related to a regulatory matter and other non-recurring items.

Adjusted EBITDA 2024 Guidance

(unaudited, in thousands)

GAAP net loss in 2024 will be impacted by certain charges, including: (i) expense related to the amortization of intangible assets, (ii) stock-based compensation, (iii) restructuring charges, and (iv) other one-time expenses. These charges have been included in GAAP net loss available to stockholders and GAAP net loss per share; however, they have been removed from adjusted net loss and adjusted diluted net loss per share.

The following table reconciles the Company's 2024 outlook for net loss and EPS to the corresponding non-GAAP measures of adjusted net loss, adjusted EBITDA, and adjusted diluted EPS:

(13) This adjustment is for rounding and, in those periods in which GAAP net (loss) income is negative and adjusted net (loss) income is positive, also compensates for the effects of additional diluted shares included in adjusted diluted shares outstanding for the treasury stock impact of outstanding stock options and restricted stock and the if-converted impact of convertible notes.

(14) For those periods in which GAAP net (loss) income is negative and adjusted net (loss) income is positive, this adjustment includes any options or restricted stock that would be outstanding as dilutive instruments using the treasury stock method and the weighted average number of shares that would be outstanding if the convertible notes were converted into common stock on the original issue date based on the number of days such shares would have been outstanding in the reporting period, until the effect of these adjustments are anti-dilutive.

| | Year Ended December 31, 2024 | |
|--|------------------------------|------------------|
| | Low Range | High Range |
| Net loss (GAAP) | \$ (81,000) | \$ (78,000) |
| Amortization of intangibles | 33,000 | 33,000 |
| Stock-based compensation expenses | 33,000 | 33,000 |
| Restructuring charges | 6,000 | 6,000 |
| Other one-time expenses | 19,000 | 19,000 |
| Adjusted net income (non-GAAP) | 10,000 | 13,000 |
| Interest and taxes | (12,000) | (12,000) |
| Depreciation | 39,000 | 39,000 |
| Adjusted EBITDA (non-GAAP) | <u>\$ 37,000</u> | <u>\$ 40,000</u> |
| Net loss per diluted share (GAAP) | \$ (0.64) | \$ (0.61) |
| <i>Adjustments to net loss per diluted share:</i> | | |
| Amortization of intangibles | 0.26 | 0.26 |
| Stock-based compensation expenses | 0.26 | 0.26 |
| Restructuring charges | 0.05 | 0.05 |
| Other one-time expenses | 0.15 | 0.15 |
| Rounding and impact of diluted shares in adjusted diluted shares ⁽¹³⁾ | — | (0.01) |
| Adjusted diluted EPS⁽¹⁴⁾ (non-GAAP) | <u>\$ 0.08</u> | <u>\$ 0.10</u> |
| Weighted average assumed shares outstanding in 2024: | | |
| Diluted shares (GAAP) | 127,000 | 127,000 |
| Options, restricted stock, and converted shares not included in diluted shares ⁽¹⁴⁾ | — | — |
| Adjusted diluted shares outstanding (non-GAAP) | <u>127,000</u> | <u>127,000</u> |