

**Statement Regarding Use of Non-GAAP Financial Measures**

In this press release, the company's financial results and financial guidance are provided in accordance with accounting principles generally accepted in the United States (GAAP) and using certain non-GAAP financial measures, including non-GAAP gross margin, non-GAAP operating income (loss), and non-GAAP earnings (loss) per share. Management believes that presentation of operating results using these non-GAAP financial measures provides useful supplemental information to investors and facilitates the analysis of the company's core operating results and comparison of operating results across reporting periods, while excluding certain expenses that may not be indicative of the Company's recurring core business operating results. In addition, management believes these non-GAAP financial measures are useful to investors both because they (1) allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making and (2) are used by OraSure's institutional investors and the analysis community to help them analyze the health of OraSure's business. Management also uses non-GAAP financial measures to establish budgets and to manage the company's business. A reconciliation of the GAAP financial results to non-GAAP financial results is included in the schedules below and a description of the adjustments made to the GAAP financial measures is included at the end of the schedules.

The company encourages investors to carefully consider its results under GAAP, as well as its supplemental non-GAAP information and the reconciliation between these presentations, to more fully understand its business. Non-GAAP financial results are reported in addition to, and not as a substitute for, or superior to, financial measures calculated in accordance with GAAP. Further, non-GAAP financial measures, even if similarly titled, may not be calculated in the same manner by all companies, and therefore should not be compared.

OraSure Technologies: GAAP to Non-GAAP Reconciliation (\$ in 000's)

	Three Months Ended December 31,		Year Ended December 31,	
	2022	2021	2022	2021
Revenue	\$ 123,078	\$ 63,568	\$ 387,479	\$ 233,674
GAAP Cost of Goods Sold	\$ 73,489	36,435	239,842	116,074
GAAP Gross Margin	40%	43%	38%	50%
Stock compensation	140	162	331	572
Amortization of acquisition-related intangible assets	132	132	528	528
Transformation related expenses	265	-	1,599	-
Inventory reserve for excess levels	-	1,258	4,369	3,008
Non-GAAP Cost of Goods Sold	72,952	34,883	233,015	111,966
Non-GAAP Gross Margin	40.7%	45.1%	39.9%	52.1%
GAAP Operating Income (Loss)	13,435	(9,371)	(22,957)	(10,164)
Stock compensation	2,349	2,020	9,154	7,177
Amortization of acquisition-related intangible assets	467	707	1,937	2,843
Inventory reserve for excess levels	-	1,258	4,369	3,008
Loss on impairment	-	-	17,101	-
Transformation related expenses	520	1,200	6,191	1,200
Severance expense	300	2,683	3,850	2,683
Strategic alternative costs	-	126	848	126
Government grant accounting	1,422	-	1,422	-
Change in fair value of acquisition-related contingent consideration	(152)	41	(188)	(1,485)
Non-GAAP Operating Income (Loss)	18,340	(1,336)	21,726	5,388
GAAP Net Income (Loss)	15,561	(10,393)	(17,935)	(22,998)
Stock compensation	2,349	2,020	9,154	7,177
Amortization of acquisition-related intangible assets	467	707	1,937	2,843
Inventory reserve for excess levels	-	1,258	4,369	3,008
Loss on impairment	-	-	17,101	-
Transformation related expenses	520	1,200	6,191	1,200
Severance expense	300	2,683	3,850	2,683
Strategic alternative costs	-	126	848	126
Change in fair value of acquisition-related contingent consideration	(152)	41	(188)	(1,485)
Tax effect of Non-GAAP adjustments	6,997	(132)	(340)	(401)
Non-GAAP Net Income (Loss)	\$ 26,041	\$ (2,490)	\$ 24,986	\$ (7,847)
GAAP Earnings (Loss) Per Share:	\$0.21	(\$0.14)	(\$0.25)	(\$0.32)
Non-GAAP Earnings (Loss) Per Share:	\$0.36	(\$0.03)	\$0.34	(\$0.11)
Diluted Shares Outstanding	73,248	72,040	72,505	71,981

Following is a description of the adjustments made to GAAP financial measures:

- Stock Compensation: non-cash equity-based compensation provided to OraSure employees and directors, excluding accelerated stock compensation as required under former employees' employment agreements
- Amortization of acquisition-related intangible assets: represents recurring amortization charges resulting from the acquisition of intangible assets associated with our business combinations
- Inventory reserve for excess levels: reserves recorded for inventory balances that are deemed excess based on current forecasts and expirations dates
- Loss on impairment: charges related to the write down of company assets including PP&E and Goodwill
- Transformation related expenses: transitory costs such as consulting and professional fees related to transformation initiatives
- Strategic alternative costs: one-time expenses such as legal and banking fees tied to the company's strategic alternative process
- Severance expenses: Expenses tied to executive severance agreements including accelerated stock compensation

- Government contract accounting: As required under International Accounting Standard Board IAS 20, *Accounting for Government Contracts and Disclosure of Government Assistance*, our operating expenses associated with the Department of Defense expansion contract are reflected in operating expenses with offsetting reimbursement reflected in other income
- Change in fair value of acquisition-related contingent consideration: changes in the fair value of contingent consideration liability associated with estimate changes in reaching contingent consideration metrics
- Tax impact associated with non-GAAP adjustments – tax expense/(benefit) due to non-GAAP adjustments

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