

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,		Years Ended December 31,	
	2023	2022	2023	2022
Revenue	\$ 75,881	\$ 123,078	\$ 405,472	\$ 387,479
GAAP Cost of products and services sold	40,755	73,250	233,820	239,041
<i>GAAP Gross Margin</i>	<i>46.3%</i>	<i>40.5%</i>	<i>42.3%</i>	<i>38.3%</i>
Stock compensation	138	140	564	331
Amortization of acquisition-related intangible assets	—	132	396	528
Reduction in workforce severance	—	—	369	—
Transformation related expenses	—	265	281	1,599
Accelerated depreciation	516	—	7,466	—
Inventory reserve for excess levels	1,957	—	3,761	4,369
Non-GAAP Cost of Goods Sold	38,144	72,713	220,983	232,214
<i>Non-GAAP Gross Margin</i>	<i>49.7%</i>	<i>40.9%</i>	<i>45.5%</i>	<i>40.1%</i>
GAAP Operating Income (Loss)	3,898	14,621	32,684	(22,156)
Stock compensation	3,127	2,349	10,729	9,154
Amortization of acquisition-related intangible assets	150	467	1,549	1,937
Reduction in workforce severance	—	—	3,264	—
Accelerated depreciation	516	—	7,466	—
Inventory reserve for excess levels	1,957	—	3,761	4,369
Loss on impairment	3,326	—	10,829	17,101
Transformation related expenses	—	520	707	6,191
Executive severance expense	—	300	—	3,850
Strategic alternative costs	—	—	—	848
Transaction costs	650	—	650	—
Government grant accounting	—	475	2,036	1,422
Change in fair value of acquisition-related contingent consideration	—	(152)	(99)	(188)
Non-GAAP Operating Income	13,624	18,580	73,576	22,528
GAAP Net Income (Loss)	20,073	15,801	\$ 53,655	(17,133)
Stock compensation	3,127	2,349	10,729	9,154
Amortization of acquisition-related intangible assets	150	467	1,549	1,937
Reduction in workforce severance	—	—	3,264	—
Accelerated depreciation	516	—	7,466	—
Inventory reserve for excess levels	1,957	—	3,761	4,369
Loss on impairment	3,326	—	10,829	17,101
Transformation related expenses	—	520	707	6,191
Executive severance expense	—	300	—	3,850
Strategic alternative costs	—	—	—	848
Transaction costs	650	—	650	—
Change in fair value of acquisition-related contingent consideration	—	(152)	(99)	(188)
Additional profit from government contract	(12,802)	—	(12,802)	—
Tax effect of Non-GAAP adjustments	(518)	6,997	(2,124)	(340)
Non-GAAP Net Income (Loss)	\$ 16,479	\$ 26,282	\$ 77,585	\$ 25,789

GAAP Earnings (Loss) Per Share:	\$	0.27	\$	0.22	\$	0.72	\$	(0.24)
Non-GAAP Earnings (Loss) Per Share:	\$	0.22	\$	0.36	\$	1.04	\$	0.36
Diluted Shares Outstanding		75,013		73,248		74,389		72,505

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
- Reduction in workforce severance: one-time termination benefits associated with the Company's workforce reduction
- 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's PP&E, goodwill and intangible assets
- Transaction costs: costs related to mergers and acquisition transactions or strategic investments
- Transformation related expenses: transitory costs such as consulting and professional fees related to transformation initiatives
- Accelerated depreciation: reduction in the useful life of certain assets to fully depreciate those assets which were identified as having no future use beyond the period presented due to a manufacturing site closure
- Strategic alternative costs: one-time expenses such as legal and banking fees tied to the Company's strategic alternative process
- Executive 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
- Additional profit from government contracts: income earned under a fixed-firm contract as a result of spending below the original budgeted amount expected under the contract
- Tax impact associated with non-GAAP adjustments – tax expense/(benefit) due to non-GAAP adjustments

A reconciliation of our non-GAAP measures to their most directly comparable GAAP measures can also be found at: <https://orasure.gcs-web.com/gaap-non-gaap-reconciliation>

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